

**2000**  
**SESSION LAWS**  
OF THE  
**STATE OF WASHINGTON**

**REGULAR SESSION**  
**FIFTY-SIXTH LEGISLATURE**  
Convened January 10, 2000. Adjourned March 9, 2000.

**FIRST SPECIAL SESSION**  
**FIFTY-SIXTH LEGISLATURE**  
Convened March 10, 2000. Adjourned April 7, 2000.

**SECOND SPECIAL SESSION**  
**FIFTY-SIXTH LEGISLATURE**  
Convened April 24, 2000. Adjourned April 27, 2000.



Published at Olympia by the Statute Law Committee under  
Chapter 6, Laws of 1969.

**DENNIS W. COOPER**  
Code Reviser

## WASHINGTON SESSION LAWS GENERAL INFORMATION

### 1. EDITIONS AVAILABLE.

(a) *General Information.* The session laws are printed successively in two editions:

(i) a temporary pamphlet edition consisting of a series of one or more paper bound books, which are published as soon as possible following the session, at random dates as accumulated; followed by

(ii) a permanent hardbound edition containing the accumulation of all laws adopted in the legislative session. Both editions contain a subject index and tables indicating Revised Code of Washington sections affected.

(b) *Where and how obtained—price.* Both the temporary and permanent session laws may be ordered from the Statute Law Committee, Legislative Building, P.O. Box 40552, Olympia, Washington 98504-0552. The temporary pamphlet edition costs \$21.60 per set (\$20.00 plus \$1.60 for state and local sales tax at 8.0%). The permanent edition costs \$54.00 per set (\$25.00 per volume plus \$4.00 for state and local sales tax at 8.0%). All orders must be accompanied by payment.

### 2. PRINTING STYLE — INDICATION OF NEW OR DELETED MATTER

Both editions of the session laws present the laws in the form in which they were enacted by the legislature. This style quickly and graphically portrays the current changes to existing law as follows:

(a) In amendatory sections

(i) underlined matter is new matter.

(ii) deleted matter is (~~lined out and bracketed between double parentheses~~).

(b) Complete new sections are prefaced by the words NEW SECTION.

### 3. PARTIAL VETOES

(a) Vetoed matter is *printed in bold italics*.

(b) Pertinent excerpts of the governor's explanation of partial vetoes are printed at the end of the chapter concerned.

### 4. EDITORIAL CORRECTIONS. Words and clauses inserted in the session laws under the authority of RCW 44.20.060 are enclosed in [brackets].

### 5. EFFECTIVE DATE OF LAWS

(a) The state Constitution provides that unless otherwise qualified, the laws of any session take effect ninety days after adjournment sine die. The Secretary of State has determined the pertinent date for the Laws of the 2000 regular session to be June 8, 2000 (midnight June 7th). The only law enacted in the first special session of 2000 carried an emergency clause. The pertinent date for the Laws of the second special session of 2000 is July 28, 2000 (midnight July 27th).

(b) Laws that carry an emergency clause take effect immediately upon approval by the Governor.

(c) Laws that prescribe an effective date take effect upon that date.

### 6. INDEX AND TABLES

A cumulative index and tables of all 2000 laws may be found at the back of the final pamphlet edition and the permanent hardbound edition.

## TABLE OF CONTENTS

Chapter No.	Bill No.	Subject	Page
2000 REGULAR SESSION			
190	ESHB 2675	Child passenger restraint systems .....	1197
191	PV E2SHB 2420	Pipeline safety .....	1200
192	HB 2330	Liquor revolving fund—Disbursements .....	1215
193	SHB 2343	Impounded vehicles .....	1216
194	HB 2536	General contractor/contract manager—Self-performance .....	1223
195	SHB 2903	Law enforcement—Sound recordings .....	1226
196	EHB 2561	National historic towns .....	1228
197	SHB 2587	Ballot titles .....	1230
198	SHB 2599	Port district officials—Training .....	1238
199	HB 2993	Fire fighter instruction .....	1239
200	SHB 3032	Port districts—Annexation authority .....	1240
201	SB 6123	Parking and business improvement areas .....	1241
202	SB 6154	County clerks—Credit card acceptance .....	1242
203	ESSB 6220	Motor vehicle manufacturers—Unfair practices .....	1243
204	SB 6431	Horse racing commission—Criminal history information .....	1246
205	E2SSB 6731	Lake Whatcom landscape management .....	1247
206	ESB 6858	Zoos and aquariums—Overall management contracts .....	1248
207	SHB 2454	Family caregiver long-term care .....	1249
208	SHB 2886	Service contracts .....	1252
209	HB 1070	School district project review board .....	1254
210	E2SHB 1572	Civil liberties public education .....	1259
211	HB 2449	Ethics board—Complaint review .....	1263
212	PV SHB 2460	Community empowerment zones .....	1264
213	EHB 2565	Electricity products—Fuel mix disclosure .....	1271
214	HB 2600	Domestic insurance companies .....	1278
215	EHB 2609	Dishonored checks .....	1281
216	EHB 2648	Quality award council .....	1282
217	2SHB 2663	Atypical antipsychotic medication—Distribution .....	1284
218	HB 2686	Public assistance—Definitions .....	1286
219	HB 2807	Blended funding projects for youth .....	1292
220	SHB 2846	Insurance—Notices to agents .....	1294
221	HB 2848	Insurance company securities .....	1295
222	ESHB 2934	Floodway construction .....	1298
223	ESHB 3045	Class 1 racing licenses .....	1300
224	SSB 5408	Medal of valor .....	1303
225	2SSB 6255	Anhydrous ammonia—Theft—Possession .....	1305
226	SSB 6336	Community supervision .....	1313
227	SSB 6357	Municipal research council .....	1334
228	SSB 6373	Promotional contests .....	1336
229	SSB 6467	License fraud .....	1337
230	SSB 6531	School employees' retirement system .....	1345
231	SB 6534	School district employees—Attendance incentive program .....	1349
232	ESB 6555	Foster children—Evaluations .....	1350
233	SSB 6557	Credit unions—Raffles .....	1352
234	SB 6602	City and county disability boards .....	1353
235	SSB 6621	Adult offender supervision—Task force .....	1355
236	SB 6622	Asian Pacific Heritage Month .....	1356
237	SB 6775	Public disclosure commission—Filings .....	1357
238	PV 2SSB 5802	Telecommunications—Installations .....	1363
239	ESHB 2647	Flaggers .....	1379
240	EHB 3105	Metropolitan park districts—Sales and use tax .....	1382

## TABLE OF CONTENTS

Chapter No.	Bill No.	Subject	Page
241	SHB 2392	Joint task force on local governments . . . . .	1384
242	HB 2505	Multiple-unit dwellings—Tax exemption . . . . .	1386
243	SHB 2644	Unfinished nuclear power project sites . . . . .	1387
244	SHB 2721	Actions against counties—Venue . . . . .	1389
245	EHB 2755	Electrical energy sales—Taxation . . . . .	1389
246	EHB 3068	Hanford reservation—Privatization contracts—Tax exemption . . .	1391
247	ESSB 6530	State retirement system . . . . .	1392
248	ESSB 5001	Cougar hunting . . . . .	1444
249	SSB 5924	Real estate appraisers . . . . .	1446
250	SSB 6186	Secured transactions . . . . .	1451
251	ESSB 6277	Cost-reimbursement agreements . . . . .	1586
252	SSB 6450	Wildlife publications . . . . .	1591
253	ESSB 6455	Geologists . . . . .	1592
254	SSB 6644	Fire protection—Technical corrections . . . . .	1604
255	SSB 6663	Federally assisted housing . . . . .	1606
256	ESSB 6732	Tourism-related facilities . . . . .	1611
2000 FIRST SPECIAL SESSION			
1	SB 6865	License tab fees . . . . .	1613
2000 SECOND SPECIAL SESSION			
1	EHB 2487	Fiscal matters . . . . .	1615
2	EHB 3169	Expenditure limit . . . . .	1841
3	E2SSB 6499	Transportation funding—Appropriations . . . . .	1844
4	2E2SSB 6856	Transportation funding . . . . .	1882
5	SB 6876	Emergency reserve fund . . . . .	1916
6	EHB 2788	Transportation projects . . . . .	1917
STATE MEASURES			
PROPOSED CONSTITUTIONAL AMENDMENTS			
		SENATE JOINT RESOLUTION 8214 . . . . .	1919
INDEX AND TABLES			
TABLES			
		BILL NO. TO CHAPTER NO. . . . .	1921
		RCW SECTIONS AFFECTED BY 2000 STATUTES . . . . .	1925
		UNCODIFIED SESSION LAW SECTIONS AFFECTED BY 2000 STATUTES . . . . .	1947
		SUBJECT INDEX OF 2000 STATUTES . . . . .	1951
		HISTORY OF STATE MEASURES . . . . .	1991



## CHAPTER 190

[Engrossed Substitute House Bill 2675]  
CHILD PASSENGER RESTRAINT SYSTEMS

AN ACT Relating to child passenger restraint systems; amending RCW 46.61.687 and 46.61.688; adding a new section to chapter 46.61 RCW; creating new sections; and providing an effective date.

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

NEW SECTION. **Sec. 1.** The legislature recognizes that fewer than five percent of all drivers use child booster seats for children over the age of four years. The legislature also recognizes that seventy-one percent of deaths resulting from car accidents could be eliminated if every child under the age of sixteen used an appropriate child safety seat, booster seat, or seat belt. The legislature further recognizes the National Transportation Safety Board's recommendations that promote the use of booster seats to increase the safety of children under eight years of age. Therefore, it is the legislature's intent to decrease deaths and injuries to children by promoting safety education and injury prevention measures, as well as increasing public awareness on ways to maximize the protection of children in vehicles.

**Sec. 2.** RCW 46.61.687 and 1994 c 100 s 1 are each amended to read as follows:

(1) Whenever a child who is less than ~~((ten))~~ sixteen years of age is being transported in a motor vehicle that is in operation and that is required by RCW 46.37.510 to be equipped with a safety belt system in a passenger seating position, the driver of the vehicle shall keep the child properly restrained as follows:

(a) If the child is less than six years old and/or sixty pounds and the passenger seating position equipped with a safety belt system allows sufficient space for installation, then the child will be restrained in a child restraint system that complies with standards of the United States department of transportation and that is secured in the vehicle in accordance with instructions of the manufacturer of the child restraint system;

(b) If the child is less than one year of age or weighs less than twenty pounds, the child shall be properly restrained in a rear-facing infant seat;

(c) If the child is more than one but less than ~~((three))~~ four years of age or weighs less than forty pounds but at least twenty pounds, the child shall be properly restrained in a forward facing child safety seat restraint system ~~((that complies with standards of the United States department of transportation and that is secured in the vehicle in accordance with instructions of the manufacturer of the child restraint system));~~

~~((b))~~ (d) If the child is less than ~~((ten))~~ six but at least ~~((three))~~ four years of age or weighs less than sixty pounds but at least forty pounds, the child shall be properly restrained ~~((either as specified in (a) of this subsection or with a safety belt properly adjusted and fastened around the child's body.))~~ in a child booster seat;

(e) If the child is six years of age or older or weighs more than sixty pounds, the child shall be properly restrained with the motor vehicle's safety belt properly adjusted and fastened around the child's body or an appropriately fitting booster seat; and

(f) Enforcement of (a) through (e) of this subsection is subject to a visual inspection by law enforcement to determine if the child restraint system in use is appropriate for the child's individual height, weight, and age. The visual inspection for usage of a forward facing child safety seat must ensure that the seat in use is equipped with a four-point shoulder harness system. The visual inspection for usage of a booster seat must ensure that the seat belt properly fits across the child's lap and the shoulder strap crosses the center of the child's chest. The visual inspection for the usage of a seat belt by a child must ensure that the lap belt properly fits across the child's lap and the shoulder strap crosses the center of the child's chest. In determining violations, consideration to the above criteria must be given in conjunction with the provisions of (a) through (e) of this subsection. The driver of a vehicle transporting a child who is under the age of six years old or weighs less than sixty pounds, when the vehicle is equipped with a passenger side air bag supplemental restraint system, and the air bag system is activated, shall transport the child in the back seat positions in the vehicle where it is practical to do so.

(2) A person violating subsection (1)(a) through (e) of this section may be issued a notice of traffic infraction under chapter 46.63 RCW. If the person to whom the notice was issued presents proof of acquisition of an approved child passenger restraint system or a child booster seat, as appropriate, within seven days to the jurisdiction issuing the notice and the person has not previously had a violation of this section dismissed, the jurisdiction shall dismiss the notice of traffic infraction.

(3) Failure to comply with the requirements of this section shall not constitute negligence by a parent or legal guardian; nor shall failure to use a child restraint system be admissible as evidence of negligence in any civil action.

(4) This section does not apply to: (a) For hire vehicles, (b) vehicles designed to transport sixteen or less passengers, including the driver, operated by auto transportation companies, as defined in RCW 81.68.010, ~~((and))~~ (c) vehicles providing customer shuttle service between parking, convention, and hotel facilities, and airport terminals, and (d) school buses.

(5) As used in this section "child booster seat" means a child passenger restraint system that meets the Federal Motor Vehicle Safety Standards set forth in 49 C.F.R. 571.213 that is designed to elevate a child to properly sit in a federally approved lap/shoulder belt system.

(6) The requirements of subsection (1)(a) through (e) of this section do not apply in any seating position where there is only a lap belt available and the child weighs more than forty pounds.

Sec. 3. RCW 46.61.688 and 1990 c 250 s 58 are each amended to read as follows:

(1) For the purposes of this section, the term "motor vehicle" includes:

(a) "Buses," meaning motor vehicles with motive power, except trailers, designed to carry more than ten passengers;

(b) "Multipurpose passenger vehicles," meaning motor vehicles with motive power, except trailers, designed to carry ten persons or less that are constructed either on a truck chassis or with special features for occasional off-road operation;

(c) "Passenger cars," meaning motor vehicles with motive power, except multipurpose passenger vehicles, motorcycles, or trailers, designed for carrying ten passengers or less; and

(d) "Trucks," meaning motor vehicles with motive power, except trailers, designed primarily for the transportation of property.

(2) This section only applies to motor vehicles that meet the manual seat belt safety standards as set forth in federal motor vehicle safety standard 208. This section does not apply to a vehicle occupant for whom no safety belt is available when all designated seating positions as required by federal motor vehicle safety standard 208 are occupied.

(3) Every person sixteen years of age or older operating or riding in a motor vehicle shall wear the safety belt assembly in a properly adjusted and securely fastened manner.

(4) No person may operate a motor vehicle unless all child passengers under the age of sixteen years are either: (a) Wearing a safety belt assembly or (b) are securely fastened into an approved child restraint device.

(5) A person violating this section shall be issued a notice of traffic infraction under chapter 46.63 RCW. A finding that a person has committed a traffic infraction under this section shall be contained in the driver's abstract but shall not be available to insurance companies or employers.

(6) Failure to comply with the requirements of this section does not constitute negligence, nor may failure to wear a safety belt assembly be admissible as evidence of negligence in any civil action.

(7) Except for subsection (4)(b) of this section, which must be enforced as a primary action, enforcement of this section by law enforcement officers may be accomplished only as a secondary action when a driver of a motor vehicle has been detained for a suspected violation of Title 46 RCW or an equivalent local ordinance or some other offense.

(8) This section does not apply to an operator or passenger who possesses written verification from a licensed physician that the operator or passenger is unable to wear a safety belt for physical or medical reasons.

(9) The state patrol may adopt rules exempting operators or occupants of farm vehicles, construction equipment, and vehicles that are required to make frequent stops from the requirement of wearing safety belts.

NEW SECTION. Sec. 4. A new section is added to chapter 46.61 RCW to read as follows:

The traffic safety commission shall conduct an educational campaign using all available methods to raise public awareness of the importance of properly restraining child passengers and the value of seatbelts to adult motorists. The traffic safety commission shall report to the transportation committees of the legislature on the campaign and results observed on the highways. The first report is due December 1, 2000, and annually thereafter.

NEW SECTION. Sec. 5. This act may be known and cited as the Anton Skeen Act.

NEW SECTION. Sec. 6. This act takes effect July 1, 2002.

Passed the House March 9, 2000.

Passed the Senate March 9, 2000.

Approved by the Governor March 28, 2000.

Filed in Office of Secretary of State March 28, 2000.

---

## CHAPTER 191

[Engrossed Second Substitute House Bill 2420]

### PIPELINE SAFETY

AN ACT Relating to oil and gas pipeline safety; amending RCW 81.88.040, 19.122.020, and 19.122.030; adding new sections to chapter 81.88 RCW; adding a new section to chapter 43.110 RCW; adding new sections to chapter 80.28 RCW; adding new sections to chapter 19.122 RCW; adding a new section to chapter 48.48 RCW; prescribing penalties; and declaring an emergency.

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

NEW SECTION. Sec. 1. (1) The intent of this act is to protect the health and safety of the citizens of the state of Washington and the quality of the state's environment by developing and implementing environmental and public safety measures applicable to persons transporting hazardous liquids and gas by pipeline within the state of Washington. The legislature finds that public safety and the environment may best be protected by adopting standards that are equal to, or more stringent than, those adopted by the federal government, so long as they do not impermissibly interfere with interstate commerce.

(2) The legislature recognizes that additional federal authority is needed to implement a comprehensive pipeline safety program and by this act and other measures directs the state to seek that authority.

(3) It is also the intent of the legislature that the governor work with the state congressional delegation in seeking:

(a) To amend the federal pipeline safety act to delegate authority to qualified states to adopt and enforce standards equal to or more stringent than federal standards;

(b) State authority to administer and enforce federal requirements related to pipeline safety; and

(c) Higher levels of funding for state and federal pipeline safety activities and for states to respond to pipeline accident emergencies.

(4) While the legislature acknowledges that serious accidents have occurred for hazardous liquid and gas pipelines in this nation and elsewhere, it recognizes that there are fundamental differences between hazardous liquid pipelines and gas pipelines and that a different system of safety regulations must be applied for each kind of pipeline.

**NEW SECTION. Sec. 2.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Commission" means the utilities and transportation commission.

(2) "Department" means the department of ecology.

(3) "Failsafe" means a design feature that will maintain or result in a safe condition in the event of malfunction or failure of a power supply, component, or control device.

(4) "Gas" means natural gas, flammable gas, or toxic or corrosive gas.

(5) "Gas pipeline" means all parts of a pipeline facility through which gas moves in transportation, including, but not limited to, line pipe, valves, and other appurtenances connected to line pipe, pumping units, fabricated assemblies associated with pumping units, metering and delivery stations and fabricated assemblies therein, and breakout tanks. "Gas pipeline" does not include process or transfer pipelines.

(6) "Gas pipeline company" means a person or entity constructing, owning, or operating a gas pipeline for transporting gas. A "gas pipeline company" does not include: (a) Distribution systems owned and operated under franchise for the sale, delivery, or distribution of natural gas at retail; or (b) excavation contractors or other contractors that contract with a gas pipeline company.

(7) "Hazardous liquid" means: (a) Petroleum, petroleum products, or anhydrous ammonia as those terms are defined in 49 C.F.R. Part 195 in effect March 1, 1998; and (b) carbon dioxide.

(8) "Local government" means a political subdivision of the state or a city or town.

(9) "Person" means an individual, partnership, franchise holder, association, corporation, a state, a city, a county, or any political subdivision or instrumentality of a state, and its employees, agents, or legal representatives.

(10) "Pipeline," "pipeline system," or "hazardous liquid pipeline" means all parts of a pipeline facility through which a hazardous liquid moves in transportation, including, but not limited to, line pipe, valves, and other appurtenances connected to line pipe, pumping units, fabricated assemblies associated with pumping units, metering and delivery stations and fabricated assemblies therein, and breakout tanks. "Pipeline" or "pipeline system" does not include process or transfer pipelines.

(11) "Pipeline company" or "hazardous liquid pipeline company" means a person or entity constructing, owning, or operating a pipeline for transporting

hazardous liquid. A "pipeline company" does not include: (a) Distribution systems owned and operated under franchise for the sale, delivery, or distribution of natural gas at retail; or (b) excavation contractors or other contractors that contract with a pipeline company.

(12) "Reportable release" means a spilling, leaking, pouring, emitting, discharging, or any other uncontrolled escape of a hazardous liquid in excess of one barrel, or forty-two gallons.

(13) "Safety management systems" means management systems that include coordinated and interdisciplinary evaluations of the effect of significant changes to a pipeline system before such changes are implemented.

(14) "Transfer pipeline" means a buried or aboveground pipeline used to carry oil between a tank vessel or transmission pipeline and the first valve inside secondary containment at the facility provided that any discharge on the facility side of that first valve will not directly impact waters of the state. A transfer pipeline includes valves, and other appurtenances connected to the pipeline, pumping units, and fabricated assemblies associated with pumping units. A transfer pipeline does not include process pipelines, pipelines carrying ballast or bilge water, transmission pipelines, or tank vessel or storage tanks.

(15) "Transmission pipeline" means a gas pipeline that transports gas within a storage field, or transports gas from an interstate pipeline or storage facility to a distribution main or a large volume gas user, or operates at a hoop stress of twenty percent or more of the specified minimum yield strength.

**Sec. 3.** RCW 81.88.040 and 1998 c 123 s 1 are each amended to read as follows:

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

~~—(a) "Pipeline company" means a person or entity constructing, owning, or operating an intrastate pipeline for transporting hazardous liquid, whether or not such a person or entity is a public service company otherwise regulated by the commission. For the purposes of this section, a pipeline company does not include: (i) Distribution systems owned and operated under franchise for the sale, delivery, or distribution of natural gas at retail; or (ii) excavation contractors or other contractors that contract with a pipeline company.~~

~~—(b) "Hazardous liquid" means: (i) Petroleum, petroleum products, or anhydrous ammonia as those terms are defined in 49 C.F.R. Part 195 in effect March 1, 1998; and (ii) carbon dioxide. The commission by rule may incorporate by reference other substances designated as hazardous by the secretary of transportation under 49 U.S.C. Sec. 60101(a)(4).~~

~~—(2) The commission shall adopt by rule intrastate pipeline safety standards for pipeline transportation and pipeline facilities that: (a) Apply to pipeline companies transporting hazardous liquids; (b) cover the design, construction, and operation of pipelines transporting hazardous liquids; and (c) require pipeline companies to~~

~~design, construct, and maintain their pipeline facilities so they are safe and efficient.~~

~~—(3))~~ A person, officer, agent, or employee of a pipeline company who, as an individual or acting as an officer, agent, or employee of such a company, violates or fails to comply with this ~~((section))~~ chapter or a rule adopted under this section, or who procures, aids, or abets another person or entity in the violation of or noncompliance with this section or a rule adopted under this section, is guilty of a gross misdemeanor.

~~((4))~~ (2)(a) A pipeline company, or any person, officer, agent, or employee of a pipeline company that violates a provision of this section, or a rule adopted under this section, is subject to a civil penalty to be assessed by the commission.

(b) The commission shall adopt rules: (i) Setting penalty amounts, but may not exceed the penalties specified in the federal pipeline safety laws, 49 U.S.C. Sec. 60101 et seq.; and (ii) establishing procedures for mitigating penalties assessed ~~((; and (iii) incorporating by reference other substances designated as hazardous by the secretary of transportation under 49 U.S.C. Sec. 60101(a)(4))~~.

(c) In determining the amount of the penalty, the commission shall consider: (i) The appropriateness of the penalty in relation to the position of the person charged with the violation; (ii) the gravity of the violation; and (iii) the good faith of the person or company charged in attempting to achieve compliance after notification of the violation.

(d) The amount of the penalty may be recovered in a civil action in the superior court of Thurston county or of some other county in which the violator may do business. In all actions for recovery, the rules of evidence shall be the same as in ordinary civil actions. All penalties recovered under this section must be paid into the state treasury and credited to the ~~((public service revolving fund))~~ hazardous liquid pipeline safety account.

(3) The commission shall adopt rules incorporating by reference other substances designated as hazardous by the secretary of transportation under 49 U.S.C. Sec. 60101(a)(4).

~~((5))~~ (4) The commission shall also have the power of injunctive relief, as required by 49 U.S.C. Sec. 60105(b), to enforce the provisions of this chapter.

(5) Nothing in this section duplicates the authority of the energy facility site evaluation council under chapter 80.50 RCW.

**NEW SECTION. Sec. 4.** (1) The hazardous liquid pipeline safety account is created in the custody of the state treasurer. All receipts from the federal office of pipeline safety and any other state or federal funds provided for hazardous liquid pipeline safety must be deposited in the account, except as provided in subsection (2) of this section. Any fines collected under this chapter, or otherwise designated to this account must be deposited in the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for funding pipeline safety.

(2) Federal funds received before June 30, 2001, shall be treated as receipt of unanticipated funds and expended, without appropriation, for the designated purposes.

NEW SECTION. Sec. 5. (1) A comprehensive program of hazardous liquid pipeline safety is authorized by sections 2, 4, 5, 9, 11, 13, and 20 of this act, and RCW 81.88.040 to be developed and implemented consistent with federal law. Except as provided in subsection (6) of this section, the commission shall administer and enforce all laws related to hazardous liquid pipeline safety.

(2) The commission shall adopt rules for pipeline safety standards for hazardous liquid pipeline transportation that:

(a) Require pipeline companies to design, construct, operate, and maintain their pipeline facilities so they are safe and efficient;

(b) Require pipeline companies to rapidly locate and isolate all reportable releases from pipelines, that may include:

(i) Installation of remote control shut-off valves; and

(ii) Installation of remotely monitored pressure gauges and meters;

(c) Require the training and certification of personnel who operate pipelines and the associated systems;

(d) Require reporting of emergency situations, including emergency shutdowns and material defects or physical damage that impair the serviceability of a pipeline; and

(e) Require pipeline companies to submit operations safety plans to the commission once every five years, as well as any amendments to the plan made necessary by changes to the pipeline system or its operation. The safety plan shall include emergency response procedures.

(3) The commission shall approve operations safety plans if they have been deemed fit for service. A plan shall be deemed fit for service when it provides for pipelines that are designed, developed, constructed, operated, and periodically modified to provide for protection of public safety and the environment. Pipeline operations safety plans shall, at a minimum, include:

(a) A schedule of inspection and testing within the pipeline distribution system of:

(i) All mechanical components;

(ii) All electronic components; and

(iii) The structural integrity of all pipelines as determined through pressure testing, internal inspection tool surveys, or another appropriate technique;

(b) Failsafe systems;

(c) Safety management systems; and

(d) Emergency management training for pipeline operators.

(4) The commission shall coordinate information related to pipeline safety by providing technical assistance to local planning and siting authorities.

(5) The commission shall evaluate, and consider adopting, proposals developed by the federal office of pipeline safety, the national transportation safety



board, and other agencies and organizations related to methods and technologies for testing the integrity of pipeline structure, leak detection, and other elements of pipeline operation.

(6) The authorities of sections 2, 4, 5, 9, 11, 13, and 20 of this act, and RCW 81.88.040 relating to hazardous liquid pipeline safety shall be transferred from the commission to the department pursuant to section 13 of this act upon the occurrence of either:

(a) Amendments to federal pipeline safety laws to eliminate preemption of state authority to regulate safety requirements for such pipelines; or

(b) The granting of federal authority to the state to enforce or adopt any safety requirements for interstate hazardous liquid pipelines.

**NEW SECTION. Sec. 6.** (1) The commission shall develop, in consultation with representatives of hazardous liquid pipeline companies, gas pipeline companies, local governments, and the excavation and construction industries: (a) A curricula aimed at the prevention of third-party excavation damage to hazardous liquid pipelines and gas pipelines; and (b) a plan for distribution of the curricula.

(2) The curricula shall include training on:

(a) Prevention of damage to hazardous liquid and gas pipelines;

(b) The danger involved if a hazardous liquid or gas pipeline is damaged;

(c) The significance of hazardous liquid or gas pipeline damage that does not cause immediate failure; and

(d) The importance of immediately reporting damage to a hazardous liquid or gas pipeline and the importance of immediately repairing a damaged hazardous liquid or gas pipeline.

**NEW SECTION. Sec. 7.** (1) The commission shall require hazardous liquid pipeline companies, and gas pipeline companies with interstate pipelines, gas transmission pipelines, or gas pipelines operating over two hundred fifty pounds per square inch gauge, to provide accurate maps of their pipeline to specifications developed by the commission sufficient to meet the needs of first responders including installation depth information when known.

(2) The commission shall evaluate the sufficiency of the maps and consolidate the maps into a state-wide geographic information system. The commission shall assist local governments in obtaining hazardous liquid and gas pipeline location information and maps. The maps shall be made available to the one-number locator services as provided in chapter 19.122 RCW. The mapping system shall be consistent with the United States department of transportation national pipeline mapping program.

(3) The mapping system shall be completed by January 1, 2006, and periodically updated thereafter. The commission shall develop a plan for funding the geographic information system and report its recommendations to the legislature by December 15, 2000.

**NEW SECTION. Sec. 8.** A new section is added to chapter 43.110 RCW to read as follows:

The municipal research council shall, by June 30, 2001, develop and periodically update, for the consideration by local governments:

- (1) A model ordinance that establishes setback and depth requirements for new hazardous liquid and gas pipeline construction; and
- (2) A model franchise agreement for jurisdictions through which a hazardous liquid or gas pipeline is located.

**NEW SECTION. Sec. 9.** (1) The commission and the department shall apply for federal delegation for the state's program for the purposes of enforcement of federal hazardous liquid pipeline safety requirements. If the secretary of transportation delegates inspection authority to the state as provided in this subsection, the department, at a minimum, shall do the following:

- (a) Inspect hazardous liquid pipelines periodically as specified in the inspection program;
- (b) Collect fees;
- (c) Order and oversee the testing of hazardous liquid pipelines as authorized by federal law and regulation; and
- (d) File reports with the United States secretary of transportation as required to maintain the delegated authority.

(2) The commission and the department shall also seek federal authority to adopt safety standards related to the monitoring and testing of interstate hazardous liquid pipelines.

(3) Upon delegation under subsection (1) of this section or under a grant of authority under subsection (2) of this section, to the extent authorized by federal law, the department shall adopt rules for interstate pipelines that are no less stringent than the state's laws and rules for intrastate hazardous liquid pipelines.

**NEW SECTION. Sec. 10.** A new section is added to chapter 80.28 RCW to read as follows:

(1) The commission shall seek and accept federal delegation for the commission's inspectors as federal agents for the purposes of enforcement of federal laws covering gas pipeline safety and the associated federal rules, as they exist on the effective date of this section. The commission shall establish and submit to the United States secretary of transportation an inspection program that complies with requirements for delegated interstate agent inspection authority. If the secretary of transportation delegates inspection authority to the state as provided in this subsection, the commission, at a minimum, shall do the following:

- (a) Inspect gas pipelines periodically as specified in the inspection program;
- (b) Collect fees;
- (c) Order and oversee the testing of gas pipelines as authorized by federal law and regulation; and
- (d) File reports with the United States secretary of transportation as required to maintain the delegated authority.

(2) The commission shall also seek federal authority to adopt safety standards related to the monitoring and testing of interstate gas pipelines.

(3) Upon designation under subsection (1) of this section or under a grant of authority under subsection (2) of this section, to the extent authorized by federal law, the commission shall adopt rules for interstate gas pipelines that are no less stringent than the state's laws and rules for intrastate gas pipelines.

**NEW SECTION. Sec. 11.** The commission may inspect any record, map, or written procedure required by federal law to be kept by a hazardous liquid pipeline company concerning the reportable releases, and the design, construction, testing, or operation and maintenance of hazardous liquid pipelines.

**NEW SECTION. Sec. 12.** A new section is added to chapter 80.28 RCW to read as follows:

The commission may inspect any record, map, or written procedure required by federal law to be kept by a gas pipeline company concerning the reporting of gas releases, and the design, construction, testing, or operation and maintenance of gas pipelines.

**NEW SECTION. Sec. 13.** (1) All powers, duties, and functions of the utilities and transportation commission pertaining to hazardous liquid pipeline safety, except economic regulatory authority under chapters 31.88, 80.24, and 81.24 RCW, are transferred to the department of ecology effective upon the department's receipt of any delegated federal authority over interstate hazardous liquid pipelines, or upon such earlier date as the office of financial management may determine in the event that federal law is amended to remove all or part of the federal preemption of state regulation of hazardous liquid pipelines. The timing of the transfer shall be facilitated by a memorandum of agreement between the two agencies, with any disputes resolved by the office of financial management. All references to the commission or the utilities and transportation commission in the Revised Code of Washington shall be construed to mean the director or the department of ecology when referring to the functions transferred in this section.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the utilities and transportation commission pertaining to the powers, functions, and duties transferred shall be delivered to the custody of the department of ecology. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the utilities and transportation commission in carrying out the powers, functions, and duties transferred shall be made available to the department of ecology. All funds, credits, or other assets held in connection with the powers, functions, and duties transferred shall be assigned to the department of ecology.

(b) Any appropriations made to the utilities and transportation commission for carrying out the powers, functions, and duties transferred shall be transferred and credited to the department of ecology under the agreement authorized in subsection (1) of this section.

(c) 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.

(3) All employees of the utilities and transportation commission engaged in performing the powers, functions, and duties transferred are transferred to the jurisdiction of the department of ecology. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the department of ecology 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.

(4) All rules and all pending business before the utilities and transportation commission pertaining to the powers, functions, and duties transferred shall be continued and acted upon by the department of ecology. All existing contracts and obligations shall remain in full force and shall be performed by the department of ecology.

(5) The transfer of the powers, duties, functions, and personnel of the utilities and transportation commission shall not affect the validity of any act performed before the effective date of this section.

(6) If apportionments of budgeted funds are required because of the transfers directed by this section, 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.

(7) Nothing contained in this section 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. 14.** (1) The citizens committee on pipeline safety is established to advise the state agencies and other appropriate federal and local government agencies and officials on matters relating to hazardous liquid and gas pipeline safety, routing, construction, operation, and maintenance. The committee shall have thirteen total members who shall be appointed by the governor to staggered three-year terms and shall consist of: (a) Nine members representing local government, including elected officials and the public; and (b) four nonvoting members, representing owners and operators of hazardous liquid and gas pipelines. The committee shall review and comment on proposed rules and the operation of the state pipeline safety programs.

(2) The committee may create one or more technical advisory committees comprised of gas and hazardous liquid pipeline owners or operators, agency representatives, natural resource and environmental interests, or other interested parties.

(3) The committee established in subsection (1) of this section constitutes a class one group under RCW 43.03.220. Expenses for this group, as well as staff

support, shall be provided by the utilities and transportation commission and, if additional pipeline authority is transferred to it, the department of ecology.

**Sec. 15.** RCW 19.122.020 and 1984 c 144 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) "Business day" means any day other than Saturday, Sunday, or a legal local, state, or federal holiday.

(2) "Damage" includes the substantial weakening of structural or lateral support of an underground facility, penetration, impairment, or destruction of any underground protective coating, housing, or other protective device, or the severance, partial or complete, of any underground facility to the extent that the project owner or the affected utility owner determines that repairs are required.

(3) "Emergency" means any condition constituting a clear and present danger to life or property, or a customer service outage.

(4) "Excavation" means any operation in which earth, rock, or other material on or below the ground is moved or otherwise displaced by any means, except the tilling of soil less than twelve inches in depth for agricultural purposes, or road and ditch maintenance that does not change the original road grade or ditch flowline.

(5) "Excavator" means any person who engages directly in excavation.

(6) "Gas" means natural gas, flammable gas, or toxic or corrosive gas.

(7) "Hazardous liquid" means: (a) Petroleum, petroleum products, or anhydrous ammonia as those terms are defined in 49 C.F.R. Part 195 as in effect on March 1, 1998; and (b) carbon dioxide. The utilities and transportation commission may by rule incorporate by reference other substances designated as hazardous by the secretary of transportation.

(8) "Identified facility" means any underground facility which is indicated in the project plans as being located within the area of proposed excavation.

~~((7))~~ (9) "Identified but unlocatable underground facility" means an underground facility which has been identified but cannot be located with reasonable accuracy.

~~((8))~~ (10) "Locatable underground facility" means an underground facility which can be field-marked with reasonable accuracy.

~~((9))~~ (11) "Marking" means the use of stakes, paint, or other clearly identifiable materials to show the field location of underground facilities, in accordance with the current color code standard of the American public works association. Markings shall include identification letters indicating the specific type of the underground facility.

~~((10))~~ (12) "Person" means an individual, partnership, franchise holder, association, corporation, a state, a city, a county, or any subdivision or instrumentality of a state, and its employees, agents, or legal representatives.

~~((11))~~ (13) "Pipeline" or "pipeline system" means all or parts of a pipeline facility through which hazardous liquid or gas moves in transportation, including,

but not limited to, line pipe, valves, and other appurtenances connected to line pipe, pumping units, fabricated assemblies associated with pumping units, metering and delivery stations and fabricated assemblies therein, and breakout tanks. "Pipeline" or "pipeline system" does not include process or transfer pipelines as defined in section 2 of this act.

(14) "Pipeline company" means a person or entity constructing, owning, or operating a pipeline for transporting hazardous liquid or gas. A pipeline company does not include: (a) Distribution systems owned and operated under franchise for the sale, delivery, or distribution of natural gas at retail; or (b) excavation contractors or other contractors that contract with a pipeline company.

(15) "Reasonable accuracy" means location within twenty-four inches of the outside dimensions of both sides of an underground facility.

((+2)) (16) "Underground facility" means any item buried or placed below ground for use in connection with the storage or conveyance of water, sewage, electronic, telephonic or telegraphic communications, cablevision, electric energy, petroleum products, gas, gaseous vapors, hazardous liquids, or other substances and including but not limited to pipes, sewers, conduits, cables, valves, lines, wires, manholes, attachments, and those parts of poles or anchors below ground. This definition does not include pipelines as defined in subsection (13) of this section, but does include distribution systems owned and operated under franchise for the sale, delivery, or distribution of natural gas at retail.

((+3)) (17) "One-number locator service" means a service through which a person can notify utilities and request field-marking of underground facilities.

NEW SECTION. Sec. 16. A new section is added to chapter 19.122 RCW to read as follows:

(1) By December 31, 2000, the utilities and transportation commission shall cause to be established a single state-wide toll-free telephone number to be used for referring excavators to the appropriate one-number locator service.

(2) The utilities and transportation commission, in consultation with the Washington utilities coordinating council, shall establish minimum standards and best management practices for one-number locator services consistent with the recommendations of the governor's fuel accident prevention and response team issued in December 1999. By December 31, 2000, the commission shall provide its recommendations to the appropriate standing committees of the house of representatives and the senate.

(3) One-number locator services shall be operated by nongovernmental agencies.

Sec. 17. RCW 19.122.030 and 1988 c 99 s 1 are each amended to read as follows:

(1) Before commencing any excavation, excluding agriculture tilling less than twelve inches in depth, the excavator shall provide notice of the scheduled commencement of excavation to all owners of underground facilities through a one-number locator service.

(2) All owners of underground facilities within a one-number locator service area shall subscribe to the service. One-number locator service rates for cable television companies will be based on the amount of their underground facilities. If no one-number locator service is available, notice shall be provided individually to those owners of underground facilities known to or suspected of having underground facilities within the area of proposed excavation. The notice shall be communicated to the owners of underground facilities not less than two business days or more than ten business days before the scheduled date for commencement of excavation, unless otherwise agreed by the parties.

(3) Upon receipt of the notice provided for in this section, the owner of the underground facility shall provide the excavator with reasonably accurate information as to its locatable underground facilities by surface-marking the location of the facilities. If there are identified but unlocatable underground facilities, the owner of such facilities shall provide the excavator with the best available information as to their locations. The owner of the underground facility providing the information shall respond no later than two business days after the receipt of the notice or before the excavation time, at the option of the owner, unless otherwise agreed by the parties. Excavators shall not excavate until all known facilities have been marked. Once marked by the owner of the underground facility, the excavator is responsible for maintaining the markings. Excavators shall have the right to receive compensation from the owner of the underground facility for costs incurred if the owner of the underground facility does not locate its facilities in accordance with this section.

(4) The owner of the underground facility shall have the right to receive compensation for costs incurred in responding to excavation notices given less than two business days prior to the excavation from the excavator.

(5) An owner of underground facilities is not required to indicate the presence of existing service laterals or appurtenances if the presence of existing service laterals or appurtenances on the site of the construction project can be determined from the presence of other visible facilities, such as buildings, manholes, or meter and junction boxes on or adjacent to the construction site.

(6) Emergency excavations are exempt from the time requirements for notification provided in this section.

(7) If the excavator, while performing the contract, discovers underground facilities which are not identified, the excavator shall cease excavating in the vicinity of the facility and immediately notify the owner or operator of such facilities, or the one-number locator service.

**NEW SECTION. Sec. 18.** A new section is added to chapter 19.122 RCW to read as follows:

(1) Before commencing any excavation, excluding agricultural tilling less than twelve inches in depth, an excavator shall notify pipeline companies of the scheduled commencement of excavation through

a one-number locator service in the same manner as is required for notifying owners of underground facilities of excavation work under RCW 19.122.030. Pipeline companies shall have the same rights and responsibilities as owners of underground facilities under RCW 19.122.030 regarding excavation work. Excavators have the same rights and responsibilities under this section as they have under RCW 19.122.030.

(2) Project owners, excavators, and pipeline companies have the same rights and responsibilities relating to excavation near pipelines that they have for excavation near underground facilities as provided in RCW 19.122.040.

**NEW SECTION.** Sec. 19. A new section is added to chapter 19.122 RCW to read as follows:

(1) After a pipeline company has been notified by an excavator pursuant to section 18 of this act that excavation work will uncover any portion of the pipeline, the pipeline company shall ensure that the pipeline section in the vicinity of the excavation is examined for damage prior to being reburied.

(2) Immediately upon receiving information of third-party damage to a hazardous liquid pipeline, the company that operates the pipeline shall terminate the flow of hazardous liquid in that pipeline until it has visually inspected the pipeline. After visual inspection, the operator of the hazardous liquid pipeline shall determine whether the damaged pipeline section should be replaced or repaired, or whether it is safe to resume pipeline operation. Immediately upon receiving information of third-party damage to a gas pipeline, the company that operates the pipeline shall conduct a visual inspection of the pipeline to determine whether the flow of gas through that pipeline should be terminated, and whether the damaged pipeline should be replaced or repaired. A record of the pipeline company's inspection report and test results shall be provided to the utilities and transportation commission consistent with reporting requirements under 49 C.F.R. 195 Subpart B.

(3) Pipeline companies shall immediately notify local first responders and the department of any reportable release of a hazardous liquid from a pipeline. Pipeline companies shall immediately notify local first responders and the commission of any blowing gas leak from a gas pipeline that has ignited or represents a probable hazard to persons or property. Pipeline companies shall take all appropriate steps to ensure the public safety in the event of a release of hazardous liquid or gas under this subsection.

(4) No damaged pipeline may be buried until it is repaired or relocated. The pipeline company shall arrange for repairs or relocation of a damaged pipeline as soon as is practical or may permit the excavator to do necessary repairs or relocation at a mutually acceptable price.

**NEW SECTION.** Sec. 20. A new section is added to chapter 48.48 RCW to read as follows:

(1) The chief of the Washington state patrol, through the director of fire protection or his or her authorized deputy, shall, in consultation with the



emergency management program within the state military department, the department of ecology, the utilities and transportation commission, and local emergency services organizations:

(a) Evaluate the preparedness of local first responders in meeting emergency management demands under subsection (2) of this section; and

(b) Conduct an assessment of the equipment and personnel needed by local first responders to meet emergency management demands related to pipelines.

(2) The chief of the Washington state patrol, through the director of fire protection or his or her deputy, shall develop curricula for training local first responders to deal with hazardous liquid and gas pipeline accidents. The curricula shall be developed in conjunction with pipeline companies and local first responders, and shall include a timetable and costs for providing training as defined in the curricula to all communities housing pipelines. Separate curricula shall be developed for hazardous liquid and gas pipelines so that the differences between pipelines may be recognized and appropriate accident responses provided. The need for a training program for regional incident management teams shall also be evaluated.

(3) In consultation with other relevant agencies, the chief of the Washington state patrol, through the director of fire protection or his or her deputy, shall identify the need and means for achieving consistent application of the national interagency incident management system.

(4) For the purposes of this section, "local first responders" means police, fire, emergency medical staff, and volunteers.

**NEW SECTION.** Sec. 21. A pipeline company that has been notified by an excavator that excavation work will occur near a hazardous liquid pipeline shall ensure that the pipeline company's representative consults with the excavator on-site prior to the excavation. The pipeline company has the discretion to require that the pipeline section in the vicinity of the excavation is fully uncovered and examined for damage prior to being reburied.

**NEW SECTION.** Sec. 22. A new section is added to chapter 80.28 RCW to read as follows:

A gas pipeline company that has been notified by an excavator that excavation work will occur near a gas transmission pipeline shall ensure that the pipeline company's representative consults with the excavator on-site prior to the excavation. The gas pipeline company has the discretion to require that the pipeline section in the vicinity of the excavation is fully uncovered and examined for damage prior to being reburied.

**NEW SECTION.** Sec. 23. A new section is added to chapter 19.122 RCW to read as follows:

Any person who willfully damages or removes a permanent marking used to identify an underground facility or pipeline, or a temporary marking prior to its intended use, is subject to a civil penalty of not more than one thousand dollars for each act.

**NEW SECTION. Sec. 24.** A new section is added to chapter 19.122 RCW to read as follows:

(1) Any person who fails to notify the one-number locator service and causes damage to a hazardous liquid or gas pipeline is subject to a civil penalty of not more than ten thousand dollars for each violation.

(2) All civil penalties recovered under this section relating to hazardous liquid pipelines shall be deposited into the hazardous liquid pipeline safety account created in section 4 of this act. All civil penalties recovered under this section relating to gas pipelines shall be deposited in the general fund and expended for the purpose of enforcement of gas pipeline safety laws.

**\*NEW SECTION. Sec. 25.** *A pipeline containing petroleum or petroleum products that is wholly owned by an individual and which pipeline is located wholly on the individual's property, that is not adjoining marine waters, is exempt from the provisions of this chapter. This exemption applies only for pipelines that do not have any connections to pipelines or facilities that extend beyond the pipeline owner's property and the petroleum or petroleum products must be for use only at that location.*

\*Sec. 25 was vetoed. See message at end of chapter.

**NEW SECTION. Sec. 26.** 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. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state.

**NEW SECTION. Sec. 27.** This act may be known and cited as the Washington state pipeline safety act.

**NEW SECTION. Sec. 28.** Sections 1, 2, 4 through 7, 9, 11, 13, 14, 21, and 25 through 27 of this act are each added to chapter 81.88 RCW.

**NEW SECTION. Sec. 29.** 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 takes effect immediately.

Passed the House March 9, 2000.

Passed the Senate March 8, 2000.

Approved by the Governor March 28, 2000, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State March 28, 2000.

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

"I am returning herewith, without my approval as to section 25, Engrossed Second Substitute House Bill No. 2420 entitled:

"AN ACT Relating to oil and gas pipeline safety;"

This bill authorizes the state to strengthen its pipeline safety programs and to assume responsibility for inspection of interstate hazardous liquid and natural gas pipelines. The federal Office of Pipeline Safety (OPS) has a policy that such inspection should not be delegated to states and, in fact, has recently revoked delegations to other states. In spite of that policy, I have convinced OPS that the state of Washington can do a better job of making certain that these pipelines are safe, and that inspection authority should be delegated to the state.

Our state's ability to implement this bill will be affected by the delegation proposal from OPS. OPS has expressed strong reservations about its delegation if the pipeline safety program is divided between two different agencies. Parts of this bill could be read to transfer inspection authority of both intrastate and interstate hazardous liquid pipelines from the Utilities and Transportation Commission (UTC) to the Department of Ecology (DOE), while leaving authority for natural gas pipelines with UTC. It is essential that we not jeopardize our opportunity to assume oversight responsibility for interstate pipelines by ignoring OPS's concerns.

It is my legal interpretation that the bill does not mandate such a transfer to DOE if OPS delegates inspection authority to UTC. In signing this bill, I anticipate that UTC will regulate all pipelines - intrastate and interstate, hazardous liquid and natural gas - in Washington as an agent of OPS. If problems appear in our implementation of the law, or in our relationship with OPS because of provisions in the bill, the prime sponsors have committed to amending it in the next legislative session.

In order to assume delegation of inspection authority, we will need to hire highly qualified inspectors and provide them with the necessary equipment. I have asked the Legislature to grant a one-time appropriation in the 2000 supplemental budget to allow us to begin work as soon as possible. However, for the longer term we expect to pay for this program with a fee charged to pipeline operators. I expect to work with legislative leadership to address this funding issue.

Section 25 of the bill would have exempted from inspection petroleum pipelines that are wholly owned by an individual and are located wholly on the individual's property. Because the general public may visit such private property or other property in close proximity to such pipelines, section 25 may have allowed unsuspecting citizens to enter sites where hazardous liquid pipelines may be inadequately operated or maintained.

We have learned all too painfully the dangers that can result from a pipeline failure, and cannot allow such a prospect by precluding *all* government oversight of *any* pipeline in Washington.

For these reasons, I have vetoed section 25 of Engrossed Second Substitute House Bill No. 2420.

With the exception of section 25, Engrossed Second Substitute House Bill No. 2420 is approved."

---

## CHAPTER 192

[House Bill 2330]

### LIQUOR REVOLVING FUND—DISBURSEMENTS

AN ACT Relating to disbursements from the liquor revolving fund; and reenacting and amending RCW 66.08.180.

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

**Sec. 1.** RCW 66.08.180 and 1999 c 281 s 1 and 1999 c 40 s 7 are each reenacted and amended to read as follows:

Except as provided in RCW 66.24.290(1), moneys in the liquor revolving fund shall be distributed by the board at least once every three months in accordance with RCW 66.08.190, 66.08.200 and 66.08.210: PROVIDED, That the board shall

reserve from distribution such amount not exceeding five hundred thousand dollars as may be necessary for the proper administration of this title.

(1) All license fees, penalties and forfeitures derived under ~~((this act))~~ chapter 13, Laws of 1935 from spirits, beer, and wine restaurant; spirits, beer, and wine private club; and sports entertainment facility licenses or spirits, beer, and wine restaurant; spirits, beer, and wine private club; and sports entertainment facility licensees shall every three months be disbursed by the board as follows:

(a) Three hundred thousand dollars per biennium, to the ~~((Washington state patrol))~~ death investigations account for the state toxicology program pursuant to RCW 68.50.107; and

(b) Of the remaining funds:

(i) 6.06 percent to the University of Washington and 4.04 percent to Washington State University for alcoholism and drug abuse research and for the dissemination of such research; and

(ii) 89.9 percent to the general fund to be used by the department of social and health services solely to carry out the purposes of RCW 70.96A.050;

(2) The first fifty-five dollars per license fee provided in RCW 66.24.320 and 66.24.330 up to a maximum of one hundred fifty thousand dollars annually shall be disbursed every three months by the board to the general fund to be used for juvenile alcohol and drug prevention programs for kindergarten through third grade to be administered by the superintendent of public instruction;

(3) Twenty percent of the remaining total amount derived from license fees pursuant to RCW 66.24.320, 66.24.330, 66.24.350, and 66.24.360, shall be transferred to the general fund to be used by the department of social and health services solely to carry out the purposes of RCW 70.96A.050; and

(4) One-fourth cent per liter of the tax imposed by RCW 66.24.210 shall every three months be disbursed by the board to Washington State University solely for wine and wine grape research, extension programs related to wine and wine grape research, and resident instruction in both wine grape production and the processing aspects of the wine industry in accordance with RCW 28B.30.068. The director of financial management shall prescribe suitable accounting procedures to ensure that the funds transferred to the general fund to be used by the department of social and health services and appropriated are separately accounted for.

Passed the House February 8, 2000.

Passed the Senate March 3, 2000.

Approved by the Governor March 29, 2000.

Filed in Office of Secretary of State March 29, 2000.

---

### CHAPTER 193

[Substitute House Bill 2343]

#### IMPOUNDED VEHICLES

AN ACT Relating to the redemption of vehicles through credit cards and checks drawn on financial institutions; amending RCW 46.55.130; and reenacting and amending RCW 46.55.120.

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

**Sec. I.** RCW 46.55.120 and 1999 c 398 s 7 and 1999 c 327 s 5 are each reenacted and amended to read as follows:

(1) Vehicles or other items of personal property registered or titled with the department that are impounded by registered tow truck operators pursuant to RCW 46.55.080, 46.55.085, 46.55.113, or 9A.88.140 may be redeemed only under the following circumstances:

(a) Only the legal owner, the registered owner, a person authorized in writing by the registered owner or the vehicle's insurer, a person who is determined and verified by the operator to have the permission of the registered owner of the vehicle or other item of personal property registered or titled with the department, or one who has purchased a vehicle or item of personal property registered or titled with the department from the registered owner who produces proof of ownership or written authorization and signs a receipt therefor, may redeem an impounded vehicle or items of personal property registered or titled with the department. In addition, a vehicle impounded because the operator is in violation of RCW 46.20.342(1)(c) shall not be released until a person eligible to redeem it under this subsection (1)(a) satisfies the requirements of (e) of this subsection, including paying all towing, removal, and storage fees, notwithstanding the fact that the hold was ordered by a government agency. If the department's records show that the operator has been convicted of a violation of RCW 46.20.342 or a similar local ordinance within the past five years, the vehicle may be held for up to thirty days at the written direction of the agency ordering the vehicle impounded. A vehicle impounded because the operator is arrested for a violation of RCW 46.20.342 may be released only pursuant to a written order from the agency that ordered the vehicle impounded or from the court having jurisdiction. An agency may issue a written order to release pursuant to a provision of an applicable state agency rule or local ordinance authorizing release on the basis of economic or personal hardship to the spouse of the operator, taking into consideration public safety factors, including the operator's criminal history and driving record.

If a vehicle is impounded because the operator is in violation of RCW 46.20.342(1) (a) or (b), the vehicle may be held for up to thirty days at the written direction of the agency ordering the vehicle impounded. However, if the department's records show that the operator has been convicted of a violation of RCW 46.20.342(1) (a) or (b) or a similar local ordinance within the past five years, the vehicle may be held at the written direction of the agency ordering the vehicle impounded for up to sixty days, and for up to ninety days if the operator has two or more such prior offenses. If a vehicle is impounded because the operator is arrested for a violation of RCW 46.20.342, the vehicle may not be released until a person eligible to redeem it under this subsection (1)(a) satisfies the requirements of (e) of this subsection, including paying all towing, removal, and storage fees, notwithstanding the fact that the hold was ordered by a government agency.

(b) If the vehicle is directed to be held for a suspended license impound, a person who desires to redeem the vehicle at the end of the period of impound shall within five days of the impound at the request of the tow truck operator pay a security deposit to the tow truck operator of not more than one-half of the applicable impound storage rate for each day of the proposed suspended license impound. The tow truck operator shall credit this amount against the final bill for removal, towing, and storage upon redemption. The tow truck operator may accept other sufficient security in lieu of the security deposit. If the person desiring to redeem the vehicle does not pay the security deposit or provide other security acceptable to the tow truck operator, the tow truck operator may process and sell at auction the vehicle as an abandoned vehicle within the normal time limits set out in RCW 46.55.130(1). The security deposit required by this section may be paid and must be accepted at any time up to twenty-four hours before the beginning of the auction to sell the vehicle as abandoned. The registered owner is not eligible to purchase the vehicle at the auction, and the tow truck operator shall sell the vehicle to the highest bidder who is not the registered owner.

(c) Notwithstanding (b) of this subsection, a rental car business may immediately redeem a rental vehicle it owns by payment of the costs of removal, towing, and storage, whereupon the vehicle will not be held for a suspended license impound.

(d) Notwithstanding (b) of this subsection, a motor vehicle dealer or lender with a perfected security interest in the vehicle may redeem or lawfully repossess a vehicle immediately by payment of the costs of removal, towing, and storage, whereupon the vehicle will not be held for a suspended license impound. A motor vehicle dealer or lender with a perfected security interest in the vehicle may not knowingly and intentionally engage in collusion with a registered owner to repossess and then return or resell a vehicle to the registered owner in an attempt to avoid a suspended license impound. However, this provision does not preclude a vehicle dealer or a lender with a perfected security interest in the vehicle from repossessing the vehicle and then selling, leasing, or otherwise disposing of it in accordance with chapter 62A.9 RCW, including providing redemption rights to the debtor under RCW 62A.9-506. If the debtor is the registered owner of the vehicle, the debtor's right to redeem the vehicle under chapter 62A.9 RCW is conditioned upon the debtor obtaining and providing proof from the impounding authority or court having jurisdiction that any fines, penalties, and forfeitures owed by the registered owner, as a result of the suspended license impound, have been paid, and proof of the payment must be tendered to the vehicle dealer or lender at the time the debtor tenders all other obligations required to redeem the vehicle. Vehicle dealers or lenders are not liable for damages if they rely in good faith on an order from the impounding agency or a court in releasing a vehicle held under a suspended license impound.

(e) The vehicle or other item of personal property registered or titled with the department shall be released upon the presentation to any person having custody

of the vehicle of commercially reasonable tender sufficient to cover the costs of towing, storage, or other services rendered during the course of towing, removing, impounding, or storing any such vehicle, with credit being given for the amount of any security deposit paid under (b) of this subsection. In addition, if a vehicle is impounded because the operator was arrested for a violation of RCW 46.20.342 or ~~((46.20.420))~~ 46.20.345 and was being operated by the registered owner when it was impounded under local ordinance or agency rule, it must not be released to any person until the registered owner establishes with the agency that ordered the vehicle impounded or the court having jurisdiction that any penalties, fines, or forfeitures owed by him or her have been satisfied. Registered tow truck operators are not liable for damages if they rely in good faith on an order from the impounding agency or a court in releasing a vehicle held under a suspended license impound. Commercially reasonable tender shall include, without limitation, cash, major bank credit cards issued by financial institutions, or personal checks drawn on ~~((in-state banks))~~ Washington state branches of financial institutions if accompanied by two pieces of valid identification, one of which may be required by the operator to have a photograph. If the towing firm ~~((can))~~ cannot determine through the customer's bank or a check verification service that the presented check would ~~((not))~~ be paid by the bank or guaranteed by the service, the towing firm may refuse to accept the check. Any person who stops payment on a personal check or credit card, or does not make restitution within ten days from the date a check becomes insufficient due to lack of funds, to a towing firm that has provided a service pursuant to this section or in any other manner defrauds the towing firm in connection with services rendered pursuant to this section shall be liable for damages in the amount of twice the towing and storage fees, plus costs and reasonable attorney's fees.

(2)(a) The registered tow truck operator shall give to each person who seeks to redeem an impounded vehicle, or item of personal property registered or titled with the department, written notice of the right of redemption and opportunity for a hearing, which notice shall be accompanied by a form to be used for requesting a hearing, the name of the person or agency authorizing the impound, and a copy of the towing and storage invoice. The registered tow truck operator shall maintain a record evidenced by the redeeming person's signature that such notification was provided.

(b) Any person seeking to redeem an impounded vehicle under this section has a right to a hearing in the district or municipal court for the jurisdiction in which the vehicle was impounded to contest the validity of the impoundment or the amount of towing and storage charges. The district court has jurisdiction to determine the issues involving all impoundments including those authorized by the state or its agents. The municipal court has jurisdiction to determine the issues involving impoundments authorized by agents of the municipality. Any request for a hearing shall be made in writing on the form provided for that purpose and must be received by the appropriate court within ten days of the date the

opportunity was provided for in subsection (2)(a) of this section and more than five days before the date of the auction. At the time of the filing of the hearing request, the petitioner shall pay to the court clerk a filing fee in the same amount required for the filing of a suit in district court. If the hearing request is not received by the court within the ten-day period, the right to a hearing is waived and the registered owner is liable for any towing, storage, or other impoundment charges permitted under this chapter. Upon receipt of a timely hearing request, the court shall proceed to hear and determine the validity of the impoundment.

(3)(a) The court, within five days after the request for a hearing, shall notify the registered tow truck operator, the person requesting the hearing if not the owner, the registered and legal owners of the vehicle or other item of personal property registered or titled with the department, and the person or agency authorizing the impound in writing of the hearing date and time.

(b) At the hearing, the person or persons requesting the hearing may produce any relevant evidence to show that the impoundment, towing, or storage fees charged were not proper. The court may consider a written report made under oath by the officer who authorized the impoundment in lieu of the officer's personal appearance at the hearing.

(c) At the conclusion of the hearing, the court shall determine whether the impoundment was proper, whether the towing or storage fees charged were in compliance with the posted rates, and who is responsible for payment of the fees. The court may not adjust fees or charges that are in compliance with the posted or contracted rates.

(d) If the impoundment is found proper, the impoundment, towing, and storage fees as permitted under this chapter together with court costs shall be assessed against the person or persons requesting the hearing, unless the operator did not have a signed and valid impoundment authorization from a private property owner or an authorized agent.

(e) If the impoundment is determined to be in violation of this chapter, then the registered and legal owners of the vehicle or other item of personal property registered or titled with the department shall bear no impoundment, towing, or storage fees, and any security shall be returned or discharged as appropriate, and the person or agency who authorized the impoundment shall be liable for any towing, storage, or other impoundment fees permitted under this chapter. The court shall enter judgment in favor of the registered tow truck operator against the person or agency authorizing the impound for the impoundment, towing, and storage fees paid. In addition, the court shall enter judgment in favor of the registered and legal owners of the vehicle, or other item of personal property registered or titled with the department, for the amount of the filing fee required by law for the impound hearing petition as well as reasonable damages for loss of the use of the vehicle during the time the same was impounded, for not less than fifty dollars per day, against the person or agency authorizing the impound. However, if an impoundment arising from an alleged violation of RCW 46.20.342 or



((46.20.420)) 46.20.345 is determined to be in violation of this chapter, then the law enforcement officer directing the impoundment and the government employing the officer are not liable for damages if the officer relied in good faith and without gross negligence on the records of the department in ascertaining that the operator of the vehicle had a suspended or revoked driver's license. If any judgment entered is not paid within fifteen days of notice in writing of its entry, the court shall award reasonable attorneys' fees and costs against the defendant in any action to enforce the judgment. Notice of entry of judgment may be made by registered or certified mail, and proof of mailing may be made by affidavit of the party mailing the notice. Notice of the entry of the judgment shall read essentially as follows:

TO: . . . . .

YOU ARE HEREBY NOTIFIED JUDGMENT was entered against you in the . . . . . Court located at . . . . . in the sum of \$. . . . ., in an action entitled . . . . ., Case No. . . . . YOU ARE FURTHER NOTIFIED that attorneys fees and costs will be awarded against you under RCW . . . if the judgment is not paid within 15 days of the date of this notice.

DATED this . . . day of . . . . ., (year) . . .

Signature . . . . .

Typed name and address  
of party mailing notice

(4) Any impounded abandoned vehicle or item of personal property registered or titled with the department that is not redeemed within fifteen days of mailing of the notice of custody and sale as required by RCW 46.55.110(3) shall be sold at public auction in accordance with all the provisions and subject to all the conditions of RCW 46.55.130. A vehicle or item of personal property registered or titled with the department may be redeemed at any time before the start of the auction upon payment of the applicable towing and storage fees.

Sec. 2. RCW 46.55.130 and 1998 c 203 s 6 are each amended to read as follows:

(1) If, after the expiration of fifteen days from the date of mailing of notice of custody and sale required in RCW 46.55.110((2)) (3) to the registered and legal owners, the vehicle remains unclaimed and has not been listed as a stolen vehicle, or a suspended license impound has been directed, but no security paid under RCW 46.55.120, then the registered tow truck operator having custody of the vehicle shall conduct a sale of the vehicle at public auction after having first published a notice of the date, place, and time of the auction in a newspaper of general circulation in the county in which the vehicle is located not less than three days and no more than ten days before the date of the auction. The notice shall contain a description of the vehicle including the make, model, year, and license number and a notification that a three-hour public viewing period will be available before the auction. The auction shall be held during daylight hours of a normal business day.

(2) The following procedures are required in any public auction of such abandoned vehicles:

(a) The auction shall be held in such a manner that all persons present are given an equal time and opportunity to bid;

(b) All bidders must be present at the time of auction unless they have submitted to the registered tow truck operator, who may or may not choose to use the preauction bid method, a written bid on a specific vehicle. Written bids may be submitted up to five days before the auction and shall clearly state which vehicle is being bid upon, the amount of the bid, and who is submitting the bid;

(c) The open bid process, including all written bids, shall be used so that everyone knows the dollar value that must be exceeded;

(d) The highest two bids received shall be recorded in written form and shall include the name, address, and telephone number of each such bidder;

(e) In case the high bidder defaults, the next bidder has the right to purchase the vehicle for the amount of his or her bid;

(f) The successful bidder shall apply for title within fifteen days;

(g) The registered tow truck operator shall post a copy of the auction procedure at the bidding site. If the bidding site is different from the licensed office location, the operator shall post a clearly visible sign at the office location that describes in detail where the auction will be held. At the bidding site a copy of the newspaper advertisement that lists the vehicles for sale shall be posted;

(h) All surplus moneys derived from the auction after satisfaction of the registered tow truck operator's lien shall be remitted within thirty days to the department for deposit in the state motor vehicle fund. A report identifying the vehicles resulting in any surplus shall accompany the remitted funds. If the director subsequently receives a valid claim from the registered vehicle owner of record as determined by the department within one year from the date of the auction, the surplus moneys shall be remitted to such owner;

(i) If an operator receives no bid, or if the operator is the successful bidder at auction, the operator shall, within forty-five days sell the vehicle to a licensed vehicle wrecker, hulk hauler, or scrap processor by use of the abandoned vehicle report-affidavit of sale, or the operator shall apply for title to the vehicle.

(3) In no case may an operator hold a vehicle for longer than ninety days without holding an auction on the vehicle, except for vehicles that are under a police or judicial hold.

(4)(a) In no case may the accumulation of storage charges exceed fifteen days from the date of receipt of the information by the operator from the department as provided by RCW 46.55.110((2)) (3).

(b) The failure of the registered tow truck operator to comply with the time limits provided in this chapter limits the accumulation of storage charges to five days except where delay is unavoidable. Providing incorrect or incomplete identifying information to the department in the abandoned vehicle report shall be considered a failure to comply with these time limits if correct information is available. However, storage charges begin to accrue again on the date the correct

and complete information is provided to the department by the registered tow truck operator.

Passed the House March 6, 2000.

Passed the Senate March 1, 2000.

Approved by the Governor March 29, 2000.

Filed in Office of Secretary of State March 29, 2000.

---

## CHAPTER 194

[House Bill 2536]

### GENERAL CONTRACTOR/CONTRACT MANAGER—SELF-PERFORMANCE

AN ACT Relating to general contractor/construction manager self-performance; and amending RCW 39.10.060.

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

**Sec. 1.** RCW 39.10.060 and 1997 c 376 s 4 are each amended to read as follows:

(1) Notwithstanding any other provision of law, and after complying with RCW 39.10.030, the following public bodies may utilize the general contractor/construction manager procedure of public works contracting for public works projects authorized under subsection (2) of this section: The state department of general administration; the University of Washington; Washington State University; every city with a population greater than one hundred fifty thousand; every county with a population greater than four hundred fifty thousand; and every port district with a population greater than five hundred thousand. For the purposes of this section, "general contractor/construction manager" means a firm with which a public body has selected and negotiated a maximum allowable construction cost to be guaranteed by the firm, after competitive selection through formal advertisement and competitive bids, to provide services during the design phase that may include life-cycle cost design considerations, value engineering, scheduling, cost estimating, constructability, alternative construction options for cost savings, and sequencing of work, and to act as the construction manager and general contractor during the construction phase.

(2) Public bodies authorized under this section may utilize the general contractor/construction manager procedure for public works projects valued over ten million dollars where:

- (a) Implementation of the project involves complex scheduling requirements;
- (b) The project involves construction at an existing facility which must continue to operate during construction; or
- (c) The involvement of the general contractor/construction manager during the design stage is critical to the success of the project.

(3) Public bodies should select general contractor/construction managers early in the life of public works projects, and in most situations no later than the completion of schematic design.

(4) Contracts for the services of a general contractor/construction manager under this section shall be awarded through a competitive process requiring the public solicitation of proposals for general contractor/construction manager services. The public solicitation of proposals shall include: A description of the project, including programmatic, performance, and technical requirements and specifications when available; the reasons for using the general contractor/construction manager procedure; a description of the qualifications to be required of the proposer, including submission of the proposer's accident prevention program; a description of the process the public body will use to evaluate qualifications and proposals, including evaluation factors and the relative weight of factors; the form of the contract to be awarded; the estimated maximum allowable construction cost; minority and women business enterprise total project goals, where applicable; and the bid instructions to be used by the general contractor/construction manager finalists. Evaluation factors shall include, but not be limited to: Ability of professional personnel, past performance in negotiated and complex projects, and ability to meet time and budget requirements; the scope of work the general contractor/construction manager proposes to self-perform and its ability to perform it; location; recent, current, and projected work loads of the firm; and the concept of their proposal. A public body shall establish a committee to evaluate the proposals. After the committee has selected the most qualified finalists, these finalists shall submit final proposals, including sealed bids for the percent fee, which is the percentage amount to be earned by the general contractor/construction manager as overhead and profit, on the estimated maximum allowable construction cost and the fixed amount for the detailed specified general conditions work. The public body shall select the firm submitting the highest scored final proposal using the evaluation factors and the relative weight of factors published in the public solicitation of proposals.

(5) The maximum allowable construction cost may be negotiated between the public body and the selected firm after the scope of the project is adequately determined to establish a guaranteed contract cost for which the general contractor/construction manager will provide a performance and payment bond. The guaranteed contract cost includes the fixed amount for the detailed specified general conditions work, the negotiated maximum allowable construction cost, the percent fee on the negotiated maximum allowable construction cost, and sales tax. If the public body is unable to negotiate a satisfactory maximum allowable construction cost with the firm selected that the public body determines to be fair, reasonable, and within the available funds, negotiations with that firm shall be formally terminated and the public body shall negotiate with the next highest scored firm and continue until an agreement is reached or the process is terminated. If the maximum allowable construction cost varies more than fifteen percent from the bid estimated maximum allowable construction cost due to requested and approved changes in the scope by the public body, the percent fee shall be renegotiated.

(6) All subcontract work shall be competitively bid with public bid openings. Subcontract work shall not be issued for bid until the public body has approved, in consultation with the office of minority and women's business enterprises or the equivalent local agency, a plan prepared by the general contractor/construction manager for attaining applicable minority and women business enterprise total project goals that equitably spreads women and minority enterprise opportunities to as many firms in as many bid packages as is practicable. When critical to the successful completion of a subcontractor bid package the owner and general contractor/construction manager may evaluate for bidding eligibility a subcontractor's ability, time, budget, and specification requirements based on the subcontractor's performance of those items on previous projects. Subcontract bid packages shall be awarded to the responsible bidder submitting the low responsive bid. The requirements of RCW 39.30.060 apply to each subcontract bid package. All subcontractors who bid work over three hundred thousand dollars shall post a bid bond and all subcontractors who are awarded a contract over three hundred thousand dollars shall provide a performance and payment bond for their contract amount. All other subcontractors shall provide a performance and payment bond if required by the general contractor/construction manager. A low bidder who claims error and fails to enter into a contract is prohibited from bidding on the same project if a second or subsequent call for bids is made for the project. Except as provided for under subsection (7) of this section, bidding on subcontract work by the general contractor/construction manager or its subsidiaries is prohibited. The general contractor/construction manager may negotiate with the low-responsive bidder in accordance with RCW 39.10.080 or, if unsuccessful in such negotiations, rebid.

(7) The general contractor/construction manager, or its subsidiaries, may bid on subcontract work ~~((on projects valued over twenty million dollars))~~ if:

(a) The work within the subcontract bid package is customarily performed by the general contractor/construction manager;

(b) The bid opening is managed by the public body; and

(c) Notification of the general contractor/construction manager's intention to bid is included in the public solicitation of bids for the bid package.

In no event may the value of subcontract work performed by the general contractor/construction manager exceed ~~((twenty))~~ thirty percent of the negotiated maximum allowable construction cost.

(8) A public body may include an incentive clause in any contract awarded under this section for savings of either time or cost or both from that originally negotiated. No incentives granted may exceed five percent of the maximum allowable construction cost. If the project is completed for less than the agreed upon maximum allowable construction cost, any savings not otherwise negotiated as part of an incentive clause shall accrue to the public body. If the project is completed for more than the agreed upon maximum allowable construction cost, excepting increases due to any contract change orders approved by the public body,

the additional cost shall be the responsibility of the general contractor/construction manager.

Passed the House February 10, 2000.

Passed the Senate March 2, 2000.

Approved by the Governor March 29, 2000.

Filed in Office of Secretary of State March 29, 2000.

---

**CHAPTER 195**

[Substitute House Bill 2903]

**LAW ENFORCEMENT—SOUND RECORDINGS**

AN ACT Relating to law enforcement sound recordings; amending RCW 9.73.090 and 9.73.080; creating a new section; and prescribing penalties.

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

**NEW SECTION. Sec. 1.** The legislature intends, by the enactment of this act, to provide a very limited exception to the restrictions on disclosure of intercepted communications.

**Sec. 2.** RCW 9.73.090 and 1989 c 271 s 205 are each amended to read as follows:

(1) The provisions of RCW 9.73.030 through 9.73.080 shall not apply to police, fire, emergency medical service, emergency communication center, and poison center personnel in the following instances:

(a) Recording incoming telephone calls to police and fire stations, licensed emergency medical service providers, emergency communication centers, and poison centers;

(b) Video and/or sound recordings may be made of arrested persons by police officers responsible for making arrests or holding persons in custody before their first appearance in court. Such video and/or sound recordings shall conform strictly to the following:

(i) The arrested person shall be informed that such recording is being made and the statement so informing him shall be included in the recording;

(ii) The recording shall commence with an indication of the time of the beginning thereof and terminate with an indication of the time thereof;

(iii) At the commencement of the recording the arrested person shall be fully informed of his constitutional rights, and such statements informing him shall be included in the recording;

(iv) The recordings shall only be used for valid police or court activities;

(c) Sound recordings that correspond to video images recorded by video cameras mounted in law enforcement vehicles. All law enforcement officers wearing a sound recording device that makes recordings corresponding to videos recorded by video cameras mounted in law enforcement vehicles must be in uniform. A sound recording device which makes a recording pursuant to this subsection (1)(c) may only be operated simultaneously with the video camera. No

sound recording device may be intentionally turned off by the law enforcement officer during the operation of the video camera.

No sound or video recording made under this subsection (1)(c) may be duplicated and made available to the public by a law enforcement agency subject to this section until final disposition of any criminal or civil litigation which arises from the incident or incidents which were recorded. Such sound recordings shall not be divulged or used by any law enforcement agency for any commercial purpose.

A law enforcement officer shall inform any person being recorded by sound under this subsection (1)(c) that a sound recording is being made and the statement so informing the person shall be included in the sound recording, except that the law enforcement officer is not required to inform the person being recorded if the person is being recorded under exigent circumstances. A law enforcement officer is not required to inform a person being recorded by video under this subsection (1)(c) that the person is being recorded by video.

(2) It shall not be unlawful for a law enforcement officer acting in the performance of the officer's official duties to intercept, record, or disclose an oral communication or conversation where the officer is a party to the communication or conversation or one of the parties to the communication or conversation has given prior consent to the interception, recording, or disclosure: PROVIDED, That prior to the interception, transmission, or recording the officer shall obtain written or telephonic authorization from a judge or magistrate, who shall approve the interception, recording, or disclosure of communications or conversations with a nonconsenting party for a reasonable and specified period of time, if there is probable cause to believe that the nonconsenting party has committed, is engaged in, or is about to commit a felony: PROVIDED HOWEVER, That if such authorization is given by telephone the authorization and officer's statement justifying such authorization must be electronically recorded by the judge or magistrate on a recording device in the custody of the judge or magistrate at the time transmitted and the recording shall be retained in the court records and reduced to writing as soon as possible thereafter.

Any recording or interception of a communication or conversation incident to a lawfully recorded or intercepted communication or conversation pursuant to this subsection shall be lawful and may be divulged.

All recordings of communications or conversations made pursuant to this subsection shall be retained for as long as any crime may be charged based on the events or communications or conversations recorded.

(3) Communications or conversations authorized to be intercepted, recorded, or disclosed by this section shall not be inadmissible under RCW 9.73.050.

(4) Authorizations issued under subsection (2) of this section shall be effective for not more than seven days, after which period the issuing authority may renew or continue the authorization for additional periods not to exceed seven days.

(5) If the judge or magistrate determines that there is probable cause to believe that the communication or conversation concerns the unlawful manufacture, delivery, sale, or possession with intent to manufacture, deliver, or sell, controlled substances as defined in chapter 69.50 RCW, or legend drugs as defined in chapter 69.41 RCW, or imitation controlled substances as defined in chapter 69.52 RCW, the judge or magistrate may authorize the interception, transmission, recording, or disclosure of communications or conversations under subsection (2) of this section even though the true name of the nonconsenting party, or the particular time and place for the interception, transmission, recording, or disclosure, is not known at the time of the request, if the authorization describes the nonconsenting party and subject matter of the communication or conversation with reasonable certainty under the circumstances. Any such communication or conversation may be intercepted, transmitted, recorded, or disclosed as authorized notwithstanding a change in the time or location of the communication or conversation after the authorization has been obtained or the presence of or participation in the communication or conversation by any additional party not named in the authorization.

Authorizations issued under this subsection shall be effective for not more than fourteen days, after which period the issuing authority may renew or continue the authorization for an additional period not to exceed fourteen days.

**Sec. 3.** RCW 9.73.080 and 1989 c 271 s 209 are each amended to read as follows:

(1) Except as otherwise provided in this chapter, any person who violates RCW 9.73.030 is guilty of a gross misdemeanor.

(2) Any person who knowingly alters, erases, or wrongfully discloses any recording in violation of RCW 9.73.090(1)(c) is guilty of a gross misdemeanor.

Passed the House March 8, 2000.

Passed the Senate March 7, 2000.

Approved by the Governor March 29, 2000.

Filed in Office of Secretary of State March 29, 2000.

---

## CHAPTER 196

[Engrossed House Bill 2561]

### NATIONAL HISTORIC TOWNS

AN ACT Relating to authorizing the preservation and development of national historic towns outside of urban growth areas; and adding a new section to chapter 36.70A RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 36.70A RCW to read as follows:

Counties that are required or choose to plan under RCW 36.70A.040 may authorize and designate national historic towns that may constitute urban growth outside of urban growth areas as limited by this section. A national historic town



means a town or district that has been designated a national historic landmark by the United States secretary of the interior pursuant to 16 U.S.C. 461 et seq., as amended, based on its significant historic urban features, and which historically contained a mix of residential and commercial or industrial uses.

A national historic town may be designated under this chapter by a county only if:

(1) The comprehensive plan specifically identifies policies to guide the preservation, redevelopment, infill, and development of the town;

(2) The comprehensive plan and development regulations specify a mix of residential, commercial, industrial, tourism-recreation, waterfront, or other historical uses, along with other uses, infrastructure, and services which promote the economic sustainability of the town and its historic character. To promote historic preservation, redevelopment, and an economically sustainable community, the town also may include the types of uses that existed at times during its history and is not limited to those present at the time of the historic designation. Portions of the town may include urban densities if they reflect density patterns that existed at times during its history;

(3) The boundaries of the town include all of the area contained in the national historic landmark designation, along with any additional limited areas determined by the county as appropriate for transitional uses and buffering. Provisions for transitional uses and buffering must be compatible with the town's historic character and must protect the existing natural and built environment under the requirements of this chapter within and beyond the additional limited areas, including visual compatibility. The comprehensive plan and development regulations must include restrictions that preclude new urban or suburban land uses in the vicinity of the town, including the additional limited areas, except in areas otherwise designated for urban growth under this chapter;

(4) The development regulations provide for architectural controls and review procedures applicable to the rehabilitation, redevelopment, infill, or new development to promote the historic character of the town;

(5) The county finds that the national historic town is consistent with the development regulations established for critical areas; and

(6) On-site and off-site infrastructure impacts are fully considered and mitigated concurrent with development.

A county may allocate a portion of its twenty-year population projection, prepared by the office of financial management, to the national historic town corresponding to the projected number of permanent residents within the national historic town.

Passed the House March 4, 2000.

Passed the Senate February 29, 2000.

Approved by the Governor March 29, 2000.

Filed in Office of Secretary of State March 29, 2000.

CHAPTER 197

[Substitute House Bill 2587]

BALLOT TITLES

AN ACT Relating to ballot titles; amending RCW 29.79.040, 29.79.050, 29.79.060, 29.79.070, 29.79.290, 29.27.065, 29.79.055, and 29.27.067; adding a new section to chapter 29.79 RCW; adding new sections to chapter 29.27 RCW; creating a new section; recodifying RCW 29.79.055; and repealing RCW 29.27.060, 29.79.260, 29.79.310, and 29.79.320.

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

PART I - STATE INITIATIVES AND REFERENDUMS

NEW SECTION. Sec. 1. A new section is added to chapter 29.79 RCW to read as follows:

(1) The ballot title for an initiative to the people, an initiative to the legislature, a referendum bill, or a referendum measure consists of: (a) A statement of the subject of the measure; (b) a concise description of the measure; and (c) a question in the form prescribed in this section for the ballot measure in question. The statement of the subject of a measure must be sufficiently broad to reflect the subject of the measure, sufficiently precise to give notice of the measure's subject matter, and not exceed ten words. The concise description must contain no more than thirty words, be a true and impartial description of the measure's essential contents, clearly identify the proposition to be voted on, and not, to the extent reasonably possible, create prejudice either for or against the measure.

(2) For an initiative to the people, or for an initiative to the legislature for which the legislature has not proposed an alternative, the ballot title must be displayed on the ballot substantially as follows:

"Initiative Measure No. . . . concerns (statement of subject). This measure would (concise description). Should this measure be enacted into law?

Yes . . . . .   
No . . . . .

(3) For an initiative to the legislature for which the legislature has proposed an alternative, the ballot title must be displayed on the ballot substantially as follows:

"Initiative Measure Nos. . . . and . . .B concern (statement of subject). Initiative Measure No. . . . would (concise description). As an alternative, the legislature has proposed Initiative Measure No. . . .B, which would (concise description).

1. Should either of these measures be enacted into law?

Yes . . . . .   
No . . . . .

2. Regardless of whether you voted yes or no above, if one of these measures is enacted, which one should it be?

Measure No. . . . .   
or  
Measure No. . . . .

(4) For a referendum bill submitted to the people by the legislature, the ballot issue must be displayed on the ballot substantially as follows:

"The legislature has passed . . . Bill No. . . . concerning (statement of subject). This bill would (concise description). Should this bill be:

Approved . . . . .   
Rejected . . . . .

(5) For a referendum measure by state voters on a bill the legislature has passed, the ballot issue must be displayed on the ballot substantially as follows:

"The legislature passed . . . Bill No. . . . concerning (statement of subject) and voters have filed a sufficient referendum petition on this bill. This bill would (concise description). Should this bill be:

Approved . . . . .   
Rejected . . . . .

(6) The legislature may specify the statement of subject or concise description, or both, in a referendum bill that it refers to the people. The legislature may specify the concise description for an alternative it submits for an initiative to the legislature. If the legislature fails to specify these matters, the attorney general shall prepare the material that was not specified. The statement of subject and concise description as so provided must be included as part of the ballot title unless changed on appeal.

The attorney general shall specify the statement of subject and concise description for an initiative to the people, an initiative to the legislature, and a referendum measure. The statement of subject and concise description as so provided must be included as part of the ballot title unless changed on appeal.

**Sec. 2.** RCW 29.79.040 and 1993 c 256 s 9 are each amended to read as follows:

Within ~~((seven-calendar))~~ five days after the receipt of an initiative or referendum ~~((measure))~~ the attorney general shall formulate ~~((and transmit to the secretary of state the concise statement))~~ the ballot title, or portion of the ballot title that the legislature has not provided, required by ~~((RCW 29.27.060 or 29.79.055 bearing the serial number of the measure))~~ section I of this act and a summary of the measure, not to exceed seventy-five words, ~~((to follow the statement. The statement may be distinct from the legislative title of the measure, and shall give a true and impartial statement of the purpose of the measure. Neither the statement nor the summary may intentionally be an argument, nor likely to create prejudice, either for or against the measure. Except as provided for in RCW 29.79.055, such a concise statement shall constitute the ballot title. The ballot title or, for a referendum on a state enactment, the concise statement formulated by the attorney~~

~~general shall be the ballot title of or concise statement describing the measure unless changed on appeal. When practicable, the question posed by the ballot title shall be written in such a way that an affirmative answer to such question and an affirmative vote on the measure would result in a change in then current law, and a negative answer to the question and a negative vote on the measure would result in no change to then current law)) and transmit the serial number for the measure, complete ballot title, and summary to the secretary of state. Saturdays, Sundays, and legal holidays are not counted in calculating the time limits in this section.~~

**Sec. 3.** RCW 29.79.050 and 1982 c 116 s 5 are each amended to read as follows:

Upon the filing of the ballot title and summary for ~~((an))~~ a state initiative or referendum measure in ~~((his))~~ the office of secretary of state, the secretary of state shall ~~((forthwith))~~ notify by telephone and by mail, and, if requested, by other electronic means, the person proposing the measure, the prime sponsor of a referendum bill or alternative to an initiative to the legislature, the chief clerk of the house of representatives, the secretary of the senate, and any other individuals who have made written request for such notification of the exact language of the ballot title and summary.

**Sec. 4.** RCW 29.79.060 and 1982 c 116 s 6 are each amended to read as follows:

~~((If))~~ Any persons ((is)), including the attorney general or either or both houses of the legislature, dissatisfied with the ballot title or summary ((formulated by the attorney general, he or she)) for a state initiative or referendum may, within five days from the filing of the ballot title in the office of the secretary of state appeal to the superior court of Thurston county by petition setting forth the measure, the ballot title or summary ~~((formulated by the attorney general))~~, and ~~((his or her))~~ their objections to the ballot title or summary and requesting amendment of the ballot title or summary by the court. Saturdays, Sundays, and legal holidays are not counted in calculating the time limits contained in this section.

A copy of the petition on appeal together with a notice that an appeal has been taken shall be served upon the secretary of state, upon the attorney general, and upon the person proposing the measure if the appeal is initiated by someone other than that person. Upon the filing of the petition on appeal or at the time to which the hearing may be adjourned by consent of the appellant, the court shall accord first priority to examining the proposed measure, the ballot title or summary ~~((prepared by the attorney general))~~, and the objections to that ballot title or summary, may hear arguments, and shall, within five days, render its decision and file with the secretary of state a certified copy of such ballot title or summary as it determines will meet the requirements of RCW ~~((29.27.060 and))~~ 29.79.040. The decision of the superior court shall be final. Such appeal shall be heard without costs to either party.

Sec. 5. RCW 29.79.070 and 1982 c 116 s 7 are each amended to read as follows:

When the ballot title and summary are finally established, the secretary of state shall file the instrument establishing it with the proposed measure and transmit a copy thereof by mail to the person proposing the measure, the chief clerk of the house of representatives, the secretary of the senate, and to any other individuals who have made written request for such notification. Thereafter such ballot title shall be the title of the measure in all petitions, ballots, and other proceedings in relation thereto. The summary shall appear on all petitions directly following the ballot title.

Sec. 6. RCW 29.79.290 and 1965 c 9 s 29.79.290 are each amended to read as follows:

For a measure designated ~~((by him))~~ as "Alternative Measure No. . . . B," the secretary of state shall obtain from the measure adopting the alternative, or otherwise the attorney general ~~((a ballot title in the manner provided for obtaining ballot titles for initiative measures. The ballot title therefor shall be different from the ballot title of the measure in lieu of which it is proposed, and shall indicate)),~~ a concise description of the alternative measure that differs from the concise description of the original initiative and indicates as clearly as possible~~((;))~~ the essential differences ~~((in))~~ between the two measures.

**PART II - CONSTITUTION  
AND OTHER STATE BALLOT PROPOSITIONS**

NEW SECTION. Sec. 7. A new section is added to chapter 29.27 RCW to read as follows:

(1) When a proposed constitutional amendment is to be submitted to the people of the state for state-wide popular vote, the ballot title consists of: (a) A statement of the subject of the amendment; (b) a concise description of the amendment; and (c) a question in the form prescribed in this section. The statement of the subject of a constitutional amendment must be sufficiently broad to reflect the nature of the amendment, sufficiently precise to give notice of the amendment's subject matter, and not exceed ten words. The concise description must contain no more than thirty words, give a true and impartial description of the amendment's essential contents, clearly identify the amendment to be voted on, and not, to the extent reasonably possible, create prejudice either for or against the amendment.

The ballot title for a proposed constitutional amendment must be displayed on the ballot substantially as follows:

"The legislature has proposed a constitutional amendment on (statement of subject). This amendment would (concise description). Should this constitutional amendment be:

- Approved . . . . .
- Rejected . . . . .

(2) When a proposed new constitution is submitted to the people of the state by a constitutional convention for state-wide popular vote, the ballot title consists of: (a) A concise description of the new constitution; and (b) a question in the form prescribed in this section. The concise description must contain no more than thirty words, give a true and impartial description of the new constitution's essential contents, clearly identify the proposed constitution to be voted on, and not, to the extent reasonably possible, create prejudice either for or against the new constitution.

The ballot title for a proposed new constitution must be displayed on the ballot substantially as follows:

"The constitutional convention approved a new proposed state constitution that (concise description). Should this proposed constitution be:

Approved .....   
Rejected .....

(3) The legislature may specify the statement of subject or concise description, or both, in a constitutional amendment that it submits to the people. If the legislature fails to specify the statement of subject or concise description, or both, the attorney general shall prepare the material that was not specified. The statement of subject and concise description as so provided must be included as part of the ballot title unless changed on appeal.

The attorney general shall specify the concise description for a proposed new constitution that is submitted to the people by a constitutional convention, and the concise description as so provided must be included as part of the ballot title unless changed on appeal.

(4) The secretary of state shall certify to the county auditors the ballot title for a proposed constitution, constitutional amendment, or other state-wide question at the same time and in the same manner as the ballot titles to initiatives and referendums.

NEW SECTION. Sec. 8. A new section is added to chapter 29.27 RCW to read as follows:

The ballot title for a constitutional amendment or proposed constitution must be filed with the secretary of state in the same manner as the ballot title and summary for a state initiative or referendum are filed.

Sec. 9. RCW 29.27.065 and 1993 c 256 s 11 are each amended to read as follows:

Upon the filing of a ballot title (~~(as defined in RCW 29.27.060 or a concise statement as required under RCW 29.79.055)~~) under section 7 or 10 of this act, the secretary of state (~~(, in the event it is a state question, or the county auditor in the event it is a county or other local question, shall forthwith notify the persons proposing the measure of the)~~) shall provide notice of the exact language of the

ballot title and summary to the chief clerk of the house of representatives, the secretary of the senate, and the prime sponsor of measure.

NEW SECTION. Sec. 10. A new section is added to chapter 29.27 RCW to read as follows:

(1) If the legislature submits a question to the people for a state-wide popular vote that is not governed by section 1 or 7 of this act, the ballot title on the question consists of: (a) A description of the subject; and (b) a question in the form prescribed in this section. The statement of the subject of the question must be sufficiently broad to reflect the subject of the question, sufficiently precise to give notice of the question's subject matter, and not exceed ten words. The question must contain no more than thirty words.

The ballot title for such a question must be displayed on the ballot substantially as follows:

"The following question concerning (description of subject) has been submitted to the voters: (Question as submitted).

Yes .....   
No .....

(2) The legislature may specify the statement of subject for a question and shall specify the question that it submits to the people. If the legislature fails to specify the statement of subject, the attorney general shall prepare the statement of subject. The statement of subject and question as so provided must be included as part of the ballot title unless changed on appeal.

NEW SECTION. Sec. 11. A new section is added to chapter 29.27 RCW to read as follows:

If any persons are dissatisfied with the ballot title for a proposed constitution, constitutional amendment, or question submitted under section 10 of this act, they may at any time within ten days from the time of the filing of the ballot title and summary, not including Saturdays, Sundays, or legal holidays, appeal to the superior court of Thurston county by petition setting forth the measure, the ballot title objected to, their objections to it, and praying for amendment of the ballot title. The time of the filing of the ballot title, as used in this section for establishing the time for appeal, is the time the ballot title is first filed with the secretary of state.

A copy of the petition on appeal together with a notice that an appeal has been taken must be served upon the secretary of state, the attorney general, the chief clerk of the house of representatives, and the secretary of the senate. Upon the filing of the petition on appeal, the court shall immediately, or at the time to which a hearing may be adjourned by consent of the appellants, examine the proposed measure, the ballot title filed, and the objections to it and may hear arguments on it, and shall as soon as possible render its decision and certify to and file with the secretary of state a ballot title that it determines will meet the requirements of this chapter. The decision of the superior court is final, and the ballot title so certified

will be the established ballot title. The appeal must be heard without cost to either party.

**PART III - LOCAL MEASURES**

Sec. 12. RCW 29.79.055 and 1993 c 256 s 7 are each amended to read as follows:

(1) Except as provided to the contrary in RCW 82.14.036, 82.46.021, or 82.80.090, the ballot title of any referendum filed on an enactment or portion of an enactment (~~(of the state legislature or of the legislative authority of a unit)~~) of a local government (~~(shall be composed)~~) and any other question submitted to the voters of a local government consists of three elements: (a) An identification of the enacting legislative body and a statement of the subject matter; (b) a concise (~~(statement identifying the essential features of the enactment on which the referendum is filed;~~ and (c) a question asking the voters whether the enactment should be approved or rejected by the people. The ballot issue shall be displayed on the ballot substantially as follows:

Referendum Measure No. XX. The ~~(name of legislative body)~~ has passed a law that ~~(concise statement)~~. Should this law be

\_\_\_\_\_ APPROVED \_\_\_\_\_

OR

\_\_\_\_\_ REJECTED \_\_\_\_\_

~~— (2) For a referendum measure on a state enactment, the concise statement shall be prepared by the attorney general and shall not exceed twenty-five words.~~

~~— (3) The concise statement for a referendum measure on an enactment of the legislative authority of a unit of local government shall) description of the measure; and (c) a question. The ballot title must conform with the requirements and be displayed substantially as provided under section 1 of this act, except that the concise description must not exceed seventy-five words. If the local governmental unit is a city or a town, the concise statement shall be prepared by the city or town attorney. If the local governmental unit is a county, the concise statement shall be prepared by the prosecuting attorney of the county. If the unit is a unit of local government other than a city, town, or county, the concise statement shall be prepared by the prosecuting attorney of the county within which the majority area of the unit is located.~~

~~((4))~~ (2) A referendum measure on the enactment of a unit of local government shall be advertised in the manner provided for nominees for elective office.

(3) Subsection (1) of this section does not apply if another provision of law specifies the ballot title for a specific type of ballot question or proposition.

NEW SECTION. Sec. 13. A new section is added to chapter 29.27 RCW to read as follows:

Upon the filing of a ballot title of a question to be submitted to the people of a county or municipality, the county auditor shall provide notice of the exact



language of the ballot title to the persons proposing the measure, the county or municipality, and to any other person requesting a copy of the ballot title.

**Sec. 14.** RCW 29.27.067 and 1993 c 256 s 12 are each amended to read as follows:

If ~~((the persons filing any state or local question covered by RCW 29.27.060 or 29.79.055))~~ any persons are dissatisfied with the ballot title ~~((or concise statement))~~ for a local ballot measure that was formulated by the ~~((attorney general;))~~ city attorney~~(;)~~ or prosecuting attorney preparing the same, they may at any time within ten days from the time of the filing of the ballot title ~~((or statement))~~, not including Saturdays, Sundays, and legal holidays, appeal to the superior court of ~~((Thurston county if it is a state-wide question, or to the superior court of))~~ the county where the question is to appear on the ballot, ~~((if it is a county or local question;))~~ by petition setting forth the measure, the ballot title ~~((or statement))~~ objected to, their objections to it, and praying for amendment ~~((thereof))~~ of it. The time of the filing of the ballot title ~~((or statement))~~, as used ~~((herein))~~ in this section in determining the time for appeal, is the time the ballot title ~~((or statement))~~ is first filed with ~~((the secretary of state, if concerning a state-wide question, or))~~ the county auditor~~((, if a local question, the secretary of state or the county officer being herein called the "filing officer."))~~.

A copy of the petition on appeal together with a notice that an appeal has been taken shall be served upon the ~~((filing officer))~~ county auditor and the official preparing the ballot title ~~((or statement))~~. Upon the filing of the petition on appeal, the court shall ~~((forthwith))~~ immediately, or at the time to which a hearing may be adjourned by consent of the appellants, examine the proposed measure, the ballot title ~~((or concise statement))~~ filed, and the objections ~~((thereto))~~ to it and may hear arguments ~~((thereon))~~ on it, and shall as soon as possible render its decision and certify to and file with the ~~((filing officer such))~~ county auditor a ballot title ~~((or statement as))~~ that it determines will meet the requirements of this chapter. The decision of the superior court ~~((shall be))~~ is final, and the ballot title or statement so certified ~~((shall))~~ will be the established ballot title ~~((or concise statement))~~. ~~((Such))~~ The appeal ~~((shall))~~ must be heard without cost to either party.

#### PART IV - TECHNICAL

NEW SECTION. **Sec. 15.** The following acts or parts of acts are each repealed:

(1) RCW 29.27.060 (Certification of measures—Ballot titles—Exceptions) and 1995 c 185 s 1, 1993 c 256 s 8, 1985 c 252 s 1, 1977 c 4 s 3, 1973 1st ex.s. c 118 s 1, & 1965 c 9 s 29.27.060;

(2) RCW 29.79.260 (Referendum bills by legislature—Ballot title) and 1965 c 9 s 29.79.260;

(3) RCW 29.79.310 (Form of ballot) and 1982 c 116 s 16 & 1965 c 9 s 29.79.310; and

(4) RCW 29.79.320 (Form of ballot for alternative measures) and 1965 c 9 s 29.79.320.

NEW SECTION. **Sec. 16.** RCW 29.79.055 is recodified in chapter 29.27 RCW.

NEW SECTION. **Sec. 17.** Part headings used in this act are not part of the law.

Passed the House February 10, 2000.

Passed the Senate March 2, 2000.

Approved by the Governor March 29, 2000.

Filed in Office of Secretary of State March 29, 2000.

---

**CHAPTER 198**

[Substitute House Bill 2599]

**PORT DISTRICT OFFICIALS—TRAINING**

AN ACT Relating to creating an education and training program for port district officials; amending RCW 53.06.060; adding new sections to chapter 53.06 RCW; and adding a new section to chapter 39.84 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 53.06 RCW to read as follows:

Port districts are authorized to utilize the services of a nonprofit corporation for the purposes of providing training, education, and general improvement to the public sector management skills necessary to implement the economic development programs of port districts. Actions taken under this section must be implemented pursuant to the powers granted in chapter 39.84 RCW. Any nonprofit corporation utilized pursuant to this section must be a tax exempt nonprofit corporation, may be a nonprofit corporation created by the Washington public ports association, and must be created for the sole purposes of education and training for port district officials and employees. Port districts are authorized to transfer to a qualified nonprofit corporation utilized pursuant to this section any funds received from an industrial development corporation created by a port district under RCW 39.84.130.

Nothing in this section shall be construed to prohibit the receipt of additional public or private funds by a nonprofit corporation established under this section. The coordination of these programs and the transfers and expenditures of funds shall be deemed to be for industrial development and trade promotion as provided for in Article VIII, section 8 of the Washington state Constitution.

NEW SECTION. **Sec. 2.** A new section is added to chapter 39.84 RCW to read as follows:

Funds received by a port district under RCW 39.84.130 may be transferred to a nonprofit corporation created or re-created for the exclusive purpose of providing training, education, and general improvement to the public sector management skills necessary to implement the economic development programs of the port

district. The nonprofit corporation selected for that purpose may be, without limitation, a corporation formed by the Washington public ports association.

Any nonprofit corporation selected for the purposes of this section must have tax exempt status under 26 U.S.C. Sec. 501(c)(3).

Transfers and expenditures of funds shall be deemed to be for industrial development and trade promotion as provided in Article VIII, section 8 of the Washington state Constitution.

Nothing in this chapter shall be construed to prohibit the receipt of additional public or private funds by a nonprofit corporation for the purposes described in this section.

**NEW SECTION. Sec. 3.** A new section is added to chapter 53.06 RCW to read as follows:

In carrying out the purposes described in this and other chapters of this title, the legislature recognizes that any nonprofit corporation created or re-created for the purposes of this chapter, is a private nonprofit corporation contracting to provide services to which port districts may subscribe.

**Sec. 4.** RCW 53.06.060 and 1995 c 30I s 74 are each amended to read as follows:

The financial records of the Washington public ports association shall be subject to audit by the state auditor. The financial records of any nonprofit corporation utilized by port districts shall be subject to audit by the state auditor to determine compliance with the contractual terms and conditions under which payments or reimbursements are received under chapter 53.06 RCW.

Passed the House March 5, 2000.

Passed the Senate February 29, 2000.

Approved by the Governor March 29, 2000.

Filed in Office of Secretary of State March 29, 2000.

---

## CHAPTER 199

[House Bill 2993]

### FIRE FIGHTER INSTRUCTION

AN ACT Relating to setting fires for fire fighter instruction; and amending RCW 52.12.150.

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

**Sec. 1.** RCW 52.12.150 and 1994 c 28 s 1 are each amended to read as follows:

Without obtaining a permit issued under RCW 70.94.650, fire protection district fire fighters may set fire to structures located outside of urban growth areas in counties that plan under the requirements of RCW 36.70A.040, and outside of any city with a population of ten thousand or more in all other counties, for instruction in methods of fire fighting, if all of the following conditions are met:

(1) ~~(The fire conforms with any other permits, licenses, or approvals that are required)~~ In consideration of prevailing air patterns, the fire is unlikely to cause air pollution in areas of sensitivity downwind of the proposed fire location;

(2) The fire is not located in an area that is declared to be in an air pollution episode or any stage of an impaired air quality as defined in RCW 70.94.715 and 70.94.473;

(3) Nuisance laws are applicable to the fire, including nuisances related to the unreasonable interference with the enjoyment of life and property and the depositing of particulate matter or ash on other property;

(4) Notice of the fire is provided to the owners of property adjoining the property on which the fire will occur, to other persons who potentially will be impacted by the fire, and to additional persons in a broader manner as specifically requested by the local air pollution control agency or the department of ecology;

(5) Each structure that is proposed to be set on fire must be identified specifically as a structure to be set on fire. Each other structure on the same parcel of property that is not proposed to be set on fire must be identified specifically as a structure not to be set on fire; and

(6) Before setting a structure on fire, a good-faith inspection is conducted by the fire agency or fire protection district conducting the training fire to determine if materials containing asbestos are present, the inspection is documented in writing and forwarded to the appropriate local air authority or the department of ecology if there is no local air authority, and asbestos that is found is removed as required by state and federal laws.

Passed the House March 6, 2000.

Passed the Senate March 2, 2000.

Approved by the Governor March 29, 2000.

Filed in Office of Secretary of State March 29, 2000.

---

## CHAPTER 200

[Substitute House Bill 3032]

### PORT DISTRICTS--ANNEXATION AUTHORITY

AN ACT Relating to annexations by less than county-wide port districts in areas having no registered voters; and amending RCW 53.04.180 and 53.04.150.

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

**Sec. I.** RCW 53.04.180 and 1999 c 250 s 5 are each amended to read as follows:

(1) By a majority vote of the commission, and with the written consent of all the owners of the property to be annexed, a port commission of a district that is less than county-wide, and that is located in a county with a population of less than ninety thousand and located in either the Interstate 5 or Interstate 90 corridor, may annex, for industrial development or other port district purposes, property

contiguous to the district's boundaries and not located within the boundaries of any other port district.

(2) The written consent required by subsection (1) of this section must contain a full and correct legal description of the property to be annexed, must include the signature of all owners of the property to be annexed, and must be addressed to and filed with the commission.

(3) If the commission approves annexation under this section, it shall do so by resolution and shall file a certified copy of the resolution with the board of county commissioners of the county in which the annexed property is located. Upon the date fixed in the resolution, the area annexed becomes part of the district.

**Sec. 2.** RCW 53.04.150 and 1999 c 250 s 2 are each amended to read as follows:

A port district that is less than county-wide, and that is located in a county with a population of less than ninety thousand and located in either the Interstate 5 or Interstate 90 corridor, may petition for annexation of an area that is contiguous to its boundaries, is not located within the boundaries of any other port district, and contains no registered voters. The petition must be in writing, addressed to and filed with the port commission, and signed by the owners of not less than seventy-five percent of the property value in the area to be annexed, according to the assessed value for general taxation. The petition must contain a legal description of the property according to government legal subdivisions or legal plats, or a sufficient metes and bounds description, and must be accompanied by a plat outlining the boundaries of the property to be annexed.

Passed the House February 8, 2000.

Passed the Senate March 3, 2000.

Approved by the Governor March 29, 2000.

Filed in Office of Secretary of State March 29, 2000.

## CHAPTER 201

[Senate Bill 6123]

### PARKING AND BUSINESS IMPROVEMENT AREAS

AN ACT Relating to sponsorship of public events by parking and business improvement areas; and amending RCW 35.87A.010.

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

**Sec. 1.** RCW 35.87A.010 and 1993 c 429 s 1 are each amended to read as follows:

To aid general economic development and neighborhood revitalization, and to facilitate the cooperation of merchants, businesses, and residential property owners which assists trade, economic viability, and liveability, the legislature hereby authorizes all counties and all incorporated cities and towns, including unclassified cities and towns operating under special charters:

(1) To establish, after a petition submitted by the operators responsible for sixty percent of the assessments by businesses and multifamily residential or mixed-use projects within the area, parking and business improvement areas, hereafter referred to as area or areas, for the following purposes:

(a) The acquisition, construction or maintenance of parking facilities for the benefit of the area;

(b) Decoration of any public place in the area;

(c) Sponsorship or promotion of public events which are to take place on or in public places in the area;

(d) Furnishing of music in any public place in the area;

(e) Providing professional management, planning, and promotion for the area, including the management and promotion of retail trade activities in the area; or

(f) Providing maintenance and security for common, public areas.

(2) To levy special assessments on all businesses and multifamily residential or mixed-use projects within the area and specially benefited by a parking and business improvement area to pay in whole or in part the damages or costs incurred therein as provided in this chapter.

Passed the Senate February 7, 2000.

Passed the House March 1, 2000.

Approved by the Governor March 29, 2000.

Filed in Office of Secretary of State March 29, 2000.

---

**CHAPTER 202**

[Senate Bill 6154]

**COUNTY CLERKS—CREDIT CARD ACCEPTANCE**

AN ACT Relating to giving the county clerk authorization to accept credit cards; and adding a new section to chapter 36.23 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 36.23 RCW to read as follows:

County clerks are authorized to accept credit cards, charge cards, debit cards, smart cards, stored value cards, federal wire, and automatic clearinghouse system transactions, or other electronic communication, for payment of all fees and moneys due the court under RCW 36.18.012 through 36.18.020, and for the payment of court-ordered legal financial obligations of criminal defendants which include, but are not limited to, fines, fees, assessments, restitution, and crime victims' compensation, consistent with RCW 36.48.010, 36.48.080, and 36.48.090. A payer desiring to pay by credit card, charge card, debit card, smart card, stored value card, federal wire, and automatic clearinghouse system transactions, or other electronic communication shall bear the cost of processing the transaction.

Passed the Senate March 6, 2000.  
Passed the House March 1, 2000.  
Approved by the Governor March 29, 2000.  
Filed in Office of Secretary of State March 29, 2000.

---

**CHAPTER 203**

[Engrossed Substitute Senate Bill 6220]

**MOTOR VEHICLE MANUFACTURERS--UNFAIR PRACTICES**

AN ACT Relating to a prohibition on unfair competition by motor vehicle dealers and manufacturers; and adding a new section to chapter 46.96 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 46.96 RCW to read as follows:

(1) Notwithstanding the terms of a franchise agreement, a manufacturer, distributor, factory branch, or factory representative, or an agent, officer, parent company, wholly or partially owned subsidiary, affiliated entity, or other person controlled by or under common control with a manufacturer, distributor, factory branch, or factory representative, shall not:

(a) Discriminate between new motor vehicle dealers by selling or offering to sell a like vehicle to one dealer at a lower actual price than the actual price offered to another dealer for the same model similarly equipped;

(b) Discriminate between new motor vehicle dealers by selling or offering to sell parts or accessories to one dealer at a lower actual price than the actual price offered to another dealer;

(c) Discriminate between new motor vehicle dealers by using a promotion plan, marketing plan, or other similar device that results in a lower actual price on vehicles, parts, or accessories being charged to one dealer over another dealer;

(d) Discriminate between new motor vehicle dealers by adopting a method, or changing an existing method, for the allocation, scheduling, or delivery of new motor vehicles, parts, or accessories to its dealers that is not fair, reasonable, and equitable. Upon the request of a dealer, a manufacturer, distributor, factory branch, or factory representative shall disclose in writing to the dealer the method by which new motor vehicles, parts, and accessories are allocated, scheduled, or delivered to its dealers handling the same line or make of vehicles;

(e) Give preferential treatment to some new motor vehicle dealers over others by refusing or failing to deliver, in reasonable quantities and within a reasonable time after receipt of an order, to a dealer holding a franchise for a line or make of motor vehicles sold or distributed by the manufacturer, distributor, factory branch, or factory representative, a new vehicle, parts, or accessories, if the vehicle, parts, or accessories are being delivered to other dealers, or require a dealer to purchase unreasonable advertising displays or other materials, or unreasonably require a dealer to remodel or renovate existing facilities as a prerequisite to receiving a model or series of vehicles;

(f) Compete with a new motor vehicle dealer by acting in the capacity of a new motor vehicle dealer, or by owning, operating, or controlling, whether directly or indirectly, a motor vehicle dealership in this state. It is not, however, a violation of this subsection for:

(i) A manufacturer, distributor, factory branch, or factory representative to own or operate a dealership for a temporary period, not to exceed two years, during the transition from one owner of the dealership to another where the dealership was previously owned by a franchised dealer and is currently for sale to any qualified independent person at a fair and reasonable price. The temporary operation may be extended for one twelve-month period on petition of the temporary operator to the department. The matter will be handled as an adjudicative proceeding under chapter 34.05 RCW. A dealer who is a franchisee of the petitioning manufacturer or distributor may intervene and participate in a proceeding under this subsection (1)(f)(i). The temporary operator has the burden of proof to show justification for the extension and a good faith effort to sell the dealership to an independent person at a fair and reasonable price;

(ii) A manufacturer, distributor, factory branch, or factory representative to own or operate a dealership in conjunction with an independent person in a bona fide business relationship for the purpose of broadening the diversity of its dealer body and enhancing opportunities for qualified persons who are part of a group who have historically been underrepresented in its dealer body, or other qualified persons who lack the resources to purchase a dealership outright, and where the independent person: (A) Has made a significant, bona fide capital investment in the dealership that is subject to loss; (B) has an ownership interest in the dealership; and (C) operates the dealership under a bona fide written agreement with the manufacturer, distributor, factory branch, or factory representative under which he or she will acquire all of the ownership interest in the dealership within a reasonable period of time and under reasonable terms and conditions. The manufacturer, distributor, factory branch, or factory representative has the burden of proof of establishing that the acquisition of the dealership by the independent person was made within a reasonable period of time and under reasonable terms and conditions;

(iii) A manufacturer, distributor, factory branch, or factory representative to own or operate a dealership in conjunction with an independent person in a bona fide business relationship where the independent person: (A) Has made a significant, bona fide capital investment in the dealership that is subject to loss; (B) has an ownership interest in the dealership; and (C) operates the dealership under a bona fide written agreement with the manufacturer, distributor, factory branch, or factory representative under which he or she will acquire all of the ownership interest in the dealership within a reasonable period of time and under reasonable terms and conditions. The manufacturer, distributor, factory branch, or factory representative has the burden of proof of establishing that the acquisition of the dealership by the independent person was made within a reasonable period of time



and under reasonable terms and conditions. The number of dealerships operated under this subsection (1)(f)(iii) may not exceed four percent rounded up to the nearest whole number of a manufacturer's total of new motor vehicle dealer franchises in this state;

(iv) A truck manufacturer to own, operate, or control a new motor vehicle dealership that sells only trucks of that manufacturer's line make with a gross vehicle weight rating of 12,500 pounds or more, and the truck manufacturer has been continuously engaged in the retail sale of the trucks at least since January 1, 1993; or

(v) A manufacturer to own, operate, or control a new motor vehicle dealership trading exclusively in a single line make of the manufacturer if (A) the manufacturer does not own, directly or indirectly, in the aggregate, in excess of forty-five percent of the total ownership interest in the dealership, (B) at the time the manufacturer first acquires ownership or assumes operation or control of any such dealership, the distance between any dealership thus owned, operated, or controlled and the nearest new motor vehicle dealership trading in the same line make of vehicle and in which the manufacturer has no ownership or control is not less than fifteen miles and complies with the applicable provisions in the relevant market area sections of this chapter, (C) all of the manufacturer's franchise agreements confer rights on the dealer of that line make to develop and operate within a defined geographic territory or area, as many dealership facilities as the dealer and the manufacturer agree are appropriate, and (D) as of January 1, 2000, the manufacturer had no more than four new motor vehicle dealers of that manufacturer's line make in this state, and at least half of those dealers owned and operated two or more dealership facilities in the geographic territory or area covered by their franchise agreements with the manufacturer;

(g) Compete with a new motor vehicle dealer by owning, operating, or controlling, whether directly or indirectly, a service facility in this state for the repair or maintenance of motor vehicles under the manufacturer's new car warranty and extended warranty. Nothing in this subsection (1)(g), however, prohibits a manufacturer, distributor, factory branch, or factory representative from owning or operating a service facility for the purpose of providing or performing maintenance, repair, or service work on motor vehicles that are owned by the manufacturer, distributor, factory branch, or factory representative;

(h) Use confidential or proprietary information obtained from a new motor vehicle dealer to unfairly compete with the dealer. For purposes of this subsection (1)(h), "confidential or proprietary information" means trade secrets as defined in RCW 19.108.010, business plans, marketing plans or strategies, customer lists, contracts, sales data, revenues, or other financial information.

(2) Subsection (1)(a), (b), and (c) of this section do not apply to sales to a motor vehicle dealer: (a) For resale to a federal, state, or local government agency; (b) where the vehicles will be sold or donated for use in a program of driver's education; (c) where the sale is made under a manufacturer's bona fide promotional

program offering sales incentives or rebates; (d) where the sale of parts or accessories is under a manufacturer's bona fide quantity discount program; or (e) where the sale is made under a manufacturer's bona fide fleet vehicle discount program. For purposes of this subsection, "fleet" means a group of fifteen or more new motor vehicles purchased or leased by a dealer at one time under a single purchase or lease agreement for use as part of a fleet, and where the dealer has been assigned a fleet identifier code by the department of licensing.

(3) The following definitions apply to this section:

(a) "Actual price" means the price to be paid by the dealer less any incentive paid by the manufacturer, distributor, factory branch, or factory representative, whether paid to the dealer or the ultimate purchaser of the vehicle.

(b) "Control" or "controlling" means (i) the possession of, title to, or control of ten percent or more of the voting equity interest in a person, whether directly or indirectly through a fiduciary, agent, or other intermediary, or (ii) the possession, direct or indirect, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, through director control, by contract, or otherwise, except as expressly provided under the franchise agreement.

(c) "Motor vehicles" does not include trucks that are 14,001 pounds gross vehicle weight and above or recreational vehicles as defined in RCW 43.22.335.

(d) "Operate" means to manage a dealership, whether directly or indirectly.

(e) "Own" or "ownership" means to hold the beneficial ownership of one percent or more of any class of equity interest in a dealership, whether the interest is that of a shareholder, partner, limited liability company member, or otherwise. To hold an ownership interest means to have possession of, title to, or control of the ownership interest, whether directly or indirectly through a fiduciary, agent, or other intermediary.

(4) A violation of this section is deemed to affect the public interest and constitutes an unlawful and unfair practice under chapter 19.86 RCW. A person aggrieved by an alleged violation of this section may petition the department to have the matter handled as an adjudicative proceeding under chapter 34.05 RCW.

Passed the Senate March 6, 2000.

Passed the House February 29, 2000.

Approved by the Governor March 29, 2000.

Filed in Office of Secretary of State March 29, 2000.

---

## CHAPTER 204

[Senate Bill 6431]

### HORSE RACING COMMISSION—CRIMINAL HISTORY INFORMATION

AN ACT Relating to dissemination of criminal history record information to the Washington horse racing commission; adding a new section to chapter 67.16 RCW; and providing an expiration date.

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

NEW SECTION. Sec. 1. A new section is added to chapter 67.16 RCW to read as follows:

The commission is authorized to receive criminal history record information that includes nonconviction data for any purpose associated with the investigation for suitability for involvement in horse racing activities authorized under this chapter. Dissemination or use of nonconviction data for purposes other than that authorized in this section is prohibited.

NEW SECTION. Sec. 2. This act expires June 30, 2003.

Passed the Senate March 7, 2000.

Passed the House March 2, 2000.

Approved by the Governor March 29, 2000.

Filed in Office of Secretary of State March 29, 2000.

---

## CHAPTER 205

[Engrossed Second Substitute Senate Bill 6731]

### LAKE WHATCOM LANDSCAPE MANAGEMENT

AN ACT Relating to Lake Whatcom; and creating a new section.

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

NEW SECTION. Sec. 1. The Lake Whatcom landscape management pilot project is created.

The department of natural resources shall develop a landscape plan regarding state-owned forest lands in the Lake Whatcom watershed area. Where appropriate, the department will consult with other major forest landowners in the watershed and shall involve watershed residents in management activities. The department shall consult with the Lake Whatcom management committee on proposed timber harvest and road management activities. The department shall establish an interjurisdictional committee for the development of the landscape plan, to review the site-specific activities and make recommendations. The interjurisdictional committee shall include two members of the public who have an interest in these activities. The landscape plan shall address at least the following topics:

(1) Establishing riparian management zones along all streams, as classified under chapter 4, Laws of 1999 sp. sess. The department shall manage lands within such zones to protect water quality and riparian habitat. The interjurisdictional committee may recommend to the department restrictions upon timber harvest and yarding activities on a case-by-case basis;

(2) Harvest and road construction upon potentially unstable slopes shall be carefully regulated;

(3) On unstable slopes, new road construction shall be prohibited and old road reconstruction shall be limited;

(4) A sustained yield model specific to the Lake Whatcom watershed that encompasses the revised management standards and that is consistent with the

sustained yield established by the board of natural resources shall be created and implemented;

(5) The department should build on the existing draft Lake Whatcom landscape plan and incorporate both new information from the community and new scientific information when available; and

(6) The development of a road management plan for the watershed.

The landscape plan shall be completed and implementation initiated by June 30, 2001. Timber harvest and all road construction in the watershed on state land shall be delayed until the plan is completed.

Passed the Senate March 7, 2000.

Passed the House March 1, 2000.

Approved by the Governor March 29, 2000.

Filed in Office of Secretary of State March 29, 2000.

---

**CHAPTER 206**

[Engrossed Senate Bill 6858]

**ZOOS AND AQUARIUMS—OVERALL MANAGEMENT CONTRACTS**

AN ACT Relating to zoos and aquariums in cities with populations over one hundred fifty thousand that are not within a metropolitan park district; and adding a new chapter to Title 35 RCW.

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

**NEW SECTION. Sec. 1.** (1) If the legislative authority of a city with a population over one hundred fifty thousand that is not in a metropolitan park district contracts with one or more nonprofit corporations or other public organizations for the overall management and operation of a zoo, an aquarium, or both, that contract shall be subject to this section. No such contract for the overall management and operation of zoo or aquarium facilities by a nonprofit corporation or other public organization shall have an initial term or any renewal term longer than twenty years, but may be renewed by the legislative authority of the city upon the expiration of an initial term or any renewal term.

(2) Before approving each initial and any renewal contract with a nonprofit corporation or other public organization for the overall management and operation of any facilities, the city legislative authority shall hold a public hearing on the proposed management and operation by the nonprofit corporation or other public organization. At least thirty days prior to the hearing, a public notice setting forth the date, time, and place of the hearing must be published at least once in a local newspaper of general circulation. Notice of the hearing shall also be mailed or otherwise delivered to all who would be entitled to notice of a special meeting of the city legislative authority under RCW 42.30.080. The notice shall identify the facilities involved and the nonprofit corporation or other public organization proposed for management and operation under the contract with the city. The terms and conditions under which the city proposes to contract with the nonprofit corporation or other public organization for management and operation shall be

available upon request from and after the date of publication of the hearing notice and at the hearing, but after the public hearing the city legislative authority may amend the proposed terms and conditions at open public meetings.

(3) As part of the management and operation contract, the legislative authority of the city may authorize the managing and operating entity to grant to any nonprofit corporation or public or private organization franchises or concessions that further the public use and enjoyment of the zoo or aquarium, as the case may be, and may authorize the managing and operating entity to contract with any public or private organization for any specific services as are routinely so procured by the city.

(4) Notwithstanding any provision in the charter of the city so contracting for the overall management and operation of a zoo or an aquarium, or any other provision of law, the nonprofit corporation or other public organization with responsibility for overall management or operation of any such facilities pursuant to a contract under this section may, in carrying out that responsibility under such contract, manage, supervise, and control those employees of the city employed in connection with the zoo or aquarium and may hire, fire, and otherwise discipline those employees. Notwithstanding any provision in the charter of the city so contracting for the overall management and operation of a zoo or an aquarium, or any other provision of law, the civil service system of any such city shall provide for the nonprofit corporation or other public organization to manage, supervise, control, hire, fire, and otherwise discipline those employees of the city employed in connection with the zoo or aquarium.

(5) As part of the management and operation contract, the legislative authority of the city shall provide for oversight of the managing and operating entity to ensure public accountability of the entity and its performance in a manner consistent with the contract.

NEW SECTION. **Sec. 2.** Nothing in this chapter shall be construed to affect any terms, conditions, or practices contained in a collective bargaining agreement in effect on the effective date of this act.

NEW SECTION. **Sec. 3.** Sections 1 and 2 of this act constitute a new chapter in Title 35 RCW.

Passed the Senate March 9, 2000.

Passed the House March 9, 2000.

Approved by the Governor March 29, 2000.

Filed in Office of Secretary of State March 29, 2000.

---

## CHAPTER 207

[Substitute House Bill 2454]

### FAMILY CAREGIVER LONG-TERM CARE

AN ACT Relating to family caregiver long-term care information and support services; amending RCW 74.41.020, 74.41.030, 74.41.050, and 74.41.070; and creating a new section.

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

NEW SECTION. Sec. I. This act shall be known and cited as the Fred Mills act.

Sec. 2. RCW 74.41.020 and 1987 c 409 s 1 are each amended to read as follows:

It is the intent of the legislature to provide ~~((for both))~~ a comprehensive program of long-term care information and support, including in-home and out-of-home respite care services ((which are provided by a range of service providers)), for family and other unpaid caregivers who provide the daily services required when caring for adults with functional disabilities. The ~~((respite care))~~ family caregiver long-term care information and support services shall:

(1) Provide information, relief, and support to family or other unpaid caregivers of ((disabled)) adults with functional disabilities;

(2) Encourage family and other nonpaid individuals to provide care for ~~((disabled))~~ adults with functional disabilities at home, and thus offer a viable alternative to ~~((institutionalization))~~ placement in a long-term care facility;

(3) Ensure that respite care is made generally available on a sliding-fee basis to eligible participants in the program according to priorities established by the department;

(4) Be provided in the least restrictive setting available consistent with the individually assessed needs of the ~~((functionally disabled))~~ adults with functional disabilities; ((and))

(5) Include services appropriate to the needs of persons caring for individuals with dementing illnesses; and

(6) Provide unpaid family and other unpaid caregivers with services that enable them to make informed decisions about current and future care plans, solve day-to-day caregiving problems, learn essential caregiving skills, and locate services that may strengthen their capacity to provide care.

Sec. 3. RCW 74.41.030 and 1987 c 409 s 2 are each amended to read as follows:

Unless the context clearly indicates otherwise, the definitions in this section apply throughout this chapter.

(1) "Family caregiver long-term care information and support services" means providing long-term care information and support services to unpaid family and other unpaid caregivers of adults with functional disabilities, including but not limited to providing: (a) information about available public and private long-term care support services; (b) assistance in gaining access to an array of appropriate long-term care family caregiver services; (c) promotion and implementation of support groups; (d) caregiver training to assist the nonpaid caregivers in making decisions and solving challenges relating to their caregiving roles; (e) respite care services; and (f) additional supportive long-term care services that may include but not be limited to translating/interpreter services, specialized transportation, coordination of health care services, help purchasing needed supplies, durable

goods, or equipment, and other forms of information and support necessary to maintain the unpaid caregiving activity.

~~(2)~~ "Respite care services" means relief care for families or other caregivers of ~~((disabled))~~ adults with functional disabilities, eligibility for which shall be determined by the department by rule. The services provide temporary care or supervision of ~~((disabled))~~ adults with functional disabilities in substitution for the caregiver. The term includes ~~((social))~~ adult day ~~((care))~~ services.

~~((2))~~ (3) "Eligible participant for family caregiver long-term care information and support services" means an adult ~~((a))~~ who needs substantially continuous care or supervision by reason of his or her functional disability~~((, and (b) who is assessed as requiring institutionalization in the absence of a caregiver assisted by home and community support services, including respite care))~~ and may be at risk of placement into a long-term care facility.

(4) "Eligible participant for respite care services" means an adult who needs substantially continuous care or supervision by reason of his or her functional disability and is also assessed as requiring placement into a long-term care facility in the absence of an unpaid family or other unpaid caregiver.

~~((3))~~ (5) "Unpaid caregiver" means a spouse, relative, or friend who has primary responsibility for the care of ~~((a functionally disabled adult,))~~ an adult with a functional disability and who does not receive financial compensation for the care~~((, and who is assessed as being at risk of placing the eligible participant in a long-term care facility if respite care is not available))~~. To be eligible for respite care and for family caregiver support services, the caregiver is considered the client.

~~((4))~~ "Institutionalization" means placement in a long-term care facility.  
~~((5))~~ (6) "~~((Social))~~ Adult day ~~((care))~~ services" means nonmedical services to persons who live with their families, cannot be left unsupervised, and are at risk of being placed in a twenty-four-hour care facility if their families do not receive some relief from constant care.

~~((6))~~ (7) "Department" means the department of social and health services.

Sec. 4. RCW 74.41.050 and 1989 c 427 s 8 are each amended to read as follows:

The department shall contract with area agencies on aging or other appropriate agencies to conduct ~~((respite care projects))~~ family caregiver long-term care information and support services to the extent of available funding. The responsibilities of the agencies shall include but not be limited to: (1) Administering a program of family caregiver long-term care information and support services; and (2) negotiating rates of payment, administering sliding-fee scales to enable eligible participants to participate in paying for respite care, and arranging for respite care information, training, and other support services. ~~((Rates of payment to respite care service providers shall not exceed, and may be less than, rates paid by the department to providers for the same level of service.))~~ In

evaluating the need for respite services, consideration shall be given to the mental and physical ability of the caregiver to perform necessary caregiver functions.

Sec. 5. RCW 74.41.070 and 1998 c 245 s 151 are each amended to read as follows:

The area agencies on aging administering ~~((respite care programs))~~ family caregiver long-term care information and support services shall maintain data which indicates demand for ~~((respite care, and which includes information on in-home and out-of-home day care and in-home and out-of-home overnight care demand))~~ family caregiver long-term care information and support services.

Passed the House March 5, 2000.

Passed the Senate March 2, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

---

**CHAPTER 208**

[Substitute House Bill 2886]

**SERVICE CONTRACTS**

AN ACT Relating to service contracts; and amending RCW 48.110.015 and 48.110.020.

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

Sec. 1. RCW 48.110.015 and 1999 c 112 s 2 are each amended to read as follows:

(1) The following are exempt from this title:

(a) Warranties;

(b) Maintenance agreements; and

(c) Service contracts:

(i) Paid for with separate and additional consideration;

(ii) Issued at the point of sale, or within sixty days of the original purchase date of the property; and

(iii) On tangible property when the tangible property for which the service contract is sold has a purchase price of fifty dollars or less, exclusive of sales tax.

(2) This chapter does not apply to:

(a) Vehicle service contracts which are governed under chapter 48.96 RCW; ~~((and))~~

(b) Vehicle mechanical breakdown insurance; and

(c) Service contracts on tangible personal property purchased by persons who are not consumers.

Sec. 2. RCW 48.110.020 and 1999 c 112 s 3 are each amended to read as follows:

The definitions in this section apply throughout this chapter.

(1) "Administrator" means the person who is responsible for the administration of the service contracts or the service contracts plan.

(2) "Commissioner" means the insurance commissioner of this state.



(3) "Consumer" means ~~((a person))~~ an individual who buys any tangible personal property that is ~~((distributed in commerce))~~ primarily for personal, family, or household use.

(4) "Maintenance agreement" means a contract of limited duration that provides for scheduled maintenance only.

(5) "Person" means an individual, partnership, corporation, incorporated or unincorporated association, joint stock company, reciprocal insurer, syndicate, or any similar entity or combination of entities acting in concert.

(6) "Premium" means the consideration paid to an insurer for a reimbursement insurance policy.

(7) "Provider fee" means the consideration paid by a consumer for a service contract.

(8) "Reimbursement insurance policy" means a policy of insurance that is issued to a service contract provider to provide reimbursement to the service contract provider or to pay on behalf of the service contract provider all contractual obligations incurred by the service contract provider under the terms of the insured service contracts issued or sold by the service contract provider.

(9) "Service contract" means a contract or agreement for a separately stated consideration for a specific duration to perform the repair, replacement, or maintenance of property or the indemnification for repair, replacement, or maintenance for operational or structural failure due to a defect in materials or workmanship, or normal wear and tear. Service contracts may provide for the repair, replacement, or maintenance of property for damage resulting from power surges and accidental damage from handling, with or without additional provision for indemnity payments for incidental damages to other property directly caused by the failure of the property which is the subject of the service contract, provided the indemnity payment per incident does not exceed the purchase price of the property that is the subject of the service contract.

(10) "Service contract holder" or "contract holder" means a person who is the purchaser or holder of a service contract.

(11) "Service contract provider" means a person who is contractually obligated to the service contract holder under the terms of the service contract.

(12) "Service contract seller" means the person who sells the service contract to the consumer.

(13) "Warranty" means a warranty made solely by the manufacturer, importer, or seller of property or services without consideration; that is not negotiated or separated from the sale of the product and is incidental to the sale of the product; and that guarantees indemnity for defective parts, mechanical or electrical breakdown, labor, or other remedial measures, such as repair or replacement of the property or repetition of services.

Passed the House February 14, 2000.  
Passed the Senate March 2, 2000.  
Approved by the Governor March 30, 2000.  
Filed in Office of Secretary of State March 30, 2000.

---

**CHAPTER 209**

[House Bill 1070]

**SCHOOL DISTRICT PROJECT REVIEW BOARD**

AN ACT Relating to the general contractor/construction manager procedure for school districts; amending RCW 39.10.020 and 39.10.060; and adding new sections to chapter 39.10 RCW.

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

**Sec. 1.** RCW 39.10.020 and 1997 c 376 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) "Alternative public works contracting procedure" means the design-build and the general contractor/construction manager contracting procedures authorized in RCW 39.10.050 and 39.10.060, respectively.

(2) "Public body" means the state department of general administration; the University of Washington; Washington State University; every city with a population greater than one hundred fifty thousand; every city authorized to use the design-build procedure for a water system demonstration project under RCW 39.10.065(3); every county with a population greater than four hundred fifty thousand; ~~((and))~~ every port district with a population greater than five hundred thousand; and those school districts proposing projects that are considered and approved by the school district project review board under section 4 of this act.

(3) "Public works project" means any work for a public body within the definition of the term public work in RCW 39.04.010.

**Sec. 2.** RCW 39.10.060 and 1997 c 376 s 4 are each amended to read as follows:

(1) Notwithstanding any other provision of law, and after complying with RCW 39.10.030, the following public bodies may utilize the general contractor/construction manager procedure of public works contracting for public works projects authorized under subsection (2) of this section: The state department of general administration; the University of Washington; Washington State University; every city with a population greater than one hundred fifty thousand; every county with a population greater than four hundred fifty thousand; ~~((and))~~ every port district with a population greater than five hundred thousand; and those school districts proposing projects that are considered and approved by the school district project review board under section 4 of this act. For the purposes of this section, "general contractor/construction manager" means a firm with which a public body has selected and negotiated a maximum allowable construction cost to be guaranteed by the firm, after competitive selection through formal

advertisement and competitive bids, to provide services during the design phase that may include life-cycle cost design considerations, value engineering, scheduling, cost estimating, constructability, alternative construction options for cost savings, and sequencing of work, and to act as the construction manager and general contractor during the construction phase.

(2) Except those school districts proposing projects that are considered and approved by the school district project review board public bodies authorized under this section may utilize the general contractor/construction manager procedure for public works projects valued over ten million dollars where:

- (a) Implementation of the project involves complex scheduling requirements;
- (b) The project involves construction at an existing facility which must continue to operate during construction; or
- (c) The involvement of the general contractor/construction manager during the design stage is critical to the success of the project.

(3) Public bodies should select general contractor/construction managers early in the life of public works projects, and in most situations no later than the completion of schematic design.

(4) Contracts for the services of a general contractor/construction manager under this section shall be awarded through a competitive process requiring the public solicitation of proposals for general contractor/construction manager services. The public solicitation of proposals shall include: A description of the project, including programmatic, performance, and technical requirements and specifications when available; the reasons for using the general contractor/construction manager procedure; a description of the qualifications to be required of the proposer, including submission of the proposer's accident prevention program; a description of the process the public body will use to evaluate qualifications and proposals, including evaluation factors and the relative weight of factors; the form of the contract to be awarded; the estimated maximum allowable construction cost; minority and women business enterprise total project goals, where applicable; and the bid instructions to be used by the general contractor/construction manager finalists. Evaluation factors shall include, but not be limited to: Ability of professional personnel, past performance in negotiated and complex projects, and ability to meet time and budget requirements; location; recent, current, and projected work loads of the firm; and the concept of their proposal. A public body shall establish a committee to evaluate the proposals. After the committee has selected the most qualified finalists, these finalists shall submit final proposals, including sealed bids for the percent fee, which is the percentage amount to be earned by the general contractor/construction manager as overhead and profit, on the estimated maximum allowable construction cost and the fixed amount for the detailed specified general conditions work. The public body shall select the firm submitting the highest scored final proposal using the evaluation factors and the relative weight of factors published in the public solicitation of proposals.

(5) The maximum allowable construction cost may be negotiated between the public body and the selected firm after the scope of the project is adequately determined to establish a guaranteed contract cost for which the general contractor/construction manager will provide a performance and payment bond. The guaranteed contract cost includes the fixed amount for the detailed specified general conditions work, the negotiated maximum allowable construction cost, the percent fee on the negotiated maximum allowable construction cost, and sales tax. If the public body is unable to negotiate a satisfactory maximum allowable construction cost with the firm selected that the public body determines to be fair, reasonable, and within the available funds, negotiations with that firm shall be formally terminated and the public body shall negotiate with the next highest scored firm and continue until an agreement is reached or the process is terminated. If the maximum allowable construction cost varies more than fifteen percent from the bid estimated maximum allowable construction cost due to requested and approved changes in the scope by the public body, the percent fee shall be renegotiated.

(6) All subcontract work shall be competitively bid with public bid openings. Subcontract work shall not be issued for bid until the public body has approved, in consultation with the office of minority and women's business enterprises or the equivalent local agency, a plan prepared by the general contractor/construction manager for attaining applicable minority and women business enterprise total project goals that equitably spreads women and minority enterprise opportunities to as many firms in as many bid packages as is practicable. When critical to the successful completion of a subcontractor bid package the owner and general contractor/construction manager may evaluate for bidding eligibility a subcontractor's ability, time, budget, and specification requirements based on the subcontractor's performance of those items on previous projects. Subcontract bid packages shall be awarded to the responsible bidder submitting the low responsive bid. The requirements of RCW 39.30.060 apply to each subcontract bid package. All subcontractors who bid work over three hundred thousand dollars shall post a bid bond and all subcontractors who are awarded a contract over three hundred thousand dollars shall provide a performance and payment bond for their contract amount. All other subcontractors shall provide a performance and payment bond if required by the general contractor/construction manager. A low bidder who claims error and fails to enter into a contract is prohibited from bidding on the same project if a second or subsequent call for bids is made for the project. Except as provided for under subsection (7) of this section, bidding on subcontract work by the general contractor/construction manager or its subsidiaries is prohibited. The general contractor/construction manager may negotiate with the low-responsive bidder in accordance with RCW 39.10.080 or, if unsuccessful in such negotiations, rebid.

(7) The general contractor/construction manager, or its subsidiaries, may bid on subcontract work on projects valued over twenty million dollars if:

- (a) The work within the subcontract bid package is customarily performed by the general contractor/construction manager;
- (b) The bid opening is managed by the public body; and
- (c) Notification of the general contractor/construction manager's intention to bid is included in the public solicitation of bids for the bid package.

In no event may the value of subcontract work performed by the general contractor/construction manager exceed twenty percent of the negotiated maximum allowable construction cost.

(8) A public body may include an incentive clause in any contract awarded under this section for savings of either time or cost or both from that originally negotiated. No incentives granted may exceed five percent of the maximum allowable construction cost. If the project is completed for less than the agreed upon maximum allowable construction cost, any savings not otherwise negotiated as part of an incentive clause shall accrue to the public body. If the project is completed for more than the agreed upon maximum allowable construction cost, excepting increases due to any contract change orders approved by the public body, the additional cost shall be the responsibility of the general contractor/construction manager.

**NEW SECTION. Sec. 3.** A new section is added to chapter 39.10 RCW to read as follows:

In addition to the projects authorized in RCW 39.10.060, public bodies may also use the general contractor/construction manager contracting procedure for the construction of school district capital demonstration projects, subject to the following conditions:

- (1) The project must receive approval from the school district project review board established under section 4 of this act.
- (2) The school district project review board may not authorize more than two demonstration projects valued over ten million dollars and two demonstration projects valued between five and ten million dollars.
- (3) The school district project review board may not approve more than one demonstration project under this section for each school district.

**NEW SECTION. Sec. 4.** A new section is added to chapter 39.10 RCW to read as follows:

(1) The school district project review board is established to review school district proposals submitted by school districts to use alternative public works contracting procedures. The board shall select and approve qualified projects based upon an evaluation of the information submitted by the school district under subsection (2) of this section. The membership of the board shall be selected by the independent oversight committee as established under RCW 39.10.110 and shall include the following representatives, each having experience with public works or commercial construction: One representative from the office of the superintendent of public instruction; one representative from the office of financial management; two representatives from the construction industry, one of whom

works for a construction company with gross annual revenues of twenty million dollars or less; one representative from the specialty contracting industry; one representative from organized labor; one representative from the design industry; one representative from a public body previously authorized under this chapter to use an alternative public works contracting procedure who has experience using such alternative contracting procedures; one representative from school districts with ten thousand or more annual average full-time equivalent pupils; and one representative from school districts with fewer than ten thousand average full-time equivalent pupils. Each member shall be appointed for a term of three years, with the first three-year term commencing after the effective date of this section. Any member of the school district project review board who is directly affiliated with any applicant before the board must recuse him or herself from consideration of the application.

(2) A school district seeking to use alternative contracting procedures authorized under this chapter shall file an application with the school district project review board. The application form shall require the district to submit a detailed statement of the proposed project, including the school district's name; student population based upon October full-time equivalents; the current projected total budget for the project, including the estimated construction costs, costs for professional services, equipment and furnishing costs, off-site costs, contract administration costs, and other related project costs; the anticipated project design and construction schedule; a summary of the school district's construction activity for the preceding six years; and an explanation of why the school district believes the use of an alternative contracting procedure is in the public interest and why the school district is qualified to use an alternative contracting procedure, including a summary of the relevant experience of the school district's management team. The applicant shall also provide in a timely manner any other information concerning implementation of projects under this chapter requested by the school district project review board to assist in its consideration.

(3) Any school district whose application is approved by the school district project review board shall comply with the public notification and review requirements in RCW 39.10.030.

(4) Any school district whose application is approved by the school district project review board shall not use as an evaluation factor whether a contractor submitting a bid for the approved project has had prior general contractor/construction manager procedure experience.

(5) The school district project review board shall prepare and issue a report reviewing the use of the alternative public works contracting procedures by school districts. The board shall report to the independent oversight committee at least sixty days before the oversight committee is required to report to the legislature under RCW 39.10.110(4).

Passed the House March 5, 2000.  
Passed the Senate February 29, 2000.  
Approved by the Governor March 30, 2000.  
Filed in Office of Secretary of State March 30, 2000.

---

## CHAPTER 210

[Engrossed Second Substitute House Bill 1572]  
CIVIL LIBERTIES PUBLIC EDUCATION

AN ACT Relating to providing educational and instructional materials about the experiences of persons of Japanese descent during World War II to K-12 and postsecondary students and other citizens of the state of Washington; and adding new sections to chapter 28A.300 RCW.

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

NEW SECTION. **Sec. 1.** The legislature finds that:

(1) In order to adequately prepare our youth for their meaningful participation in our democratic institutions and processes, there must be strong educational resources aimed at teaching students and the public about the fragile nature of our constitutional rights.

(2) The federal commission on wartime relocation and internment of civilians was established by congress in 1980 to review the facts and circumstances surrounding executive order 9066, issued on February 19, 1942, and the impact of the executive order on American citizens and permanent residents, and to recommend appropriate remedies.

The commission of wartime relocation and internment of civilians issued a report of its findings in 1983 with the reports "Personal Justice Denied" and "Personal Justice Denied-Part II, Recommendations." The reports were based on information gathered through twenty days of hearings in cities across the country, particularly the West coast. Testimony was heard from more than seven hundred fifty witnesses, including evacuees, former government officials, public figures, interested citizens, historians, and other professionals who have studied the internment of Japanese-Americans during World War II.

(3) The lessons to be learned from the internment of Japanese-Americans during World War II are embodied in "Personal Justice Denied-Part II, Recommendations" which found that executive order 9066 was not justified by military necessity, and the decisions that followed from it were not founded upon military considerations. These decisions included the exclusion and detention of American citizens and resident aliens of Japanese descent. The broad historical causes that shaped these decisions were race prejudice, war hysteria, and a failure of political leadership. Widespread ignorance about Americans of Japanese descent contributed to a policy conceived in haste and executed in an atmosphere of fear and anger at Japan. A grave personal injustice was done to the American citizens and resident aliens of Japanese ancestry who, without individual review or any probative evidence against them were excluded, removed, and detained by the United States during World War II.

(4) A grave injustice was done to both citizens and permanent residents of Japanese ancestry by the evacuation, relocation, and internment of civilians during World War II. These actions were carried out without adequate security reasons and without any documented acts of espionage or sabotage, and were motivated largely by racial prejudice, wartime hysteria, and a failure of political leadership. The excluded individuals of Japanese ancestry suffered enormous damages, both material and intangible, and there were incalculable losses in education and job training, all of which resulted in significant human suffering for which appropriate compensation has not been made. For these fundamental violations of the basic civil liberties and constitutional rights of these individuals of Japanese ancestry, the United States congress apologized on behalf of the nation in the federal civil liberties act of 1988.

NEW SECTION. **Sec. 2.** The legislature intends to develop a grant program to fund public educational activities and development of educational materials to ensure that the events surrounding the exclusion, forced removal, and internment of civilians and permanent resident aliens of Japanese ancestry will be remembered, and so that the causes and circumstances of this and similar events may be illuminated and understood.

NEW SECTION. **Sec. 3.** As used in chapter . . . , Laws of 2000 (this act), "program" means the Washington civil liberties public education program, unless the context clearly requires otherwise.

NEW SECTION. **Sec. 4.** Consistent with the legislative findings in section 1 of this act, the legislature shall establish the Washington civil liberties public education program. The program provides grants for the purpose of establishing a legacy of remembrance as part of a continuing process of recovery from the World War II exclusion and detention of individuals of Japanese ancestry. The program is created to do one or both of the following:

(1) Educate the public regarding the history and the lessons of the World War II exclusion, removal, and detention of persons of Japanese ancestry through the development, coordination, and distribution of new educational materials and the development of curriculum materials to complement and augment resources currently available on this subject matter; and

(2) Develop videos, plays, presentations, speaker bureaus, and exhibitions for presentation to elementary schools, secondary schools, community colleges, and to other interested parties.

NEW SECTION. **Sec. 5.** (1) The superintendent of public instruction shall allocate grants under the program established in chapter . . . , Laws of 2000 (this act) from private donations or within amounts appropriated for this specific purpose. The grants shall be awarded on a competitive basis.

(2) The superintendent of public instruction may contract with independent review panelists and establish an advisory panel to evaluate and make recommendations to the superintendent of public instruction based on grant applications.



(3) The superintendent of public instruction shall select grant recipients from applicants who meet all of the following criteria:

(a) The capability to administer and complete the proposed project within specified deadlines and within the specified budget;

(b) The experience, knowledge, and qualifications necessary to conduct quality educational activities regarding the exclusion and detention of Japanese-Americans during World War II;

(c) Projects that relate the Japanese-American exclusion and detention experience with civil rights included in the Declaration of Independence and the Constitution so that this event may be illuminated and understood in order to prevent similar violations of civil rights in the future;

(d) Projects that are designed to maximize the long-term educational impact of this chapter;

(e) Projects that build upon, contribute to, and expand upon the existing body of educational and research materials on the exclusion and detention of Japanese-Americans during World War II; and

(f) Projects that include the variety of experiences regarding the exclusion and detention of Japanese-Americans and its impact before, during, and after World War II including those Japanese-Americans who served in the military and those who were interned in department of justice camps.

(4) Applicants for grants under the program are encouraged to do each of the following:

(a) Involve former detainees, those excluded from the military area, and their descendants in the development and implementation of projects;

(b) Develop a strategy and plan for raising the level of awareness and understanding among the American public regarding the exclusion and detention of Japanese-Americans during World War II so that the causes and circumstances of this and similar events may be illuminated and understood;

(c) Develop a strategy and plan for reaching the broad, multicultural population through project activities;

(d) Develop local and regional consortia of organizations and individuals engaged in similar educational, research, and development efforts;

(e) Coordinate and collaborate with organizations and individuals engaging in similar educational, research, and development endeavors to maximize the effect of grants;

(f) Utilize creative and innovative methods and approaches in the research, development, and implementation of their projects;

(g) Seek matching funds, in-kind contributions, or other sources of support to supplement their proposal;

(h) Use a variety of media, including new technology, and the arts to creatively and strategically appeal to a broad audience while enhancing and enriching community-based educational efforts;

(i) Include in the grant application, scholarly inquiry related to the variety of experiences and impact of the exclusion and detention of persons of Japanese ancestry during World War II; and

(j) Add relevant materials to or catalogue relevant materials in libraries and other repositories for the creation, publication, and distribution of bibliographies, curriculum guides, oral histories, and other resource directories and supporting the continued development of scholarly work on this subject by making a broad range of archival, library, and research materials more accessible to the American public.

(5) The superintendent of public instruction may adopt other criteria as it deems appropriate for its review of grant proposals. In reviewing projects for funding, scoring shall be based on an evaluation of all application materials including narratives, attachments, support letters, supplementary materials, and other materials that may be requested of applicants.

(6)(a) In the review process, the superintendent of public instruction shall assign the following order of priority to the criteria set forth in subsection (3) of this section:

(i) Subsection (3)(a) through (d) of this section, inclusive, shall be given highest priority; and

(ii) Subsection (3)(e) through (f) of this section, inclusive, shall be given second priority.

(b) The superintendent of public instruction shall consider the overall breadth and variety of the field of applicants to determine the projects that would best fulfill its program and mission. Final grant awards may be for the full amount of the grant requests or for a portion of the grant request.

(7) The superintendent of public instruction shall determine the types of applicants eligible to apply for grants under this program.

(8) The office may accept gifts, grants, or endowments from public or private sources for the program and may spend any gifts, grants, or endowments or income from public or private sources according to their terms.

NEW SECTION. Sec. 6. On or before January 1, 2002, the superintendent of public instruction shall report to the governor and the appropriate fiscal and policy committees of each house of the legislature on the types of grants awarded and the accomplishments of the program established under sections 1 through 5 of this act.

NEW SECTION. Sec. 7. This act shall be known as the Washington civil liberties public education act.

NEW SECTION. Sec. 8. Sections 1 through 7 of this act are each added to chapter 28A.300 RCW.

Passed the House February 11, 2000.

Passed the Senate March 2, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

## CHAPTER 211

[House Bill 2449]

## ETHICS BOARD—COMPLAINT REVIEW

AN ACT Relating to ethics board staff review of ethics complaints; amending RCW 42.52.420; and adding a new section to chapter 42.52 RCW.

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

**Sec. 1.** RCW 42.52.420 and 1994 c 154 s 212 are each amended to read as follows:

(1) After the filing of any complaint, except as provided in RCW 42.52.450, the staff of the appropriate ethics board shall investigate the complaint. The investigation shall be limited to the ~~((alleged facts))~~ allegations contained in the complaint.

(2) The results of the investigation shall be reduced to writing and the staff shall either make a determination ((shall be made)) that the complaint should be dismissed pursuant to section 2 of this act, or recommend to the board that there is or that there is not reasonable cause to believe that a violation of this chapter or rules adopted under it has been or is being committed.

~~((A copy of the written))~~ (3) The board's determination on reasonable cause shall be provided to the complainant and to the person named in such complaint.

**NEW SECTION. Sec. 2.** A new section is added to chapter 42.52 RCW to read as follows:

(1) Based on the investigation conducted under RCW 42.52.420, and subject to rules issued by each board, the staff of the appropriate ethics board may issue an order of dismissal based on any of the following findings:

(a) Any violation that may have occurred is not within the jurisdiction of the board;

(b) The complaint is obviously unfounded or frivolous; or

(c) Any violation that may have occurred does not constitute a material violation because it was inadvertent and minor, or has been cured, and, after consideration of all of the circumstances, further proceedings would not serve the purposes of this chapter.

(2) Written notice of the determination under subsection (1) of this section shall be provided to the complainant, respondent, and the board. The written notice to the complainant shall include a statement of the complainant's right to appeal to the board under subsection (3) of this section.

(3) In the event that a complaint is dismissed under this section, the complainant may request that the board review the action. Following review, the board shall:

(a) Affirm the staff dismissal;

(b) Direct the staff to conduct further investigation; or

(c) Issue a determination that there is reasonable cause to believe that a violation has been or is being committed.

(4) The board's decision under subsection (3) of this section shall be reduced to writing and provided to the complainant and the respondent.

Passed the House March 5, 2000.

Passed the Senate March 3, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

---

**CHAPTER 212**

[Substitute House Bill 2460]

**COMMUNITY EMPOWERMENT ZONES**

AN ACT Relating to community empowerment zones; amending RCW 43.63A.700, 43.63A.710, and 82.60.049; adding a new chapter to Title 43 RCW; creating a new section; and recodifying RCW 43.63A.700 and 43.63A.710.

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

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

(a) There are geographic areas within communities that are characterized by a lack of employment opportunities, an average income level that is below the median income level for the surrounding community, a lack of affordable housing, deteriorating infrastructure, and a lack of facilities for community services, job training, and education;

(b) Strategies to encourage reinvestment in these areas by assisting local businesses to become stronger and area residents to gain economic power involve a variety of activities and partnerships;

(c) Reinvestment in these areas cannot be accomplished with only governmental resources and require a comprehensive approach that integrates various incentives, programs, and initiatives to meet the economic, physical, and social needs of the area;

(d) Successful reinvestment depends on a local government's ability to coordinate public resources in a cohesive, comprehensive strategy that is designed to leverage long-term private investment in an area;

(e) Reinvestment can strengthen the overall tax base through increased tax revenue from expanded and new business activities and physical property improvement;

(f) Local governments, in cooperation with area residents, can provide leadership as well as planning and coordination of resources and necessary supportive services to address reinvestment in the area; and

(g) It is in the public interest to adopt a targeted approach to revitalization and enlist the resources of all levels of government, the private sector, community-based organizations, and community residents to revitalize an area.

(2) The legislature declares that the purposes of the community empowerment zone act are to:

(a) Encourage reinvestment through strong partnerships and cooperation between all levels of government, community-based organizations, area residents, and the private sector;

(b) Involve the private sector and stimulate private reinvestment through the judicious use of public resources;

(c) Target governmental resources to those areas of greatest need; and

(d) Include all levels of government, community individuals, organizations, and the private sector in the policy-making process.

**NEW SECTION. Sec. 2.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise:

(1) "Area" means a geographic area within a local government that is described by a close perimeter boundary.

(2) "Community empowerment zone" means an area meeting the requirements of RCW 43.63A.700 (as recodified by this act) and officially designated by the director.

(3) "Department" means the department of community, trade, and economic development.

(4) "Director" means the director of the department of community, trade, and economic development.

(5) "Local government" means a city, code city, town, or county.

**Sec. 3.** RCW 43.63A.700 and 1994 sp.s. c 7 s 702 are each amended to read as follows:

(1) The department, in cooperation with the department of revenue, the employment security department, and the office of financial management, ~~((shall))~~ may approve applications submitted by local governments for an area's designation as a community empowerment zone under this ~~((section))~~ chapter. The application for designation 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 RCW 43.63A.710 ~~(as recodified by 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 community empowerment plan that ~~((describes the proposed designated community empowerment zone'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.)~~ meets the requirements of section 5 of this act; and

(d) Certify that ~~((neighborhood))~~ area residents were given the opportunity to participate in the development of the five-year community empowerment strategy required under ~~((e) of this subsection))~~ section 5 of this act.

(2) No local government shall submit more than two ~~((neighborhoods))~~ areas to the department for possible designation as a ~~((designated))~~ community empowerment zone under this ~~((section))~~ chapter.

(3)(a) ~~((Within ninety days after January 1, 1994,))~~ The director may designate up to six ~~((designated))~~ community empowerment zones, state-wide, from among the applications ~~((eligible))~~ submitted for designation as a ~~((designated))~~ community empowerment zone.

(b) The director shall make determinations of designated community empowerment zones 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 community empowerment plan required under ~~((this))~~ section 5 of this act.

(ii) The level of private ~~((commitments by private entities))~~ sector commitment of additional resources and contribution to the ~~((designated))~~ community empowerment zone.

(iii) The potential for revitalization of the area as a result of designation as a ~~((designated))~~ community empowerment zone.

(iv) Other factors the director deems necessary.

(c) The determination of the director as to the areas designated as community empowerment zones shall be final.

(4) Except as provided in section 6 of this act, an area that was designated a community empowerment zone before January 1, 1996, under this section, automatically and without additional action by the local government continues its designation under this chapter.

(5) The department may not designate additional community empowerment zones after January 1, 2004, but may amend or rescind designation of community empowerment zones in accordance with section 6 of this act.

**Sec. 4.** RCW 43.63A.710 and 1994 sp.s. c 7 s 703 are each amended to read as follows:

(1) The director may not designate an area as a ~~((designated))~~ community empowerment zone 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 community empowerment plan for the area that meets the requirements of ~~((RCW 43.63A.700(1)(c) and as further defined by the director))~~ section 5 of this act 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))~~ chapter 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.

NEW SECTION. Sec. 5. (1) The five-year community empowerment plan required under RCW 43.63A.700 (as recodified by this act) shall contain information that describes the community development needs of the proposed community empowerment zone and present a strategy for meeting those needs. The plan shall address the following categories:

(a) Housing needs for all economic segments of the proposed community empowerment zone;

(b) Public infrastructure needs, such as transportation, water, sanitation, energy, and drainage and flood control;

(c) Other public facilities needs, such as neighborhood facilities or facilities for the provision of health, education, recreation, public safety, and other services;

(d) Community economic development needs, such as commercial and 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, and other related components of community economic development; and

(e) Social service needs of residents in the proposed community empowerment zone.

(2) The local government must provide a description of its strategy for meeting the needs identified in subsection (1) of this section. As part of the community empowerment zone strategy, the local government must 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.

(3) The local government must submit an annual progress report to the department that details the extent to which the local government is working to meet the needs identified in the five-year community empowerment plan. If applicable, the progress report must also contain a discussion on the impediments to meeting the needs outlined in the five-year community empowerment plan. The department must determine the date the annual progress reports are due from each local government.

**NEW SECTION. Sec. 6.** (1) The terms or conditions of a community empowerment zone approved under this chapter may be amended to:

- (a) Alter the boundaries of the community empowerment zone; or
- (b) Terminate the designation of a community empowerment zone.

(2)(a) A request for an amendment under subsection (1)(a) of this section may not be in effect until the department issues an amended designation for the community empowerment zone that approves the requested amendment. The local government must promptly file with the department a request for approval that contains information the department deems necessary to evaluate the proposed changes and its impact on the area's designation as a community empowerment zone under RCW 43.63A.710 (as recodified by this act). The local government must hold at least two public hearings on the proposed changes and include the information in its request for an amendment to its community empowerment zone.

(b) The department shall approve or disapprove a proposed amendment to a community empowerment zone within sixty days of its receipt of a request under subsection (1)(a) of this section. The department may not approve changes to a community empowerment zone that are not in conformity with this chapter.

(3)(a) The termination of an area's designation as a community empowerment zone under subsection (1)(b) of this section is not effective until the department issues a finding stating the reasons for the termination, which may include lack of commitment of resources to activities in the community empowerment zone by the public, private, and community-based sectors. The local government may file an appeal to the department's findings within sixty days of the notice to terminate the area's designation. The department must notify the local government of the results within thirty days of the filing of the appeal.

(b) A termination of an area's designation as a community empowerment zone has no effect on benefits previously extended to individual businesses. The local government may not commit benefits to a business after the effective date of the termination of an area's designation as a community empowerment zone.

(4) The department may request applications from local governments for designation as community empowerment zones under this chapter as a result of a termination of an area's designation as a community empowerment zone under this section.



**NEW SECTION. Sec. 7.** The department must administer this chapter and has the following powers and duties:

(1) To monitor the implementation of chapter . . . , Laws of 2000 (this act) and submit reports evaluating the effectiveness of the program and any suggestions for legislative changes to the governor and legislature by December 1, 2000;

(2) To develop evaluation and performance measures for local governments to measure the effectiveness of the program at the local level on meeting the objectives of this chapter;

(3) To provide information and appropriate assistance to persons desiring to locate and operate a business in a community empowerment zone;

(4) To work with appropriate state agencies to coordinate the delivery of programs, including but not limited to housing, community and economic development, small business assistance, social service, and employment and training programs which are carried on in a community empowerment zone; and

(5) To develop rules necessary for the administration of this chapter.

**NEW SECTION. Sec. 8.** The administration of a community empowerment zone is under the jurisdiction of the local government. Each local government must, by ordinance, designate a community empowerment zone administrator for the area designated as a community empowerment zone that is within its jurisdiction. A community empowerment zone administrator must be an officer or employee of the local government. The community empowerment zone administrator is the liaison between the local government, the department, the business community, and labor and community-based organizations within the community empowerment zone.

**NEW SECTION. Sec. 9.** This chapter may be known and cited as the Washington community empowerment zone act.

**NEW SECTION. Sec. 10.** Sections 1, 2, and 5 through 9 of this act constitute a new chapter in Title 43 RCW.

**NEW SECTION. Sec. 11.** RCW 43.63A.700 and 43.63A.710, as amended by this act, are each recodified as sections in chapter 43.— RCW (sections 1, 2, and 5 through 9 of this act).

**NEW SECTION. Sec. 12.** 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. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state.

**\*Sec. 13.** *RCW 82.60.049 and 1999 c 164 s 304 are each amended to read as follows:*

*(1) For the purposes of this section:*

(a) "Eligible area" also means a designated community empowerment zone approved before January 1, 2000, under RCW 43.63A.700 or a county containing a community empowerment zone approved before January 1, 2000.

(b) "Eligible investment project" also means an investment project in an eligible area as defined in this section.

(2) In addition to the provisions of RCW 82.60.040, the department shall issue a sales and use tax deferral certificate for state and local sales and use taxes due under chapters 82.08, 82.12, and 82.14 RCW, on each eligible investment project that is located in an eligible area, if the applicant establishes that at the time the project is operationally complete:

(a) The applicant will hire at least one qualified employment position for each seven hundred fifty thousand dollars of investment on which a deferral is requested; and

(b) The positions will be filled by persons who at the time of hire are residents of the community empowerment zone in which the project is located. As used in this subsection, "resident" means the person makes his or her home in the community empowerment zone. A mailing address alone is insufficient to establish that a person is a resident for the purposes of this section. The persons must be hired after the date the application is filed with the department.

(3) All other provisions and eligibility requirements of this chapter apply to applicants eligible under this section.

(4) If a person does not meet the requirements of this section by the end of the calendar year following the year in which the project is certified as operationally complete, all deferred taxes are immediately due.

\*Sec. 13 was vetoed. See message at end of chapter.

NEW SECTION. Sec. 14. 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 March 9, 2000.

Passed the Senate March 9, 2000.

Approved by the Governor March 30, 2000, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State March 30, 2000.

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

"I am returning herewith, without my approval as to section 13, Substitute House Bill No. 2460 entitled:

"AN ACT Relating to community empowerment zones;"

This legislation will open the Community Empowerment Zone (CEZ) application process, so that a new zone may be designated. Businesses located in the zone will be eligible for tax exemptions, helping to strengthen the economy in a distressed area of our state.

Section 13 of this bill would have amended the original law so that the new CEZ would be treated differently, and not be eligible to offer the sales and use tax exemptions available to all other CEZ's. The new zone would be able to provide only business and occupations tax exemptions, thereby greatly reducing its effectiveness.

I fully support the bill's provisions to open the application process, particularly now that we have renewed interest from the eastern part of our state. I want to give these communities a chance to apply for a CEZ designation that will be on an equal footing with the existing zones.

For these reasons, I have vetoed section 13 of Substitute House Bill No. 2460.

With the exception of section 13, Substitute House Bill No. 2460 is approved."

## CHAPTER 213

[Engrossed House Bill 2565]

### ELECTRICITY PRODUCTS—FUEL MIX DISCLOSURE

AN ACT Relating to disclosure of attributes of electricity products; amending RCW 19.29A.010; adding new sections to chapter 19.29A RCW; and creating a new section.

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

**NEW SECTION. Sec. 1.** (1) Consumer disclosure ensures that retail electric consumers purchasing electric energy receive basic information about the characteristics associated with their electric product in a form that facilitates consumer understanding of retail electric energy service and the development of new products responsive to consumer preferences.

(2) The legislature finds and declares that there is a need for reliable, accurate, and timely information regarding fuel source, that is consistently collected, for all electricity products offered for retail sale in Washington.

(3) The desirability and feasibility of such disclosure has been clearly established in nutrition labeling, uniform food pricing, truth-in-lending, and other consumer information programs.

(4) The legislature intends to establish a consumer disclosure standard under which retail suppliers in Washington disclose information on the fuel mix of the electricity products they sell. Fundamental to disclosure is a label that promotes consistency in content and format, that is accurate, reliable, and simple to understand, and that allows verification of the accuracy of information reported.

(5) To ensure that consumer information is verifiable and accurate, certain characteristics of electricity generation must be tracked and compared with information provided to consumers.

**Sec. 2.** RCW 19.29A.010 and 1998 c 300 s 2 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Biomass generation" means electricity derived from burning solid organic fuels from wood, forest, or field residue, or dedicated energy crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chroma-arsenic.

(2) "Bonneville power administration system mix" means a generation mix sold by the Bonneville power administration that is net of any resource specific sales and that is net of any electricity sold to direct service industrial customers, as

defined in section 3(8) of the Pacific Northwest Electric Power Planning and Conservation Act (16 U.S.C. Sec. 839(a)(8)).

(3) "Coal generation" means the electricity produced by a generating facility that burns coal as the primary fuel source.

(4) "Commission" means the utilities and transportation commission.

((2)) (5) "Conservation" means an increase in efficiency in the use of energy use that yields a decrease in energy consumption while providing the same or higher levels of service. Conservation includes low-income weatherization programs.

((3)) (6) "Consumer-owned utility" means a municipal electric utility formed under Title 35 RCW, a public utility district formed under Title 54 RCW, an irrigation district formed under chapter 87.03 RCW, a cooperative formed under chapter 23.86 RCW, or a mutual corporation or association formed under chapter 24.06 RCW, that is engaged in the business of distributing electricity to more than one retail electric customer in the state.

((4)) (7) "Declared resource" means an electricity source specifically identified by a retail supplier to serve retail electric customers. A declared resource includes a stated quantity of electricity tied directly to a specified generation facility or set of facilities either through ownership or contract purchase, or a contractual right to a stated quantity of electricity from a specified generation facility or set of facilities.

(8) "Department" means the department of community, trade, and economic development.

((5)) (9) "Electricity information coordinator" means the organization selected by the department under section 6 of this act to: (a) Compile generation data in the Northwest power pool by generating project and by resource category; (b) compare the quantity of electricity from declared resources reported by retail suppliers with available generation from such resources; (c) calculate the net system power mix; and (d) coordinate with other comparable organizations in the western interconnection.

(10) "Electric meters in service" means those meters that record in at least nine of twelve calendar months in any calendar year not less than two hundred fifty kilowatt hours per month.

((6)) (11) "Electricity product" means the electrical energy produced by a generating facility or facilities that a retail supplier sells or offers to sell to retail electric customers in the state of Washington, provided that nothing in this title shall be construed to mean that electricity is a good or product for the purposes of Title 62A RCW, or any other purpose. It does not include electrical energy generated on-site at a retail electric customer's premises.

(12) "Electric utility" means a consumer-owned or investor-owned utility as defined in this section.

((7)) (13) "Electricity" means electric energy measured in kilowatt hours, or electric capacity measured in kilowatts, or both.

~~((8))~~ (14) "Fuel mix" means the actual or imputed sources of electricity sold to retail electric customers, expressed in terms of percentage contribution by resource category. The total fuel mix included in each disclosure shall total one hundred percent.

(15) "Geothermal generation" means electricity derived from thermal energy naturally produced within the earth.

(16) "Governing body" means the council of a city or town, the commissioners of an irrigation district, municipal electric utility, or public utility district, or the board of directors of an electric cooperative or mutual association that has the authority to set and approve rates.

~~((9))~~ (17) "High efficiency cogeneration" means electricity produced by equipment, such as heat or steam used for industrial, commercial, heating, or cooling purposes, that meets the federal energy regulatory commission standards for qualifying facilities under the public utility regulatory policies act of 1978.

(18) "Hydroelectric generation" means a power source created when water flows from a higher elevation to a lower elevation and the flow is converted to electricity in one or more generators at a single facility.

(19) "Investor-owned utility" means a company owned by investors that meets the definition of RCW 80.04.010 and is engaged in distributing electricity to more than one retail electric customer in the state.

~~((10))~~ (20) "Landfill gas generation" means electricity produced by a generating facility that uses waste gases produced by the decomposition of organic materials in landfills.

(21) "Natural gas generation" means electricity produced by a generating facility that burns natural gas as the primary fuel source.

(22) "Northwest power pool" means the generating resources included in the United States portion of the Northwest power pool area as defined by the western systems coordinating council.

(23) "Net system power mix" means the fuel mix in the Northwest power pool, net of: (a) Any declared resources in the Northwest power pool identified by in-state retail suppliers or out-of-state entities that offer electricity for sale to retail electric customers; (b) any electricity sold by the Bonneville power administration to direct service industrial customers; and (c) any resource specific sales made by the Bonneville power administration.

(24) "Oil generation" means electricity produced by a generating facility that burns oil as the primary fuel source.

(25) "Proprietary customer information" means: (a) Information that relates to the source and amount of electricity used by a retail electric customer, a retail electric customer's payment history, and household data that is made available by the customer solely by virtue of the utility-customer relationship; and (b) information contained in a retail electric customer's bill.

~~((11))~~ (26) "Renewable resources" means electricity generation facilities fueled by: (a) Water; (b) wind; (c) solar energy; (d) geothermal energy; (e) landfill

gas; or (f) biomass energy based on solid organic fuels from wood, forest, or field residues, or dedicated energy crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic.

~~((+2))~~ (27) "Resale" means the purchase and subsequent sale of electricity for profit, but does not include the purchase and the subsequent sale of electricity at the same rate at which the electricity was purchased.

~~((+3))~~ (28) "Retail electric customer" means a person or entity that purchases electricity for ultimate consumption and not for resale.

~~((+4))~~ (29) "Retail supplier" means an electric utility that offers an electricity product for sale to retail electric customers in the state.

(30) "Small utility" means any consumer-owned utility with twenty-five thousand or fewer electric meters in service, or that has an average of seven or fewer customers per mile of distribution line.

~~((+5))~~ (31) "Solar generation" means electricity derived from radiation from the sun that is directly or indirectly converted to electrical energy.

(32) "State" means the state of Washington.

(33) "Waste incineration generation" means electricity derived from burning solid or liquid wastes from businesses, households, municipalities, or waste treatment operations.

(34) "Wind generation" means electricity created by movement of air that is converted to electrical energy.

NEW SECTION. Sec. 3. (1) Beginning in 2001, each retail supplier shall provide to its existing and new retail electric customers its annual fuel mix information by generation category as required in section 4 of this act.

(2) Disclosures required under subsection (1) of this section shall be provided through a disclosure label presented in a standardized format as required in section 4(7) of this act.

(3) Except as provided in subsection (5) of this section, each retail supplier shall provide the disclosure label:

(a) To each of its new retail electric customers at the time service is established;

(b) To all of its existing retail electric customers, as a bill insert or other mailed publication, not less than semiannually; and

(c) As part of any marketing material, in paper, written, or other media format, that is used primarily to promote the sale of any specific electricity product being advertised, contracted for, or offered for sale to current or prospective retail electric customers.

(4) In addition to the disclosure requirements under subsection (3) of this section, each retail supplier shall provide to each electric customer it serves, at least two additional times per year, a publication that contains either:

(a) The disclosure label;

(b) A customer service phone number to request a disclosure label; or

(c) A reference to an electronic form of the disclosure label.

(5) Small utilities and mutual light and power companies shall provide the disclosure label not less than annually through a publication that is distributed to all their retail electric customers, and have disclosure label information available in their main business office. If a small utility or mutual company engages in marketing a specific electric product new to that utility it shall provide the disclosure label described in subsection (3)(c) of this section.

**NEW SECTION. Sec. 4.** (1) Each retail supplier shall disclose the fuel mix of each electricity product it offers to retail electric customers as follows:

(a) For an electricity product comprised entirely of declared resources, a retail supplier shall disclose the fuel mix for the electricity product based on the quantity of electric generation from those declared resources for the previous calendar year and any adjustment, if taken, available under subsection (6) of this section.

(b) For an electricity product comprised of no declared resources, a retail supplier shall report the fuel mix for the electricity product as the fuel mix of net system power for the previous calendar year, as determined by the electricity information coordinator under section 6 of this act.

(c) For an electricity product comprised of a combination of declared resources and the net system power, a retail supplier shall disclose the fuel mix for the electricity product as a weighted average of the megawatt-hours from declared resources and the megawatt-hours from the net system power mix for the previous calendar year according to the proportion of declared resources and net system power contained in the electricity product.

(2) The disclosures required by this section shall identify the percentage of the total electricity product sold by a retail supplier during the previous calendar year from each of the following categories:

- (a) Coal generation;
- (b) Hydroelectric generation;
- (c) Natural gas generation;
- (d) Nuclear generation; and

(e) Other generation, except that when a component of the other generation category meets or exceeds two percent of the total electricity product sold by a retail supplier during the previous calendar year, the retail supplier shall identify the component or components and display the fuel mix percentages for these component sources, which may include, but are not limited to: (i) Biomass generation; (ii) geothermal generation; (iii) landfill gas generation; (iv) oil generation; (v) solar generation; (vi) waste incineration; or (vii) wind generation. A retail supplier may voluntarily identify any component or components within the other generation category that comprises two percent or less of annual sales.

(3) Retail suppliers may separately report a subcategory of natural gas generation to identify high efficiency cogeneration.

(4) Except as provided in subsection (3) of this section, a retail supplier cannot include in the disclosure label any environmental quality or environmental impact qualifier related to any of the generation categories disclosed.

(5) For the portion of an electricity product purchased from the Bonneville power administration, retail suppliers may disclose the Bonneville power administration system mix.

(6) A retail supplier may adjust its reported fuel mix for known changes in its declared resources for the current year based on any changes in its sources of electricity supply from either generation or contracts. If a retail supplier changes its fuel mix during a calendar year, it shall report those changes to the electricity information coordinator.

(7) Disclosure of the fuel mix information required in this section shall be made in the following uniform format: A tabular format with two columns, where the first column shall alphabetically list each category and the second column shall display the corresponding percentage of the total that each category represents. The percentage shall be reported as a numeric value rounded to the nearest one percent. The percentages listed for the categories identified must sum to one hundred percent with the table displaying such a total.

**NEW SECTION. Sec. 5.** The department shall:

(1) Convene a work group of interested parties to suggest modifications, if any, to the disclosure requirements required in section 4 of this act to improve information content, readability, and consumer understanding, and to suggest modifications, if any, to the responsibilities of the electricity information coordinator required in section 6 of this act to improve the accuracy and efficiency of the tracking process. If the department serves as the electricity information coordinator, these evaluation and reporting requirements relative to the responsibilities of the electricity information coordinator and the tracking process shall be assigned to an independent third party;

(2) Invite interested parties, including but not limited to representatives from investor-owned utilities, consumer-owned utilities, the commission, the attorney general's office, consumer advocacy groups, and the environmental community to participate in the work group convened in subsection (1) of this section; and

(3) Submit to the legislature no later than December 1, 2003, a report with suggested modifications, if any, to the disclosure requirements and responsibilities of the electricity information coordinator, as referred to in subsection (1) of this section.

**NEW SECTION. Sec. 6.** (1) For the purpose of selecting the electricity information coordinator, the department shall form a work group of interested parties. The department shall invite interested parties, including, but not limited to, representatives from investor-owned utilities, consumer-owned utilities, the commission, the attorney general's office, consumer advocacy groups, and the environmental community to participate in the work group. In the event an appropriate regional entity is not selected by November 1, 2000, the department



shall serve as the electricity information coordinator after notifying the committees of the senate and house of representatives with jurisdiction over energy matters.

(2) The department may receive any lawful gifts, grants, or endowments from public or private sources that are made from time to time, in trust or otherwise, for the use and benefit of the department in implementing this section, and may spend such gifts, grants, or endowments for the purposes of implementing this section.

(3) As a condition for an appropriate regional entity to be selected under this section to serve as the electricity information coordinator, it must agree to compile the following information:

(a) Actual generation by fuel mix in the Northwest power pool for the prior calendar year, expressed in megawatt hours. This data will be compiled as it becomes available.

(b) Adjustments to the actual generation for the prior calendar year that are known and provided to the electricity information coordinator by the end of January of the current calendar year to reflect known changes in declared resources for the current year and changes due to interconnection of new generating resources or decommissioning or sale of existing resources or contracts. These adjustments shall include supporting documentation.

(c) The amount of electricity from declared resources that retail suppliers will identify in their fuel mix disclosures during the current calendar year. Retail suppliers shall make this data available by the end of January each year.

(4) Retail suppliers shall make available upon request the following information to support the ownership or contractual rights to declared resources:

(a) Documentation of ownership of declared resources by retail suppliers; or

(b) Documentation of contractual rights by retail suppliers to a stated quantity of electricity from a specific generating facility.

If the documentation referred to in either (a) or (b) of this subsection is not available, the retail supplier may not identify the electricity source as a declared resource and instead must report the net system power mix for the quantity of electric generation from that resource.

(5) If the documentation referred to in either subsection (4)(a) or (b) of this section is not available, the retail supplier may not identify the electricity source as a declared resource and instead must report the net system power mix for the quantity of electric generation from that resource.

(6) As a condition for an appropriate regional entity to be selected under this section to serve as the electricity information coordinator, it must agree to:

(a) Coordinate with comparable entities or organizations in the western interconnection;

(b) On or before May 1st of each year, or as soon thereafter as practicable once the data in subsection (3)(a) of this section is available, calculate and make available the net system power mix as follows:

(i) The actual Northwest power pool generation for the prior calendar year;

(ii) Plus any adjustments to the Northwest power pool generation as made available to the electricity information coordinator by the end of January of the current calendar year pursuant to section 4(6) of this act;

(iii) Less the quantity of electricity associated with declared resources claimed by retail suppliers for the current calendar year;

(iv) Plus other adjustments necessary to ensure that the same resource output is not declared more than once.

(c) To the extent the information is available, verify that the quantity of electricity associated with the declared resources does not exceed the available generation from those resources.

(7) Subsections (3) and (6) of this section apply to the department in the event the department assumes the functions of the electricity information coordinator.

**NEW SECTION.** Sec. 7. Sections 3 through 6 of this act are each added to chapter 19.29A RCW.

Passed the House February 10, 2000.

Passed the Senate March 2, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

---

## CHAPTER 214

[House Bill 2600]

### DOMESTIC INSURANCE COMPANIES

AN ACT Relating to control of domestic insurance companies; and amending RCW 48.31B.025.

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

**Sec. 1.** RCW 48.31B.025 and 1993 c 462 s 6 are each amended to read as follows:

(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) RCW 48.31B.030 (1)(a), (2), and (3); and

(c) Either RCW 48.31B.030(1)(b) 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 RCW 48.31B.030(2), 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 subsection (1) of this section 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 person making such a filing with the commissioner shall at the same time deliver a complete copy of the filing to each domestic insurer which is the subject of such filing. 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-the))~~ 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.

Passed the House February 8, 2000.  
 Passed the Senate March 3, 2000.  
 Approved by the Governor March 30, 2000.  
 Filed in Office of Secretary of State March 30, 2000.

---

**CHAPTER 215**

[Engrossed House Bill 2609]

**DISHONORED CHECKS**

AN ACT Relating to notices of dishonored checks; amending RCW 62A.3-515, 62A.3-522, and 62A.3-525; and adding a new section to chapter 26.23 RCW.

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

**Sec. 1.** RCW 62A.3-515 and 1995 c 187 s 1 are each amended to read as follows:

(a) If a check as defined in RCW 62A.3-104 is dishonored by nonacceptance or nonpayment, the payee or ~~((holder of the check is entitled to))~~ person entitled to enforce the check under RCW 62A.3-301 may collect a reasonable handling fee for each instrument. If the check is not paid within fifteen days and after the ~~((holder of the check))~~ person entitled to enforce the check or the person's agent sends a notice of dishonor as provided by RCW 62A.3-520 to the drawer at the drawer's last known address, and if the instrument does not provide for the payment of interest or collection costs and attorneys' fees, the drawer of the instrument is liable for payment of interest at the rate of twelve percent per annum from the date of dishonor, and cost of collection not to exceed forty dollars or the face amount of the check, whichever is less, payable to the person entitled to enforce the check. In addition, in the event of court action on the check, the court, after notice and the expiration of the fifteen days, shall award reasonable attorneys' fees, and three times the face amount of the check or three hundred dollars, whichever is less, as part of the damages payable to the ~~((holder of))~~ person enforcing the check. This section does not apply to an instrument that is dishonored by reason of a justifiable stop payment order.

(b)(1) Subsequent to the commencement of an action on the check (subsection (a)) but prior to the hearing, the defendant may tender to the plaintiff as satisfaction of the claim, an amount of money equal to the face amount of the check, a reasonable handling fee, accrued interest, collection costs equal to the face amount of the check not to exceed forty dollars, and the incurred court costs, service costs, and statutory attorneys' fees.

(2) Nothing in this section precludes the right to commence action in a court under chapter 12.40 RCW for small claims.

**Sec. 2.** RCW 62A.3-522 and 1993 c 229 s 69 are each amended to read as follows:

In addition to sending a notice of dishonor to the drawer of the check under RCW 62A.3-520, the ~~((holder of the check))~~ person sending notice shall execute

an affidavit certifying service of the notice by mail. The affidavit of service by mail must be attached to a copy of the notice of dishonor and must be substantially in the following form:

AFFIDAVIT OF SERVICE BY MAIL

I, . . . . ., hereby certify that on the . . . . . day of . . . . ., ~~((19))~~ 20. . . . ., a copy of the foregoing Notice was served on . . . . . by mailing via the United States Postal Service, postage prepaid, at . . . . ., Washington.

Dated: . . . . .  
(Signature)

The ~~((holder))~~ person enforcing the check shall retain the affidavit with the check but shall file a copy of the affidavit with the clerk of the court in which an action on the check is commenced.

Sec. 3. RCW 62A.3-525 and 1993 c 229 s 70 are each amended to read as follows:

No interest, collection costs, and attorneys' fees, except handling fees, are recoverable on any dishonored check under the provisions of RCW 62A.3-515 where ~~((the holder of the check or))~~ a person entitled to such recovery or any agent, employee, or assign ~~((of the holder))~~ has demanded:

- (1) Interest or collection costs in excess of that provided by RCW 62A.3-515;
- or
- (2) Interest or collection costs prior to the expiration of fifteen days after the mailing of notice of dishonor, as provided by RCW 62A.3-515 and 62A.3-520; or
- (3) Attorneys' fees either without having the fees set by the court, or prior to the expiration of fifteen days after the mailing of notice of dishonor, as provided by RCW 62A.3-515 and 62A.3-520.

NEW SECTION. Sec. 4. A new section is added to chapter 26.23 RCW to read as follows:

For any payment made by a check as defined in RCW 62A.3-104, if the instrument is dishonored under RCW 62A.3-515, the costs and fees authorized under RCW 62A.3-515 apply. The department may establish procedures and adopt rules to enforce this section.

Passed the House March 6, 2000.  
Passed the Senate March 3, 2000.  
Approved by the Governor March 30, 2000.  
Filed in Office of Secretary of State March 30, 2000.

---

CHAPTER 216

[Engrossed House Bill 2648]  
QUALITY AWARD COUNCIL

AN ACT Relating to quality awards; amending RCW 43.07.290; adding a new section to chapter 43.06 RCW; recodifying RCW 43.07.290; and repealing RCW 43.07.295.

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

Sec. 1. RCW 43.07.290 and 1998 c 245 s 86 are each amended to read as follows:

(1) The Washington quality award council shall be organized as a private, nonprofit corporation, in accordance with chapter 24.03 RCW and this section ~~((; with limited staff assistance by the secretary of state as provided by RCW 43.07.295))~~.

(2) The council shall oversee the governor's Washington state quality ~~((achievement))~~ award program. The purpose of the program is to improve the overall competitiveness of the state's economy by stimulating Washington state industries, business, and organizations to bring about measurable success through setting standards of organizational excellence, encouraging organizational self-assessment, identifying successful organizations as role models, and providing a valuable mechanism for promoting and strengthening a commitment to continuous quality improvement in all sectors of the state's economy. The ~~((program))~~ governor shall annually ((recognize)) present the award to organizations that improve the quality of their products and services and are noteworthy examples of high-performing work organizations, as determined by the council in consultation with the governor or appointed representative.

(3) The ~~((council shall consist of the governor and the secretary of state, or their designees, as chair and vice chair, respectively, the director of the department of community, trade, and economic development, or his or her designee, and twenty-seven members appointed by the))~~ governor shall appoint a representative to serve on the board of directors of the council. ((Those twenty-seven council members must be selected from recognized professionals who shall have backgrounds in or experience with effective quality improvement techniques; employee involvement quality of work life initiatives; development of innovative labor management relations; and other recognized leaders in state and local government and private business. The membership of the board beyond the chair and vice chair shall be appointed by the governor for terms of three years.))

(4) The council shall establish a board of examiners, a recognition committee, and such other ~~((subcouncil groups))~~ committees or subgroups as it deems appropriate to carry out its responsibilities. ~~((Subcouncil groups established by the council may be composed of none council members.))~~

(5) ~~((The council shall compile a list of resources available for organizations interested in productivity improvement, quality techniques, effective methods of work organization, and upgrading work force skills as a part of the quality for Washington state foundation's ongoing educational programs. The council shall make the list of resources available to the general public.~~

~~((6))~~ (6) The council may conduct such public information, research, education, and assistance programs as it deems appropriate to further quality improvement in organizations operating in the state of Washington.

~~((7))~~ (6) The council shall:

- (a) Approve and announce ((achievement)) award recipients;
  - (b) Approve guidelines to examine applicant organizations;
  - (c) Approve appointment of ((judges and)) board of examiners; and
  - (d) Arrange appropriate annual awards and recognition for recipients(~~(, in conjunction with the quality for Washington state foundation;~~
  - ~~—(e) Formulate recommendations for change in the nomination form or award categories, in cooperation with the quality for Washington state foundation; and~~
  - ~~—(f) Review any related education, training, technology transfer, and research initiatives proposed to it, and that it determines merit such a review.~~
  - ~~—(8) By January 1st of each even-numbered year, the council may report to the governor and the appropriate committees of the legislature on its activities in the preceding two years and on any recommendations in state policies or programs that could encourage quality improvement and the development of high-performance work organizations)).~~
- ((9)) (7) The council shall cease to exist on July 1, ((+999)) 2004, unless otherwise extended by law.

NEW SECTION. Sec. 2. RCW 43.07.295 (Washington quality award council—Administrative assistance) and 1997 c 329 s 2 are each repealed.

NEW SECTION. Sec. 3. RCW 43.07.290, as amended by this act, is recodified as a section in chapter 43.06 RCW.

Passed the House February 14, 2000.

Passed the Senate March 7, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

## CHAPTER 217

[Second Substitute House Bill 2663]

### ATYPICAL ANTIPSYCHOTIC MEDICATION—DISTRIBUTION

AN ACT Relating to the distribution of atypical antipsychotic medications to underserved populations; 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 schizophrenia is a devastating and costly disease. Atypical antipsychotic medications have been developed for treatment of schizophrenia and other similar psychiatric and neurological conditions, which have been effective at treating these conditions with less severe side effects than the side effects that accompany typical antipsychotics. Atypical antipsychotic medications are commonly prescribed and are within the standard of care. In order to protect the public health, safety, and welfare, and reduce the economic and societal costs associated with untreated schizophrenia and other similar psychiatric and neurological conditions, the legislature intends to promote access to atypical antipsychotic medications by those unable to access them and who present a risk of harm to themselves and to the community.



**NEW SECTION. Sec. 2.** (1) To the extent funds are appropriated, the department of social and health services shall request proposals that promote access to atypical antipsychotic medications to persons who meet the following criteria:

(a) The person has schizophrenia or other psychiatric or neurological condition that is treated with atypical antipsychotic medication;

(b) The person's income is less than two hundred percent of the federal poverty level; and

(c) The person is not covered by insurance or other benefit that pays for atypical antipsychotic medications. The person may have a copayment requirement under available coverage, which is cost prohibitive for the person given his or her income level, which would not disqualify the person under the requirement of this section.

(2) Contracts shall be awarded to contractors whose proposal meets the following criteria:

(a) Has a distribution mechanism that achieves cost savings in service delivery and medication costs;

(b) Targets children and adults who are transitioning out of state or local correctional or detention facilities or who have recently received mental health services under chapter 71.05 or 71.34 RCW;

(c) Is based on a clear statement of intended outcomes which are objective and identified in the proposal;

(d) Is designed to provide temporary access to these atypical antipsychotic medications until the person has obtained coverage or achieved financial capacity to retain them;

(e) Proposes to dispense the atypical antipsychotic medications as a part of a comprehensive program designed to achieve an improved mental status and stable living situation; and

(f) Maximizes cost savings of the atypical antipsychotic medications.

(3)(a) "Atypical antipsychotic medications" means drugs with a pharmacological classification of dibenzodiazepines, benzisoxazoles, thienobenzodiazepines, and dibenzothiazepines, and such other drugs as are defined in rule by the department which have the same or very similar utility in treating schizophrenia or other similar psychiatric and neurological conditions.

(b) "Access to atypical antipsychotic medications" includes:

(i) Pharmaceutical companies participating in this program shall increase access to their products for the targeted population through intensive outreach to their respective indigent drug programs as of the effective date of this act. The eligibility criteria of their respective indigent drug programs shall not be changed to decrease access or availability from the criteria as they exist on March 15, 2000; and

(ii) Other drugs or laboratory tests when used in conjunction with the atypical antipsychotic medications to achieve maximum therapeutic effect, or to treat side effects.

(4) Nothing in this section creates or provides any individual with an entitlement to services or benefits. It is the intent of the legislature that atypical antipsychotic medications shall be made available under this section only to the extent of the availability and level of appropriation made by the legislature.

(5) The distribution mechanism shall require successful recipients to comply with data collection needs of the Washington institute for public policy.

(6) The department is authorized to establish rules necessary to implement the provisions of this act.

NEW SECTION. **Sec. 3.** (1) The Washington institute for public policy shall conduct an evaluation of this act to determine the following:

(a) Outcomes for persons receiving atypical antipsychotic medications under the provisions of this act, including, but not limited to the person's: (i) Ability to perform basic living skills and maintain a job; (ii) adherence to medication regimens; (iii) number of inpatient placement or acute care services after having received atypical antipsychotic medications; and (iv) criminal conviction record for further offenses, if any, after having received atypical antipsychotic medications;

(b) The extent to which this act increases access to atypical antipsychotic medications to the targeted population; and

(c) The uniformity by health care providers in prescribing atypical antipsychotic medications among the population identified under the provisions of this act.

(2) The Washington institute for public policy shall identify the number of children and the number of adults served; and outcomes, access, and uniformity for both children and adults.

(3) The Washington institute for public policy shall report to the legislature by January 1, 2002.

NEW SECTION. **Sec. 4.** This act expires June 30, 2002.

Passed the House March 6, 2000.

Passed the Senate March 3, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

---

**CHAPTER 218**

[House Bill 2686]

**PUBLIC ASSISTANCE—DEFINITIONS**

AN ACT Relating to definitions of income and resources; amending RCW 74.09.530; and reenacting and amending RCW 74.04.005.

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

**Sec. 1.** RCW 74.04.005 and 1998 c 80 s 1 and 1998 c 79 s 6 are each reenacted and amended to read as follows:

For the purposes of this title, unless the context indicates otherwise, the following definitions shall apply:

(1) "Public assistance" or "assistance"—Public aid to persons in need thereof for any cause, including services, medical care, assistance grants, disbursing orders, work relief, general assistance and federal-aid assistance.

(2) "Department"—The department of social and health services.

(3) "County or local office"—The administrative office for one or more counties or designated service areas.

(4) "Director" or "secretary" means the secretary of social and health services.

(5) "Federal-aid assistance"—The specific categories of assistance for which provision is made in any federal law existing or hereafter passed by which payments are made from the federal government to the state in aid or in respect to payment by the state for public assistance rendered to any category of needy persons for which provision for federal funds or aid may from time to time be made, or a federally administered needs-based program.

(6)(a) "General assistance"—Aid to persons in need who:

(i) Are not eligible to receive federal-aid assistance, other than food stamps or food stamp benefits transferred electronically and medical assistance; however, an individual who refuses or fails to cooperate in obtaining federal-aid assistance, without good cause, is not eligible for general assistance;

(ii) Meet one of the following conditions:

(A) Pregnant: PROVIDED, That need is based on the current income and resource requirements of the federal temporary assistance for needy families program; or

(B) Subject to chapter 165, Laws of 1992, incapacitated from gainful employment by reason of bodily or mental infirmity that will likely continue for a minimum of ninety days as determined by the department.

(C) Persons who are unemployable due to alcohol or drug addiction are not eligible for general assistance. Persons receiving general assistance on July 26, 1987, or becoming eligible for such assistance thereafter, due to an alcohol or drug-related incapacity, shall be referred to appropriate assessment, treatment, shelter, or supplemental security income referral services as authorized under chapter 74.50 RCW. Referrals shall be made at the time of application or at the time of eligibility review. Alcoholic and drug addicted clients who are receiving general assistance on July 26, 1987, may remain on general assistance if they otherwise retain their eligibility until they are assessed for services under chapter 74.50 RCW. Subsection (6)(a)(ii)(B) of this section shall not be construed to prohibit the department from granting general assistance benefits to alcoholics and drug addicts who are incapacitated due to other physical or mental conditions that meet the eligibility criteria for the general assistance program;

(iii) Are citizens or aliens lawfully admitted for permanent residence or otherwise residing in the United States under color of law; and

(iv) Have furnished the department their social security account number. If the social security account number cannot be furnished because it has not been issued or is not known, an application for a number shall be made prior to authorization of assistance, and the social security number shall be provided to the department upon receipt.

(b) Notwithstanding the provisions of subsection (6)(a)(i), (ii), and (c) of this section, general assistance shall be provided to the following recipients of federal-aid assistance:

(i) Recipients of supplemental security income whose need, as defined in this section, is not met by such supplemental security income grant because of separation from a spouse; or

(ii) To the extent authorized by the legislature in the biennial appropriations act, to recipients of temporary assistance for needy families whose needs are not being met because of a temporary reduction in monthly income below the entitled benefit payment level caused by loss or reduction of wages or unemployment compensation benefits or some other unforeseen circumstances. The amount of general assistance authorized shall not exceed the difference between the entitled benefit payment level and the amount of income actually received.

(c) General assistance shall be provided only to persons who are not members of assistance units receiving federal aid assistance, except as provided in subsection (6)(a)(ii)(A) and (b) of this section, and will accept available services which can reasonably be expected to enable the person to work or reduce the need for assistance unless there is good cause to refuse. Failure to accept such services shall result in termination until the person agrees to cooperate in accepting such services and subject to the following maximum periods of ineligibility after reapplication:

(i) First failure: One week;

(ii) Second failure within six months: One month;

(iii) Third and subsequent failure within one year: Two months.

(d) Persons found eligible for general assistance based on incapacity from gainful employment may, if otherwise eligible, receive general assistance pending application for federal supplemental security income benefits. Any general assistance that is subsequently duplicated by the person's receipt of supplemental security income for the same period shall be considered a debt due the state and shall by operation of law be subject to recovery through all available legal remedies.

(e) The department shall adopt by rule medical criteria for general assistance eligibility to ensure that eligibility decisions are consistent with statutory requirements and are based on clear, objective medical information.

(f) The process implementing the medical criteria shall involve consideration of opinions of the treating or consulting physicians or health care professionals

regarding incapacity, and any eligibility decision which rejects uncontroverted medical opinion must set forth clear and convincing reasons for doing so.

(g) Recipients of general assistance based upon a finding of incapacity from gainful employment who remain otherwise eligible shall not have their benefits terminated absent a clear showing of material improvement in their medical or mental condition or specific error in the prior determination that found the recipient eligible by reason of incapacitation. Recipients of general assistance based upon pregnancy who relinquish their child for adoption, remain otherwise eligible, and are not eligible to receive benefits under the federal temporary assistance for needy families program shall not have their benefits terminated until the end of the month in which the period of six weeks following the birth of the recipient's child falls. Recipients of the federal temporary assistance for needy families program who lose their eligibility solely because of the birth and relinquishment of the qualifying child may receive general assistance through the end of the month in which the period of six weeks following the birth of the child falls.

(h) No person may be considered an eligible individual for general assistance with respect to any month if during that month the person:

(i) Is fleeing to avoid prosecution of, or to avoid custody or confinement for conviction of, a felony, or an attempt to commit a felony, under the laws of the state of Washington or the place from which the person flees; or

(ii) Is violating a condition of probation, community supervision, or parole imposed under federal or state law for a felony or gross misdemeanor conviction.

(7) "Applicant"—Any person who has made a request, or on behalf of whom a request has been made, to any county or local office for assistance.

(8) "Recipient"—Any person receiving assistance and in addition those dependents whose needs are included in the recipient's assistance.

(9) "Standards of assistance"—The level of income required by an applicant or recipient to maintain a level of living specified by the department.

(10) "Resource"—Any asset, tangible or intangible, owned by or available to the applicant at the time of application, which can be applied toward meeting the applicant's need, either directly or by conversion into money or its equivalent (~~PROVIDED~~)). The department may by rule designate resources that an applicant may retain ((the following described resources)) and not be ineligible for public assistance because of such resources. Exempt resources shall include, but are not limited to:

(a) A home (~~, which is defined as real property owned and used by an applicant or recipient as a place of residence, together with a reasonable amount of property surrounding and contiguous thereto, which is used by and useful to the applicant. Whenever a recipient shall cease to use such property for residential purposes, either for himself or herself or his or her dependents, the property shall be considered as a resource which can be made available to meet need, and if the recipient or his or her dependents absent themselves from the home for a period of ninety consecutive days such absence, unless due to hospitalization or health~~

~~reasons or a natural disaster, shall raise a rebuttable presumption of abandonment: PROVIDED, That if in the opinion of three physicians the recipient will be unable to return to the home during his or her lifetime, and the home is not occupied by a spouse or dependent children or disabled sons or daughters, such property shall be considered as a resource which can be made available to meet need.))~~ that an applicant, recipient, or their dependents is living in, including the surrounding property;

(b) Household furnishings and personal effects ~~((and other personal property having great sentimental value to the applicant or recipient, as limited by the department consistent with limitations on resources and exemptions for federal aid assistance.));~~

(c) A motor vehicle, other than a motor home, used and useful having an equity value not to exceed five thousand dollars((-));

(d) A motor vehicle necessary to transport a physically disabled household member. This exclusion is limited to one vehicle per physically disabled person((-));

(e) All other resources, including any excess of values exempted, not to exceed one thousand dollars or other limit as set by the department, to be consistent with limitations on resources and exemptions necessary for federal aid assistance. The department shall also allow recipients of temporary assistance for needy families to exempt savings accounts with combined balances of up to an additional three thousand dollars((-));

(f) Applicants for or recipients of general assistance shall have their eligibility based on resource limitations consistent with the temporary assistance for needy families program rules adopted by the department((-)); and

(g) If an applicant for or recipient of public assistance possesses property and belongings in excess of the ceiling value, such value shall be used in determining the need of the applicant or recipient, except that: (i) The department may exempt resources or income when the income and resources are determined necessary to the applicant's or recipient's restoration to independence, to decrease the need for public assistance, or to aid in rehabilitating the applicant or recipient or a dependent of the applicant or recipient; and (ii) the department may provide grant assistance for a period not to exceed nine months from the date the agreement is signed pursuant to this section to persons who are otherwise ineligible because of excess real property owned by such persons when they are making a good faith effort to dispose of that property: PROVIDED, That:

(A) The applicant or recipient signs an agreement to repay the lesser of the amount of aid received or the net proceeds of such sale;

(B) If the owner of the excess property ceases to make good faith efforts to sell the property, the entire amount of assistance may become an overpayment and a debt due the state and may be recovered pursuant to RCW 43.20B.630;

(C) Applicants and recipients are advised of their right to a fair hearing and afforded the opportunity to challenge a decision that good faith efforts to sell have ceased, prior to assessment of an overpayment under this section; and

(D) At the time assistance is authorized, the department files a lien without a sum certain on the specific property.

(11) "Income"—(a) All appreciable gains in real or personal property (cash or kind) or other assets, which are received by or become available for use and enjoyment by an applicant or recipient during the month of application or after applying for or receiving public assistance. The department may by rule and regulation exempt income received by an applicant for or recipient of public assistance which can be used by him or her to decrease his or her need for public assistance or to aid in rehabilitating him or her or his or her dependents, but such exemption shall not, unless otherwise provided in this title, exceed the exemptions of resources granted under this chapter to an applicant for public assistance. ~~((In determining the amount of assistance to which an applicant or recipient of temporary assistance for needy families is entitled, the department is hereby authorized to disregard as a resource or income the earned income exemptions consistent with federal requirements. The department may permit the above exemption of earnings of a child to be retained by such child to cover the cost of special future identifiable needs even though the total exceeds the exemptions or resources granted to applicants and recipients of public assistance, but consistent with federal requirements. In formulating rules and regulations pursuant to this chapter, the department shall define income and resources and the availability thereof, consistent with federal requirements. All resources and income not specifically exempted, and any income or other economic benefit derived from the use of, or appreciation in value of, exempt resources, shall be considered in determining the need of an applicant or recipient of public assistance.))~~ In addition, for cash assistance the department may disregard income pursuant to RCW 74.08A.230 and 74.12.350.

(b) If, under applicable federal requirements, the state has the option of considering property in the form of lump sum compensatory awards or related settlements received by an applicant or recipient as income or as a resource, the department shall consider such property to be a resource.

(12) "Need"—The difference between the applicant's or recipient's standards of assistance for himself or herself and the dependent members of his or her family, as measured by the standards of the department, and value of all nonexempt resources and nonexempt income received by or available to the applicant or recipient and the dependent members of his or her family.

(13) For purposes of determining eligibility for public assistance and participation levels in the cost of medical care, the department shall exempt restitution payments made to people of Japanese and Aleut ancestry pursuant to the Civil Liberties Act of 1988 and the Aleutian and Pribilof Island Restitution Act

passed by congress, P.L. 100-383, including all income and resources derived therefrom.

(14) In the construction of words and phrases used in this title, the singular number shall include the plural, the masculine gender shall include both the feminine and neuter genders and the present tense shall include the past and future tenses, unless the context thereof shall clearly indicate to the contrary.

**Sec. 2.** RCW 74.09.530 and 1979 c 141 s 345 are each amended to read as follows:

The amount and nature of medical assistance and the determination of eligibility of recipients for medical assistance shall be the responsibility of the department of social and health services. The department shall establish reasonable standards of assistance and resource and income exemptions which shall be consistent with the provisions of the Social Security Act and with the regulations of the secretary of health, education and welfare for determining eligibility of individuals for medical assistance and the extent of such assistance to the extent that funds are available from the state and federal government. The department shall not consider resources in determining continuing eligibility for recipients eligible under section 1931 of the social security act.

Passed the House March 7, 2000.

Passed the Senate March 2, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

## CHAPTER 219

[House Bill 2807]

### BLENDED FUNDING PROJECTS FOR YOUTH

AN ACT Relating to authorizing blended funding projects for youth; amending RCW 74.14A.020; adding a new section to chapter 74.14A RCW; and providing an effective date.

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

**Sec. 1.** RCW 74.14A.020 and 1994 sp.s. c 7 s 102 are each amended to read as follows:

State efforts shall address the needs of children and their families, including emotionally disturbed and mentally ill children, potentially dependent children, and families-in-conflict by:

(1) Serving children and families as a unit in the least restrictive setting available and in close proximity to the family home, consistent with the best interests and special needs of the child;

(2) Ensuring that appropriate social and health services are provided to the family unit both prior to and during the removal of a child from the home and after family reunification;

(3) Ensuring that the safety and best interests of the child are the paramount considerations when making placement and service delivery decisions;



(4) Recognizing the interdependent and changing nature of families and communities, building upon their inherent strengths, maintaining their dignity and respect, and tailoring programs to their specific circumstances;

(5) Developing and implementing comprehensive, preventive, and early intervention social and health services which have demonstrated the ability to delay or reduce the need for out-of-home placements and ameliorate problems before they become chronic or severe;

(6) Authorizing and facilitating blended funding for children who require services and residential treatment from multiple services systems; including child welfare services, mental health, alcohol and drug, and juvenile rehabilitation;

(7) Being sensitive to the family and community culture, norms, values, and expectations, ensuring that all services are provided in a culturally appropriate and relevant manner, and ensuring participation of racial and ethnic minorities at all levels of planning, delivery, and evaluation efforts;

~~((7))~~ (8)(a) Developing coordinated social and health services which:

(i) Identify problems experienced by children and their families early and provide services which are adequate in availability, appropriate to the situation, and effective;

(ii) Seek to bring about meaningful change before family situations become irreversibly destructive and before disturbed psychological behavioral patterns and health problems become severe or permanent;

(iii) Serve children and families in their own homes thus preventing unnecessary out-of-home placement or institutionalization;

(iv) Focus resources on social and health problems as they begin to manifest themselves rather than waiting for chronic and severe patterns of illness, criminality, and dependency to develop which require long-term treatment, maintenance, or custody;

(v) Reduce duplication of and gaps in service delivery;

(vi) Improve planning, budgeting, and communication among all units of the department and among all agencies that serve children and families; and

(vii) Utilize outcome standards for measuring the effectiveness of social and health services for children and families.

(b) In developing services under this subsection, local communities must be involved in planning and developing community networks that are tailored to their unique needs.

NEW SECTION. Sec. 2. A new section is added to chapter 74.14A RCW to read as follows:

The secretary of the department of social and health services shall charge appropriated funds to support blended funding projects for youth subject to any current or future waiver the department receives to the requirements of IV-E funding. To be eligible for blended funding a child must be eligible for services designed to address a behavioral, mental, emotional, or substance abuse issue from the department of social and health services and require services from more than

one categorical service delivery system. Before any blended funding project is established by the secretary, any entity or person proposing the project shall seek input from the public health and safety network or networks established in the catchment area of the project. The network or networks shall submit recommendations on the blended funding project to the family policy council. The family policy council shall advise the secretary whether to approve the proposed blended funding project. The network shall review the proposed blended funding project pursuant to its authority to examine the decategorization of program funds under RCW 70.190.110, within the current appropriation level. The department shall document the number of children who participate in blended funding projects, the total blended funding amounts per child, the amount charged to each appropriation by program, and services provided to each child through each blended funding project and report this information to the appropriate committees of the legislature by December 1st of each year, beginning in December 1, 2000.

**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.

**NEW SECTION. Sec. 4.** This act takes effect July 1, 2000.

Passed the House March 8, 2000.

Passed the Senate March 7, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

## CHAPTER 220

[Substitute House Bill 2846]

### INSURANCE--NOTICES TO AGENTS

AN ACT Relating to certain notices to agents or brokers; and amending RCW 48.18.289.

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

**Sec. I.** RCW 48.18.289 and 1988 c 249 s 1 are each amended to read as follows:

Whenever a notice of cancellation or nonrenewal or an offer to renew is furnished to an insured in accord with any provision of this chapter, a copy of such notice or offer shall be provided ~~((at the same time))~~ within five working days to the agent on the account or to the broker of record for the insured. When possible, the copy to the agent or broker may be provided electronically.

Passed the House February 9, 2000.

Passed the Senate March 1, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

## CHAPTER 221

[House Bill 2848]

## INSURANCE COMPANY SECURITIES

AN ACT Relating to the safeguarding of securities of domestic insurance companies, health care service contractors, health maintenance organizations, and health carriers; amending RCW 48.04.010 and 48.04.020; and adding new sections to chapter 48.13 RCW.

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

**NEW SECTION. Sec. 1.** The definitions in this section apply throughout sections 1 through 6 of this act unless the context clearly requires otherwise.

(1) "Broker" means a broker as defined in RCW 62A.8-102(1)(c).

(2) "Clearing corporation" means a depository corporation which maintains a book entry accounting system and which meets the requirements of RCW 62A.8-102(1)(e).

(3) "Commissioner" means the insurance commissioner of the state of Washington.

(4) "Federal reserve book-entry securities system" means the computerized systems sponsored by the United States department of the treasury and certain agencies and instrumentalities of the United States for holding and transferring securities of the United States government and such agencies and instrumentalities, respectively, and managed by the federal reserve system for participating financial institutions.

(5) "Participating financial institution" means a depository financial institution such as a national bank, state bank, savings and loan, credit union, or trust company that is:

(a) Authorized to participate in the federal reserve book-entry system; and

(b) Licensed by the United States or the banking authorities in its state of domicile and is regularly examined by the licensing authority.

(6) "Qualified custodian" means either a participating financial institution or a clearing corporation, or both. A qualified custodian does not include a broker.

(7) "Securities" means instruments as defined in RCW 62A.8-102(1)(o).

**NEW SECTION. Sec. 2.** Notwithstanding any other provision of law, a domestic insurance company may deposit or arrange for the deposit of securities held in or purchased for its general account and its separate accounts in a clearing corporation or the federal reserve book-entry securities system. When securities are deposited with a clearing corporation, certificates representing securities of the same class of the same issuer may be merged and held in bulk in the name of the nominee of such clearing corporation with any other securities deposited with such clearing corporation by any person, regardless of the ownership of such securities, and certificates representing securities of small denominations may be merged into one or more certificates of larger denominations. The records of any participating financial institution through which an insurance company holds securities in the federal reserve book-entry securities system, and the records of any custodian banks through which an insurance company holds securities in a clearing

corporation, shall at all times show that such securities are held for such insurance company and for which accounts thereof. Ownership of, and other interests in, such securities may be transferred by bookkeeping entry on the books of such clearing corporation or in the federal reserve book-entry securities system without, in either case, physical delivery of certificates representing such securities.

**NEW SECTION. Sec. 3.** The following are the only authorized methods of holding securities:

(1) A domestic insurance company may hold securities in definitive certificates;

(2) A domestic insurance company may, pursuant to an agreement, designate a participating financial institution or institutions as its custodian through which it can transact and maintain book-entry securities on behalf of the insurance company; or

(3) A domestic insurance company may, pursuant to an agreement, participate in depository systems of clearing corporations directly or through a custodian bank.

**NEW SECTION. Sec. 4.** A domestic insurance company using the methods of holding securities under section 3 (2) or (3) of this act is required to receive a confirmation from:

(1) The participating financial institution or the qualified custodian whenever securities are received or surrendered pursuant to the domestic insurance company's instructions to a securities broker; or

(2) The securities broker provided that the domestic insurance company has given the participating financial institution or qualified custodian and the securities broker matching instructions authorizing the transaction, which have been confirmed by the participating financial institution or qualified custodian prior to surrendering funds or securities to conduct the transaction.

**NEW SECTION. Sec. 5.** (1) A broker executing a securities trade pursuant to an order from a domestic insurance company shall send confirmation to the domestic insurance company or the clearing corporation confirming the order has been executed within twenty-four hours after order completion.

(2) A broker may not hold in its own account for longer than seventy-two hours any securities bought or sold pursuant to an order from a domestic insurance company.

**NEW SECTION. Sec. 6.** (1) Notwithstanding the maintenance of securities with a qualified custodian pursuant to agreement, if the commissioner:

(a) Has reasonable cause to believe that the domestic insurer:

(i) Is conducting its business and affairs in such a manner as to threaten to render it insolvent;

(ii) Is in a hazardous condition or is conducting its business and affairs in a manner that is hazardous to its policyholders, creditors, or the public; or

(iii) Has committed or is committing or has engaged or is engaging in any act that would constitute grounds for rendering it subject to rehabilitation or liquidation proceedings; or

(b) Determines that irreparable loss and injury to the property and business of the domestic insurer has occurred or may occur unless the commissioner acts immediately;

then the commissioner may, without hearing, order the insurer and the qualified custodian promptly to effect the transfer of the securities to another qualified custodian approved by the commissioner. Upon receipt of the order, the qualified custodian shall promptly effect the transfer of the securities. Notwithstanding the pendency of any hearing or request for hearing, the order shall be complied with by those persons subject to that order. Any challenge to the validity of the order shall be made under chapter 48.04 RCW, however, the stay of action provisions of RCW 48.04.020 do not apply. It is the responsibility of both the insurer and the qualified custodian to oversee that compliance with the order is completed as expeditiously as possible. Upon receipt of an order, there shall be no trading of the securities without specific instructions from the commissioner until the securities are received by the new qualified custodian, except to the extent trading transactions are in process on the day the order is received by the insurer and the failure to complete the trade may result in loss to the insurer's account. Issuance of an order does not affect the qualified custodian's liabilities with regard to the securities that are the subject of the order.

(2) No person other than the insurer has standing at the hearing by the commissioner or for any judicial review of the order.

**NEW SECTION.** Sec. 7. The commissioner may adopt rules to implement and administer sections 1 through 6 of this act.

**Sec. 8.** RCW 48.04.010 and 1990 1st ex.s. c 3 s 1 are each amended to read as follows:

(1) The commissioner may hold a hearing for any purpose within the scope of this code as he or she may deem necessary. The commissioner shall hold a hearing:

(a) If required by any provision of this code; or

(b) ~~Except under section 6 of this act,~~ upon written demand for a hearing made by any person aggrieved by any act, threatened act, or failure of the commissioner to act, if such failure is deemed an act under any provision of this code, or by any report, promulgation, or order of the commissioner other than an order on a hearing of which such person was given actual notice or at which such person appeared as a party, or order pursuant to the order on such hearing.

(2) Any such demand for a hearing shall specify in what respects such person is so aggrieved and the grounds to be relied upon as basis for the relief to be demanded at the hearing.

(3) Unless a person aggrieved by a written order of the commissioner demands a hearing thereon within ninety days after receiving notice of such order, or in the

case of a licensee under Title 48 RCW within ninety days after the commissioner has mailed the order to the licensee at the most recent address shown in the commissioner's licensing records for the licensee, the right to such hearing shall conclusively be deemed to have been waived.

(4) If a hearing is demanded by a licensee whose license has been temporarily suspended pursuant to RCW 48.17.540, the commissioner shall hold such hearing demanded within thirty days after receipt of the demand or within thirty days of the effective date of a temporary license suspension issued after such demand, unless postponed by mutual consent.

**Sec. 9.** RCW 48.04.020 and 1982 c 181 s 2 are each amended to read as follows:

(1) Such demand for a hearing received by the commissioner prior to the effective date of action taken or proposed to be taken by him or her shall stay such action pending the hearing, except as to action taken or proposed

(a) under an order on hearing, or

(b) under an order pursuant to an order on hearing, or

(c) under an order to make good an impairment of the assets of an insurer, or

(d) under an order of temporary suspension of license issued pursuant to RCW 48.17.540 as now or hereafter amended.

(2) In any case where an automatic stay is not provided for, and if the commissioner after written request therefor fails to grant a stay, the person aggrieved thereby may apply to the superior court for Thurston county for a stay of the commissioner's action.

(3) A stay of action is not available for actions taken by the commissioner under section 6 of this act.

**NEW SECTION. Sec. 10.** Sections 1 through 7 of this act are each added to chapter 48.13 RCW.

Passed the House February 14, 2000.

Passed the Senate February 28, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

---

## CHAPTER 222

[Engrossed Substitute House Bill 2934]

### FLOODWAY CONSTRUCTION

AN ACT Relating to accessory buildings and structures within the flood plain; and amending RCW 86.16.041.

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

**Sec. 1.** RCW 86.16.041 and 1999 c 9 s 1 are each amended to read as follows:

(1) Beginning July 26, 1987, every county and incorporated city and town shall submit to the department of ecology any new flood plain management ordinance or amendment to any existing flood plain management ordinance. Such

ordinance or amendment shall take effect thirty days from filing with the department unless the department disapproves such ordinance or amendment within that time period.

(2) The department may disapprove any ordinance or amendment submitted to it under subsection (1) of this section if it finds that an ordinance or amendment does not comply with any of the following:

(a) Restriction of land uses within designated floodways including the prohibition of construction or reconstruction, repair, or replacement of residential structures, except for: (i) Repairs, reconstruction, or improvements to a structure which do not increase the ground floor area; and (ii) repairs, reconstruction, or improvements to a structure the cost of which does not exceed fifty percent of the market value of the structure either, (A) before the repair, reconstruction, or repair is started, or (B) if the structure has been damaged, and is being restored, before the damage occurred. ~~((Work done on structures to comply with existing health, sanitary, or safety codes or to structures identified as historic places shall not be included in the fifty percent determination.))~~ Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications that have been identified by the local code or building enforcement official and which are the minimum necessary to ensure safe living conditions shall not be included in the fifty percent determination. However, the floodway prohibition in this subsection does not apply to existing farmhouses in designated floodways that meet the provisions of subsection (3) of this section, or to substantially damaged residential structures other than farmhouses that meet the depth and velocity and erosion analysis in subsection (4) of this section, or to structures identified as historic places;

(b) The minimum requirements of the national flood insurance program; and

(c) The minimum state requirements adopted pursuant to RCW 86.16.031(8) that are applicable to the particular county, city, or town.

(3) Repairs, reconstruction, replacement, or improvements to existing farmhouse structures located in designated floodways and which are located on lands designated as agricultural lands of long-term commercial significance under RCW 36.70A.170 shall be permitted subject to the following:

(a) The new farmhouse is a replacement for an existing farmhouse on the same farm site;

(b) There is no potential building site for a replacement farmhouse on the same farm outside the designated floodway;

(c) Repairs, reconstruction, or improvements to a farmhouse shall not increase the total square footage of encroachment of the existing farmhouse;

(d) A replacement farmhouse shall not exceed the total square footage of encroachment of the ~~((structure))~~ farmhouse it is replacing;

(e) A farmhouse being replaced shall be removed, in its entirety, including foundation, from the floodway within ninety days after occupancy of a new farmhouse;

(f) For substantial improvements, and replacement farmhouses, the elevation of the lowest floor of the improvement and farmhouse respectively, including basement, is a minimum of one foot higher than the base flood elevation;

(g) New and replacement water supply systems are designed to eliminate or minimize infiltration of flood waters into the system;

(h) New and replacement sanitary sewerage systems are designed and located to eliminate or minimize infiltration of flood water into the system and discharge from the system into the flood waters; and

(i) All other utilities and connections to public utilities are designed, constructed, and located to eliminate or minimize flood damage.

~~(4) ((Replacement home siting other than farmhouses must evaluate flood depth, flood velocity, and flood-related erosion, in order to identify a building site that offers the least risk of harm to life and property.~~

~~(5))~~ For all ~~((other))~~ substantially damaged residential structures other than farmhouses that are located in a designated floodway ~~((and damaged by flooding or flood-related erosion))~~, the department, at the request of the town, city, or county with land use authority over the structure, is authorized to assess the risk of harm to life and property posed by the specific conditions of the floodway, and, based upon scientific analysis of depth, velocity, and flood-related erosion, may exercise best professional judgment in recommending to the permitting authority, repair, replacement, or relocation of such damaged structures. The effect of the department's recommendation, with the town, city, or county's concurrence, to allow repair or replacement of a ~~((flood-damaged residence))~~ substantially damaged residential structure within the designated floodway is a waiver of the floodway prohibition.

~~((6))~~ (5) The department shall develop a rule or rule amendment guiding the assessment procedures and criteria described in subsections (3)~~((:))~~ and (4)~~((, and (5))~~ of this section no later than December 31, ~~((1999))~~ 2000.

~~((7))~~ (6) For the purposes of this section, "farmhouse" means a single-family dwelling ~~((located {located}))~~ located on a farm site where resulting agricultural products are not produced for the primary consumption or use by the occupants and the farm owner.

Passed the House February 10, 2000.

Passed the Senate March 3, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

---

## CHAPTER 223

[Engrossed Substitute House Bill 3045]

CLASS I RACING LICENSES

AN ACT Relating to class I racing licenses; and amending RCW 67.16.200.

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



**Sec. 1.** RCW 67.16.200 and 1997 c 87 s 4 are each amended to read as follows:

(1) A racing association licensed by the commission to conduct a race meet may seek approval from the commission to conduct parimutuel wagering on its program at a satellite location or locations within the state of Washington. The sale of parimutuel pools at satellite locations shall be conducted only during the licensee's race meet and simultaneous to all parimutuel wagering activity conducted at the licensee's live racing facility in the state of Washington. The commission's authority to approve satellite wagering at a particular location is subject to the following limitations:

(a) The commission may approve only one satellite location in each county in the state; however, the commission may grant approval for more than one licensee to conduct wagering at each satellite location. A satellite location shall not be operated within twenty driving miles of any class 1 racing facility. For the purposes of this section, "driving miles" means miles measured by the most direct route as determined by the commission; and

(b) A licensee shall not conduct satellite wagering at any satellite location within sixty driving miles of any other racing facility conducting a live race meet.

(2) Subject to local zoning and other land use ordinances, the commission shall be the sole judge of whether approval to conduct wagering at a satellite location shall be granted.

(3) The licensee shall combine the parimutuel pools of the satellite location with those of the racing facility for the purpose of determining odds and computing payoffs. The amount wagered at the satellite location shall be combined with the amount wagered at the racing facility for the application of take out formulas and distribution as provided in RCW 67.16.102, 67.16.105, 67.16.170, and 67.16.175. A satellite extension of the licensee's racing facility shall be subject to the same application of the rules of racing as the licensee's racing facility.

(4) Upon written application to the commission, a class 1 racing association may be authorized to transmit simulcasts of live horse races conducted at its racetrack to locations outside of the state of Washington approved by the commission and in accordance with the interstate horse racing act of 1978 (15 U.S.C. Sec. 3001 to 3007) or any other applicable laws. The commission may permit parimutuel pools on the simulcast races to be combined in a common pool. A racing association that transmits simulcasts of its races to locations outside this state shall pay at least fifty percent of the fee that it receives for sale of the simulcast signal to the horsemen's purse account for its live races after first deducting the actual cost of sending the signal out of state.

(5) Upon written application to the commission, a class 1 racing association may be authorized to transmit simulcasts of live horse races conducted at its racetrack to licensed racing associations located within the state of Washington and approved by the commission for the receipt of the simulcasts. The commission shall permit parimutuel pools on the simulcast races to be combined in a common

pool. The fee for in-state, track-to-track simulcasts shall be five and one-half percent of the gross parimutuel receipts generated at the receiving location and payable to the sending racing association. A racing association that transmits simulcasts of its races to other licensed racing associations shall pay at least fifty percent of the fee that it receives for the simulcast signal to the horsemen's purse account for its live race meet after first deducting the actual cost of sending the simulcast signal. A racing association that receives races simulcast from class I racing associations within the state shall pay at least fifty percent of its share of the parimutuel receipts to the horsemen's purse account for its live race meet after first deducting the purchase price and the actual direct costs of importing the race.

(6) A class I racing association may be allowed to import simulcasts of horse races from out-of-state racing facilities. With the prior approval of the commission, the class I racing association may participate in an interstate common pool and may change its commission and breakage rates to achieve a common rate with other participants in the common pool.

(a) The class I racing association shall make written application with the commission for permission to import simulcast horse races for the purpose of parimutuel wagering. Subject to the terms of this section, the commission is the sole authority in determining whether to grant approval for an imported simulcast race.

(b) During the conduct of its race meeting, a class I racing association may be allowed to import no more than one simulcast race card program during each live race day. A licensed racing association may also be approved to import one simulcast race of regional or national interest on each live race day. A class I racing association may be permitted to import two simulcast programs on two nonlive race days per each week during its live meet. A licensee shall not operate parimutuel wagering on more than five days per week. Parimutuel wagering on imported simulcast programs shall only be conducted at the live racing facility of a class I racing association.

(c) The commission may allow simulcast races of regional or national interest to be sent to satellite locations. The simulcasts shall be limited to one per day except for Breeder's Cup special events day.

(d) When open for parimutuel wagering, a class I racing association which imports simulcast races shall also conduct simulcast parimutuel wagering within its licensed racing enclosure on all races simulcast from other class I racing associations within the state of Washington.

(e) When not conducting a live race meeting, a class I racing association may be approved to conduct simulcast parimutuel wagering on imported simulcast races. The conduct of simulcast parimutuel wagering on the simulcast races shall be for not more than ~~((twelve))~~ fourteen hours during any twenty-four hour period, for not more than five days per week and only at its live racing facility.

(f) On any imported simulcast race, the class I racing association shall pay fifty percent of its share of the parimutuel receipts to the horsemen's purse account

for its live race meet after first deducting the purchase price of the imported race and the actual costs of importing the race.

(7) For purposes of this section, a class 1 racing association is defined as a licensee approved by the commission ~~((which))~~ to conduct~~((s))~~ during each twelve-month period at least forty days of live racing ~~((within four successive calendar months))~~. If a live race day is canceled due to reasons directly attributable to acts of God, labor disruptions affecting live race days but not directly involving the licensee or its employees, or other circumstances that the commission decides are beyond the control of the class 1 racing association, then the canceled day counts toward the forty-day requirement. The commission may by rule increase the number of live racing days required to maintain class 1 racing association status or make other rules necessary to implement this section.

(8) This section does not establish a new form of gaming in Washington or allow expanded gaming within the state beyond what has been previously authorized. Simulcast wagering has been allowed in Washington before April 19, 1997. Therefore, this section does not allow gaming of any nature or scope that was prohibited before April 19, 1997. This section is necessary to protect the Washington equine breeding and racing industries, and in particular those sectors of these industries that are dependent upon live horse racing. The purpose of this section is to protect these industries from adverse economic impacts and to promote fan attendance at class 1 racing facilities. Therefore, imported simulcast race card programs shall not be disseminated to any location outside the live racing facility of the class 1 racing association and a class 1 racing association is strictly prohibited from simulcasting imported race card programs to any location outside its live racing facility.

Passed the House February 11, 2000.

Passed the Senate March 2, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

---

## CHAPTER 224

[Substitute Senate Bill 5408]

MEDAL OF VALOR

AN ACT Relating to a state medal of valor; and adding a new chapter to Title 1 RCW.

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

NEW SECTION. Sec. 1. There is established a decoration of the state medal of valor with accompanying certificate, ribbons, and appurtenances for award by the governor, in the name of the state, to any person who has saved, or attempted to save, the life of another at the risk of serious injury or death to himself or herself, upon the selection of the governor's state medal of valor committee.

NEW SECTION. Sec. 2. There is created the state medal of valor committee for selecting honorees for the award of the state medal of valor. The committee

membership consists of the governor, president of the senate, speaker of the house of representatives, and the chief justice of the supreme court, or their designees. The secretary of state shall serve as a nonvoting ex officio member, and shall serve as secretary to the committee. The committee shall meet annually to consider candidates for this award. Any individual may nominate any resident of this state for any act of valor covered by this section. The committee shall adopt rules establishing the qualifications for the state medal of valor, the protocol governing the decoration, the certificate, and appurtenances necessary to the implementation of this chapter.

**NEW SECTION. Sec. 3.** (1) The award will be presented by the governor of the state of Washington to the recipient only during a joint session of both houses of the legislature.

(2) If the governor is unable to present the award due to the disability or illness of the governor, the governor may delegate the presenting of the award to the president of the senate, the speaker of the house of representatives, or the chief justice of the supreme court.

**NEW SECTION. Sec. 4.** The state medal of valor may be awarded posthumously to be presented to such representative of the deceased as may be deemed appropriate by the committee.

**NEW SECTION. Sec. 5.** The state medal of valor will not be awarded to any individual who is acting as a result of service given by any branch of law enforcement, fire fighting, rescue, or other hazardous profession where the individual is employed by a government entity within the state of Washington.

**NEW SECTION. Sec. 6.** (1) The decoration of the state medal of valor shall be of .999 pure silver and shall consist of the seal of the state of Washington, surrounded by a raised laurel wreath and suspended from a silver bar device inscribed "For Valor" which is suspended from a ring attached by a dark green ribbon, bordered by silver. The reverse of the decoration within the raised laurel wreath shall be inscribed with the recipient's name and the words: "For exceptionally valorous service, given in the act of saving the life of another."

(2) The certificate accompanying the medal will prominently display: (a) The title, "Washington State Medal of Valor"; (b) the recipient's name; and (c) the phrase, "For exceptionally valorous service, given in the act of saving the life of another." A seven-line citation will also be included on the certificate.

**NEW SECTION. Sec. 7.** Sections 1 through 6 of this act constitute a new chapter in Title 1 RCW.

Passed the Senate February 9, 2000.

Passed the House February 29, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

## CHAPTER 225

[Second Substitute Senate Bill 6255]

## ANHYDROUS AMMONIA—THEFT—POSSESSION

AN ACT Relating to anhydrous ammonia; amending RCW 69.50.440; reenacting and amending RCW 9.94A.320; adding a new chapter to Title 69 RCW; creating a new section; and prescribing penalties.

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

**NEW SECTION. Sec. 1.** (1) A person who, with intent to deprive the owner or owner's agent, wrongfully obtains anhydrous ammonia, is guilty of theft of anhydrous ammonia.

(2) Theft of anhydrous ammonia is a class C felony.

**NEW SECTION. Sec. 2.** A person is guilty of the crime of unlawful storage of anhydrous ammonia if the person possesses anhydrous ammonia in a container that (1) is not approved by the United States department of transportation to hold anhydrous ammonia, or (2) was not constructed to meet state and federal industrial health and safety standards for holding anhydrous ammonia. Violation of this section is a class C felony.

This section does not apply to public employees or private contractors authorized to clean up and dispose of hazardous waste or toxic substances under chapter 70.105 or 70.105D RCW.

**NEW SECTION. Sec. 3.** Any damages arising out of the unlawful possession of, storage of, or tampering with anhydrous ammonia or anhydrous ammonia equipment shall be the sole responsibility of the unlawful possessor, storer, or tamperer. In no case shall liability for damages arising out of the unlawful possession of, storage of, or tampering with anhydrous ammonia or anhydrous ammonia equipment extend to the lawful owner, installer, maintainer, designer, manufacturer, possessor, or seller of the anhydrous ammonia or anhydrous ammonia equipment, unless such damages arise out of the owner, installer, maintainer, designer, manufacturer, possessor, or seller's acts or omissions that constitute negligent misconduct to abide by the laws regarding anhydrous ammonia possession and storage.

**Sec. 4.** RCW 69.50.440 and 1997 c 71 s 3 are each amended to read as follows:

It is unlawful for any person to possess ephedrine ((~~or~~)), pseudoephedrine, or anhydrous ammonia with intent to manufacture methamphetamine. Any person who violates this section is guilty of a crime and may be imprisoned for not more than ten years, fined not more than twenty-five thousand dollars, or both. Three thousand dollars of the fine may not be suspended. As collected, the first three thousand dollars of the fine must be deposited with the law enforcement agency having responsibility for cleanup of laboratories, sites, or substances used in the manufacture of the methamphetamine. The fine moneys deposited with that law enforcement agency must be used for such clean-up cost.

Sec. 5. RCW 9.94A.320 and 1999 c 352 s 3, 1999 c 322 s 5, and 1999 c 45 s 4 are each reenacted and amended to read as follows:

TABLE 2

## CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL

XVI	Aggravated Murder 1 (RCW 10.95.020)
XV	Homicide by abuse (RCW 9A.32.055) Malicious explosion 1 (RCW 70.74.280(1)) Murder 1 (RCW 9A.32.030)
XIV	Murder 2 (RCW 9A.32.050)
XIII	Malicious explosion 2 (RCW 70.74.280(2)) Malicious placement of an explosive 1 (RCW 70.74.270(1))
XII	Assault 1 (RCW 9A.36.011) Assault of a Child 1 (RCW 9A.36.120) Malicious placement of an imitation device 1 (RCW 70.74.272(1)(a)) Rape 1 (RCW 9A.44.040) Rape of a Child 1 (RCW 9A.44.073)
XI	Manslaughter 1 (RCW 9A.32.060) Rape 2 (RCW 9A.44.050) Rape of a Child 2 (RCW 9A.44.076)
X	Child Molestation 1 (RCW 9A.44.083) Indecent Liberties (with forcible compulsion) (RCW 9A.44.100(1)(a)) Kidnapping 1 (RCW 9A.40.020) Leading Organized Crime (RCW 9A.82.060(1)(a)) Malicious explosion 3 (RCW 70.74.280(3)) Manufacture of methamphetamine (RCW 69.50.401(a)(1)(ii)) Over 18 and deliver heroin, methamphetamine, a narcotic from Schedule I or II, or flunitrazepam from Schedule IV to someone under 18 (RCW 69.50.406)
IX	Assault of a Child 2 (RCW 9A.36.130) Controlled Substance Homicide (RCW 69.50.415) Explosive devices prohibited (RCW 70.74.180)

- Homicide by Watercraft, by being under the influence of intoxicating liquor or any drug (RCW ((88-12-029)) 79A.60.050)
- Inciting Criminal Profiteering (RCW 9A.82.060(1)(b))
- Malicious placement of an explosive 2 (RCW 70.74.270(2))
- Over 18 and deliver narcotic from Schedule III, IV, or V or a nonnarcotic, except flunitrazepam or methamphetamine, from Schedule I-V to someone under 18 and 3 years junior (RCW 69.50.406)
- Robbery 1 (RCW 9A.56.200)
- Sexual Exploitation (RCW 9.68A.040)
- Vehicular Homicide, by being under the influence of intoxicating liquor or any drug (RCW 46.61.520)
- VIII Arson 1 (RCW 9A.48.020)
- Deliver or possess with intent to deliver methamphetamine (RCW 69.50.401(a)(1)(ii))
- Homicide by Watercraft, by the operation of any vessel in a reckless manner (RCW ((88-12-029)) 79A.60.050)
- Manslaughter 2 (RCW 9A.32.070)
- Manufacture, deliver, or possess with intent to deliver amphetamine (RCW 69.50.401(a)(1)(ii))
- Manufacture, deliver, or possess with intent to deliver heroin or cocaine (RCW 69.50.401(a)(1)(i))
- Possession of Ephedrine ((~~or~~)), Pseudoephedrine, or Anhydrous Ammonia with intent to manufacture methamphetamine (RCW 69.50.440)
- Promoting Prostitution 1 (RCW 9A.88.070)
- Selling for profit (controlled or counterfeit) any controlled substance (RCW 69.50.410)
- Theft of Anhydrous Ammonia (section 1 of this act)
- Vehicular Homicide, by the operation of any vehicle in a reckless manner (RCW 46.61.520)

- VII
- Burglary 1 (RCW 9A.52.020)
  - Child Molestation 2 (RCW 9A.44.086)
  - Dealing in depictions of minor engaged in sexually explicit conduct (RCW 9.68A.050)
  - Drive-by Shooting (RCW 9A.36.045)
  - Homicide by Watercraft, by disregard for the safety of others (RCW ~~((88-12-029))~~ 79A.60.050)
  - Indecent Liberties (without forcible compulsion) (RCW 9A.44.100(1) (b) and (c))
  - Introducing Contraband 1 (RCW 9A.76.140)
  - Involving a minor in drug dealing (RCW 69.50.401(f))
  - Malicious placement of an explosive 3 (RCW 70.74.270(3))
  - Sending, bringing into state depictions of minor engaged in sexually explicit conduct (RCW 9.68A.060)
  - Unlawful Possession of a Firearm in the first degree (RCW 9.41.040(1)(a))
  - Use of a Machine Gun in Commission of a Felony (RCW 9.41.225)
  - Vehicular Homicide, by disregard for the safety of others (RCW 4A.01.520)
- VI
- Bail Jumping with Murder 1 (RCW 9A.76.170(2)(a))
  - Bribery (RCW 9A.68.010)
  - Incest 1 (RCW 9A.64.020(1))
  - Intimidating a Judge (RCW 9A.72.160)
  - Intimidating a Juror/Witness (RCW 9A.72.110, 9A.72.130)
  - Malicious placement of an imitation device 2 (RCW 70.74.272(1)(b))
  - Manufacture, deliver, or possess with intent to deliver narcotics from Schedule I or II (except heroin or cocaine) or flunitrazepam from Schedule IV (RCW 69.50.401(a)(1)(i))
  - Rape of a Child 3 (RCW 9A.44.079)
  - Theft of a Firearm (RCW 9A.56.300)



Unlawful Storage of Anhydrous Ammonia  
(section 2 of this act)

- V Abandonment of dependent person 1 (RCW 9A.42.060)
- Advancing money or property for extortionate extension of credit (RCW 9A.82.030)
- Bail Jumping with class A Felony (RCW 9A.76.170(2)(b))
- Child Molestation 3 (RCW 9A.44.089)
- Criminal Mistreatment 1 (RCW 9A.42.020)
- Custodial Sexual Misconduct 1 (RCW 9A.44.160)
- Delivery of imitation controlled substance by person eighteen or over to person under eighteen (RCW 69.52.030(2))
- Extortion 1 (RCW 9A.56.120)
- Extortionate Extension of Credit (RCW 9A.82.020)
- Extortionate Means to Collect Extensions of Credit (RCW 9A.82.040)
- Incest 2 (RCW 9A.64.020(2))
- Kidnapping 2 (RCW 9A.40.030)
- On and after July 1, 2000: No-Contact Order Violation: Domestic Violence Pretrial Condition (RCW 10.99.040(4) (b) and (c))
- On and after July 1, 2000: No-Contact Order Violation: Domestic Violence Sentence Condition (RCW 10.99.050(2))
- On and after July 1, 2000: Protection Order Violation: Domestic Violence Civil Action (RCW 26.50.110 (4) and (5))
- On and after July 1, 2000: Stalking (RCW 9A.46.110)
- Perjury I (RCW 9A.72.020)
- Persistent prison misbehavior (RCW 9.94.070)
- Possession of a Stolen Firearm (RCW 9A.56.310)
- Rape 3 (RCW 9A.44.060)
- Rendering Criminal Assistance 1 (RCW 9A.76.070)
- Sexual Misconduct with a Minor 1 (RCW 9A.44.093)

**Ch. 225**

**WASHINGTON LAWS, 2000**

- Sexually Violating Human Remains (RCW 9A.44.105)
- IV Arson 2 (RCW 9A.48.030)
- Assault 2 (RCW 9A.36.021)
- Assault by Watercraft (RCW ~~((88-12-032))~~  
79A.60.060)
- Bribing a Witness/Bribe Received by Witness (RCW 9A.72.090, 9A.72.100)
- Commercial Bribery (RCW 9A.68.060)
- Counterfeiting (RCW 9.16.035(4))
- Escape 1 (RCW 9A.76.110)
- Hit and Run—Injury Accident (RCW 46.52.020(4))
- Hit and Run with Vessel—Injury Accident (RCW ~~((88-12-155(3)))~~ 79A.60.200(3))
- Indecent Exposure to Person Under Age Fourteen (subsequent sex offense) (RCW 9A.88.010)
- Influencing Outcome of Sporting Event (RCW 9A.82.070)
- Knowingly Trafficking in Stolen Property (RCW 9A.82.050(2))
- Malicious Harassment (RCW 9A.36.080)
- Manufacture, deliver, or possess with intent to deliver narcotics from Schedule III, IV, or V or nonnarcotics from Schedule I-V (except marijuana, amphetamine, methamphetamines, or flunitrazepam) (RCW 69.50.401(a)(1) (iii) through (v))
- Residential Burglary (RCW 9A.52.025)
- Robbery 2 (RCW 9A.56.210)
- Theft of Livestock 1 (RCW 9A.56.080)
- Threats to Bomb (RCW 9.61.160)
- Use of Proceeds of Criminal Profiteering (RCW 9A.82.080 (1) and (2))
- Vehicular Assault (RCW 46.61.522)
- Willful Failure to Return from Furlough (RCW 72.66.060)
- III Abandonment of dependent person 2 (RCW 9A.42.070)
- Assault 3 (RCW 9A.36.031)
- Assault of a Child 3 (RCW 9A.36.140)

Bail Jumping with class B or C Felony (RCW 9A.76.170(2)(c))  
Burglary 2 (RCW 9A.52.030)  
Communication with a Minor for Immoral Purposes (RCW 9.68A.090)  
Criminal Gang Intimidation (RCW 9A.46.120)  
Criminal Mistreatment 2 (RCW 9A.42.030)  
Custodial Assault (RCW 9A.36.100)  
Delivery of a material in lieu of a controlled substance (RCW 69.50.401(c))  
Escape 2 (RCW 9A.76.120)  
Extortion 2 (RCW 9A.56.130)  
Harassment (RCW 9A.46.020)  
Intimidating a Public Servant (RCW 9A.76.180)  
Introducing Contraband 2 (RCW 9A.76.150)  
Maintaining a Dwelling or Place for Controlled Substances (RCW 69.50.402(a)(6))  
Malicious Injury to Railroad Property (RCW 81.60.070)  
Manufacture, deliver, or possess with intent to deliver marijuana (RCW 69.50.401(a)(1)(iii))  
Manufacture, distribute, or possess with intent to distribute an imitation controlled substance (RCW 69.52.030(1))  
Patronizing a Juvenile Prostitute (RCW 9.68A.100)  
Perjury 2 (RCW 9A.72.030)  
Possession of Incendiary Device (RCW 9.40.120)  
Possession of Machine Gun or Short-Barreled Shotgun or Rifle (RCW 9.41.190)  
Promoting Prostitution 2 (RCW 9A.88.080)  
Recklessly Trafficking in Stolen Property (RCW 9A.82.050(1))  
Securities Act violation (RCW 21.20.400)  
Tampering with a Witness (RCW 9A.72.120)  
Telephone Harassment (subsequent conviction or threat of death) (RCW 9.61.230)  
Theft of Livestock 2 (RCW 9A.56.080)  
Unlawful Imprisonment (RCW 9A.40.040)

- Unlawful possession of firearm in the second degree (RCW 9A.040(1)(b))
- Unlawful Use of Building for Drug Purposes (RCW 69.53.010)
- Willful Failure to Return from Work Release (RCW 72.65.070)
- II
  - Computer Trespass 1 (RCW 9A.52.110)
  - Counterfeiting (RCW 9.16.035(3))
  - Create, deliver, or possess a counterfeit controlled substance (RCW 69.50.401(b))
  - Escape from Community Custody (RCW 72.09.310)
  - Health Care False Claims (RCW 48.80.030)
  - Malicious Mischief 1 (RCW 9A.48.070)
  - Possession of controlled substance that is either heroin or narcotics from Schedule I or II or flunitrazepam from Schedule IV (RCW 69.50.401(d))
  - Possession of phencyclidine (PCP) (RCW 69.50.401(d))
  - Possession of Stolen Property 1 (RCW 9A.56.150)
  - Theft 1 (RCW 9A.56.030)
  - Theft of Rental, Leased, or Lease-purchased Property (valued at one thousand five hundred dollars or more) (RCW 9A.56.096(4))
  - Trafficking in Insurance Claims (RCW 48.30A.015)
  - Unlawful Practice of Law (RCW 2.48.180)
  - Unlicensed Practice of a Profession or Business (RCW 18.130.190(7))
- I
  - Attempting to Elude a Pursuing Police Vehicle (RCW 46.61.024)
  - False Verification for Welfare (RCW 74.08.055)
  - Forged Prescription (RCW 69.41.020)
  - Forged Prescription for a Controlled Substance (RCW 69.50.403)
  - Forgery (RCW 9A.60.020)
  - Malicious Mischief 2 (RCW 9A.48.080)
  - Possess Controlled Substance that is a Narcotic from Schedule III, IV, or V or Non-

narcotic from Schedule I-V (except phencyclidine or flunitrazepam) (RCW 69.50.401(d))

Possession of Stolen Property 2 (RCW 9A.56.160)

Reckless Burning 1 (RCW 9A.48.040)

Taking Motor Vehicle Without Permission (RCW 9A.56.070)

Theft 2 (RCW 9A.56.040)

Theft of Rental, Leased, or Lease-purchased Property (valued at two hundred fifty dollars or more but less than one thousand five hundred dollars) (RCW 9A.56.096(4))

Unlawful Issuance of Checks or Drafts (RCW 9A.56.060)

Unlawful Use of Food Stamps (RCW 9.91.140 (2) and (3))

Vehicle Prowl 1 (RCW 9A.52.095)

**NEW SECTION. Sec. 6.** Sections 1 through 3 of this act constitute a new chapter in Title 69 RCW.

**NEW SECTION. Sec. 7.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2000, in the omnibus appropriations act, this act is null and void.

**NEW SECTION. Sec. 8.** 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 March 9, 2000.

Passed the House March 8, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

## CHAPTER 226

[Substitute Senate Bill 6336]

### COMMUNITY SUPERVISION

AN ACT Relating to terms of community supervision; amending RCW 9.94A.145; reenacting and amending RCW 9.94A.120, 9.94A.142, and 9.94A.170; creating a new section; and declaring an emergency.

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

**NEW SECTION. Sec. 1.** The legislature finds that supervision of offenders in the community and an offender's payment of restitution enhances public safety, improves offender accountability, is an important component of providing justice

to victims, and strengthens the community. The legislature intends that all terms and conditions of an offender's supervision in the community, including the length of supervision and payment of legal financial obligations, not be curtailed by an offender's absence from supervision for any reason including confinement in any correctional institution. The legislature, through this act, revises the results of *In re Sappenfield*, 980 P.2d 1271 (1999) and declares that an offender's absence from supervision or subsequent incarceration acts to toll the jurisdiction of the court or department over an offender for the purpose of enforcing legal financial obligations.

**Sec. 2.** RCW 9.94A.120 and 1999 c 324 s 2, 1999 c 197 s 4, 1999 c 196 s 5, and 1999 c 147 s 3 are each reenacted and amended to read as follows:

When a person is convicted of a felony, the court shall impose punishment as provided in this section.

(1) Except as authorized in subsections (2), (4), (5), (6), and (8) of this section, the court shall impose a sentence within the sentence range for the offense.

(2) The court may impose a sentence outside the standard sentence range for that offense if it finds, considering the purpose of this chapter, that there are substantial and compelling reasons justifying an exceptional sentence.

(3) Whenever a sentence outside the standard range is imposed, the court shall set forth the reasons for its decision in written findings of fact and conclusions of law. A sentence outside the standard range shall be a determinate sentence.

(4) A persistent offender shall be sentenced to a term of total confinement for life without the possibility of parole or, when authorized by RCW 10.95.030 for the crime of aggravated murder in the first degree, sentenced to death, notwithstanding the maximum sentence under any other law. An offender convicted of the crime of murder in the first degree shall be sentenced to a term of total confinement not less than twenty years. An offender convicted of the crime of assault in the first degree or assault of a child in the first degree where the offender used force or means likely to result in death or intended to kill the victim shall be sentenced to a term of total confinement not less than five years. An offender convicted of the crime of rape in the first degree shall be sentenced to a term of total confinement not less than five years. The foregoing minimum terms of total confinement are mandatory and shall not be varied or modified as provided in subsection (2) of this section. In addition, all offenders subject to the provisions of this subsection shall not be eligible for community custody, earned release time, furlough, home detention, partial confinement, work crew, work release, or any other form of early release as defined under RCW 9.94A.150 (1), (2), (3), ~~((5); (7); or)~~ (6), (8), or (9), or any other form of authorized leave of absence from the correctional facility while not in the direct custody of a corrections officer or officers during such minimum terms of total confinement except: (a) In the case of an offender in need of emergency medical treatment; (b) for the purpose of commitment to an inpatient treatment facility in the case of an offender convicted

of the crime of rape in the first degree; or (c) for an extraordinary medical placement when authorized under RCW 9.94A.150(4).

(5)(a) In sentencing a first-time offender the court may waive the imposition of a sentence within the sentence range and impose a sentence which may include up to ninety days of confinement in a facility operated or utilized under contract by the county and a requirement that the offender refrain from committing new offenses. The sentence may also include a term of community supervision or community custody as specified in (b) of this subsection, which, in addition to crime-related prohibitions, may include requirements that the offender perform any one or more of the following:

- (i) Devote time to a specific employment or occupation;
- (ii) Undergo available outpatient treatment for up to the period specified in (b) of this subsection, or inpatient treatment not to exceed the standard range of confinement for that offense;
- (iii) Pursue a prescribed, secular course of study or vocational training;
- (iv) Remain within prescribed geographical boundaries and notify the community corrections officer prior to any change in the offender's address or employment;
- (v) Report as directed to a community corrections officer; or
- (vi) Pay all court-ordered legal financial obligations as provided in RCW 9.94A.030 and/or perform community service work.

(b) The terms and statuses applicable to sentences under (a) of this subsection are:

(i) For sentences imposed on or after July 25, 1999, for crimes committed before July 1, 2000, up to one year of community supervision. If treatment is ordered, the period of community supervision may include up to the period of treatment, but shall not exceed two years; and

(ii) For crimes committed on or after July 1, 2000, up to one year of community custody unless treatment is ordered, in which case the period of community custody may include up to the period of treatment, but shall not exceed two years. Any term of community custody imposed under this subsection (5) is subject to conditions and sanctions as authorized in this subsection (5) and in subsection (1)(b) and (c) of this section.

(c) The department shall discharge from community supervision any offender sentenced under this subsection (5) before July 25, 1999, who has served at least one year of community supervision and has completed any treatment ordered by the court.

(6)(a) An offender is eligible for the special drug offender sentencing alternative if:

- (i) The offender is convicted of a felony that is not a violent offense or sex offense and the violation does not involve a sentence enhancement under RCW 9.94A.310 (3) or (4);

(ii) The offender has no current or prior convictions for a sex offense or violent offense in this state, another state, or the United States;

(iii) For a violation of the uniform controlled substances act under chapter 69.50 RCW or a criminal solicitation to commit such a violation under chapter 9A.28 RCW, the offense involved only a small quantity of the particular controlled substance as determined by the judge upon consideration of such factors as the weight, purity, packaging, sale price, and street value of the controlled substance; and

(iv) The offender has not been found by the United States attorney general to be subject to a deportation detainer or order.

(b) If the standard range is greater than one year and the sentencing judge determines that the offender is eligible for this option and that the offender and the community will benefit from the use of the special drug offender sentencing alternative, the judge may waive imposition of a sentence within the standard range and impose a sentence that must include a period of total confinement in a state facility for one-half of the midpoint of the standard range. During incarceration in the state facility, offenders sentenced under this subsection shall undergo a comprehensive substance abuse assessment and receive, within available resources, treatment services appropriate for the offender. The treatment services shall be designed by the division of alcohol and substance abuse of the department of social and health services, in cooperation with the department of corrections.

The court shall also impose:

(i) The remainder of the midpoint of the standard range as a term of community custody which must include appropriate substance abuse treatment in a program that has been approved by the division of alcohol and substance abuse of the department of social and health services;

(ii) Crime-related prohibitions including a condition not to use illegal controlled substances; and

(iii) A requirement to submit to urinalysis or other testing to monitor that status.

The court may prohibit the offender from using alcohol or controlled substances and may require that the monitoring for controlled substances be conducted by the department or by a treatment alternatives to street crime program or a comparable court or agency-referred program. The offender may be required to pay thirty dollars per month while on community custody to offset the cost of monitoring. In addition, the court shall impose three or more of the following conditions:

(A) Devote time to a specific employment or training;

(B) Remain within prescribed geographical boundaries and notify the court or the community corrections officer before any change in the offender's address or employment;

(C) Report as directed to a community corrections officer;

(D) Pay all court-ordered legal financial obligations;



(E) Perform community service work;

(F) Stay out of areas designated by the sentencing judge;

(G) Such other conditions as the court may require such as affirmative conditions.

(c) If the offender violates any of the sentence conditions in (b) of this subsection, a violation hearing shall be held by the department unless waived by the offender. If the department finds that conditions have been willfully violated, the offender may be reclassified to serve the remaining balance of the original sentence.

(d) The department shall determine the rules for calculating the value of a day fine based on the offender's income and reasonable obligations which the offender has for the support of the offender and any dependents. These rules shall be developed in consultation with the administrator for the courts, the office of financial management, and the commission.

(e) An offender who fails to complete the special drug offender sentencing alternative program or who is administratively terminated from the program shall be reclassified to serve the unexpired term of his or her sentence as ordered by the sentencing judge and shall be subject to all rules relating to earned early release time. An offender who violates any conditions of supervision as defined by the department shall be sanctioned. Sanctions may include, but are not limited to, reclassifying the offender to serve the unexpired term of his or her sentence as ordered by the sentencing judge. If an offender is reclassified to serve the unexpired term of his or her sentence, the offender shall be subject to all rules relating to earned early release time.

(7) If a sentence range has not been established for the defendant's crime, the court shall impose a determinate sentence which may include not more than one year of confinement; community service work; until July 1, 2000, a term of community supervision not to exceed one year and on and after July 1, 2000, a term of community custody not to exceed one year, subject to conditions and sanctions as authorized in subsection (11)(b) and (c) of this section; and/or other legal financial obligations. The court may impose a sentence which provides more than one year of confinement if the court finds, considering the purpose of this chapter, that there are substantial and compelling reasons justifying an exceptional sentence.

(8)(a)(i) When an offender is convicted of a sex offense other than a violation of RCW 9A.44.050 or a sex offense that is also a serious violent offense and has no prior convictions for a sex offense or any other felony sex offenses in this or any other state, the sentencing court, on its own motion or the motion of the state or the defendant, may order an examination to determine whether the defendant is amenable to treatment.

The report of the examination shall include at a minimum the following: The defendant's version of the facts and the official version of the facts, the defendant's offense history, an assessment of problems in addition to alleged deviant behaviors,

the offender's social and employment situation, and other evaluation measures used. The report shall set forth the sources of the evaluator's information.

The examiner shall assess and report regarding the defendant's amenability to treatment and relative risk to the community. A proposed treatment plan shall be provided and shall include, at a minimum:

- (A) Frequency and type of contact between offender and therapist;
- (B) Specific issues to be addressed in the treatment and description of planned treatment modalities;
- (C) Monitoring plans, including any requirements regarding living conditions, lifestyle requirements, and monitoring by family members and others;
- (D) Anticipated length of treatment; and
- (E) Recommended crime-related prohibitions.

The court on its own motion may order, or on a motion by the state shall order, a second examination regarding the offender's amenability to treatment. The evaluator shall be selected by the party making the motion. The defendant shall pay the cost of any second examination ordered unless the court finds the defendant to be indigent in which case the state shall pay the cost.

(ii) After receipt of the reports, the court shall consider whether the offender and the community will benefit from use of this special sex offender sentencing alternative and consider the victim's opinion whether the offender should receive a treatment disposition under this subsection. If the court determines that this special sex offender sentencing alternative is appropriate, the court shall then impose a sentence within the sentence range. If this sentence is less than eleven years of confinement, the court may suspend the execution of the sentence and impose the following conditions of suspension:

(A) The court shall place the defendant on community custody for the length of the suspended sentence or three years, whichever is greater, and require the offender to comply with any conditions imposed by the department of corrections under subsection (15) of this section;

(B) The court shall order treatment for any period up to three years in duration. The court in its discretion shall order outpatient sex offender treatment or inpatient sex offender treatment, if available. A community mental health center may not be used for such treatment unless it has an appropriate program designed for sex offender treatment. The offender shall not change sex offender treatment providers or treatment conditions without first notifying the prosecutor, the community corrections officer, and the court, and shall not change providers without court approval after a hearing if the prosecutor or community corrections officer object to the change. In addition, as conditions of the suspended sentence, the court may impose other sentence conditions including up to six months of confinement, not to exceed the sentence range of confinement for that offense, crime-related prohibitions, and requirements that the offender perform any one or more of the following:

- (I) Devote time to a specific employment or occupation;

(II) Remain within prescribed geographical boundaries and notify the court or the community corrections officer prior to any change in the offender's address or employment;

(III) Report as directed to the court and a community corrections officer;

(IV) Pay all court-ordered legal financial obligations as provided in RCW 9.94A.030, perform community service work, or any combination thereof; or

(V) Make recoupment to the victim for the cost of any counseling required as a result of the offender's crime; and

(C) Sex offenders sentenced under this special sex offender sentencing alternative are not eligible to accrue any earned release time while serving a suspended sentence.

(iii) The sex offender therapist shall submit quarterly reports on the defendant's progress in treatment to the court and the parties. The report shall reference the treatment plan and include at a minimum the following: Dates of attendance, defendant's compliance with requirements, treatment activities, the defendant's relative progress in treatment, and any other material as specified by the court at sentencing.

(iv) At the time of sentencing, the court shall set a treatment termination hearing for three months prior to the anticipated date for completion of treatment. Prior to the treatment termination hearing, the treatment professional and community corrections officer shall submit written reports to the court and parties regarding the defendant's compliance with treatment and monitoring requirements, and recommendations regarding termination from treatment, including proposed community supervision conditions. Either party may request and the court may order another evaluation regarding the advisability of termination from treatment. The defendant shall pay the cost of any additional evaluation ordered unless the court finds the defendant to be indigent in which case the state shall pay the cost. At the treatment termination hearing the court may: (A) Modify conditions of community custody, and either (B) terminate treatment, or (C) extend treatment for up to the remaining period of community custody.

(v) If a violation of conditions occurs during community custody, the department shall either impose sanctions as provided for in RCW 9.94A.205(2)(a) or refer the violation to the court and recommend revocation of the suspended sentence as provided for in (a)(vi) of this subsection.

(vi) The court may revoke the suspended sentence at any time during the period of community custody and order execution of the sentence if: (A) The defendant violates the conditions of the suspended sentence, or (B) the court finds that the defendant is failing to make satisfactory progress in treatment. All confinement time served during the period of community custody shall be credited to the offender if the suspended sentence is revoked.

(vii) Except as provided in (a)(viii) of this subsection, after July 1, 1991, examinations and treatment ordered pursuant to this subsection shall only be

conducted by sex offender treatment providers certified by the department of health pursuant to chapter 18.155 RCW.

(viii) A sex offender therapist who examines or treats a sex offender pursuant to this subsection (8) does not have to be certified by the department of health pursuant to chapter 18.155 RCW if the court finds that: (A) The offender has already moved to another state or plans to move to another state for reasons other than circumventing the certification requirements; (B) no certified providers are available for treatment within a reasonable geographical distance of the offender's home; and (C) the evaluation and treatment plan comply with this subsection (8) and the rules adopted by the department of health.

(ix) For purposes of this subsection (8), "victim" means any person who has sustained emotional, psychological, physical, or financial injury to person or property as a result of the crime charged. "Victim" also means a parent or guardian of a victim who is a minor child unless the parent or guardian is the perpetrator of the offense.

(x) If the defendant was less than eighteen years of age when the charge was filed, the state shall pay for the cost of initial evaluation and treatment.

(b) When an offender commits any felony sex offense on or after July 1, 1987, and is sentenced to a term of confinement of more than one year but less than six years, the sentencing court may, on its own motion or on the motion of the offender or the state, request the department of corrections to evaluate whether the offender is amenable to treatment and the department may place the offender in a treatment program within a correctional facility operated by the department.

Except for an offender who has been convicted of a violation of RCW 9A.44.040 or 9A.44.050, if the offender completes the treatment program before the expiration of his or her term of confinement, the department of corrections may request the court to convert the balance of confinement to community supervision and to place conditions on the offender including crime-related prohibitions and requirements that the offender perform any one or more of the following:

- (i) Devote time to a specific employment or occupation;
- (ii) Remain within prescribed geographical boundaries and notify the court or the community corrections officer prior to any change in the offender's address or employment;
- (iii) Report as directed to the court and a community corrections officer;
- (iv) Undergo available outpatient treatment.

If the offender violates any of the terms of his or her community supervision, the court may order the offender to serve out the balance of his or her community supervision term in confinement in the custody of the department of corrections.

Nothing in this subsection (8)(b) shall confer eligibility for such programs for offenders convicted and sentenced for a sex offense committed prior to July 1, 1987. This subsection (8)(b) does not apply to any crime committed after July 1, 1990.

(c) Offenders convicted and sentenced for a sex offense committed prior to July 1, 1987, may, subject to available funds, request an evaluation by the department of corrections to determine whether they are amenable to treatment. If the offender is determined to be amenable to treatment, the offender may request placement in a treatment program within a correctional facility operated by the department. Placement in such treatment program is subject to available funds.

(d) Within the funds available for this purpose, the department shall develop and monitor transition and relapse prevention strategies, including risk assessment and release plans, to reduce risk to the community after sex offenders' terms of confinement in the custody of the department.

(9)(a)(i) When a court sentences a person to a term of total confinement to the custody of the department of corrections for an offense categorized as a sex offense or a serious violent offense committed after July 1, 1988, but before July 1, 1990, assault in the second degree, assault of a child in the second degree, any crime against a person where it is determined in accordance with RCW 9.94A.125 that the defendant or an accomplice was armed with a deadly weapon at the time of commission, or any felony offense under chapter 69.50 or 69.52 RCW not sentenced under subsection (6) of this section, committed on or after July 1, 1988, but before July 25, 1999, the court shall in addition to the other terms of the sentence, sentence the offender to a one-year term of community placement beginning either upon completion of the term of confinement or at such time as the offender is transferred to community custody in lieu of earned release in accordance with RCW 9.94A.150 (1) and (2). When the court sentences an offender under this subsection to the statutory maximum period of confinement then the community placement portion of the sentence shall consist entirely of such community custody to which the offender may become eligible, in accordance with RCW 9.94A.150 (1) and (2). Any period of community custody actually served shall be credited against the community placement portion of the sentence.

(ii) Except for persons sentenced under (b) of this subsection or subsection (10)(a) of this section, when a court sentences a person to a term of total confinement to the custody of the department of corrections for a violent offense, any crime against a person under RCW 9.94A.440(2), or any felony offense under chapter 69.50 or 69.52 RCW not sentenced under subsection (6) of this section, committed on or after July 25, 1999, but before July 1, 2000, the court shall in addition to the other terms of the sentence, sentence the offender to a one-year term of community placement beginning either upon completion of the term of confinement or at such time as the offender is transferred to community custody in lieu of earned release in accordance with RCW 9.94A.150 (1) and (2). When the court sentences the offender under this subsection (9)(a)(ii) to the statutory maximum period of confinement, then the community placement portion of the sentence shall consist entirely of such community custody to which the offender may become eligible, in accordance with RCW 9.94A.150 (1) and (2). Any period

of community custody actually served shall be credited against the community placement portion of the sentence.

(b) When a court sentences a person to a term of total confinement to the custody of the department of corrections for an offense categorized as a sex offense committed on or after July 1, 1990, but before June 6, 1996, or a serious violent offense, vehicular homicide, or vehicular assault, committed on or after July 1, 1990, but before July 1, 2000, the court shall in addition to other terms of the sentence, sentence the offender to community placement for two years or up to the period of earned release awarded pursuant to RCW 9.94A.150 (1) and (2), whichever is longer. The community placement shall begin either upon completion of the term of confinement or at such time as the offender is transferred to community custody in lieu of earned release in accordance with RCW 9.94A.150 (1) and (2). When the court sentences an offender under this subsection to the statutory maximum period of confinement then the community placement portion of the sentence shall consist entirely of the community custody to which the offender may become eligible, in accordance with RCW 9.94A.150 (1) and (2). Any period of community custody actually served shall be credited against the community placement portion of the sentence. Unless a condition is waived by the court, the terms of community placement for offenders sentenced pursuant to this section shall include the following conditions:

(i) The offender shall report to and be available for contact with the assigned community corrections officer as directed;

(ii) The offender shall work at department of corrections-approved education, employment, and/or community service;

(iii) The offender shall not possess or consume controlled substances except pursuant to lawfully issued prescriptions;

(iv) The offender shall pay supervision fees as determined by the department of corrections;

(v) The residence location and living arrangements are subject to the prior approval of the department of corrections during the period of community placement; and

(vi) The offender shall submit to affirmative acts necessary to monitor compliance with the orders of the court as required by the department.

(c) As a part of any sentence imposed under (a) or (b) of this subsection, the court may also order any of the following special conditions:

(i) The offender shall remain within, or outside of, a specified geographical boundary;

(ii) The offender shall not have direct or indirect contact with the victim of the crime or a specified class of individuals;

(iii) The offender shall participate in crime-related treatment or counseling services;

(iv) The offender shall not consume alcohol;

(v) The offender shall comply with any crime-related prohibitions; or

(vi) For an offender convicted of a felony sex offense against a minor victim after June 6, 1996, the offender shall comply with any terms and conditions of community placement imposed by the department of corrections relating to contact between the sex offender and a minor victim or a child of similar age or circumstance as a previous victim.

(d) Prior to transfer to, or during, community placement, any conditions of community placement may be removed or modified so as not to be more restrictive by the sentencing court, upon recommendation of the department of corrections.

(10)(a) When a court sentences a person to the custody of the department of corrections for an offense categorized as a sex offense committed on or after June 6, 1996, but before July 1, 2000, the court shall, in addition to other terms of the sentence, sentence the offender to community custody for three years or up to the period of earned release awarded pursuant to RCW 9.94A.150 (1) and (2), whichever is longer. The community custody shall begin either upon completion of the term of confinement or at such time as the offender is transferred to community custody in lieu of earned release in accordance with RCW 9.94A.150 (1) and (2).

(b) Unless a condition is waived by the court, the terms of community custody shall be the same as those provided for in subsection (9)(b) of this section and may include those provided for in subsection (9)(c) of this section. As part of any sentence that includes a term of community custody imposed under this subsection, the court shall also require the offender to comply with any conditions imposed by the department of corrections under subsection (15) of this section.

(c) At any time prior to the completion of a sex offender's term of community custody, if the court finds that public safety would be enhanced, the court may impose and enforce an order extending any or all of the conditions imposed pursuant to this section for a period up to the maximum allowable sentence for the crime as it is classified in chapter 9A.20 RCW, regardless of the expiration of the offender's term of community custody. If a violation of a condition extended under this subsection occurs after the expiration of the offender's term of community custody, it shall be deemed a violation of the sentence for the purposes of RCW 9.94A.195 and may be punishable as contempt of court as provided for in RCW 7.21.040.

(11)(a) When a court sentences a person to the custody of the department of corrections for a sex offense, a violent offense, any crime against a person under RCW 9.94A.440(2), or a felony offense under chapter 69.50 or 69.52 RCW not sentenced under subsection (6) of this section, committed on or after July 1, 2000, the court shall in addition to the other terms of the sentence, sentence the offender to community custody for the community custody range or up to the period of earned release awarded pursuant to RCW 9.94A.150 (1) and (2), whichever is longer. The community custody shall begin either upon completion of the term of confinement or at such time as the offender is transferred to community custody in lieu of earned release in accordance with RCW 9.94A.150 (1) and (2).

(b) Unless a condition is waived by the court, the conditions of community custody shall include those provided for in subsection (9)(b)(i) through (vi) of this section. The conditions may also include those provided for in subsection (9)(c)(i) through (vi) of this section. The court may also order the offender to participate in rehabilitative programs or otherwise perform affirmative conduct reasonably related to the circumstances of the offense, the offender's risk of reoffending, or the safety of the community, and the department shall enforce such conditions pursuant to (f) of this subsection. As part of any sentence that includes a term of community custody imposed under this subsection, the court shall also require the offender to comply with any conditions imposed by the department of corrections under subsection (15) of this section. The department shall assess the offender's risk of reoffense and may establish and modify additional conditions of the offender's community custody based upon the risk to community safety. The department may not impose conditions that are contrary to those ordered by the court and may not contravene or decrease court imposed conditions. The department shall notify the offender in writing of any such conditions or modifications. In setting, modifying, and enforcing conditions of community custody, the department shall be deemed to be performing a quasi-judicial function.

(c) If an offender violates conditions imposed by the court or the department pursuant to this subsection during community custody, the department may transfer the offender to a more restrictive confinement status and impose other available sanctions as provided in RCW 9.94A.205 and 9.94A.207.

(d) Except for terms of community custody under subsection (8) of this section, the department shall discharge the offender from community custody on a date determined by the department, which the department may modify, based on risk and performance of the offender, within the range or at the end of the period of earned release, whichever is later.

(e) At any time prior to the completion or termination of a sex offender's term of community custody, if the court finds that public safety would be enhanced, the court may impose and enforce an order extending any or all of the conditions imposed pursuant to this section for a period up to the maximum allowable sentence for the crime as it is classified in chapter 9A.20 RCW, regardless of the expiration of the offender's term of community custody. If a violation of a condition extended under this subsection occurs after the expiration of the offender's term of community custody, it shall be deemed a violation of the sentence for the purposes of RCW 9.94A.195 and may be punishable as contempt of court as provided for in RCW 7.21.040. If the court extends a condition beyond the expiration of the term of community custody, the department is not responsible for supervision of the offender's compliance with the condition.

(f) Within the funds available for community custody, the department shall determine conditions and duration of community custody on the basis of risk to community safety, and shall supervise offenders during community custody on the



basis of risk to community safety and conditions imposed by the court. The secretary shall adopt rules to implement the provisions of this subsection (11)(f).

(g) By the close of the next business day after receiving notice of a condition imposed or modified by the department, an offender may request an administrative review under rules adopted by the department. The condition shall remain in effect unless the reviewing officer finds that it is not reasonably related to any of the following: (i) The crime of conviction; (ii) the offender's risk of reoffending; or (iii) the safety of the community.

(12) If the court imposes a sentence requiring confinement of thirty days or less, the court may, in its discretion, specify that the sentence be served on consecutive or intermittent days. A sentence requiring more than thirty days of confinement shall be served on consecutive days. Local jail administrators may schedule court-ordered intermittent sentences as space permits.

(13)(a) If a sentence imposed includes payment of a legal financial obligation, the sentence shall specify the total amount of the legal financial obligation owed, and shall require the offender to pay a specified monthly sum toward that legal financial obligation. Restitution to victims shall be paid prior to any other payments of monetary obligations. Any legal financial obligation that is imposed by the court may be collected by the department, which shall deliver the amount paid to the county clerk for credit.

(b) For an offense committed prior to July 1, 2000, the offender's compliance with payment of legal financial obligations shall be supervised by the department for ten years following the entry of the judgment and sentence or ten years following the offender's release from total confinement, whichever period ends later. All monetary payments ordered shall be paid no later than ten years after the last date of release from confinement pursuant to a felony conviction or the date the sentence was entered unless the superior court extends the criminal judgment an additional ten years. If the legal financial obligations including crime victims' assessments are not paid during the initial ten-year period, the superior court may extend jurisdiction under the criminal judgment an additional ten years as provided in RCW 9.94A.140, 9.94A.142, and 9.94A.145. If jurisdiction under the criminal judgment is extended, the department is not responsible for supervision of the offender during the subsequent period.

(c) For an offense committed on or after July 1, 2000, the court shall retain jurisdiction over the offender, for purposes of the offender's compliance with payment of the legal financial obligations, until the obligation is completely satisfied, regardless of the statutory maximum for the crime. The department of corrections shall supervise the offender's compliance with payment of the legal financial obligations for ten years following the entry of the judgment and sentence or ten years following the offender's release from total confinement, whichever period ends later. The department is not responsible for supervision of the offender during any subsequent period of time the offender remains under the court's jurisdiction.

(d) Independent of the department, the party or entity to whom the legal financial obligation is owed shall have the authority to utilize any other remedies available to the party or entity to collect the legal financial obligation. Nothing in this section makes the department, the state, or any of its employees, agents, or other persons acting on their behalf liable under any circumstances for the payment of these legal financial obligations. If an order includes restitution as one of the monetary assessments, the county clerk shall make disbursements to victims named in the order.

(14) Except as provided under RCW 9.94A.140(1) and 9.94A.142(1), a court may not impose a sentence providing for a term of confinement or community supervision, community placement, or community custody which exceeds the statutory maximum for the crime as provided in chapter 9A.20 RCW.

(15) All offenders sentenced to terms involving community supervision, community service, community placement, community custody, or legal financial obligation shall be under the supervision of the department of corrections and shall follow explicitly the instructions and conditions of the department of corrections. The department may require an offender to perform affirmative acts it deems appropriate to monitor compliance with the conditions of the sentence imposed.

(a) The instructions shall include, at a minimum, reporting as directed to a community corrections officer, remaining within prescribed geographical boundaries, notifying the community corrections officer of any change in the offender's address or employment, and paying the supervision fee assessment.

(b) For offenders sentenced to terms involving community custody for crimes committed on or after June 6, 1996, the department may include, in addition to the instructions in (a) of this subsection, any appropriate conditions of supervision, including but not limited to, prohibiting the offender from having contact with any other specified individuals or specific class of individuals. For offenders sentenced to terms of community custody for crimes committed on or after July 1, 2000, the department may additionally require the offender to participate in rehabilitative programs or otherwise perform affirmative conduct, and to obey all laws.

The conditions authorized under this subsection (15)(b) may be imposed by the department prior to or during an offender's community custody term. If a violation of conditions imposed by the court or the department pursuant to subsection (10) of this section occurs during community custody, it shall be deemed a violation of community placement for the purposes of RCW 9.94A.207 and shall authorize the department to transfer an offender to a more restrictive confinement status as provided in RCW 9.94A.205. At any time prior to the completion of an offender's term of community custody, the department may recommend to the court that any or all of the conditions imposed by the court or the department pursuant to subsection (10) or (11) of this section be continued beyond the expiration of the offender's term of community custody as authorized in subsection (10)(c) or (11)(e) of this section.

The department may require offenders to pay for special services rendered on or after July 25, 1993, including electronic monitoring, day reporting, and telephone reporting, dependent upon the offender's ability to pay. The department may pay for these services for offenders who are not able to pay.

(16) All offenders sentenced to terms involving community supervision, community service, community custody, or community placement under the supervision of the department of corrections shall not own, use, or possess firearms or ammunition. Offenders who own, use, or are found to be in actual or constructive possession of firearms or ammunition shall be subject to the appropriate violation process and sanctions. "Constructive possession" as used in this subsection means the power and intent to control the firearm or ammunition. "Firearm" as used in this subsection means a weapon or device from which a projectile may be fired by an explosive such as gunpowder.

(17) The sentencing court shall give the offender credit for all confinement time served before the sentencing if that confinement was solely in regard to the offense for which the offender is being sentenced.

(18) A departure from the standards in RCW 9.94A.400 (1) and (2) governing whether sentences are to be served consecutively or concurrently is an exceptional sentence subject to the limitations in subsections (2) and (3) of this section, and may be appealed by the defendant or the state as set forth in RCW 9.94A.210 (2) through (6).

(19) The court shall order restitution whenever the offender is convicted of a felony that results in injury to any person or damage to or loss of property, whether the offender is sentenced to confinement or placed under community supervision, unless extraordinary circumstances exist that make restitution inappropriate in the court's judgment. The court shall set forth the extraordinary circumstances in the record if it does not order restitution.

(20) As a part of any sentence, the court may impose and enforce an order that relates directly to the circumstances of the crime for which the offender has been convicted, prohibiting the offender from having any contact with other specified individuals or a specific class of individuals for a period not to exceed the maximum allowable sentence for the crime, regardless of the expiration of the offender's term of community supervision or community placement.

(21) The court may order an offender whose sentence includes community placement or community supervision to undergo a mental status evaluation and to participate in available outpatient mental health treatment, if the court finds that reasonable grounds exist to believe that the offender is a mentally ill person as defined in RCW 71.24.025, and that this condition is likely to have influenced the offense. An order requiring mental status evaluation or treatment must be based on a presentence report and, if applicable, mental status evaluations that have been filed with the court to determine the offender's competency or eligibility for a defense of insanity. The court may order additional evaluations at a later date if deemed appropriate.

(22) In any sentence of partial confinement, the court may require the defendant to serve the partial confinement in work release, in a program of home detention, on work crew, or in a combined program of work crew and home detention.

(23) All court-ordered legal financial obligations collected by the department and remitted to the county clerk shall be credited and paid where restitution is ordered. Restitution shall be paid prior to any other payments of monetary obligations.

(24) In sentencing an offender convicted of a crime of domestic violence, as defined in RCW 10.99.020, if the offender has a minor child, or if the victim of the offense for which the offender was convicted has a minor child, the court may, as part of any term of community supervision, order the offender to participate in a domestic violence perpetrator program approved under RCW 26.50.150.

(25)(a) Sex offender examinations and treatment ordered as a special condition of community placement or community custody under this section shall be conducted only by sex offender treatment providers certified by the department of health under chapter 18.155 RCW unless the court finds that: (i) The offender has already moved to another state or plans to move to another state for reasons other than circumventing the certification requirements; (ii) no certified providers are available for treatment within a reasonable geographic distance of the offender's home, as determined in rules adopted by the secretary; (iii) the evaluation and treatment plan comply with the rules adopted by the department of health; or (iv) the treatment provider is employed by the department. A treatment provider selected by an offender who is not certified by the department of health shall consult with a certified provider during the offender's period of treatment to ensure compliance with the rules adopted by the department of health. The frequency and content of the consultation shall be based on the recommendation of the certified provider.

(b) A sex offender's failure to participate in treatment required as a condition of community placement or community custody is a violation that will not be excused on the basis that no treatment provider was located within a reasonable geographic distance of the offender's home.

**Sec. 3.** RCW 9.94A.142 and 1997 c 121 s 4 and 1997 c 52 s 2 are each reenacted and amended to read as follows:

(1) When restitution is ordered, the court shall determine the amount of restitution due at the sentencing hearing or within one hundred eighty days except as provided in subsection (4) of this section. The court may continue the hearing beyond the one hundred eighty days for good cause. The court shall then set a minimum monthly payment that the offender is required to make towards the restitution that is ordered. The court should take into consideration the total amount of the restitution owed, the offender's present, past, and future ability to pay, as well as any assets that the offender may have. During the period of supervision, the community corrections officer may examine the offender to

determine if there has been a change in circumstances that warrants an amendment of the monthly payment schedule. The community corrections officer may recommend a change to the schedule of payment and shall inform the court of the recommended change and the reasons for the change. The sentencing court may then reset the monthly minimum payments based on the report from the community corrections officer of the change in circumstances. Except as provided in subsection (3) of this section, restitution ordered by a court pursuant to a criminal conviction shall be based on easily ascertainable damages for injury to or loss of property, actual expenses incurred for treatment for injury to persons, and lost wages resulting from injury. Restitution shall not include reimbursement for damages for mental anguish, pain and suffering, or other intangible losses, but may include the costs of counseling reasonably related to the offense. The amount of restitution shall not exceed double the amount of the offender's gain or the victim's loss from the commission of the crime. For the purposes of this section, for an offense committed prior to July 1, 2000, the offender shall remain under the court's jurisdiction for a term of ten years following the offender's release from total confinement or ten years subsequent to the entry of the judgment and sentence, whichever period ~~((is longer))~~ ends later. Prior to the expiration of the initial ten-year period, the superior court may extend jurisdiction under the criminal judgment an additional ten years for payment of restitution. For an offense committed on or after July 1, 2000, the offender shall remain under the court's jurisdiction until the obligation is completely satisfied, regardless of the statutory maximum for the crime. The portion of the sentence concerning restitution may be modified as to amount, terms, and conditions during ~~((either the initial ten-year period or subsequent ten-year period if the criminal judgment is extended))~~ any period of time the offender remains under the court's jurisdiction, regardless of the expiration of the offender's term of community supervision and regardless of the statutory maximum for the crime. The court may not reduce the total amount of restitution ordered because the offender may lack the ability to pay the total amount. The offender's compliance with the restitution shall be supervised by the department of corrections for ten years following the entry of the judgment and sentence or ten years following the offender's release from total confinement. ~~((If jurisdiction under the criminal judgment is extended, the department is not responsible for supervision of the offender during the subsequent period))~~ The department is not responsible for supervision of the offender during any subsequent period of time the offender remains under the court's jurisdiction.

(2) Restitution shall be ordered whenever the offender is convicted of an offense which results in injury to any person or damage to or loss of property or as provided in subsection (3) of this section unless extraordinary circumstances exist which make restitution inappropriate in the court's judgment and the court sets forth such circumstances in the record. In addition, restitution shall be ordered to pay for an injury, loss, or damage if the offender pleads guilty to a lesser offense or fewer offenses and agrees with the prosecutor's recommendation that the

offender be required to pay restitution to a victim of an offense or offenses which are not prosecuted pursuant to a plea agreement.

(3) Restitution for the crime of rape of a child in the first, second, or third degree, in which the victim becomes pregnant, shall include: (a) All of the victim's medical expenses that are associated with the rape and resulting pregnancy; and (b) child support for any child born as a result of the rape if child support is ordered pursuant to a civil superior court or administrative order for support for that child. The clerk must forward any restitution payments made on behalf of the victim's child to the Washington state child support registry under chapter 26.23 RCW. Identifying information about the victim and child shall not be included in the order. The defendant shall receive a credit against any obligation owing under the administrative or superior court order for support of the victim's child. For the purposes of this subsection, the offender shall remain under the court's jurisdiction until the defendant has satisfied support obligations under the superior court or administrative order (~~but not longer than~~) for the period provided in RCW 4.16.020 or a maximum term of twenty-five years following the offender's release from total confinement or twenty-five years subsequent to the entry of the judgment and sentence, whichever period is longer. The court may not reduce the total amount of restitution ordered because the offender may lack the ability to pay the total amount. The department shall supervise the offender's compliance with the restitution ordered under this subsection.

(4) Regardless of the provisions of subsections (1), (2), and (3) of this section, the court shall order restitution in all cases where the victim is entitled to benefits under the crime victims' compensation act, chapter 7.68 RCW. If the court does not order restitution and the victim of the crime has been determined to be entitled to benefits under the crime victims' compensation act, the department of labor and industries, as administrator of the crime victims' compensation program, may petition the court within one year of entry of the judgment and sentence for entry of a restitution order. Upon receipt of a petition from the department of labor and industries, the court shall hold a restitution hearing and shall enter a restitution order.

(5) In addition to any sentence that may be imposed, a defendant who has been found guilty of an offense involving fraud or other deceptive practice or an organization which has been found guilty of any such offense may be ordered by the sentencing court to give notice of the conviction to the class of persons or to the sector of the public affected by the conviction or financially interested in the subject matter of the offense by mail, by advertising in designated areas or through designated media, or by other appropriate means.

(6) This section does not limit civil remedies or defenses available to the victim, survivors of the victim, or defendant including support enforcement remedies for support ordered under subsection (3) of this section for a child born as a result of a rape of a child victim. The court shall identify in the judgment and sentence the victim or victims entitled to restitution and what amount is due each

victim. The state or victim may enforce the court-ordered restitution in the same manner as a judgment in a civil action. Restitution collected through civil enforcement must be paid through the registry of the court and must be distributed proportionately according to each victim's loss when there is more than one victim.

(7) This section shall apply to offenses committed after July 1, 1985.

**Sec. 4.** RCW 9.94A.145 and 1999 c 196 s 6 are each amended to read as follows:

(1) Whenever a person is convicted of a felony, the court may order the payment of a legal financial obligation as part of the sentence. The court must on either the judgment and sentence or on a subsequent order to pay, designate the total amount of a legal financial obligation and segregate this amount among the separate assessments made for restitution, costs, fines, and other assessments required by law. On the same order, the court is also to set a sum that the offender is required to pay on a monthly basis towards satisfying the legal financial obligation. If the court fails to set the offender monthly payment amount, the department shall set the amount. Upon receipt of an offender's monthly payment, after restitution is satisfied, the county clerk shall distribute the payment proportionally among all other fines, costs, and assessments imposed, unless otherwise ordered by the court.

(2) If the court determines that the offender, at the time of sentencing, has the means to pay for the cost of incarceration, the court may require the offender to pay for the cost of incarceration at a rate of fifty dollars per day of incarceration. Payment of other court-ordered financial obligations, including all legal financial obligations and costs of supervision shall take precedence over the payment of the cost of incarceration ordered by the court. All funds recovered from offenders for the cost of incarceration in the county jail shall be remitted to the county and the costs of incarceration in a prison shall be remitted to the department of corrections.

(3) The court may add to the judgment and sentence or subsequent order to pay a statement that a notice of payroll deduction is to be immediately issued. If the court chooses not to order the immediate issuance of a notice of payroll deduction at sentencing, the court shall add to the judgment and sentence or subsequent order to pay a statement that a notice of payroll deduction may be issued or other income-withholding action may be taken, without further notice to the offender if a monthly court-ordered legal financial obligation payment is not paid when due, and an amount equal to or greater than the amount payable for one month is owed.

If a judgment and sentence or subsequent order to pay does not include the statement that a notice of payroll deduction may be issued or other income-withholding action may be taken if a monthly legal financial obligation payment is past due, the department may serve a notice on the offender stating such requirements and authorizations. Service shall be by personal service or any form of mail requiring a return receipt.

(4) All legal financial obligations that are ordered as a result of a conviction for a felony, may also be enforced in the same manner as a judgment in a civil action by the party or entity to whom the legal financial obligation is owed. Restitution collected through civil enforcement must be paid through the registry of the court and must be distributed proportionately according to each victim's loss when there is more than one victim. The judgment and sentence shall identify the party or entity to whom restitution is owed so that the state, party, or entity may enforce the judgment. If restitution is ordered pursuant to RCW 9.94A.140(3) or 9.94A.142(3) to a victim of rape of a child and the victim's child born from the rape, the Washington state child support registry shall be identified as the party to whom payments must be made. Restitution obligations arising from the rape of a child in the first, second, or third degree that result in the pregnancy of the victim may be enforced for the time periods provided under RCW 9.94A.140(3) and 9.94A.142(3). All other legal financial obligations for an offense committed prior to July 1, 2000, may be enforced at any time during the ten-year period following the offender's release from total confinement or within ten years of entry of the judgment and sentence, whichever period ~~((is longer))~~ ends later. Prior to the expiration of the initial ten-year period, the superior court may extend the criminal judgment an additional ten years for payment of legal financial obligations including crime victims' assessments. ~~((If jurisdiction under the criminal judgment is extended, the department is not responsible for supervision of the offender during the subsequent period))~~ All other legal financial obligations for an offense committed on or after July 1, 2000, may be enforced at any time the offender remains under the court's jurisdiction. The department of corrections shall supervise the offender's compliance with payment of the legal financial obligations for ten years following the entry of the judgment and sentence, or ten years following the offender's release from total confinement, whichever period ends later. The department is not responsible for supervision of the offender during any subsequent period of time the offender remains under the court's jurisdiction. Independent of the department, the party or entity to whom the legal financial obligation is owed shall have the authority to utilize any other remedies available to the party or entity to collect the legal financial obligation.

(5) In order to assist the court in setting a monthly sum that the offender must pay during the period of supervision, the offender is required to report to the department for purposes of preparing a recommendation to the court. When reporting, the offender is required, under oath, to truthfully and honestly respond to all questions concerning present, past, and future earning capabilities and the location and nature of all property or financial assets. The offender is further required to bring any and all documents as requested by the department.

(6) After completing the investigation, the department shall make a report to the court on the amount of the monthly payment that the offender should be required to make towards a satisfied legal financial obligation.



(7) During the period of supervision, the department may make a recommendation to the court that the offender's monthly payment schedule be modified so as to reflect a change in financial circumstances. If the department sets the monthly payment amount, the department may modify the monthly payment amount without the matter being returned to the court. Also, during the period of supervision, the offender may be required at the request of the department to report to the department for the purposes of reviewing the appropriateness of the collection schedule for the legal financial obligation. During this reporting, the offender is required under oath to truthfully and honestly respond to all questions concerning earning capabilities and the location and nature of all property or financial assets. Also, the offender is required to bring any and all documents as requested by the department in order to prepare the collection schedule.

(8) After the judgment and sentence or payment order is entered, the department shall for any period of supervision be authorized to collect the legal financial obligation from the offender. Any amount collected by the department shall be remitted daily to the county clerk for the purposes of disbursements. The department is authorized to accept credit cards as payment for a legal financial obligation, and any costs incurred related to accepting credit card payments shall be the responsibility of the offender.

(9) The department or any obligee of the legal financial obligation may seek a mandatory wage assignment for the purposes of obtaining satisfaction for the legal financial obligation pursuant to RCW 9.94A.2001.

(10) The requirement that the offender pay a monthly sum towards a legal financial obligation constitutes a condition or requirement of a sentence and the offender is subject to the penalties as provided in RCW 9.94A.200 for noncompliance.

(11) The county clerk shall provide the department with individualized monthly billings for each offender with an unsatisfied legal financial obligation and shall provide the department with notice of payments by such offenders no less frequently than weekly.

(12) The department may arrange for the collection of unpaid legal financial obligations through the county clerk, or through another entity if the clerk does not assume responsibility for collection. The costs for collection services shall be paid by the offender.

**Sec. 5.** RCW 9.94A.170 and 1999 c 196 s 7 and 1999 c 143 s 14 are each reenacted and amended to read as follows:

(1) A term of confinement ordered in a sentence pursuant to this chapter shall be tolled by any period of time during which the offender has absented himself or herself from confinement without the prior approval of the entity in whose custody the offender has been placed. A term of partial confinement shall be tolled during any period of time spent in total confinement pursuant to a new conviction or pursuant to sanctions for violation of sentence conditions on a separate felony conviction.

(2) ~~((A))~~ Any term of community custody ~~((ordered in a sentence pursuant to this chapter)),~~ community placement, or community supervision shall be tolled by any period of time during which the offender has absented himself or herself from supervision without prior approval of the entity under whose ~~((community eustody))~~ supervision the offender has been placed.

(3) Any period of community custody, community placement, or community supervision shall be tolled during any period of time the offender is in confinement for any reason. However, if an offender is detained pursuant to RCW 9.94A.207 or 9.94A.195 and is later found not to have violated a condition or requirement of community custody, community placement, or community supervision, time spent in confinement due to such detention shall not toll the period of community custody, community placement, or community supervision.

(4) For terms of confinement or community custody ~~((sentenees))~~, community placement, or community supervision, the date for the tolling of the sentence shall be established by the entity responsible for the confinement or ~~((community eustody))~~ supervision.

NEW SECTION. Sec. 6. 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. 7. Section 5 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 takes effect immediately.

Passed the Senate February 11, 2000.

Passed the House March 8, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

---

## CHAPTER 227

[Substitute Senate Bill 6357]

### MUNICIPAL RESEARCH COUNCIL

AN ACT Relating to funding the municipal research council; amending RCW 66.08.190 and 43.110.030; adding a new section to chapter 43.110 RCW; repealing RCW 43.88.114; providing an effective date; 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 43.110 RCW to read as follows:

The city and town research services account is created in the state treasury. Moneys in the account shall consist of amounts transferred under RCW 66.08.190(2) and any other transfers or appropriations to the account. Moneys in the account may be spent only after an appropriation. Expenditures from the account may be used only for city and town research.

Unobligated moneys remaining in the account at the end of the fiscal biennium shall be distributed by the treasurer to the incorporated cities and towns of the state under RCW 66.08.190(1)(b).

The treasurer may disburse amounts appropriated to the municipal research council from the city and town research services account by warrant or check to the contracting parties on invoices or vouchers certified by the chair of the municipal research council or his or her designee. Payments to public agencies may be made in advance of actual work contracted for, at the discretion of the council.

**Sec. 2.** RCW 66.08.190 and 1995 c 159 s 1 are each amended to read as follows:

(1) When excess funds are distributed, all moneys subject to distribution shall be disbursed as follows:

~~((+))~~ (a) Three-tenths of one percent to border areas under RCW 66.08.195; and

~~((2))~~ (b) From the amount remaining after distribution under (a) of this subsection ~~((+ of this section))~~, fifty percent to the general fund of the state, ten percent to the counties of the state, and forty percent to the incorporated cities and towns of the state.

(2) During the months of July, October, January, and April of each year, prior to disbursing the distribution to incorporated cities and towns under subsection (1)(b) of this section, the treasurer shall deduct from that distribution an amount that, when combined with any cash balance in the city and town research services account, will fund that quarter's allotments under RCW 43.88.110 from any legislative appropriation from the city and town research services account. The treasurer shall deposit the amount deducted into the city and town research services account.

(3) The governor may notify and direct the state treasurer to withhold the revenues to which the counties and cities are entitled under this section if the counties or cities are found to be in noncompliance pursuant to RCW 36.70A.340.

**Sec. 3.** RCW 43.110.030 and 1997 c 437 s 2 are each amended to read as follows:

The municipal research council shall contract for the provision of municipal research and services to cities, towns, and counties. Contracts for municipal research and services shall be made with state agencies, educational institutions, or private consulting firms, that in the judgment of council members are qualified to provide such research and services. Contracts for staff support may be made with state agencies, educational institutions, or private consulting firms that in the judgment of the council members are qualified to provide such support.

Municipal research and services shall consist of: (1) Studying and researching city, town, and county government and issues relating to city, town, and county government; (2) acquiring, preparing, and distributing publications related to city, town, and county government and issues relating to city, town, and county government; (3) providing educational conferences relating to city, town, and

county government and issues relating to city, town, and county government; and (4) furnishing legal, technical, consultative, and field services to cities, towns, and counties concerning planning, public health, utility services, fire protection, law enforcement, public works, and other issues relating to city, town, and county government. Requests for legal services by county officials shall be sent to the office of the county prosecuting attorney. Responses by the municipal research council to county requests for legal services shall be provided to the requesting official and the county prosecuting attorney.

The activities, programs, and services of the municipal research council shall be carried on(~~(, and all expenditures shall be made,))~~ in cooperation with ~~((the cities and towns of the state acting through the board of directors of))~~ the association of Washington cities(~~((, which is recognized as their official agency or instrumentality,))~~) and ~~((in cooperation with counties of the state acting through))~~ the Washington state association of counties. Services to cities and towns shall be based upon the moneys appropriated to the municipal research council ~~((under RCW 82.44.160))~~ from the city and town research services account under section 1 of this act. Services to counties shall be based upon the moneys appropriated to the municipal research council from the county research services account under RCW 43.110.050.

NEW SECTION. Sec. 4. RCW 43.88.114 (Appropriations to municipal research council from motor vehicle excise taxes not subject to allotment) and 1997 c 437 s 5 & 1983 c 22 s 2 are each repealed.

NEW SECTION. Sec. 5. 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 takes effect July 1, 2000.

Passed the Senate February 11, 2000.

Passed the House March 1, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

---

## CHAPTER 228

[Substitute Senate Bill 6373]

### PROMOTIONAL CONTESTS

AN ACT Relating to promotional contests of chance; adding a new section to chapter 9.46 RCW; and repealing RCW 9.46.0355.

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

NEW SECTION. Sec. 1. A new section is added to chapter 9.46 RCW to read as follows:

(1) The legislature authorizes a business to conduct a promotional contest of chance as defined in this section, in this state, or partially in this state, whereby the elements of prize and chance are present but in which the element of consideration is not present.

(2) Promotional contests of chance under this section are not gambling as defined in RCW 9.46.0237.

(3) Promotional contests of chance shall be conducted as advertising and promotional undertakings solely for the purpose of advertising or promoting the services, goods, wares, and merchandise of a business.

(4) No person eligible to receive a prize in a promotional contest of chance may be required to:

(a) Pay any consideration to the promoter or operator of the business in order to participate in the contest; or

(b) Purchase any service, goods, wares, merchandise, or anything of value from the business, however, for other than contests entered through a direct mail solicitation, the promoter or sponsor may give additional entries or chances upon purchase of service, goods, wares, or merchandise if the promoter or sponsor provides an alternate method of entry requiring no consideration.

(5)(a) As used in this section, "consideration" means anything of pecuniary value required to be paid to the promoter or sponsor in order to participate in a promotional contest. Such things as visiting a business location, placing or answering a telephone call, completing an entry form or customer survey, or furnishing a stamped, self-addressed envelope do not constitute consideration.

(b) Coupons or entry blanks obtained by purchase of a bona fide newspaper or magazine or in a program sold in conjunction with a regularly scheduled sporting event are not consideration.

(6) Unless authorized by the commission, equipment or devices made for use in a gambling activity are prohibited from use in a promotional contest.

(7) This section shall not be construed to permit noncompliance with chapter 19.170 RCW, promotional advertising of prizes, and chapter 19.86 RCW, unfair business practices.

**NEW SECTION. Sec. 2.** RCW 9.46.0355 (Promotional contests of chance authorized) and 1987 c 4 s 35 are each repealed.

Passed the Senate February 15, 2000.

Passed the House March 3, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

---

## CHAPTER 229

[Substitute Senate Bill 6467]

### LICENSE FRAUD

AN ACT Relating to vehicle, vessel, and aircraft license fraud; amending RCW 46.16.010, 47.68.240, 47.68.255, 82.48.020, 82.49.010, 88.02.118, and 82.32.090; repealing RCW 43.43.410, 43.43.420, and 46.16.0101; prescribing penalties; and declaring an emergency.

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

Sec. 1. RCW 46.16.010 and 1999 c 277 s 4 are each amended to read as follows:

(1) It is ~~((a-violation))~~ unlawful for a person to operate any vehicle over and along a public highway of this state without first having obtained and having in full force and effect a current and proper vehicle license and display vehicle license number plates therefor as by this chapter provided. Failure to make initial registration before operation on the highways of this state is a misdemeanor, and any person convicted thereof must be punished by a fine of no less than three hundred thirty dollars, no part of which may be suspended or deferred.

~~((a) Failure to make initial registration of a vehicle before operating it on the highways of this state is a violation of this section. Anyone who violates this section is liable for a penalty of three hundred fifty dollars for each violation in addition to all other penalties provided by law. Persons violating this subsection shall make payment as prescribed in subsection (2)(b) of this section.~~

~~—(b)) Failure to renew an expired registration before operation on the highways of this state is a traffic infraction((, which shall not be resolved through the civil process instituted under this section)).~~

~~(2)((a)) The licensing of a vehicle in another state by a resident of this state, as defined in RCW 46.16.028, ((to avoid)) evading the payment of any tax or license fee imposed in connection with registration, is a ((violation of this section; and violators are liable for a monetary penalty not less than one thousand dollars but not more than ten thousand dollars for each violation.~~

~~—(b) The penalty provided in subsection (1)(a) of this section and this subsection is due and payable when the person incurring it receives a notice in writing from the state patrol describing the violation and advising the person that the penalty is due. The state patrol may, upon written application for review, received within fifteen days, remit or mitigate a penalty provided for in this section or discontinue an action to recover the penalty upon such terms it deems proper and may ascertain the facts in a manner and under rules it deems proper. If the amount of the penalty is not paid to the state patrol within fifteen days after receipt of the notice imposing the penalty, or application for remission or mitigation has not been made within fifteen days after the violator has received notice of the disposition of the application, the attorney general shall bring an action in the name of the state of Washington in the superior court of Thurston county or of any other county in which the violator resides or does business, to recover the penalty, administrative fees, and attorneys' fees and costs incurred in recovering the penalties. All penalties recovered under this section shall be paid into the state treasury and credited to the state patrol highway account of the motor vehicle fund for the license fraud task force.)) gross misdemeanor punishable as follows:~~

~~(a) For a first offense, up to one year in the county jail and a fine equal to twice the amount of delinquent taxes and fees, no part of which may be suspended or deferred;~~

(b) For a second or subsequent offense, up to one year in the county jail and a fine equal to four times the amount of delinquent taxes and fees, no part of which may be suspended or deferred;

(c) For fines levied under (b) of this subsection, an amount equal to the avoided taxes and fees owed will be deposited in the vehicle licensing fraud account created in the state treasury;

(d) The avoided taxes and fees shall be deposited and distributed in the same manner as if the taxes and fees were properly paid in a timely fashion.

(3) These provisions shall not apply to the following vehicles:

(a) Electric-assisted bicycles;

(b) Farm vehicles if operated within a radius of fifteen miles of the farm where principally used or garaged, farm tractors and farm implements including trailers designed as cook or bunk houses used exclusively for animal herding temporarily operating or drawn upon the public highways, and trailers used exclusively to transport farm implements from one farm to another during the daylight hours or at night when such equipment has lights that comply with the law;

(c) Spray or fertilizer applicator rigs designed and used exclusively for spraying or fertilization in the conduct of agricultural operations and not primarily for the purpose of transportation, and nurse rigs or equipment auxiliary to the use of and designed or modified for the fueling, repairing, or loading of spray and fertilizer applicator rigs and not used, designed, or modified primarily for the purpose of transportation;

(d) Fork lifts operated during daylight hours on public highways adjacent to and within five hundred feet of the warehouses which they serve: PROVIDED FURTHER, That these provisions shall not apply to vehicles used by the state parks and recreation commission exclusively for park maintenance and operations upon public highways within state parks;

(e) "Special highway construction equipment" defined as follows: Any vehicle which is designed and used primarily for grading of highways, paving of highways, earth moving, and other construction work on highways and which is not designed or used primarily for the transportation of persons or property on a public highway and which is only incidentally operated or moved over the highway. It includes, but is not limited to, road construction and maintenance machinery so designed and used such as portable air compressors, air drills, asphalt spreaders, bituminous mixers, bucket loaders, track laying tractors, ditchers, leveling graders, finishing machines, motor graders, paving mixers, road rollers, scarifiers, earth moving scrapers and carryalls, lighting plants, welders, pumps, power shovels and draglines, self-propelled and tractor-drawn earth moving equipment and machinery, including dump trucks and tractor-dump trailer combinations which either (i) are in excess of the legal width, or (ii) which, because of their length, height, or unladen weight, may not be moved on a public highway without the permit specified in RCW 46.44.090 and which are not operated laden except within the boundaries of the project limits as defined by the

contract, and other similar types of construction equipment, or (iii) which are driven or moved upon a public highway only for the purpose of crossing such highway from one property to another, provided such movement does not exceed five hundred feet and the vehicle is equipped with wheels or pads which will not damage the roadway surface.

Exclusions:

"Special highway construction equipment" does not include any of the following:

Dump trucks originally designed to comply with the legal size and weight provisions of this code notwithstanding any subsequent modification which would require a permit, as specified in RCW 46.44.090, to operate such vehicles on a public highway, including trailers, truck-mounted transit mixers, cranes and shovels, or other vehicles designed for the transportation of persons or property to which machinery has been attached.

(4) The following vehicles, whether operated solo or in combination, are exempt from license registration and displaying license plates as required by this chapter:

(a) A converter gear used to convert a semitrailer into a trailer or a two-axle truck or tractor into a three or more axle truck or tractor or used in any other manner to increase the number of axles of a vehicle. Converter gear includes an auxiliary axle, booster axle, dolly, and jeep axle.

(b) A tow dolly that is used for towing a motor vehicle behind another motor vehicle. The front or rear wheels of the towed vehicle are secured to and rest on the tow dolly that is attached to the towing vehicle by a tow bar.

**Sec. 2.** RCW 47.68.240 and 1999 c 277 s 5 are each amended to read as follows:

Any person violating any of the provisions of this chapter, or any of the rules, regulations, or orders issued pursuant thereto, shall be guilty of a misdemeanor and shall be punished as provided under chapter 9A.20 RCW, except that any person violating any of the provisions of RCW 47.68.220 ~~((or))~~, 47.68.230, or 47.68.255 shall be guilty of a gross misdemeanor which shall be punished as provided under chapter 9A.20 RCW. In addition to, or in lieu of, the penalties provided in this section, or as a condition to the suspension of a sentence which may be imposed pursuant thereto, for violations of RCW 47.68.220 and 47.68.230, the court in its discretion may prohibit the violator from operating an aircraft within the state for such period as it may determine but not to exceed one year. Violation of the duty imposed prohibition of the court may be treated as a separate offense under this section or as a contempt of court.

**Sec. 3.** RCW 47.68.255 and 1999 c 277 s 6 are each amended to read as follows:

~~((+))~~ A person who is required to register an aircraft under this chapter and who registers an aircraft in another state or foreign country ~~((avoiding))~~ evading the Washington aircraft ~~((taxes, commits a violation of this section and is liable for~~



~~those unpaid taxes and for a monetary penalty not less than one thousand dollars but not more than ten thousand dollars for each violation))~~ excise tax is guilty of a gross misdemeanor. For a second or subsequent offense, the person convicted is also subject to a fine equal to four times the amount of avoided taxes and fees, no part of which may be suspended or deferred. Excise taxes owed and fines assessed will be deposited in the manner provided under RCW 46.16.010(2).

~~((2) The penalty provided in this section is due and payable when the person incurring it receives a notice in writing from the state patrol describing the violation and advising the person that the penalty is due. The state patrol may, upon written application for review, received within fifteen days, remit or mitigate a penalty provided for in this section or discontinue an action to recover the penalty upon such terms it deems proper and may ascertain the facts in a manner and under rules it deems proper. If the amount of the penalty is not paid to the state patrol within fifteen days after receipt of the notice imposing the penalty, or application for remission or mitigation has not been made within fifteen days after the violator has received notice of the disposition of the application, the attorney general shall bring an action in the name of the state of Washington in the superior court of Thurston county or of any other county in which the violator does business, to recover the penalty, administrative fees, and attorneys' fees. All penalties recovered under this section shall be paid into the state treasury and credited to the state patrol highway account of the motor vehicle fund for the license fraud task force. The department of revenue may assess and collect the unpaid excise tax under chapter 82.32 RCW, including the penalties and interest provided in chapter 82.32 RCW.))~~

**Sec. 4.** RCW 82.48.020 and 1999 c 277 s 7 are each amended to read as follows:

(1) An annual excise tax is hereby imposed for the privilege of using any aircraft in the state. A current certificate of air worthiness with a current inspection date from the appropriate federal agency and/or the purchase of aviation fuel shall constitute the necessary evidence of aircraft use or intended use. The tax shall be collected annually or under a staggered collection schedule as required by the secretary by rule. No additional tax shall be imposed under this chapter upon any aircraft upon the transfer of ownership thereof, if the tax imposed by this chapter with respect to such aircraft has already been paid for the year in which transfer of ownership occurs. A violation of this subsection is a misdemeanor punishable as provided under chapter 9A.20 RCW.

(2)~~((#))~~ Persons who are required to register aircraft under chapter 47.68 RCW and who register aircraft in another state or foreign country and avoid the Washington aircraft ~~((taxes, violate this section and are liable for a monetary penalty of not less than one thousand dollars but not more than ten thousand dollars for each violation))~~ excise tax are liable for such unpaid excise tax. A violation of this subsection is a gross misdemeanor.

~~((b)) The penalty provided in this section is due and payable when the person incurring it receives a notice in writing from the state patrol describing the violation and advising the person that the penalty is due. The state patrol may, upon written application for review, received within fifteen days, remit or mitigate a penalty provided for in this section or discontinue an action to recover the penalty upon such terms it deems proper and may ascertain the facts in a manner and under rules it deems proper. If the amount of the penalty is not paid to the state patrol within fifteen days after receipt of the notice imposing the penalty, or application for remission or mitigation has not been made within fifteen days after the violator has received notice of the disposition of the application, the attorney general shall bring an action in the name of the state of Washington in the superior court of Thurston county or of any other county in which the violator resides or does business, to recover the penalty, administrative fees, and attorneys' fees. In all such actions, the procedure and rules of evidence are the same as an ordinary civil action except as otherwise provided in this chapter. All penalties recovered under this section shall be paid into the state treasury and credited to the state patrol highway account of the motor vehicle fund for the license fraud task force.~~

~~—(3))~~ The department of revenue may assess and collect the unpaid excise tax under chapter 82.32 RCW, including the penalties and interest provided in chapter 82.32 RCW.

~~((4))~~ (3) Except as provided under subsections (1) and (2) of this section, a violation of this chapter is a misdemeanor punishable as provided in chapter 9A.20 RCW.

**Sec. 5.** RCW 82.49.010 and 1999 c 277 s 8 are each amended to read as follows:

(1) An excise tax is imposed for the privilege of using a vessel upon the waters of this state, except vessels exempt under RCW 82.49.020. The annual amount of the excise tax is one-half of one percent of fair market value, as determined under this chapter, or five dollars, whichever is greater. Violation of this subsection is a misdemeanor.

(2)~~((a) A)~~ Persons who ~~((is))~~ are required under chapter 88.02 RCW to register a vessel in this state and who register~~((s))~~ the vessel in another state or foreign country and avoid~~((s))~~ the Washington watercraft ~~((taxes, violates this section and is liable for those taxes and a monetary penalty not less than one thousand dollars but not more than ten thousand dollars for each violation))~~ excise tax are guilty of a gross misdemeanor and are liable for such unpaid excise tax. The department of revenue may assess and collect the unpaid excise tax under chapter 82.32 RCW, including the penalties and interest provided in chapter 82.32 RCW.

~~((b)) The penalty provided in this section is due and payable when the person incurring it receives a notice in writing from the state patrol describing the violation and advising the person that the penalty is due. The state patrol may, upon written application for review, received within fifteen days, remit or mitigate~~

~~a penalty provided for in this section or discontinue an action to recover the penalty upon such terms it deems proper and may ascertain the facts in a manner and under rules it deems proper. If the amount of the penalty is not paid to the state patrol within fifteen days after receipt of the notice imposing the penalty, or application for remission or mitigation has not been made within fifteen days after the violator has received notice of the disposition of the application, the attorney general shall bring an action in the name of the state of Washington in the superior court of Thurston county or of any other county in which the violator resides or does business, to recover the penalty, administrative fees, and attorneys' fees. All penalties recovered under this section shall be paid into the state treasury and credited to the state patrol highway account of the motor vehicle fund for the license fraud task force.)~~

(3) The excise tax upon a vessel registered for the first time in this state shall be imposed for a twelve-month period, including the month in which the vessel is registered, unless the director of licensing extends or diminishes vessel registration periods for the purpose of staggered renewal periods under RCW 88.02.050. A vessel is registered for the first time in this state when the vessel was not registered in this state for the immediately preceding registration year, or when the vessel was registered in another jurisdiction for the immediately preceding year. The excise tax on vessels required to be registered in this state on June 30, 1983, shall be paid by June 30, 1983.

Sec. 6. RCW 88.02.118 and 1999 c 277 s 10 are each amended to read as follows:

~~((1)(a))~~ It is a ~~((violation))~~ gross misdemeanor punishable as provided under chapter 9A.20 RCW for any person owning a vessel subject to taxation under chapter 82.49 RCW to register a vessel in another state to avoid Washington state vessel ~~((taxes))~~ excise tax required under chapter 82.49 RCW or to obtain a vessel dealer's registration for the purpose of ~~((avoiding taxes))~~ evading excise tax on vessels under chapter 82.49 RCW. For a second or subsequent offense, the person convicted is also subject to a fine equal to four times the amount of avoided taxes and fees, no part of which may be suspended or deferred. Excise taxes owed and fines assessed will be deposited in the manner provided under RCW 46.16.010(2).

~~((b) The monetary penalty is not less than one thousand dollars but not more than ten thousand dollars for each violation.~~

~~(2) The penalty provided in this section is due and payable when the person incurring it receives a notice in writing from the state patrol describing the violation and advising the person that the penalty is due. The state patrol may, upon written application for review, received within fifteen days, remit or mitigate a penalty provided for in this section or discontinue an action to recover the penalty upon such terms it deems proper and may ascertain the facts in a manner and under rules it deems proper. If the amount of the penalty is not paid to the state patrol within fifteen days after receipt of the notice imposing the penalty, or application for remission or mitigation has not been made within fifteen days after the violator~~

~~has received notice of the disposition of the application, the attorney general shall bring an action in the name of the state of Washington in the superior court of Thurston county or of any other county in which the violator resides or does business, to recover the penalty, administrative fees, and attorneys' fees. In all such actions, the procedure and rules of evidence are the same as an ordinary civil action except as otherwise provided in this chapter. All penalties recovered under this section shall be paid into the state treasury and credited to the state patrol highway account of the motor vehicle fund for the license fraud task force.))~~

Sec. 7. RCW 82.32.090 and 1999 c 277 s 11 are each amended to read as follows:

(1) If payment of any tax due on a return to be filed by a taxpayer is not received by the department of revenue by the due date, there shall be assessed a penalty of five percent of the amount of the tax; and if the tax is not received on or before the last day of the month following the due date, there shall be assessed a total penalty of ten percent of the amount of the tax; and if the tax is not received on or before the last day of the second month following the due date, there shall be assessed a total penalty of twenty percent of the amount of the tax. No penalty so added shall be less than five dollars.

(2) If payment of any tax assessed by the department of revenue is not received by the department by the due date specified in the notice, or any extension thereof, the department shall add a penalty of ten percent of the amount of the additional tax found due. No penalty so added shall be less than five dollars.

(3) If a warrant be issued by the department of revenue for the collection of taxes, increases, and penalties, there shall be added thereto a penalty of five percent of the amount of the tax, but not less than ten dollars.

(4) If the department finds that all or any part of a deficiency resulted from the disregard of specific written instructions as to reporting or tax liabilities, the department shall add a penalty of ten percent of the amount of the additional tax found due because of the failure to follow the instructions. A taxpayer disregards specific written instructions when the department of revenue has informed the taxpayer in writing of the taxpayer's tax obligations and the taxpayer fails to act in accordance with those instructions unless the department has not issued final instructions because the matter is under appeal pursuant to this chapter or departmental regulations. The department shall not assess the penalty under this section upon any taxpayer who has made a good faith effort to comply with the specific written instructions provided by the department to that taxpayer. Specific written instructions may be given as a part of a tax assessment, audit, determination, or closing agreement, provided that such specific written instructions shall apply only to the taxpayer addressed or referenced on such documents. Any specific written instructions by the department of revenue shall be clearly identified as such and shall inform the taxpayer that failure to follow the instructions may subject the taxpayer to the penalties imposed by this subsection.

(5)~~((a))~~) If the department finds that all or any part of the deficiency resulted from an intent to evade the tax payable hereunder, a further penalty of fifty percent of the additional tax found to be due shall be added.

~~((b) There is a rebuttable presumption of a tax deficiency and intent to avoid and evade the tax under the motor vehicle excise tax under chapter 82.44 RCW, the aircraft excise tax under chapter 82.48 RCW, the watercraft excise tax under chapter 82.49 RCW, the trailers and campers excise tax under chapter 82.50 RCW, or use tax under chapter 82.12 RCW, if there is a finding resulting from a proceeding brought under RCW 46.16.010, 47.68.255, 82.48.020, 82.49.010, or 88.02.118, that the person failed to properly register or license a motor vehicle, an aircraft, a watercraft, a trailer, or a camper.))~~

(6) The aggregate of penalties imposed under subsections (1), (2), and (3) of this section shall not exceed thirty-five percent of the tax due, or twenty dollars, whichever is greater. This subsection does not prohibit or restrict the application of other penalties authorized by law.

(7) The department of revenue may not impose both the evasion penalty and the penalty for disregarding specific written instructions on the same tax found to be due.

(8) For the purposes of this section, "return" means any document a person is required by the state of Washington to file to satisfy or establish a tax or fee obligation that is administered or collected by the department of revenue, and that has a statutorily defined due date.

NEW SECTION. **Sec. 8.** The following acts or parts of acts are each repealed:

- (1) RCW 43.43.410 (License fraud task force—Intent) and 1999 c 277 s 1;
- (2) RCW 43.43.420 (License fraud task force—Personnel) and 1999 c 277 s 2; and
- (3) RCW 46.16.0101 (License fraud—Penalties, procedures) and 1999 c 277 s 3.

NEW SECTION. **Sec. 9.** 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 takes effect immediately.

Passed the Senate March 6, 2000.

Passed the House February 29, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

---

## CHAPTER 230

[Substitute Senate Bill 6531]

### SCHOOL EMPLOYEES' RETIREMENT SYSTEM

AN ACT Relating to the Washington school employees' retirement system plan 2 and plan 3; amending RCW 41.35.630, 41.45.061, and 41.05.011; creating a new section; and providing an effective date.

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

**Sec. 1.** RCW 41.35.630 and 1998 c 341 s 204 are each amended to read as follows:

(1) Anyone who requests to transfer under RCW 41.35.510 before March 1, 2001, and establishes service credit for January 2001, shall have their member account increased by ~~((sixty-five))~~ one hundred thirty percent of:

(a) The member's public employees' retirement system plan 2 accumulated contributions as of January 1, 2000, less fifty percent of any payments made pursuant to RCW 41.50.165(2); or

(b) All amounts withdrawn after January 1, 2000, which are completely restored before March 1, 2001.

(2) If a member who requests to transfer dies before January 1, 2001, the additional payment provided by this section shall be paid to the member's estate, or the person or persons, trust, or organization the member nominated by written designation duly executed and filed with the department.

(3) The legislature reserves the right to modify or discontinue the right to an additional payment under this section for any plan 2 members who have not previously transferred to plan 3.

**Sec. 2.** RCW 41.45.061 and 1998 c 341 s 405 are each amended to read as follows:

(1) The required contribution rate for members of the plan 2 teachers' retirement system shall be fixed at the rates in effect on July 1, 1996, subject to the following:

(a) Beginning September 1, 1997, except as provided in (b) of this subsection, the employee contribution rate shall not exceed the employer plan 2 and 3 rates adopted under RCW 41.45.060 and 41.45.070 for the teachers' retirement system;

(b) In addition, the employee contribution rate for plan 2 shall be increased by fifty percent of the contribution rate increase caused by any plan 2 benefit increase passed after July 1, 1996;

(c) In addition, the employee contribution rate for plan 2 shall not be increased as a result of any distributions pursuant to section 309, chapter 341, Laws of 1998 and RCW 41.31A.020.

(2) The required contribution rate for members of the school employees' retirement system plan 2 shall ~~((be fixed at the rates in effect on September 1, 2000, for members of the public employees' retirement system plan 2, subject to the following:~~

~~— (a) Except as provided in (b) of this subsection, the member contribution rate shall not exceed))~~ equal the school employees' retirement system employer plan 2 and 3 contribution rate adopted under RCW 41.45.060 and 41.45.070(~~;~~

~~— (b) The member contribution rate for the school employees' retirement system plan 2 shall be increased by fifty percent of the contribution rate increase caused by any plan 2 benefit increase passed after September 1, 2000)),~~ except as provided in subsection (3) of this section.

(3) The employee contribution rate for plan 2 shall not be increased as a result of any distributions pursuant to RCW 41.31A.020 and 41.31A.030.

(4) The required plan 2 and 3 contribution rates for employers shall be adopted in the manner described in RCW 41.45.060.

**Sec. 3.** RCW 41.05.011 and 1998 c 341 s 706 are each amended to read as follows:

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 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.

(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) 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; (b) 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; and (c) employees of a school district if the authority agrees to provide any of the school districts' insurance programs by contract with the authority as provided in RCW 28A.400.350.

(7) "Board" means the public employees' benefits board established under RCW 41.05.055.

(8) "Retired or disabled school employee" means:

(a) Persons who separated from employment with a school district or educational service district and are receiving a retirement allowance under chapter 41.32 or 41.40 RCW as of September 30, 1993;

(b) Persons who separate from employment with a school district or educational service district on or after October 1, 1993, and immediately upon separation receive a retirement allowance under chapter 41.32, 41.35, or 41.40 RCW;

(c) Persons who separate from employment with a school district or educational service district due to a total and permanent disability, and are eligible to receive a deferred retirement allowance under chapter 41.32, 41.35, or 41.40 RCW.

(9) "Benefits contribution plan" means a premium only contribution plan, a medical flexible spending arrangement, or a cafeteria plan whereby state and public employees may agree to a contribution to benefit costs which will allow the employee to participate in benefits offered pursuant to 26 U.S.C. Sec. 125 or other sections of the internal revenue code.

(10) "Salary" means a state employee's monthly salary or wages.

(11) "Participant" means an individual who fulfills the eligibility and enrollment requirements under the benefits contribution plan.

(12) "Plan year" means the time period established by the authority.

(13) "Separated employees" means persons who separate from employment with an employer as defined in:

(a) RCW 41.32.010(11) on or after July 1, 1996; or

(b) RCW 41.35.010 on or after September 1, 2000;

and who are at least age fifty-five and have at least ten years of service under the teachers' retirement system plan III as defined in RCW 41.32.010(40) or the Washington school employees' retirement system plan III as defined in RCW 41.35.010.

NEW SECTION. Sec. 4. The joint committee on pension policy shall study the feasibility of providing an option of plan 2 or plan 3 for school employees retirement systems and teachers' retirement systems new employees, and it shall provide recommendations to the appropriate legislative committees by January 1, 2001.

NEW SECTION. Sec. 5. This act takes effect September 1, 2000.

Passed the Senate March 9, 2000.

Passed the House March 3, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.



## CHAPTER 231

[Senate Bill 6534]

## SCHOOL DISTRICT EMPLOYEES—ATTENDANCE INCENTIVE PROGRAM

AN ACT Relating to the employee attendance incentive program; and amending RCW 28A.400.210.

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

**Sec. 1.** RCW 28A.400.210 and 1997 c 13 s 9 are each amended to read as follows:

Every school district board of directors may, in accordance with chapters 41.56 and 41.59 RCW, establish an attendance incentive program for all certificated and classified employees in the following manner, including covering persons who were employed during the 1982-'83 school year:

(1) In January of the year following any year in which a minimum of sixty days of leave for illness or injury is accrued, and each January thereafter, any eligible employee may exercise an option to receive remuneration for unused leave for illness or injury accumulated in the previous year at a rate equal to one day's monetary compensation of the employee for each four full days of accrued leave for illness or injury in excess of sixty days. Leave for illness or injury for which compensation has been received shall be deducted from accrued leave for illness or injury at the rate of four days for every one day's monetary compensation. No employee may receive compensation under this section for any portion of leave for illness or injury accumulated at a rate in excess of one day per month.

(2) Except as provided in RCW 28A.400.212, at the time of separation from school district employment (~~due to retirement or death~~) an eligible employee or the employee's estate shall receive remuneration at a rate equal to one day's current monetary compensation of the employee for each four full days accrued leave for illness or injury. For purposes of this subsection, "eligible employee" means (a) employees who separate from employment due to retirement or death; (b) employees who separate from employment and who are at least age fifty-five and have at least ten years of service under the teachers' retirement system plan 3 as defined in RCW 41.32.010(40), or under the Washington school employees' retirement system plan 3 as defined in RCW 41.35.010(31); or (c) employees who separate from employment and who are at least age fifty-five and have at least fifteen years of service under the teachers' retirement system plan 2 as defined in RCW 41.32.010(39), under the Washington school employees' retirement system plan 2 as defined in RCW 41.35.010(30), or under the public employees' retirement system plan 2 as defined in RCW 41.40.010(34).

(3) In lieu of remuneration for unused leave for illness or injury as provided in subsections (1) and (2) of this section, a school district board of directors may, with equivalent funds, provide eligible employees a benefit plan that provides reimbursement for medical expenses. Any benefit plan adopted after July 28, 1991, shall require, as a condition of participation under the plan, that the employee sign an agreement with the district to hold the district harmless should the United

States government find that the district or the employee is in debt to the United States as a result of the employee not paying income taxes due on the equivalent funds placed into the plan, or as a result of the district not withholding or deducting any tax, assessment, or other payment on such funds as required under federal law.

Moneys or benefits received under this section shall not be included for the purposes of computing a retirement allowance under any public retirement system in this state.

The superintendent of public instruction in its administration hereof, shall promulgate uniform rules and regulations to carry out the purposes of this section.

Should the legislature revoke any benefits granted under this section, no affected employee shall be entitled thereafter to receive such benefits as a matter of contractual right.

Passed the Senate March 9, 2000.

Passed the House March 1, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

---

### CHAPTER 232

[Engrossed Senate Bill 6555]  
FOSTER CHILDREN—EVALUATIONS

AN ACT Relating to the evaluations of foster children for long-term needs; and amending RCW 74.14A.050.

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

**Sec. 1.** RCW 74.14A.050 and 1998 c 245 s 149 are each amended 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) By region, report to the legislature on the following using aggregate data every six months beginning December 31, 2000:

(a) The number of children evaluated during the first thirty days of placement as required in subsection (3) of this section;

(b) The tool or tools used to evaluate children, including the content of the tool and the method by which the tool was validated;

(c) The findings from the evaluation regarding the children's needs;

(d) How the department used the results of the evaluation to provide services to the foster child to meet his or her needs; and

(e) Whether and how the evaluation results assisted the department in providing appropriate services to the child, matching the child with an appropriate care provider early on in the child's placement and achieving the child's permanency plan in a timely fashion.

(5) Each region of the department shall make the appropriate number of referrals to the foster care assessment program to ensure that the services offered by the program are used to the extent funded pursuant to the department's contract with the program. The department shall report to the legislature by November 30, 2000, on the number of referrals, by region, to the foster care assessment program. If the regions are not referring an adequate number of cases to the program, the department shall include in its report an explanation of what action it is or has taken to ensure that the referrals are adequate.

(6) The department shall report to the legislature by December 15, 2000, on how it will use the foster care assessment program model to assess children as they enter out-of-home care.

(7) The department is to accomplish the tasks listed in subsections (4) through (6) of this section within existing resources.

(8) 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))~~ (9) 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))~~ (10) 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))~~ (11) Study and develop a statutory proposal for the emancipation of minors.

Passed the Senate February 15, 2000.

Passed the House March 8, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

---

**CHAPTER 233**

[Substitute Senate Bill 6557]

CREDIT UNIONS—RAFFLES

AN ACT Relating to credit union raffles; and amending RCW 9.46.0209.

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

**Sec. 1.** RCW 9.46.0209 and 1987 c 4 s 4 are each amended to read as follows:

"Bona fide charitable or nonprofit organization," as used in this chapter, means: (1) Any organization duly existing under the provisions of chapter ~~((s))~~ 24.12, 24.20, or 24.28 RCW, any agricultural fair authorized under the provisions of chapters 15.76 or 36.37 RCW, or any nonprofit corporation duly existing under the provisions of chapter 24.03 RCW for charitable, benevolent, eleemosynary, educational, civic, patriotic, political, social, fraternal, athletic or agricultural purposes only, or any nonprofit organization, whether incorporated or otherwise, when found by the commission to be organized and operating for one or more of the aforesaid purposes only, all of which in the opinion of the commission have been organized and are operated primarily for purposes other than the operation of gambling activities authorized under this chapter; or (2) any corporation which has been incorporated under Title 36 U.S.C. and whose principal purposes are to furnish volunteer aid to members of the armed forces of the United States and also to carry on a system of national and international relief and to apply the same in mitigating the sufferings caused by pestilence, famine, fire, floods, and other national calamities and to devise and carry on measures for preventing the same. Such an organization must have been organized and continuously operating for at least twelve calendar months immediately preceding making application for any license to operate a gambling activity, or the operation of any gambling activity authorized by this chapter for which no license is required. It must have not less than fifteen bona fide active members each with the right to an equal vote in the election of the officers, or board members, if any, who determine the policies of the

organization in order to receive a gambling license. An organization must demonstrate to the commission that it has made significant progress toward the accomplishment of the purposes of the organization during the twelve consecutive month period preceding the date of application for a license or license renewal. The fact that contributions to an organization do not qualify for charitable contribution deduction purposes or that the organization is not otherwise exempt from payment of federal income taxes pursuant to the internal revenue code of 1954, as amended, shall constitute prima facie evidence that the organization is not a bona fide charitable or nonprofit organization for the purposes of this section.

Any person, association or organization which pays its employees, including members, compensation other than is reasonable therefor under the local prevailing wage scale shall be deemed paying compensation based in part or whole upon receipts relating to gambling activities authorized under this chapter and shall not be a bona fide charitable or nonprofit organization for the purposes of this chapter.

For the purposes of RCW 9.46.0315 and 9.46.110, a bona fide nonprofit organization also includes a credit union organized and operating under state or federal law. All revenue less prizes and expenses received from raffles conducted by credit unions must be devoted to purposes authorized under this section for charitable and nonprofit organizations.

Passed the Senate March 7, 2000.

Passed the House February 29, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

---

## CHAPTER 234

{Senate Bill 6602}

### CITY AND COUNTY DISABILITY BOARDS

AN ACT Relating to disability board membership; and amending RCW 41.26.110.

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

**Sec. 1.** RCW 41.26.110 and 1988 c 164 s 1 are each amended to read as follows:

(1) All claims for disability shall be acted upon and either approved or disapproved by either type of disability board hereafter authorized to be created.

(a) Each city having a population of twenty thousand or more shall establish a disability board having jurisdiction over all members employed by said cities and composed of the following five members: Two members of the city legislative body to be appointed by the mayor, one active or retired fire fighter to be elected by the fire fighters employed by or retired from the city, one active or retired law enforcement officer to be elected by the law enforcement officers employed by or retired from the city and one member from the public at large who resides within the city to be appointed by the other four members heretofore designated in this subsection. Retired members who are subject to the jurisdiction of the board have

both the right to elect and the right to be elected under this section. Each of the elected members shall serve a two year term. The members appointed pursuant to this subsection shall serve for two year terms: PROVIDED, That cities of the first class only, shall retain existing firemen's pension boards established pursuant to RCW 41.16.020 and existing boards of trustees of the relief and pension fund of the police department as established pursuant to RCW 41.20.010 which such boards shall have authority to act upon and approve or disapprove claims for disability by fire fighters or law enforcement officers as provided under the Washington law enforcement officers' and fire fighters' retirement system act.

(b) Each county shall establish a disability board having jurisdiction over all members residing in the county and not employed by a city in which a disability board is established. The county disability board so created shall be composed of five members to be chosen as follows: One member of the legislative body of the county to be appointed by the county legislative body, one member of a city or town legislative body located within the county which does not contain a city disability board established pursuant to subsection (1)(a) of this section to be chosen by a majority of the mayors of such cities and towns within the county which does not contain a city disability board, one fire fighter or retired fire fighter to be elected by the fire fighters employed or retired in the county who are not employed by or retired from a city in which a disability board is established, one law enforcement officer or retired law enforcement officer to be elected by the law enforcement officers employed in or retired from the county who are not employed by or retired from a city in which a disability board is established, and one member from the public at large who resides within the county but does not reside within a city in which a city disability board is established, to be appointed by the other four members heretofore designated in this subsection. However, in counties with a population less than sixty thousand, the member of the disability board appointed by a majority of the mayors of the cities and towns within the county that do not contain a city disability board must be a resident of one of the cities and towns but need not be a member of a city or town legislative body. Retired members who are subject to the jurisdiction of the board have both the right to elect and the right to be elected under this section. All members appointed or elected pursuant to this subsection shall serve for two year terms.

(2) The members of both the county and city disability boards shall not receive compensation for their service upon the boards but said members shall be reimbursed by their respective county or city for all expenses incidental to such service as to the amount authorized by law.

(3) The disability boards authorized for establishment by this section shall perform all functions, exercise all powers, and make all such determinations as specified in this chapter.

Passed the Senate February 10, 2000.  
Passed the House March 2, 2000.  
Approved by the Governor March 30, 2000.  
Filed in Office of Secretary of State March 30, 2000.

---

**CHAPTER 235**

[Substitute Senate Bill 6621]

**ADULT OFFENDER SUPERVISION—TASK FORCE**

AN ACT Relating to adult offender supervision; and creating new sections.

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

**NEW SECTION. Sec. 1.** The legislature finds that the current probation and parole interstate compact, which was entered into about sixty years ago, has become seriously outdated and of diminishing value to the supervision of offenders residing outside Washington state. The legislature further finds that the quality of supervision provided by other states varies enormously and constitutes a potentially significant public safety risk. The legislature intends to establish a task force to study the recently revised interstate compact for adult offender supervision and recommend to the legislature whether it is in the state's interest to adopt it.

**NEW SECTION. Sec. 2.** (1) The governor shall appoint a task force to study the interstate compact for adult offender supervision and make recommendations to the legislature by January 1, 2001, on whether it is in the state's interest to adopt the compact. The study shall include both positive and negative aspects of adopting the compact as well as a comparison to the current probation and parole interstate compact.

(2) The task force shall consist of the following members:

- (a) Two senators and two representatives, representing both caucuses in each house;
- (b) One superior court judge appointed by the superior court judge's association;
- (c) The attorney general or his or her designee;
- (d) The secretary of the department of corrections or his or her designee;
- (e) The chair of the indeterminate sentence review board or his or her designee;
- (f) The chief of the Washington state patrol or his or her designee;
- (g) One prosecutor designated by the Washington association of prosecuting attorneys;
- (h) One defense attorney jointly designated by the Washington defender association and the Washington association of criminal defense lawyers;
- (i) One sheriff or police chief designated by the Washington association of sheriffs and police chiefs; and
- (j) Two citizens designated by the Washington coalition of crime victim advocates.

(3) Staff support for the task force shall be provided by the office of financial management. Legislators on the task force may use legislative staff from senate committee services and the office of program research.

Passed the Senate March 9, 2000.

Passed the House February 29, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

---

### CHAPTER 236

[Senate Bill 6622]

#### ASIAN PACIFIC HERITAGE MONTH

AN ACT Relating to the designation of May as Asian Pacific American Heritage Month; amending RCW 43.117.010 and 43.117.070; adding a new section to chapter 43.117 RCW; and providing an effective date.

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

**Sec. 1.** RCW 43.117.010 and 1995 c 67 s 2 are each amended to read as follows:

The legislature declares that the public policy of this state is to insure equal opportunity for all of its citizens. The legislature finds that Asian Pacific Americans have unique and special problems. It is the purpose of this chapter to improve the well-being of Asian Pacific Americans by insuring their access to participation in the fields of government, business, education, and other areas. The legislature is particularly concerned with the plight of those Asian Pacific Americans who, for economic, linguistic, or cultural reasons, find themselves disadvantaged or isolated from American society and the benefits of equal opportunity. The legislature aims to help these and all Asian Pacific Americans achieve full equality and inclusion in American society. The legislature further finds that it is necessary to aid Asian Pacific Americans in obtaining governmental services in order to promote the health, safety, and welfare of all the residents of this state. Therefore the legislature deems it necessary to create a commission to carry out the purposes of this chapter.

**NEW SECTION.** **Sec. 2.** A new section is added to chapter 43.117 RCW to read as follows:

The legislature declares that:

(1) May of each year will be known as Asian Pacific American Heritage Month;

(2) The fourth week of May is designated as a time for people of this state to celebrate the contributions to the state by Asian Pacific Americans in the arts, sciences, commerce, and education; and

(3) Educational institutions, public entities, and private organizations are encouraged to designate time for appropriate activities in commemoration of the lives, history, achievements, and contributions of Asian Pacific Americans.



**Sec. 3.** RCW 43.117.070 and 1995 c 67 s 5 are each amended to read as follows:

(1) The commission shall examine and define issues pertaining to the rights and needs of Asian Pacific Americans, and make recommendations to the governor and state agencies with respect to desirable changes in program and law.

(2) The commission shall ~~((further))~~ advise such state government agencies on the development and implementation of comprehensive and coordinated policies, plans, and programs focusing on the special problems and needs of Asian Pacific Americans.

(3) The commission shall coordinate and assist with state-wide celebrations during the fourth week of Asian Pacific American Heritage Month that recognize the contributions to the state by Asian Pacific Americans in the arts, sciences, commerce, and education.

(4) Each state department and agency shall provide appropriate and reasonable assistance to the commission as needed in order that the commission may carry out the purposes of this chapter.

NEW SECTION. **Sec. 4.** This act takes effect April 30, 2000.

Passed the Senate February 15, 2000.

Passed the House February 29, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

## CHAPTER 237

[Senate Bill 6775]

### PUBLIC DISCLOSURE COMMISSION—FILINGS

AN ACT Relating to filing of reports with the public disclosure commission; amending RCW 42.17.065, 42.17.080, 42.17.369, 42.17.3691, and 42.17.461; and adding a new section to chapter 42.17 RCW.

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

**Sec. 1.** RCW 42.17.065 and 1989 c 280 s 5 are each amended to read as follows:

(1) In addition to the provisions of this section, a continuing political committee shall file and report on the same conditions and at the same times as any other committee in accordance with the provisions of RCW 42.17.040, 42.17.050, and 42.17.060.

(2) A continuing political committee shall file with the commission and the auditor or elections officer of the county in which the committee maintains its office or headquarters and if there is no such office or headquarters then in the county in which the committee treasurer resides a report on the tenth day of the month detailing its activities for the preceding calendar month in which the committee has received a contribution or made an expenditure: PROVIDED, That such report shall only be filed if either the total contributions received or total

expenditures made since the last such report exceed two hundred dollars; PROVIDED FURTHER, That after January 1, 2002, if the committee files with the commission electronically, it need not also file with the county auditor or elections officer. The report shall be on a form supplied by the commission and shall include the following information:

- (a) The information required by RCW 42.17.090;
  - (b) Each expenditure made to retire previously accumulated debts of the committee; identified by recipient, amount, and date of payments;
  - (c) Such other information as the commission shall by rule prescribe.
- (3) If a continuing political committee shall make a contribution in support of or in opposition to a candidate or ballot proposition within sixty days prior to the date on which such candidate or ballot proposition will be voted upon, such continuing political committee shall report pursuant to RCW 42.17.080.
- (4) A continuing political committee shall file reports as required by this chapter until it is dissolved, at which time a final report shall be filed. Upon submitting a final report, the duties of the campaign treasurer shall cease and there shall be no obligation to make any further reports.

(5) The campaign treasurer shall maintain books of account accurately reflecting all contributions and expenditures on a current basis within five business days of receipt or expenditure. During the eight days immediately preceding the date of any election, for which the committee has received any contributions or made any expenditures, the books of account shall be kept current within one business day and shall be open for public inspection (~~for at least two consecutive hours Monday through Friday, excluding legal holidays, between 8:00 a.m. and 8:00 p.m., as specified in the committee's statement of organization filed pursuant to RCW 42.17.040, at the principal campaign headquarters or, if there is no campaign headquarters, at the address of the campaign treasurer or such other place as may be authorized by the commission~~) in the same manner as provided for candidates and other political committees in RCW 42.17.080(5).

(6) All reports filed pursuant to this section shall be certified as correct by the campaign treasurer.

(7) The campaign treasurer shall preserve books of account, bills, receipts, and all other financial records of the campaign or political committee for not less than five calendar years following the year during which the transaction occurred.

**Sec. 2.** RCW 42.17.080 and 1999 c 401 s 13 are each amended to read as follows:

(1) On the day the treasurer is designated, each candidate or political committee shall file with the commission and the county auditor or elections officer of the county in which the candidate resides, or in the case of a political committee, the county in which the treasurer resides, in addition to any statement of organization required under RCW 42.17.040 or 42.17.050, a report of all contributions received and expenditures made prior to that date, if any.

(2) At the following intervals each treasurer shall file with the commission and the county auditor or elections officer of the county in which the candidate resides, or in the case of a political committee, the county in which the committee maintains its office or headquarters, and if there is no office or headquarters then in the county in which the treasurer resides, a report containing the information required by RCW 42.17.090:

(a) On the twenty-first day and the seventh day immediately preceding the date on which the election is held; and

(b) On the tenth day of the first month after the election: PROVIDED, That this report shall not be required following a primary election from:

(i) A candidate whose name will appear on the subsequent general election ballot; or

(ii) Any continuing political committee; and

(c) On the tenth day of each month in which no other reports are required to be filed under this section: PROVIDED, That such report shall only be filed if the committee has received a contribution or made an expenditure in the preceding calendar month and either the total contributions received or total expenditures made since the last such report exceed two hundred dollars.

When there is no outstanding debt or obligation, and the campaign fund is closed, and the campaign is concluded in all respects, and in the case of a political committee, the committee has ceased to function and has dissolved, the treasurer shall file a final report. Upon submitting a final report, the duties of the treasurer shall cease and there shall be no obligation to make any further reports.

The report filed twenty-one days before the election shall report all contributions received and expenditures made as of the end of the fifth business day before the date of the report. The report filed seven days before the election shall report all contributions received and expenditures made as of the end of the one business day before the date of the report. Reports filed on the tenth day of the month shall report all contributions received and expenditures made from the closing date of the last report filed through the last day of the month preceding the date of the current report.

(3) For the period beginning the first day of the fourth month preceding the date on which the special or general election is held and ending on the date of that election, each Friday the treasurer shall file with the commission and the appropriate county elections officer a report of each bank deposit made during the previous seven calendar days. The report shall contain the name of each person contributing the funds so deposited and the amount contributed by each person. However, contributions of no more than twenty-five dollars in the aggregate from any one person may be deposited without identifying the contributor. A copy of the report shall be retained by the treasurer for his or her records. In the event of deposits made by a deputy treasurer, the copy shall be forwarded to the treasurer for his or her records. Each report shall be certified as correct by the treasurer or deputy treasurer making the deposit.

(4) If a city requires that candidates or committees for city offices file reports with a city agency, the candidate or treasurer so filing need not also file the report with the county auditor or elections officer.

(5) The treasurer or candidate shall maintain books of account accurately reflecting all contributions and expenditures on a current basis within five business days of receipt or expenditure. During the eight days immediately preceding the date of the election the books of account shall be kept current within one business day. As specified in the committee's statement of organization filed under RCW 42.17.040, the books of account must be open for public inspection as follows:

(a) For at least two consecutive hours between 8:00 a.m. and 8:00 p.m. on the eighth day immediately before the election, ~~((between 8:00 a.m. and 8:00 p.m., as specified in the committee's statement of organization filed pursuant to RCW 42.17.040))~~ except when it is a legal holiday, in which case on the seventh day immediately before the election, at the principal headquarters or, if there is no headquarters, at the address of the treasurer or such other place as may be authorized by the commission; and

(b) By appointment for inspections to be conducted at the designated place for inspections between 8:00 a.m. and 8:00 p.m. on any other day from the seventh day through the day immediately before the election, other than Saturday, Sunday, or a legal holiday. It is a violation of this chapter for a candidate or political committee to refuse to allow and keep an appointment for an inspection to be conducted during these authorized times and days in the week prior to the election. The appointment must be allowed at an authorized time and day for such inspections that is within twenty-four hours of the time and day that is requested for the inspection.

~~((5))~~ (6) The treasurer or candidate shall preserve books of account, bills, receipts, and all other financial records of the campaign or political committee for not less than five calendar years following the year during which the transaction occurred.

~~((6))~~ (7) All reports filed pursuant to subsection((s)) (1) or (2) of this section shall be certified as correct by the candidate and the treasurer.

~~((7))~~ (8) Copies of all reports filed pursuant to this section shall be readily available for public inspection for at least two consecutive hours Monday through Friday, excluding legal holidays, between 8:00 a.m. and 8:00 p.m., as specified in the committee's statement of organization filed pursuant to RCW 42.17.040, at the principal headquarters or, if there is no headquarters, at the address of the treasurer or such other place as may be authorized by the commission.

~~((8))~~ (9) After January 1, 2002, a report that is filed with the commission electronically need not also be filed with the county auditor or elections officer.

(10) The commission shall adopt administrative rules establishing requirements for filer participation in any system designed and implemented by the commission for the electronic filing of reports.

**Sec. 3.** RCW 42.17.369 and 1999 c 401 s 11 are each amended to read as follows:

(1) By July 1, 1999, the commission shall ~~((offer every))~~ make available to candidates, public officials, and political committees~~((and party organization))~~ that ~~((is))~~ are required to file reports under this chapter ~~((the option of filing))~~ an electronic filing alternative for submitting financial affairs reports, contribution reports, and expenditure reports ~~((electronically))~~, including but not limited to filing by diskette ~~((or via))~~, modem, satellite, or the Internet.

(2) By January 1, ~~((2001))~~ 2002, the commission shall ~~((offer all))~~ make available to lobbyists and lobbyists' employers required to file reports under RCW 42.17.150, 42.17.170, 42.17.175, or 42.17.180 ~~((the option of filing))~~ an electronic filing alternative for submitting these reports ~~((electronically))~~ including but not limited to filing by diskette ~~((or via))~~, modem, satellite, or the Internet.

(3) The commission shall make available to ~~((each))~~ candidates, public officials, political committees, lobbyists, and lobbyists' employers~~((and party organization))~~ an electronic copy of the appropriate reporting forms at no charge.

**Sec. 4.** RCW 42.17.3691 and 1999 c 401 s 12 are each amended to read as follows:

(1) Beginning January 1, ((2001)) 2002, each ((continuing)) candidate or political committee(;) that expended ((ten)) twenty-five thousand dollars or more in the preceding year or expects to expend ((ten)) twenty-five thousand dollars or more ((in expenditures)) in the current year(;) shall file all contribution reports and expenditure reports required by this chapter ((electronically by diskette or via modem, satellite, or the Internet)) by the electronic alternative provided by the commission under RCW 42.17.369. The commission may make exceptions on a case-by-case basis for candidates whose authorized committees lack the technological ability to file reports using the electronic alternative provided by the commission.

(2) Beginning January 1, 2004, each candidate or political committee that expended ten thousand dollars or more in the preceding year or expects to expend ten thousand dollars or more in the current year shall file all contribution reports and expenditure reports required by this chapter by the electronic alternative provided by the commission under RCW 42.17.369. The commission may make exceptions on a case-by-case basis for candidates whose authorized committees lack the technological ability to file reports using the electronic alternative provided by the commission.

(3) Failure by a ((continuing)) candidate or political committee to comply with this section is a violation of this chapter.

**Sec. 5.** RCW 42.17.461 and 1999 c 401 s 2 are each amended to read as follows:

(1) The commission shall establish goals that all reports, copies of reports, or copies of the data or information included in reports, filed under RCW 42.17.040,

42.17.065, 42.17.080, 42.17.100, 42.17.105, 42.17.150, 42.17.170, 42.17.175, and 42.17.180, that are:

(a) Submitted using the commission's electronic filing system shall be accessible in the commission's office within two business days of the commission's receipt of the report and shall be accessible on the commission's web site within seven business days of the commission's receipt of the report; and

(b) Submitted in any format or using any method other than as described in (a) of this subsection, shall be accessible in the commission's office within four business days of the actual physical receipt of the report, and not the technical date of filing as provided under RCW 42.17.420, and shall be accessible on the commission's web site within fourteen business days of the actual physical receipt of the report, and not the technical date of filing as provided under RCW 42.17.420, as specified in rule adopted by the commission.

(2) On January 1, 2001, or shortly thereafter, the commission shall revise these goals to reflect that all reports, copies of reports, or copies of the data or information included in reports, filed under RCW 42.17.040, 42.17.065, 42.17.080, 42.17.100, 42.17.105, 42.17.150, 42.17.170, 42.17.175, and 42.17.180, that are:

(a) Submitted using the commission's electronic filing system shall be accessible in the commission's office within two business days of the commission's receipt of the report and on the commission's web site within ~~((two))~~ four business days of the commission's receipt of the report; and

(b) Submitted in any format or using any method other than as described in (a) of this subsection, shall be accessible in the commission's office within four business days of the actual physical receipt of the report, and not the technical date of filing as provided under RCW 42.17.420, and on the commission's web site within ~~((four))~~ seven business days of the actual physical receipt of the report, and not the technical date of filing as provided under RCW 42.17.420, as specified in rule adopted by the commission.

(3) On January 1, 2002, or shortly thereafter, the commission shall revise these goals to reflect that all reports, copies of reports, or copies of the data or information included in reports, filed under RCW 42.17.040, 42.17.065, 42.17.080, 42.17.100, 42.17.105, 42.17.150, 42.17.170, 42.17.175, and 42.17.180, that are:

(a) Submitted using the commission's electronic filing system must be accessible in the commission's office and on the commission's web site within two business days of the commission's receipt of the report; and

(b) Submitted in any format or using any method other than as described in (a) of this subsection, must be accessible in the commission's office and on the commission's web site within four business days of the actual physical receipt of the report, and not the technical date of filing as provided under RCW 42.17.420, as specified in rule adopted by the commission.

NEW SECTION. Sec. 6. A new section is added to chapter 42.17 RCW to read as follows:

In addition to its regular telephone number, the commission shall offer political committees and residents of this state the opportunity to contact the commission by a toll-free telephone number.

Passed the Senate March 9, 2000.

Passed the House March 8, 2000.

Approved by the Governor March 30, 2000.

Filed in Office of Secretary of State March 30, 2000.

---

### CHAPTER 238

[Second Substitute Senate Bill 5802]

#### TELECOMMUNICATIONS—INSTALLATIONS

AN ACT Relating to telecommunications contractors and installations; amending RCW 19.28.065, 19.28.310, 19.28.340, and 19.28.005; adding new sections to chapter 19.28 RCW; creating a new section; recodifying RCW 19.28.065, 19.28.070, 19.28.250, 19.28.310, 19.28.330, 19.28.340, 19.28.390, 19.28.630, 19.28.005, 19.28.015, 19.28.060, 19.28.120, 19.28.123, 19.28.125, 19.28.180, 19.28.190, 19.28.200, 19.28.210, 19.28.260, 19.28.300, 19.28.350, 19.28.360, 19.28.370, 19.28.510, 19.28.515, 19.28.520, 19.28.530, 19.28.540, 19.28.550, 19.28.560, 19.28.570, 19.28.580, 19.28.600, 19.28.610, and 19.28.620; prescribing penalties; and making an appropriation.

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

#### "PROVISIONS APPLICABLE TO ELECTRICAL INSTALLATIONS AND TELECOMMUNICATIONS INSTALLATIONS"

NEW SECTION. **Sec. 1.** (1) RCW 19.28.065 (as recodified by this act) through 19.28.390 (as recodified by this act) apply throughout this chapter.

(2) RCW 19.28.065 (as recodified by this act) through 19.28.390 (as recodified by this act) constitute the subchapter "provisions applicable to electrical installations and telecommunications installations."

NEW SECTION. **Sec. 2.** Section 1 of this act and RCW 19.28.065, 19.28.070, 19.28.250, 19.28.310, 19.28.330, 19.28.340, 19.28.390, and 19.28.630 are codified or recodified between RCW 19.28.065 (as recodified by this act) and 19.28.390 (as recodified by this act).

**Sec. 3.** RCW 19.28.065 and 1988 c 81 s 4 are each amended to read as follows:

There is hereby created an electrical board, consisting of ~~((ten))~~ fourteen members to be appointed by the governor with the advice of the director of labor and industries as herein provided. It shall be the purpose and function of the board to advise the director on all matters pertaining to the enforcement of this chapter including, but not limited to standards of electrical and telecommunications installation, minimum inspection procedures, and the adoption of rules ~~((and regulations))~~ pertaining to the electrical inspection division: **PROVIDED, HOWEVER,** That no rules ~~((or regulations))~~ shall be amended or repealed until the electrical board has first had an opportunity to consider any proposed amendments or repeals and had an opportunity to make recommendations to the director relative thereto. The members of the electrical board shall be selected and appointed as

follows: One member shall be an employee or officer of a corporation or public agency generating or distributing electric power; one member must be an employee or officer of a facilities-based telecommunications service provider regulated by the Washington state utilities and transportation commission; three members shall be licensed electrical contractors: PROVIDED, That one of these members may be a representative of a trade association in the electrical industry; one member shall be a licensed telecommunications contractor; one member shall be an employee, or officer, or representative of a corporation or firm engaged in the business of manufacturing or distributing electrical and telecommunications materials, equipment, or devices; one member shall be a person with knowledge of the electrical industry, not related to the electrical industry, to represent the public; three members shall be certified electricians; ~~((and))~~ one member shall be a telecommunications worker; one member shall be a licensed professional electrical engineer qualified to do business in the state of Washington and designated as a registered communications distribution designer; and one nonvoting member must be a building official from an incorporated city or town with an electrical inspection program established under RCW 19.28.360 (as recodified by this act). The regular term of each member shall be four years: PROVIDED, HOWEVER, The original board shall be appointed on June 9, 1988, for the following terms: The first term of the member representing a corporation or public agency generating or distributing electric power shall serve four years; two members representing licensed electrical contractors shall serve three years; the member representing a manufacturer or distributor of electrical equipment or devices shall serve three years; the member representing the public and one member representing licensed electrical contractors shall serve two years; the three members selected as certified electricians shall serve for terms of one, two, and three years, respectively; the member selected as the licensed professional electrical engineer shall serve for one year. In appointing the original board, the governor shall give due consideration to the value of continuity in membership from predecessor boards. Thereafter, the governor shall appoint or reappoint board members for terms of four years and to fill vacancies created by the completion of the terms of the original members. When new positions are created, the governor may appoint the initial members to the new positions to staggered terms of one to three years. The governor shall also fill vacancies caused by death, resignation, or otherwise for the unexpired term of such members by appointing their successors from the same business classification. The same procedure shall be followed in making such subsequent appointments as is provided for the original appointments. The board, at this first meeting shall elect one of its members to serve as chairman. Any person acting as the chief electrical inspector shall serve as secretary of the board during his or her tenure as chief state inspector. Meetings of the board shall be held at least quarterly in accordance with a schedule established by the board. Each member of the board shall receive compensation in accordance with RCW 43.03.240 and shall be reimbursed for travel expenses in accordance with RCW



43.03.050 and 43.03.060 which shall be paid out of the electrical license fund, upon vouchers approved by the director of labor and industries.

**Sec. 4.** RCW 19.28.310 and 1997 c 58 s 844 are each amended to read as follows:

(1) The department has the power, in case of serious noncompliance with the provisions of this chapter, to revoke or suspend for such a period as it determines, any electrical or telecommunications contractor license or electrical or telecommunications contractor administrator certificate issued under this chapter. The department shall notify the holder of the license or certificate of the revocation or suspension by certified mail. A revocation or suspension is effective twenty days after the holder receives the notice. Any revocation or suspension is subject to review by an appeal to the board. The filing of an appeal stays the effect of a revocation or suspension until the board makes its decision. The appeal shall be filed within twenty days after notice of the revocation or suspension is given by certified mail sent to the address of the holder of the license or certificate as shown on the application for the license or certificate, and shall be effected by filing a written notice of appeal with the department, accompanied by a certified check for two hundred dollars, which shall be returned to the holder of the license or certificate if the decision of the department is not sustained by the board. The hearing shall be conducted in accordance with chapter 34.05 RCW. If the board sustains the decision of the department, the two hundred dollars shall be applied by the department to the payment of the per diem and expenses of the members of the board incurred in the matter, and any balance remaining after payment of per diem and expenses shall be paid into the electrical license fund.

(2) The department shall immediately suspend the license or certificate of a person who has been certified pursuant to RCW 74.20A.320 by the department of social and health services as a person who is not in compliance with a support order (~~(or a residential or visitation order)~~). If the person has continued to meet all other requirements for reinstatement during the suspension, reissuance of the license or certificate shall be automatic upon the department's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order.

**Sec. 5.** RCW 19.28.340 and 1935 c 169 s 16 are each amended to read as follows:

Nothing contained in this chapter will be construed to relieve from or lessen the responsibility or liability of any person for injury or damage to person or property caused by or resulting from any defect of any nature in any electrical or telecommunications work performed by said person or in any electrical or telecommunications equipment owned, controlled, installed, operated or used by him or her; nor shall the state of Washington, or any officer, agent, or employee thereof incur or be held as assuming any liability by reason or in consequence of any permission, certificate of inspection, inspection or approval authorized herein,

or issued or given as herein provided, or by reason of consequence of any things done or acts performed pursuant to any provision of this chapter.

**"PROVISIONS APPLICABLE TO ELECTRICAL INSTALLATIONS"**

NEW SECTION. **Sec. 101.** RCW 19.28.005 (as recodified by this act) through 19.28.630 (as recodified by this act) constitute the subchapter "provisions applicable to electrical installations."

NEW SECTION. **Sec. 102.** RCW 19.28.005, 19.28.015, 19.28.060, 19.28.120, 19.28.123, 19.28.125, 19.28.180, 19.28.190, 19.28.200, 19.28.210, 19.28.260, 19.28.300, 19.28.350, 19.28.360, 19.28.370, 19.28.510, 19.28.515, 19.28.520, 19.28.530, 19.28.540, 19.28.550, 19.28.560, 19.28.570, 19.28.580, 19.28.600, 19.28.610, and 19.28.620 are recodified between RCW 19.28.005 (as recodified by this act) and 19.28.620 (as recodified by this act).

**Sec. 103.** RCW 19.28.005 and 1993 c 275 s 1 are each amended to read as follows:

The definitions in this section apply throughout this (~~chapter~~) subchapter.

(1) "Administrator" means a person designated by an electrical contractor to supervise electrical work and electricians in accordance with the rules adopted under this chapter.

(2) "Board" means the electrical board under RCW 19.28.065.

(3) "Chapter" or "subchapter" means (~~chapter 19.28 RCW~~) the subchapter, if no chapter number is referenced.

(4) "Department" means the department of labor and industries.

(5) "Director" means the director of the department or the director's designee.

(6) "Electrical construction trade" includes but is not limited to installing or maintaining electrical wires and equipment that are used for light, heat, or power and installing and maintaining remote control, signaling, power limited, or communication circuits or systems.

(7) "Electrical contractor" means a person, firm, partnership, corporation, or other entity that offers to undertake, undertakes, submits a bid for, or does the work of installing or maintaining wires or equipment that convey electrical current.

(8) "Equipment" means any equipment or apparatus that directly uses, conducts, or is operated by electricity but does not mean plug-in household appliances.

(9) "Industrial control panel" means a factory-wired or user-wired assembly of industrial control equipment such as motor controllers, switches, relays, power supplies, computers, cathode ray tubes, transducers, and auxiliary devices. The panel may include disconnect means and motor branch circuit protective devices.

(10) "Journeyman electrician" means a person who has been issued a journeyman electrician certificate of competency by the department.

(11) "Specialty electrician" means a person who has been issued a specialty electrician certificate of competency by the department.

**"PROVISIONS APPLICABLE TO  
TELECOMMUNICATIONS INSTALLATIONS"**

**NEW SECTION. Sec. 201.** Sections 203 through 219 of this act constitute the subchapter "provisions applicable to telecommunications installations."

**NEW SECTION. Sec. 202.** Sections 202 through 219 of this act are each added to chapter 19.28 RCW under subchapter heading "provisions applicable to telecommunications installations."

**\*NEW SECTION. Sec. 203.** *It is the intent of the legislature to maintain public safety and consumer protection while ensuring that businesses involved in telecommunications do not face unnecessary obstacles in the performance of their business activities. It is the further intent of the legislature that the delegation of authority to the director and the board under chapter . . ., Laws of 2000 (this act) be strictly limited to the minimum delegation necessary to administer the clear and unambiguous directives under chapter . . ., Laws of 2000 (this act), and strict compliance with chapter 1, Laws of 2000 (Initiative Measure No. 695), when adopting any fees.*

*Therefore, the electrical board and the department are directed to work cooperatively with all business sectors to ensure that this chapter is administered in a responsive and efficient manner, that administrative rules reflect the provisions of this section, and in particular that small businesses do not face unnecessary obstacles in the telecommunications marketplace.*

\*Sec. 203 was vetoed. See message at end of chapter.

**NEW SECTION. Sec. 204.** The definitions in this section apply throughout this subchapter unless the context clearly requires otherwise.

(1) "Telecommunications backbone cabling systems" means a system that provides interconnections between telecommunications closets, equipment rooms, and entrance facilities in the telecommunications cabling system structure. Backbone cabling consists of the backbone cables, intermediate and main cross-connects, mechanical terminations, and patch cords or jumpers used for backbone to backbone cross-connection. Backbone cabling also includes cabling between buildings.

(2) "Board" means the electrical board under RCW 19.28.065 (as recodified by this act).

(3) "Department" means the department of labor and industries.

(4) "Director" means the director of the department or the director's designee.

(5) "Telecommunications horizontal cabling systems" means the portions of the telecommunications cabling system that extends from the work area telecommunications outlet or connector to the telecommunications closet. The horizontal cabling includes the horizontal cables, the telecommunications outlet or connector in the work area, the mechanical termination, and horizontal cross-connections located in the telecommunications closet.

(6) "Telecommunications network demarcation point" means the point or interconnection between the service provider's communications cabling, terminal equipment, and protective apparatus and the customer's premises telecommunications cabling system. The location of this point for regulated carriers is determined by federal and state regulations. The carrier should be contacted to determine the location policies in effect in the area.

(7) "Telecommunications scope of work" means the work of a telecommunications contractor. This includes the installation, maintenance, and testing of telecommunications systems, equipment, and associated hardware, pathway systems, and cable management systems, which excludes cable tray and conduit raceway systems. The scope also includes installation of open wiring systems of telecommunications cables, surface nonmetallic raceways designated and used exclusively for telecommunications, optical fiber innerduct raceway, underground raceways designated and used exclusively for telecommunications and installed for additions or extensions to existing telecommunications systems not to exceed fifty feet inside the building, and incidental short sections of circular or surface metal raceway, not to exceed ten feet, for access or protection of telecommunications cabling and installation of cable trays and ladder racks in telecommunications service entrance rooms, spaces, or closets.

(8) A "telecommunications structured cabling system" is the complete collective configuration of cabling and associated hardware at a given site and installed to perform specific telecommunications functions.

(9) "Telecommunications administrator" means a person designated by a telecommunications contractor to supervise the installation of telecommunications systems in accordance with rules adopted under this chapter.

(10) "Telecommunications closet" means a room for housing telecommunications equipment, cable terminations, and cross-connect wiring that serve that particular floor. The closet is the recognized transition point between the backbone and horizontal cabling systems.

(11) "Telecommunications contractor" means a person, firm, partnership, corporation, or other entity that advertises, offers to undertake, undertakes, submits a bid for, or does the work of installing or maintaining telecommunications systems.

(12) "Telecommunications service entrance room or space" means a room or space used as the building serving facility in which the joining of inter-building and intra-building backbone facilities takes place. The service entrance room may also house electronic equipment serving any telecommunications function.

(13) "Telecommunications systems" means structured cabling systems that begin at the demarcation point between the local service provider and the customer's premises structured cabling system.

(a) Telecommunications systems encompass all forms of information generation, processing, and transporting of signals conveyed electronically or optically within or between buildings, including voice, data, video, and audio.

(b) Telecommunications systems include structured cabling systems, compatible connecting hardware, telecommunications equipment, premises switching equipment, infrared, fiber optic, radio-frequency, and other limited-energy interconnections associated with telecommunications systems or appliances.

(c) Telecommunications systems do not include horizontal cabling used for fire protection signaling systems, intrusion alarms, access control systems, patient monitoring systems, energy management control systems, industrial and automation control systems, HVAC/refrigeration control systems, lighting control systems, and stand-alone amplified sound or public address systems.

(d) Telecommunications systems may interface with other building signal systems including security, alarms, and energy management at cross-connection junctions within telecommunications closets or at extended points of demarcation. Telecommunications systems do not include the installation or termination of premises line voltage service, feeder, or branch circuit conductors or equipment.

(14) "Telecommunications worker" means a person primarily and regularly engaged in the installation and/or maintenance of telecommunications systems, equipment, and infrastructure as defined in this chapter.

(15) "Telecommunications workstation" means a building space where the occupant normally interacts with telecommunications equipment. The telecommunications outlet in the work area is the point at which end-user equipment plugs into the building telecommunications utility formed by the pathway, space, and building wiring system.

**NEW SECTION. Sec. 205.** (1) All installations of wires and equipment defined as telecommunications systems are subject to the requirements of this subchapter. Installations shall be in conformity with approved methods of construction for safety to life and property. The national electrical code, approved standards of the telecommunications industries association, the electronic industries association, the American national standards institute, and other safety standards approved by the department shall be evidence of approved methods of installation.

(2) This chapter may not limit the authority or power of any city or town to enact and enforce under authority given by law in RCW 19.28.360 (as recodified by this act), any ordinance, or rule requiring an equal, higher, or better standard of construction and an equal, higher, or better standard of materials, devices, appliances, and equipment than that required by this chapter.

**NEW SECTION. Sec. 206.** (1) It is unlawful for any person, firm, partnership, corporation, or other entity to advertise, offer to do work, submit a bid, engage in, conduct, or carry on the business of installing or maintaining telecommunications systems without having a telecommunications contractor license. Electrical contractors licensed as general electrical (01) or specialty electrical (06) contractors under chapter 19.28 RCW and their designated administrators qualify to perform all telecommunications work defined in this chapter. Telecommunications contractors licensed under this chapter are not

required to be registered under chapter 18.27 RCW. All telecommunications licenses expire twenty-four calendar months following the day of their issue. A telecommunications contractor license is not required for a licensed specialty electrical contractor to perform telecommunications installations or maintenance integral to the equipment or occupancy limitations of their electrical specialty. A telecommunications contractor license is not required for persons making telecommunications installations or performing telecommunications maintenance on their own property or for regularly employed employees working on the premises of their employer, unless on a new building intended for rent, sale, or lease.

(2) Application for a telecommunications contractor license shall be made in writing to the department accompanied by the required fee. The applications shall state:

(a) The name and address of the applicant. In the case of firms or partnerships, the applications shall state the names of the individuals composing the firm or partnership. In the case of corporations, the applications shall state the names of the corporation's managing officials;

(b) The location of the place of business of the applicant and the name under which the business is conducted;

(c) The employer social security number or tax identification number;

(d) Evidence of workers' compensation coverage for the applicant's employees working in Washington, as follows:

(i) The applicant's industrial insurance account number issued by the department;

(ii) The applicant's self-insurer number issued by the department; or

(iii) For applicants domiciled in a state or province of Canada subject to an agreement entered into under RCW 51.12.120(7), as permitted by the agreement, filing a certificate of coverage issued by the agency that administers the workers' compensation law in the applicant's state or province of domicile certifying that the applicant has secured the payment of compensation under the other state's or province's workers' compensation law;

(e) The employment security department number; and

(f) The state excise tax registration number.

(3) The unified business identifier account number may be substituted for the information required by subsection (2)(d), (e), and (f) of this section if the applicant will not employ employees in Washington.

(4) The department may verify the workers' compensation coverage information provided by the applicant under subsection (2)(d) of this section including, but not limited to, information regarding the coverage of an individual employee of the applicant. If coverage is provided under the laws of another state, the department may notify the other state that the applicant is employing employees in Washington.

(5) To obtain a telecommunications contractor license the applicant must designate an individual who currently possesses a telecommunications administrator certificate. To obtain an administrator's certificate an individual must pass an examination as set forth in this chapter. Examination criteria will be determined by the board.

(6) No examination may be required of any applicant for an initial telecommunications administrator certificate qualifying under this section. Applicants qualifying under this section shall be issued an administrator certificate by the department upon making an application and paying the required fee. Individuals must apply before July 1, 2001, to qualify for an administrator certificate without examination under this section. The board shall certify to the department the names of all persons entitled to this administrator certificate.

Prior to July 1, 2001, bona fide registered contractors under chapter 18.27 RCW engaged in the business of installing or maintaining telecommunications wiring in this state on or before the effective date of this act may designate the following number of persons to receive a telecommunications administrator certificate without examination:

(a) One owner or officer of a contractor, registered under chapter 18.27 RCW on or before the effective date of this act, currently engaged in the business of installing telecommunications wiring;

(b) One employee, principal, or officer, with a minimum of two years experience performing telecommunications installations, per registered telecommunication contractor; and

(c) One employee for each one hundred employees, or fraction thereof, with a minimum of two years experience performing telecommunications installations.

(7) The application for a contractor license shall be accompanied by a bond in the sum of four thousand dollars with the state of Washington named as obligee in the bond, with good and sufficient surety, to be approved by the department. The bond shall at all times be kept in full force and effect, and any cancellation or revocation thereof, or withdrawal of the surety therefrom, suspends the license issued to the principal until a new bond has been filed and approved as provided in this section. Upon approval of a bond, the department shall, on the next business day, deposit the fee accompanying the application in the electrical license fund and shall file the bond in the office. The department shall, upon request, furnish to any person, firm, partnership, corporation, or other entity a certified copy of the bond upon the payment of a fee that the department shall set by rule. The fee shall cover but not exceed the cost of furnishing the certified copy. The bond shall be conditioned that the principal will pay for all labor, including employee benefits, and material furnished or used upon the work, taxes and contributions to the state of Washington, and all damages that may be sustained by any person, firm, partnership, corporation, or other entity due to a failure of the principal to make the installation or maintenance in accordance with this chapter. In lieu of the surety bond required by this section the applicant may file with the department a

cash deposit or other negotiable security acceptable to the department. If the applicant has filed a cash deposit, the department shall deposit the funds in a special trust savings account in a commercial bank, mutual savings bank, or savings and loan association and shall pay annually to the depositor the interest derived from the account.

(8) Any person, firm, or corporation sustaining any damage or injury by reason of the principal's breach of the conditions of the bond required under this section may bring an action against the surety named therein, joining in the action the principal named in the bond; the action shall be brought in the superior court of any county in which the principal on the bond resides or transacts business, or in the county in which the work was performed as a result of which the breach is alleged to have occurred; the action shall be maintained and prosecuted as other civil actions. Claims or actions against the surety on the bond shall be paid in full in the following order of priority: (a) Labor, including employee benefits, (b) materials and equipment used upon such work, (c) taxes and contributions due to the state, (d) damages sustained by any person, firm, or corporation due to the failure of the principal to make the installation in accordance with this chapter, or any ordinance, building code, or regulation applicable thereto. However, the total liability of the surety on any bond may not exceed the sum of four thousand dollars, and the surety on the bond may not be liable for monetary penalties. Any action shall be brought within one year from the completion of the work in the performance of which the breach is alleged to have occurred. The surety shall mail a conformed copy of the judgment against the bond to the department within seven days. In the event that a cash or securities deposit has been made in lieu of the surety bond, and in the event of a judgment being entered against the depositor and deposit, the director shall upon receipt of a certified copy of a final judgment, pay the judgment from the deposit.

(9) The department shall issue a telecommunications contractor license to applicants meeting all of the requirements of this chapter applicable to electrical and telecommunications installations. The provisions of this chapter relating to the licensing of any person, firm, partnership, corporation, or other entity including the requirement of a bond with the state of Washington named as obligee and the collection of a fee for that bond, are exclusive, and no political subdivision of the state of Washington may require or issue any licenses or bonds or charge any fee for the same or a similar purpose.

NEW SECTION. Sec. 207. (1) Each applicant for a telecommunications contractor license shall designate a supervisory employee or member of the firm to take the administrator's examination. This person shall be designated as administrator under the contractor's license and must be a full-time supervisory employee of the applicant. No person may qualify as administrator for more than one contractor. If the relationship of the administrator with the telecommunications contractor is terminated, the contractor's license is void within ninety days unless another administrator is qualified by the board. However, if the



administrator dies, the contractor's license is void within one hundred eighty days unless another administrator is qualified by the board.

(2) A certificate issued under this section is valid for two years from the nearest birthdate of the administrator, unless revoked or suspended, and is nontransferable. The certificate may be renewed for a two-year period without examination by appropriate application unless the certificate has been revoked, suspended, or not renewed within ninety days after the expiration date. If the certificate is not renewed before the expiration date, the individual shall pay twice the usual fee. A person may take the administrator's test as many times as necessary to pass, without limit.

(3) The administrator shall:

(a) Be a member of the firm or a supervisory employee and shall be available during working hours to carry out the duties of an administrator under this section;

(b) Ensure that all telecommunications work complies with the telecommunication installation laws and rules;

(c) Ensure proper permits are required and inspections made;

(d) See that corrective notices issued by an inspecting authority are complied with; and

(e) Notify the department in writing within ten days if the administrator relationship is terminated with the telecommunications contractor.

**NEW SECTION. Sec. 208.** It is the purpose and function of the board to establish and administer written examinations for telecommunications administrators' certificates. Examinations shall be designed to reasonably ensure that telecommunications administrators' certificate holders are competent to engage in and supervise the work regulated under this subchapter and their respective licenses. The examinations shall include questions to assure proper safety and protection for the general public. The department, with the consent of the board, is permitted to enter into a contract with a professional testing agency to develop, administer, and score these examinations. The fee for the examination may be set by the department in its contract with the professional testing agency. The department, may direct that the applicant pay the fee to the professional testing agency. The fee shall cover but not exceed the costs of preparing and administering the examination.

**NEW SECTION. Sec. 209.** (1) The director and the officials of all incorporated cities and towns where electrical inspections are required by local ordinances, allowed by RCW 19.28.360 (as recodified by this act), may require by local ordinance the enforcement of this subchapter in their respective jurisdictions. If an incorporated city or town elects to enforce this subchapter, the city or town has the power and shall enforce the provisions of this subchapter.

(2) The director, through the chief electrical inspector and other inspectors appointed under RCW 19.28.070 (as recodified by this act), shall enforce this chapter. Compliance enforcement may be performed by contractor compliance inspectors appointed under chapter 18.27 RCW. The expenses of the director and

the salaries and expenses of state inspectors incurred in carrying out the provisions of this chapter shall be paid entirely out of the electrical license fund, on vouchers approved by the director.

**NEW SECTION. Sec. 210.** Disputes arising under this chapter regarding whether any city or town's telecommunications rules, regulations, or ordinances are equal to the rules adopted by the department shall be resolved by arbitration. The department shall appoint two members of the board to serve on the arbitration panel, and the city or town shall appoint two persons to serve on the arbitration panel. These four persons shall choose a fifth person to serve. If the four persons cannot agree on a fifth person, the presiding judge of the superior court of the county in which the city or town is located shall choose a fifth person. A decision of the arbitration panel may be appealed to the superior court of the county in which the city or town is located within thirty days after the date the panel issues its final decision.

**NEW SECTION. Sec. 211.** (1) The director shall require permits and require an inspector to inspect all installations of telecommunications systems on the customer side of the network demarcation point for projects greater than ten outlets. However:

(a) All projects penetrating fire barriers, passing through hazardous locations and all backbone installations regardless of size shall be inspected;

(b) All installations in single-family residences, duplex residences, and horizontal cabling systems within apartment residential units, including cooperatives and condominiums, do not require permits or inspections;

(c) No permits or inspections may be required for installation or replacement of cord and plug connected telecommunications equipment or for patch cord and jumper cross-connected equipment;

(d) The chief electrical inspector may allow a building owner or licensed electrical/telecommunications contractor to apply for annual permitting and regularly scheduled inspection of telecommunications installations made by licensed electrical/telecommunications contractors or the building owner for large commercial and industrial installations where:

(i) The building owner or licensed electrical/telecommunications contractor has a full-time telecommunications maintenance staff or a yearly maintenance contract with a licensed electrical/telecommunications contractor;

(ii) The permit is purchased before beginning any telecommunications work; and

(iii) The building owner or licensed electrical/telecommunications contractor assumes responsibility for correcting all installation deficiencies.

(2) Upon request, the department shall make the required inspection within forty-eight hours. The forty-eight hour period excludes holidays, Saturdays, and Sundays.

(3) A written report of the inspection, which plainly and clearly states any corrections or changes required, shall be made by the inspector. A copy of the

report shall be furnished to the person or entity doing the installation work, and a copy shall be filed by the department.

(4) Whenever the installation of any telecommunications cabling and associated hardware is not in accordance with this chapter, or is in such a condition as to be dangerous to life or property, the person, firm, partnership, corporation, or other entity owning, using, or operating it shall be notified by the department and shall within fifteen working days, or such further reasonable time as may upon request be granted, make such repairs and changes as are required to remove the danger to life or property and to make it conform to this chapter. The director, through the inspector, is empowered to disconnect or order the discontinuance of the telecommunications cabling or electrical service to conductors or equipment that are found to be in a dangerous or unsafe condition and not in accordance with this chapter. Upon making a disconnection, the inspector shall attach a notice stating that the conductors have been found dangerous to life or property and are not in accordance with this chapter. It is unlawful for any person to reconnect such defective conductors or equipment without the approval of the department, and until the conductors and equipment have been placed in a safe and secure condition that complies with this chapter.

(5) The director, through the electrical inspector, has the right during reasonable hours to enter into and upon any building or premises in the discharge of his or her official duties related to permitting activities for the purpose of making any inspection or test of the installation of new or altered telecommunications systems contained in or on the buildings or premises. No telecommunications cabling subject to this chapter may be concealed until it has been approved by the inspector making the inspection. At the time of the inspection, wiring or equipment subject to this chapter must be sufficiently accessible to permit the inspector to verify installation conformance with the adopted codes and any other requirements of this chapter.

NEW SECTION. Sec. 212. (1) It is unlawful for any person, firm, partnership, corporation, or other entity to install or maintain any telecommunications cabling and associated hardware in violation of this chapter. When the interpretation and application of the installation or maintenance standards provided for in this chapter are in dispute or in doubt, the board shall, upon application of any interested person, firm, partnership, corporation, or other entity, determine the methods of installation or maintenance of the cabling materials and hardware to be used in the case submitted for its decision.

(2) Any person, firm, partnership, corporation, or other entity desiring a decision of the board under this section shall, in writing, notify the director of such desire and shall accompany the notice with a certified check payable to the department in the sum of two hundred dollars. The notice shall specify the ruling or interpretation desired and the contention of the person, firm, partnership, corporation, or other entity as to the proper interpretation or application on the question on which a decision is desired. If the board determines that the contention

of the applicant for a decision was proper, the two hundred dollars shall be returned to the applicant; otherwise it shall be used in paying the expenses and per diem of the members of the board in connection with the matter. Any portion of the two hundred dollars not used in paying the per diem and expenses of the board in the case shall be paid into the electrical license fund.

**NEW SECTION. Sec. 213.** Any person, firm, partnership, corporation, or other entity violating any of the provisions of this chapter may be assessed a penalty of not less than one hundred dollars or more than ten thousand dollars per violation. The department, after consulting with the board and receiving the board's recommendations, shall set by rule a schedule of penalties for violating this chapter. The department shall notify the person, firm, partnership, corporation, or other entity violating any of these provisions of the amount of the penalty and of the specific violation. The notice shall be sent by certified mail, return receipt requested, to the last known address of the assessed party. Penalties are subject to review by an appeal to the board. The filing of an appeal stays the effect of the penalty until the board makes its decision. The appeal shall be filed within twenty days after notice of the penalty is given to the assessed party, and shall be made by filing a written notice of appeal with the department. The notice shall be accompanied by a certified check for two hundred dollars, that shall be returned to the assessed party if the decision of the department is not sustained by the board. If the board sustains the decision of the department, the two hundred dollars shall be applied by the department to the payment of the per diem and expenses of the members of the board incurred in the matter, and any balance remaining after payment of per diem and expenses shall be paid into the electrical license fund. The hearing and review procedures shall be conducted in accordance with chapter 34.05 RCW. The board shall assign its hearings to an administrative law judge to conduct the hearing and issue a proposed decision and order. The board shall be allowed a minimum of twenty days to review a proposed decision and shall issue its decision no later than the next regularly scheduled board meeting.

**NEW SECTION. Sec. 214.** (1) At the time of licensing and subsequent relicensing, the applicant shall furnish insurance or financial responsibility in the form of an assigned account in the amount of twenty thousand dollars for injury or damages to property, fifty thousand dollars for injury or damage including death to any one person, and one hundred thousand dollars for injury or damage including death to more than one person, or financial responsibility to satisfy these amounts.

(2) Failure to maintain insurance or financial responsibility relative to the contractor's activities is cause to suspend or deny the contractor's license.

(3)(a) Proof of financial responsibility authorized in this section may be given by providing, in the amount required by subsection (1) of this section, an assigned account acceptable to the department. The assigned account shall be held by the department to satisfy any execution on a judgment issued against the contractor for damage to property or injury or death to any person occurring in the contractor's

contracting operation, according to the provisions of the assigned account agreement. The department shall have no liability for payment in excess of the amount of the assigned account.

(b) The assigned account filed with the director as proof of financial responsibility shall be canceled three years after:

- (i) The contractor's license has expired or been revoked;
- (ii) The contractor has furnished proof of insurance as required by subsection (1) of this section; or
- (iii) No legal action has been instituted against the contractor or on the account at the end of the three-year period.

(c) If a contractor chooses to file an assigned account as authorized in this section, the contractor shall, on a contracting project, notify each person with whom the contractor enters into a contract or to whom the contractor submits a bid, that the contractor has filed an assigned account in lieu of insurance and that recovery from the account for any claim against the contractor for property damage or personal injury or death occurring on the project requires the claimant to obtain a court judgment.

**NEW SECTION. Sec. 215.** Individual worker certification is not required for work under this subchapter. This subchapter does not preclude any person performing telecommunications work from obtaining a limited energy credit towards an electrical certificate of competency if they otherwise meet the certification requirements under this chapter that are applicable to electrical installations.

**NEW SECTION. Sec. 216.** No person, firm, or corporation engaging in or conducting or carrying on the business of telecommunications installation shall be entitled to commence or maintain any suit or action in any court of this state pertaining to any such work or business, without alleging and proving that such person, firm or corporation held, at the time of commencing and performing such work, an unexpired, unrevoked, and unsuspended license issued under this subchapter; and no city or town requiring by ordinance or regulation a permit for inspection or installation of such telecommunications installation work, shall issue such permit to any person, firm or corporation not holding such license.

**NEW SECTION. Sec. 217.** It is unlawful for any person, firm, partnership, corporation, or other entity to install or maintain telecommunications equipment not in accordance with this subchapter. In cases where the interpretation and application of the installation or maintenance standards under this subchapter are in dispute or in doubt, the board shall, upon application of any interested person, firm, partnership, corporation, or other entity, determine the methods of installation or maintenance or the materials, devices, appliances, or equipment to be used in the particular case submitted for its decision.

**NEW SECTION. Sec. 218.** Any person, firm, partnership, corporation, or other entity desiring a decision of the board pursuant to section 217 of this act

shall, in writing, notify the director of such desire and shall accompany the notice with a certified check payable to the department in the sum of two hundred dollars. The notice shall specify the ruling or interpretation desired and the contention of the person, firm, partnership, corporation, or other entity as to the proper interpretation or application on the question on which a decision is desired. If the board determines that the contention of the applicant for a decision was proper, the two hundred dollars shall be returned to the applicant; otherwise it shall be used in paying the expenses and per diem of the members of the board in connection with the matter. Any portion of the two hundred dollars not used in paying the per diem and expenses of the board in the case shall be paid into the electrical license fund.

**NEW SECTION. Sec. 219.** (1) The director may adopt rules, make specific decisions, orders, and rulings, including demands and findings, and take other necessary action for the implementation and enforcement of this subchapter after consultation with the board and receiving the board's recommendations. In the administration of this subchapter the department shall not enter any controversy arising over work assignments with respect to the trades involved in the construction industry.

(2) Compliance with the rules adopted under subsection (1) of this section is prima facie evidence of compliance with the subchapter. Copies of all rules shall be maintained by the department and made available upon request.

**NEW SECTION. Sec. 301.** 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. 302.** The sum of one million four hundred eight thousand dollars, or as much thereof as may be necessary, is appropriated from the electrical license account to the department of labor and industries for the biennium year ending June 30, 2001, to carry out the purposes of this act.

Passed the Senate March 8, 2000.

Passed the House March 9, 2000.

Approved by the Governor March 30, 2000, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State March 30, 2000.

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

"I am returning herewith, without my approval as to section 203, Second Substitute Senate Bill No. 5802 entitled:

"AN ACT Relating to telecommunications contractors and installations;"

This bill requires that contractors and installers who work with fiber optic cables and other telecommunications cabling be licensed and bonded, and that their work be inspected.

Section 203 of the bill states that "[i]t is the further intent of the legislature that the delegation of authority to the director and the board under chapter . . ., Laws of 2000 (this act) be strictly limited to the minimum delegation necessary to administer the clear and unambiguous directives under chapter . . ., Laws of 2000 (this act) . . .". This language is vague and ambiguous, and the bill provides no definition of "minimum delegation necessary."

I strongly believe that regulations should not be burdensome, and should be as minimal and as streamlined as possible. However, I have grave concerns about this language. The Department of Labor and Industries, which is charged with implementing this law, will need maximum flexibility to apply the law effectively in a rapidly changing industry. How section 203 would limit the department's authority is very unclear, and it could have led to unnecessary legal challenges.

For these reasons, I have vetoed section 203 of Second Substitute Senate Bill No. 5802.

With the exception of section 203, Second Substitute Senate Bill No. 5802 is approved."

---

## CHAPTER 239

[Engrossed Substitute House Bill 2647]

### FLAGGERS

AN ACT Relating to safety devices for flaggers; amending RCW 9.91.020, 46.61.015, 46.61.190, 46.61.340, 46.61.355, and 47.36.220; creating new sections; and declaring an emergency.

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

**NEW SECTION. Sec. 1. EMERGENCY RULES.** (1) The director of the department of labor and industries shall adopt emergency rules that take effect no later than June 1, 2000, revising any safety standards governing flaggers.

(2) The transportation commission shall adopt emergency rules that take effect no later than June 1, 2000, revising any safety standards governing flaggers.

(3) The utilities and transportation commission shall adopt emergency rules that take effect no later than June 1, 2000, revising any safety standards governing flaggers.

(4) Notwithstanding RCW 34.05.350, the emergency rules adopted pursuant to this section shall remain in effect or be adopted in sequence until March 1, 2001, or the effective date of the permanent rules adopted pursuant to section 2 of this act, whichever is earlier.

(5) The emergency rules adopted pursuant to this section shall be designed to improve options available to ensure the safety of flaggers, and ensure that flaggers have adequate visual warning of objects approaching from behind them.

(6) In developing emergency rules adopted pursuant to this section, state agencies and commissions shall consult with other persons with an interest in improving safety standards for flaggers. State agencies and commissions shall report, by September 15, 2000, to the senate labor and workforce development committee and the house of representatives commerce and labor committee on the emergency rules adopted pursuant to this section.

**NEW SECTION. Sec. 2. PERMANENT RULES.** (1) The director of the department of labor and industries shall adopt permanent rules that take effect no later than March 1, 2001, revising any safety standards governing flaggers.

(2) The transportation commission shall adopt permanent rules that take effect no later than March 1, 2001, revising any safety standards governing flaggers.

(3) The utilities and transportation commission shall adopt permanent rules that take effect no later than March 1, 2001, revising any safety standards and employment qualifications governing flaggers.

(4) The permanent rules adopted pursuant to this section shall be designed to improve options available to ensure the safety of flaggers, ensure that flaggers have adequate visual warning of objects approaching from behind them, and, with respect to the utilities and transportation commission rules, update employment qualifications for flaggers.

(5) In developing permanent rules adopted pursuant to this section, state agencies and commissions shall consult with other persons with an interest in improving safety standards and updating employment qualifications for flaggers. State agencies and commissions shall coordinate and make consistent, to the extent possible, permanent rules. State agencies and commissions shall report, by April 22, 2001, to the senate labor and workforce development committee and the house of representatives commerce and labor committee on the permanent rules adopted pursuant to this section.

Sec. 3. RCW 9.91.020 and 1915 c 165 s 2 are each amended to read as follows:

Every person who, being employed upon any railway, as engineer, motorman, gripman, conductor, switch tender, fireman, bridge tender, (~~flagman~~) flagger, or signalman, or having charge of stations, starting, regulating or running trains upon a railway, or being employed as captain, engineer or other officer of a vessel propelled by steam, or being the driver of any animal or vehicle upon any public highway, street, or other public place, (~~shall be~~) is intoxicated while engaged in the discharge of any such duties, shall be guilty of a gross misdemeanor.

Sec. 4. RCW 46.61.015 and 1995 c 50 s 1 are each amended to read as follows:

No person shall willfully fail or refuse to comply with any lawful order or direction of any duly authorized (~~flagman~~) flagger or any police officer or fire fighter invested by law with authority to direct, control, or regulate traffic.

A violation of this section is a misdemeanor.

Sec. 5. RCW 46.61.190 and 1975 c 62 s 27 are each amended to read as follows:

(1) Preferential right of way may be indicated by stop signs or yield signs as authorized in RCW 47.36.110.

(2) Except when directed to proceed by a duly authorized (~~flagman~~) flagger, or a police officer, or a fire fighter vested by law with authority to direct, control, or regulate traffic, every driver of a vehicle approaching a stop sign shall stop at a clearly marked stop line, but if none, before entering a marked crosswalk on the near side of the intersection or, if none, then at the point nearest the intersecting roadway where the driver has a view of approaching traffic on the intersecting roadway before entering the roadway, and after having stopped shall yield the right of way to any vehicle in the intersection or approaching on another roadway so



closely as to constitute an immediate hazard during the time when such driver is moving across or within the intersection or junction of roadways.

(3) The driver of a vehicle approaching a yield sign shall in obedience to such sign slow down to a speed reasonable for the existing conditions and if required for safety to stop, shall stop at a clearly marked stop line, but if none, before entering a marked crosswalk on the near side of the intersection or if none, then at the point nearest the intersecting roadway where the driver has a view of approaching traffic on the intersecting roadway before entering the roadway, and then after slowing or stopping, the driver shall yield the right of way to any vehicle in the intersection or approaching on another roadway so closely as to constitute an immediate hazard during the time such driver is moving across or within the intersection or junction of roadways: **PROVIDED**, That if such a driver is involved in a collision with a vehicle in the intersection or junction of roadways, after driving past a yield sign without stopping, such collision shall be deemed prima facie evidence of ~~((his))~~ the driver's failure to yield right of way.

**Sec. 6.** RCW 46.61.340 and 1965 ex.s. c 155 s 46 are each amended to read as follows:

(1) Whenever any person driving a vehicle approaches a railroad grade crossing under any of the circumstances stated in this section, the driver of such vehicle shall stop within fifty feet but not less than fifteen feet from the nearest rail of such railroad, and shall not proceed until ~~((he can do so))~~ the crossing can be made safely. The foregoing requirements shall apply when:

(a) A clearly visible electric or mechanical signal device gives warning of the immediate approach of a railroad train;

(b) A crossing gate is lowered or when a human ~~((flagman))~~ flagger gives or continues to give a signal of the approach or passage of a railroad train;

(c) An approaching railroad train is plainly visible and is in hazardous proximity to such crossing.

(2) No person shall drive any vehicle through, around or under any crossing gate or barrier at a railroad crossing while such gate or barrier is closed or is being opened or closed.

**Sec. 7.** RCW 46.61.355 and 1975 c 62 s 32 are each amended to read as follows:

(1) No person shall operate or move any crawler-type tractor, steam shovel, derrick, roller, or any equipment or structure having a normal operating speed of ten or less miles per hour or a vertical body or load clearance of less than one-half inch per foot of the distance between any two adjacent axles or in any event of less than nine inches, measured above the level surface of a roadway, upon or across any tracks at a railroad grade crossing without first complying with this section.

(2) Notice of any such intended crossing shall be given to the station agent of such railroad located nearest the intended crossing sufficiently in advance to allow such railroad a reasonable time to prescribe proper protection for such crossing.

(3) Before making any such crossing the person operating or moving any such vehicle or equipment shall first stop the same not less than fifteen feet nor more than fifty feet from the nearest rail of such railroad and while so stopped shall listen and look in both directions along such track for any approaching train and for signals indicating the approach of a train, and shall not proceed until the crossing can be made safely.

(4) No such crossing shall be made when warning is given by automatic signal or crossing gates or a ~~((flagman))~~ flagger or otherwise of the immediate approach of a railroad train or car. If a ~~((flagman))~~ flagger is provided by the railroad, movement over the crossing shall be under ~~((his))~~ the flagger's direction.

**Sec. 8.** RCW 47.36.220 and 1961 c 13 s 47.36.220 are each amended to read as follows:

Each driver of a motor vehicle used in connection with such construction, repair, or maintenance work shall obey traffic signs posted for, and ~~((flagman))~~ flaggers stationed at such location in the same manner and under the same restrictions as is required for the driver of any other vehicle.

**NEW SECTION. Sec. 9.** Sections 1 and 2 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 take effect immediately.

**NEW SECTION. Sec. 10.** Sections 1 and 2 of this act may be known and cited as the "Kim Vendl Worker Safety Act."

**NEW SECTION. Sec. 11.** Captions used in this act are not any part of the law.

Passed the House March 8, 2000.

Passed the Senate March 7, 2000.

Approved by the Governor March 31, 2000.

Filed in Office of Secretary of State March 31, 2000.

## CHAPTER 240

[Engrossed House Bill 3105]

### METROPOLITAN PARK DISTRICTS—SALES AND USE TAX

AN ACT Relating to apportioning a sales and use tax for zoos, aquariums, wildlife preserves, and regional parks; and amending RCW 82.14.400.

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

**Sec. 1.** RCW 82.14.400 and 1999 c 104 s 1 are each amended to read as follows:

(1) Upon the joint request of a metropolitan park district ~~((and))~~, a city with a population of more than one hundred fifty thousand, and a county legislative authority in a county with a national park and a population of more than five hundred thousand and less than one million ~~((may))~~ five hundred thousand, the county shall submit an authorizing proposition to the county voters, fixing and

imposing a sales and use tax in accordance with this chapter for the purposes designated in subsection ~~((3))~~ (4) of this section and identified in the joint request. Such proposition must be placed on a ballot for a special or general election to be held no later than one year after the date of the joint request.

(2) The proposition is approved if it receives the votes of a majority of those voting on the proposition.

(3) The tax authorized in this section is in addition to any other taxes authorized by law and shall be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the county. The rate of tax shall equal no more than 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.

(4) Moneys received from any tax imposed under this section shall be used solely for the purpose of providing funds for:

(a) Costs associated with financing, design, acquisition, construction, equipping, operating, maintaining, remodeling, repairing, reequipping, or improvement of zoo, aquarium, and wildlife preservation and display facilities that are currently accredited by the American zoo and aquarium association; or

(b) Those costs associated with (a) of this subsection and costs related to parks located within a county described in subsection (1) of this section.

(5) The department of revenue shall perform the collection of such taxes on behalf of the county at no cost to the county. In lieu of the charge for the administration and collection of local sales and use taxes under RCW 82.14.050 from which the county is exempt under this subsection (5), a percentage of the tax revenues authorized by this section equal to one-half of the maximum percentage provided in RCW 82.14.050 shall be transferred annually to the department of community, trade, and economic development, or its successor agency, from the funds allocated under subsection (6)(b) of this section for a period of twelve years from the first date of distribution of funds under subsection (6)(b) of this section. The department of community, trade, and economic development, or its successor agency, shall use funds transferred to it pursuant to this subsection (5) to provide, operate, and maintain community-based housing under chapter 43.185 RCW for persons who are mentally ill.

(6) If the joint request and the authorizing proposition include provisions for funding those costs included within subsection (4)(b) of this section, the tax revenues authorized by this section shall be allocated annually as follows:

(a) Fifty percent to the zoo and aquarium advisory authority; and

(b) Fifty percent to be distributed on a per capita basis as set out in the most recent population figures for unincorporated and incorporated areas only within that county, as determined by the office of financial management, solely for parks, as follows: To any metropolitan park district, to cities and towns not contained within a metropolitan park district, and the remainder to the county. Moneys

received under this subsection (6)(b) by a county may not be used to replace or supplant existing per capita funding.

(7) Funds shall be distributed annually by the county treasurer to the county, and cities and towns located within the county, in the manner set out in subsection (6)(b) of this section.

(8) Prior to expenditure of any funds received by the county under subsection (6)(b) of this section, the county shall establish a process which considers needs throughout the unincorporated areas of the county in consultation with community advisory councils established by ordinance.

(9) By December 31, 2005, and thereafter, the county or any city with a population greater than eighty thousand must provide at least one dollar inatch for every two dollars received under this section.

(10) Properties subject to a memorandum of agreement between the federal bureau of land management, the advisory council on historic preservation, and the Washington state historic preservation officer have priority for funding from money received under subsection (6)(b) of this section for implementation of the stipulations in the memorandum of agreement.

(a) At least one hundred thousand dollars of the first four years of allocations under subsection (6)(b) of this section, to be matched by the county or city with one dollar for every two dollars received, shall be used to implement the stipulations of the memorandum of agreement and for other historical, archaeological, architectural, and cultural preservation and improvements related to the properties.

(b) The amount in (a) of this subsection shall come equally from the allocations to the county and to the city in which the properties are located, unless otherwise agreed to by the county and the city.

(c) The amount in (a) of this subsection shall not be construed to displace or be offered in lieu of any lease payment from a county or city to the state for the properties in question.

Passed the House March 2, 2000.

Passed the Senate March 3, 2000.

Approved by the Governor March 31, 2000.

Filed in Office of Secretary of State March 31, 2000.

---

#### CHAPTER 241

[Substitute House Bill 2392]

#### JOINT TASK FORCE ON LOCAL GOVERNMENTS

AN ACT Relating to the funding and delivery of local government services; creating new sections; and providing an expiration date.

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

**NEW SECTION. Sec. I.** The legislature finds that while government services are provided to the citizens of the state of Washington through many

mechanisms, the most prevalent delivery of services occurs through city, county, or state government actions. Increased demand for these services and limited revenue to meet those services have led to unproductive competition between cities, counties, and the state for the revenue that is collected and shared between cities, counties, and the state.

Therefore, the legislature finds that there is a need to evaluate the delivery of government services, the allotment of revenues, and the collection and distribution of various fines and forfeitures through the establishment of a joint task force on local governments.

The legislature further finds that rules adopted by state agencies cause local governments to allocate funds to meet those rules that are not fully funded at the state level.

The legislature further finds that the state must recognize the costs to local governments of rules adopted by state agencies and mitigate the financial impacts of those rules for a significant period to allow local governments to develop strategies to comply with the requirements of Initiative Measure No. 695.

**NEW SECTION. Sec. 2.** (1) The joint task force on local governments is created, to consist of seventeen members including:

(a) The following four members of the house of representatives or their designees: (i) The chair and ranking minority member or the cochair of the committee on appropriations; and (ii) the chair and ranking minority member or the cochair of the committee on local government;

(b) The following four members of the senate or their designees: (i) The chair and the ranking minority member of the committee on ways and means; and (ii) the chair and ranking minority member of the committee on state and local government;

(c) One member from the office of the governor;

(d) Four members from the association of Washington cities;

(e) Two members from the Washington state association of counties; and

(f) Two members from the Washington association of county officials.

(2) The nonlegislative members of the task force shall serve without compensation, but will be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060. Legislative members of the task force will be reimbursed for travel expenses as provided in RCW 44.04.120. The staff of senate committee services and the office of program research of the house of representatives shall provide support to the task force.

(3) The task force must be cochaired by one senator, chosen by the task force, and one state representative, chosen by the task force, from opposite political parties. The cochair shall appoint experts and advisors as nonvoting members of the task force to provide information on various subjects, including but not limited to special purpose districts and public employee unions. The task force shall establish rules of procedure at its first meeting.

**NEW SECTION. Sec. 3.** The joint task force on local governments shall:

(1) Complete a thorough study of the delivery of government services, allotment of revenues, and collection and distribution of various fines and forfeitures; and

(2) Commence the study by July 1, 2000, present an interim report of its findings and any recommendations to the legislature by January 30, 2001, and present a final report, including proposed legislation, addressing its recommendations to the legislature by January 1, 2002.

NEW SECTION. **Sec. 4.** This act expires March 30, 2002.

Passed the House March 9, 2000.

Passed the Senate March 8, 2000.

Approved by the Governor March 31, 2000.

Filed in Office of Secretary of State March 31, 2000.

## CHAPTER 242

[House Bill 2505]

### MULTIPLE-UNIT DWELLINGS—TAX EXEMPTION

AN ACT Relating to the definition of "city" for the multiple-unit dwellings property tax exemption; and amending RCW 84.14.010.

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

**Sec. 1.** RCW 84.14.010 and 1997 c 429 s 40 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "City" means either (a) a city or town with a population of at least ~~((one hundred))~~ fifty thousand or (b) the largest city or town, if there is no city or town with a population of at least ~~((one hundred))~~ fifty thousand, located in a county planning under the growth management act.

(2) "Governing authority" means the local legislative authority of a city having jurisdiction over the property for which an exemption may be applied for under this chapter.

(3) "Growth management act" means chapter 36.70A RCW.

(4) "Multiple-unit housing" means a building having four or more dwelling units not designed or used as transient accommodations and not including hotels and motels. Multifamily units may result from new construction or rehabilitated or conversion of vacant, underutilized, or substandard buildings to multifamily housing.

(5) "Owner" means the property owner of record.

(6) "Permanent residential occupancy" means multiunit housing that provides either rental or owner occupancy on a nontransient basis. This includes owner-occupied or rental accommodation that is leased for a period of at least one month. This excludes hotels and motels that predominately offer rental accommodation on a daily or weekly basis.

(7) "Rehabilitation improvements" means modifications to existing structures, that are vacant for twelve months or longer, that are made to achieve a condition of substantial compliance with existing building codes or modification to existing occupied structures which increase the number of multifamily housing units.

(8) "Residential targeted area" means an area within an urban center that has been designated by the governing authority as a residential targeted area in accordance with this chapter.

(9) "Substantial compliance" means compliance with local building or housing code requirements that are typically required for rehabilitation as opposed to new construction.

(10) "Urban center" means a compact identifiable district where urban residents may obtain a variety of products and services. An urban center must contain:

(a) Several existing or previous, or both, business establishments that may include but are not limited to shops, offices, banks, restaurants, governmental agencies;

(b) Adequate public facilities including streets, sidewalks, lighting, transit, domestic water, and sanitary sewer systems; and

(c) A mixture of uses and activities that may include housing, recreation, and cultural activities in association with either commercial or office, or both, use.

Passed the House February 11, 2000.

Passed the Senate March 3, 2000.

Approved by the Governor March 31, 2000.

Filed in Office of Secretary of State March 31, 2000.

---

### CHAPTER 243

[Substitute House Bill 2644]

#### UNFINISHED NUCLEAR POWER PROJECT SITES

AN ACT Relating to the restoration and redevelopment of unfinished nuclear power project sites for purposes of economic development, providing for sufficient water supply for restoration and redevelopment of such sites; and amending RCW 80.50.300.

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

**Sec. I.** RCW 80.50.300 and 1996 c 4 s 2 are each amended to read as follows:

(1) This section applies only to unfinished nuclear power projects (~~that are not located on federal property~~). If a certificate holder stops construction of a nuclear energy facility before completion, terminates the project or otherwise resolves not to complete construction, never introduces or stores fuel for the energy facility on the site, and never operates the energy facility as designed to produce energy, the certificate holder may contract, establish interlocal agreements, or use other formal means to effect the transfer of site restoration responsibilities, which may include economic development activities, to any political subdivision or subdivisions of the state composed of elected officials. The contracts, interlocal agreements, or other formal means of cooperation may include, but are not limited

to provisions effecting the transfer or conveyance of interests in the site and energy facilities from the certificate holder to other political subdivisions of the state, including costs of maintenance and security, capital improvements, and demolition and salvage of the unused energy facilities and infrastructure.

(2) If a certificate holder transfers all or a portion of the site to a political subdivision or subdivisions of the state composed of elected officials and located in the same county as the site, the council shall amend the site certification agreement to release those portions of the site ~~((that are transferred pursuant to this section))~~ that it finds are no longer intended for the development of an energy facility.

Immediately upon release of all or a portion of the site pursuant to this section, all responsibilities for maintaining the public welfare for portions of the site transferred, including but not limited to health and safety, are transferred to the political subdivision or subdivisions of the state. For sites located on federal land, all responsibilities for maintaining the public welfare for all of the site, including but not limited to health and safety, must be transferred to the political subdivision or subdivisions of the state irrespective of whether all or a portion of the site is released.

(3) The legislature finds that for all or a portion of sites that have been transferred to a political subdivision or subdivisions of the state prior to September 1, 1999, ensuring water for site restoration including economic development, completed pursuant to this section can best be accomplished by a transfer of existing surface water rights, and that such a transfer is best accomplished administratively through procedures set forth in existing statutes and rules. However, if a transfer of water rights is not possible, the department of ecology shall, within six months of the transfer of the site or portion thereof pursuant to subsection (1) of this section, create a trust water right under chapter 90.42 RCW containing between ten and twenty cubic feet per second for the benefit of the appropriate political subdivision or subdivisions of the state. The trust water right shall be used in fulfilling site restoration responsibilities, including economic development. The trust water right shall be from existing valid water rights within the basin where the site is located.

(4) For purposes of this section, "political subdivision or subdivisions of the state" means a city, town, county, public utility district, port district, or joint operating agency.

Passed the House March 6, 2000.

Passed the Senate February 29, 2000.

Approved by the Governor March 31, 2000.

Filed in Office of Secretary of State March 31, 2000.

---



**CHAPTER 244**

[Substitute House Bill 2721]

**ACTIONS AGAINST COUNTIES—VENUE**

AN ACT Relating to venue of actions by or against counties; and amending RCW 36.01.050.

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

**Sec. 1.** RCW 36.01.050 and 1997 c 401 s 1 are each amended to read as follows:

(1) All actions against any county may be commenced in the superior court of such county, or in the superior court of either of the two nearest ~~((counties))~~ judicial districts. All actions by any county shall be commenced in the superior court of the county in which the defendant resides, or in either of the two ~~((counties))~~ judicial districts nearest to the county bringing the action.

(2) The determination of the nearest ~~((counties))~~ judicial districts is measured by the travel time between county seats using major surface routes, as determined by the office of the administrator for the courts.

Passed the House February 8, 2000.

Passed the Senate March 2, 2000.

Approved by the Governor March 31, 2000.

Filed in Office of Secretary of State March 31, 2000.

**CHAPTER 245**

[Engrossed House Bill 2755]

**ELECTRICAL ENERGY SALES—TAXATION**

AN ACT Relating to clarifying the taxation of electrical energy sales; amending RCW 82.16.050 and 82.04.310; and declaring an emergency.

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

**Sec. 1.** RCW 82.16.050 and 1994 c 124 s 12 are each amended to read as follows:

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

(1) Amounts derived by municipally owned or operated public service businesses, directly from taxes levied for the support or maintenance thereof: **PROVIDED**, That this section shall not be construed to exempt service charges which are spread on the property tax rolls and collected as taxes;

(2) Amounts derived from the sale of commodities to persons in the same public service business as the seller, for resale as such within this state. This deduction is allowed only with respect to water distribution, ~~((light and power,))~~ gas distribution or other public service businesses which furnish water, ~~((electrical energy,))~~ gas or any other commodity in the performance of public service businesses;

(3) Amounts actually paid by a taxpayer to another person taxable under this chapter as the latter's portion of the consideration due for services furnished jointly

by both, if the total amount has been credited to and appears in the gross income reported for tax by the former;

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

(5) The amount of credit losses actually sustained by taxpayers whose regular books of accounts are kept upon an accrual basis;

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

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

(8) Amounts derived from the transportation of commodities from points of origin in this state to final destination outside this state, or from points of origin outside this state to final destination in this state, with respect to which the carrier grants to the shipper the privilege of stopping the shipment in transit at some point in this state for the purpose of storing, manufacturing, milling, or other processing, and thereafter forwards the same commodity, or its equivalent, in the same or converted form, under a through freight rate from point of origin to final destination; and amounts derived from the transportation of commodities from points of origin in the state to an export elevator, wharf, dock or ship side on tidewater or navigable tributaries thereto from which such commodities are forwarded, without intervening transportation, by vessel, in their original form, to interstate or foreign destinations: PROVIDED, That no deduction will be allowed when the point of origin and the point of delivery to such an export elevator, wharf, dock, or ship side are located within the corporate limits of the same city or town;

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

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

(11) Amounts paid by a sewerage collection business taxable under RCW 82.16.020(1)(a) to a person taxable under chapter 82.04 RCW for the treatment or disposal of sewage.

**Sec. 2.** RCW 82.04.310 and 1989 c 302 s 202 are each amended to read as follows:

(1) This chapter shall not apply to any person in respect to a business activity with respect to which tax liability is specifically imposed under the provisions of chapter 82.16 RCW including amounts derived from ((the sale of commodities)) activities for which a deduction is allowed under RCW 82.16.050.

(2) This chapter does not apply to amounts received by any person for the sale of electrical energy for resale within or outside the state.

**NEW SECTION. Sec. 3.** (1) Section 1 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 takes effect immediately.

(2) Section 1 of this act applies to all amounts due prior to and after the effective date of section 1 of this act.

Passed the House February 11, 2000.  
Passed the Senate March 3, 2000.  
Approved by the Governor March 31, 2000.  
Filed in Office of Secretary of State March 31, 2000.

---

**CHAPTER 246**

[Engrossed House Bill 3068]

**HANFORD RESERVATION—PRIVATIZATION CONTRACTS—TAX EXEMPTION**

AN ACT Relating to exempting privatization contracts for the treatment of radioactive waste and hazardous substances from property taxes; adding a new section to chapter 84.36 RCW; and providing an effective date.

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

**NEW SECTION.** **Sec. 1.** A new section is added to chapter 84.36 RCW to read as follows:

(1)(a) Beginning with taxes levied for collection in calendar year 2006, all personal property located on land owned by the United States, or an instrumentality of the United States, at the Hanford reservation that is used exclusively in the performance of a privatization contract to pretreat, treat, vitrify, and immobilize tank waste under subsection (2) of this section is exempt from taxation.

(b) Beginning with taxes levied for collection in calendar year 2002, and until the application of (a) of this subsection, all personal property located on land owned by the United States, or an instrumentality of the United States, at the Hanford reservation that is used exclusively in the performance of a privatization contract to pretreat, treat, vitrify, and immobilize tank waste under subsection (3) of this section is exempt from taxes levied by the state.

(2) To qualify for the exemption provided in subsection (1)(a) of this section, the personal property must be owned by a person that has a privatization contract to pretreat, treat, vitrify, and immobilize tank waste located at the Hanford reservation. For the purposes of this section, a privatization contract means a contract in which the United States, or an instrumentality of the United States, has designated the other contracting party as a party responsible for carrying out tank waste clean-up operations at the Hanford reservation.

(3) To qualify for the exemption provided in subsection (1)(b) of this section, the personal property must be owned by a person that has, and complies with, a privatization contract to pretreat, treat, vitrify, and immobilize tank waste located at the Hanford reservation. The personal property must be acquired or constructed, and operated, in compliance with the tank waste treatment complex requirements of the Hanford federal facility agreement and consent order, including schedules for tank waste treatment complex start of construction, initiation of hot commissioning, and schedules for tank waste pretreatment processing and vitrification. The privatization contractor shall submit annually, on or before August 1st, a progress report to the Washington state department of ecology documenting compliance with the requirements of the agreement and consent order

and the terms of the privatization contract. The department of ecology shall annually issue, on or before October 1st, a determination to the department of revenue indicating whether the privatization contractor is in compliance with the requirements of the agreement and consent order.

(4) An inadvertent use of property, which otherwise qualifies for an exemption under this section, in a manner inconsistent with the purpose for which the exemption is granted, does not nullify the exemption if the inadvertent use is not part of a pattern of use. A pattern of use is presumed when an inadvertent use is repeated in the same assessment year or in two or more successive assessment years.

**NEW SECTION. Sec. 2.** This act takes effect January 1, 2001.

Passed the House March 9, 2000.

Passed the Senate March 9, 2000.

Approved by the Governor March 31, 2000.

Filed in Office of Secretary of State March 31, 2000.

## CHAPTER 247

[Engrossed Substitute Senate Bill 6530]

### STATE RETIREMENT SYSTEM

AN ACT Relating to plans 2 and 3 of the state retirement systems; amending RCW 41.40.005, 41.40.010, 41.40.042, 41.40.054, 41.40.057, 41.40.062, 41.40.088, 41.40.092, 41.40.610, 41.34.020, 41.34.030, 41.34.040, 41.34.060, 41.34.080, 41.34.100, 41.31A.010, 41.31A.020, 41.45.010, 41.45.050, 41.45.061, 41.50.075, 41.50.500, 41.05.011, 43.33A.190, 41.26.450, 41.40.630, 41.32.765, 41.32.875, 41.26.430, 41.35.420, 41.35.680, 41.32.805, 41.32.895, 41.40.700, 41.04.440, 41.04.445, 41.04.450, 41.26.470, 41.26.520, and 41.40.710; reenacting and amending RCW 41.45.020, 41.45.060, 41.45.070, 41.50.088, 43.84.092, and 41.26.510; adding new sections to chapter 41.40 RCW; adding a new section to chapter 41.31A RCW; adding a new section to chapter 41.45 RCW; adding a new section to chapter 41.50 RCW; creating new sections; decodifying RCW 41.40.094; repealing RCW 41.40.650; and providing effective dates.

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

#### "PROVISIONS APPLICABLE TO PUBLIC EMPLOYEES' RETIREMENT SYSTEM PLANS 2 AND 3"

**Sec. 101.** RCW 41.40.005 and 1992 c 72 s 8 are each amended to read as follows:

RCW 41.40.010 through 41.40.112 shall apply to members of plan 1 (~~and~~), plan 2, and plan 3.

**Sec. 102.** RCW 41.40.010 and 1998 c 341 s 601 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 public employees' retirement system provided for in this chapter.

(2) "Department" means the department of retirement systems created in chapter 41.50 RCW.

(3) "State treasurer" means the treasurer of the state of Washington.

(4)(a) "Employer" for plan 1 members, means every branch, department, agency, commission, board, and office of the state, any political subdivision or association of political subdivisions of the state admitted into the retirement system, and legal entities authorized by RCW 35.63.070 and 36.70.060 or chapter 39.34 RCW; and the term shall also include any labor guild, association, or organization the membership of a local lodge or division of which is comprised of at least forty percent employees of an employer (other than such labor guild, association, or organization) within this chapter. The term may also include any city of the first class that has its own retirement system.

(b) "Employer" for plan 2 and plan 3 members, means every branch, department, agency, commission, board, and office of the state, and any political subdivision and municipal corporation of the state admitted into the retirement system, including public agencies created pursuant to RCW 35.63.070, 36.70.060, and 39.34.030; except that after August 31, 2000, school districts and educational service districts will no longer be employers for the public employees' retirement system plan 2.

(5) "Member" means any employee included in the membership of the retirement system, as provided for in RCW 41.40.023. RCW 41.26.045 does not prohibit a person otherwise eligible for membership in the retirement system from establishing such membership effective when he or she first entered an eligible position.

(6) "Original member" of this retirement system means:

(a) Any person who became a member of the system prior to April 1, 1949;

(b) Any person who becomes a member through the admission of an employer into the retirement system on and after April 1, 1949, and prior to April 1, 1951;

(c) Any person who first becomes a member by securing employment with an employer prior to April 1, 1951, provided the member has rendered at least one or more years of service to any employer prior to October 1, 1947;

(d) Any person who first becomes a member through the admission of an employer into the retirement system on or after April 1, 1951, provided, such person has been in the regular employ of the employer for at least six months of the twelve-month period preceding the said admission date;

(e) Any member who has restored all contributions that may have been withdrawn as provided by RCW 41.40.150 and who on the effective date of the individual's retirement becomes entitled to be credited with ten years or more of membership service except that the provisions relating to the minimum amount of retirement allowance for the member upon retirement at age seventy as found in RCW 41.40.190(4) shall not apply to the member;

(f) Any member who has been a contributor under the system for two or more years and who has restored all contributions that may have been withdrawn as provided by RCW 41.40.150 and who on the effective date of the individual's retirement has rendered five or more years of service for the state or any political

subdivision prior to the time of the admission of the employer into the system; except that the provisions relating to the minimum amount of retirement allowance for the member upon retirement at age seventy as found in RCW 41.40.190(4) shall not apply to the member.

(7) "New member" means a person who becomes a member on or after April 1, 1949, except as otherwise provided in this section.

(8)(a) "Compensation earnable" for plan 1 members, means salaries or wages earned during a payroll period for personal services and where the compensation is not all paid in money, maintenance compensation shall be included upon the basis of the schedules established by the member's employer.

(i) "Compensation earnable" for plan 1 members also includes the following actual or imputed payments, which are not paid for personal services:

(A) Retroactive payments to an individual by an employer on reinstatement of the employee in a position, or payments by an employer to an individual in lieu of reinstatement in a position which are awarded or granted as the equivalent of the salary or wage which the individual would have earned during a payroll period shall be considered compensation earnable and the individual shall receive the equivalent service credit;

(B) If a leave of absence is taken by an individual for the purpose of serving in the state legislature, the salary which would have been received for the position from which the leave of absence was taken, shall be considered as compensation earnable if the employee's contribution is paid by the employee and the employer's contribution is paid by the employer or employee;

(C) Assault pay only as authorized by RCW 27.04.100, 72.01.045, and 72.09.240;

(D) Compensation that a member would have received but for a disability occurring in the line of duty only as authorized by RCW 41.40.038;

(E) Compensation that a member receives due to participation in the leave sharing program only as authorized by RCW 41.04.650 through 41.04.670; and

(F) Compensation that a member receives for being in standby status. For the purposes of this section, a member is in standby status when not being paid for time actually worked and the employer requires the member to be prepared to report immediately for work, if the need arises, although the need may not arise.

(ii) "Compensation earnable" does not include:

(A) Remuneration for unused sick leave authorized under RCW 41.04.340, 28A.400.210, or 28A.310.490;

(B) Remuneration for unused annual leave in excess of thirty days as authorized by RCW 43.01.044 and 43.01.041.

(b) "Compensation earnable" for plan 2 and plan 3 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 nonmoney maintenance

compensation and lump sum or other payments for deferred annual sick leave, unused accumulated vacation, unused accumulated annual leave, or any form of severance pay.

"Compensation earnable" for plan 2 and plan 3 members also includes the following actual or imputed payments, which are not paid for personal services:

(i) Retroactive payments to an individual by an employer on reinstatement of the employee in a position, or payments by an employer to an individual in lieu of reinstatement in a position which are awarded or granted as the equivalent of the salary or wage which the individual would have earned during a payroll period shall be considered compensation earnable to the extent provided above, and the individual shall receive the equivalent service credit;

(ii) In any year in which a member serves in the legislature, the member shall have the option of having such member's compensation earnable be the greater of:

(A) The compensation earnable the member would have received had such member not served in the legislature; or

(B) Such member's actual compensation earnable received for nonlegislative public employment and legislative service combined. Any additional contributions to the retirement system required because compensation earnable under (b)(ii)(A) of this subsection is greater than compensation earnable under (b)(ii)(B) of this subsection shall be paid by the member for both member and employer contributions;

(iii) Assault pay only as authorized by RCW 27.04.100, 72.01.045, and 72.09.240;

(iv) Compensation that a member would have received but for a disability occurring in the line of duty only as authorized by RCW 41.40.038;

(v) Compensation that a member receives due to participation in the leave sharing program only as authorized by RCW 41.04.650 through 41.04.670; and

(vi) Compensation that a member receives for being in standby status. For the purposes of this section, a member is in standby status when not being paid for time actually worked and the employer requires the member to be prepared to report immediately for work, if the need arises, although the need may not arise.

(9)(a) "Service" for plan 1 members, except as provided in RCW 41.40.088, means periods of employment in an eligible position or positions for one or more employers rendered to any employer for which compensation is paid, and includes time spent in office as an elected or appointed official of an employer. Compensation earnable earned in full time work for seventy hours or more in any given calendar month shall constitute one service credit month except as provided in RCW 41.40.088. Compensation earnable earned for less than seventy hours in any calendar month shall constitute one-quarter service credit month of service except as provided in RCW 41.40.088. Only service credit months and one-quarter service credit months shall be counted in the computation of any retirement allowance or other benefit provided for in this chapter. Any fraction of a year of service shall be taken into account in the computation of such retirement allowance

or benefits. Time spent in standby status, whether compensated or not, is not service.

(i) Service by a state employee officially assigned by the state on a temporary basis to assist another public agency, shall be considered as service as a state employee: PROVIDED, That service to any other public agency shall not be considered service as a state employee if such service has been used to establish benefits in any other public retirement system.

(ii) An individual shall receive no more than a total of twelve service credit months of service during any calendar year. If an individual is employed in an eligible position by one or more employers the individual shall receive no more than one service credit month during any calendar month in which multiple service for seventy or more hours is rendered.

(iii) A school district employee may count up to forty-five days of sick leave as creditable service solely for the purpose of determining eligibility to retire under RCW 41.40.180 as authorized by RCW 28A.400.300. For purposes of plan 1 "forty-five days" as used in RCW 28A.400.300 is equal to two service credit months. Use of less than forty-five days of sick leave is creditable as allowed under this subsection as follows:

(A) Less than twenty-two days equals one-quarter service credit month;

(B) Twenty-two days equals one service credit month;

(C) More than twenty-two days but less than forty-five days equals one and one-quarter service credit month.

(b) "Service" for plan 2 and plan 3 members, means periods of employment by a member in an eligible position or positions for one or more employers for which compensation earnable is paid. Compensation earnable earned for ninety or more hours in any calendar month shall constitute one service credit month except as provided in RCW 41.40.088. Compensation earnable earned for at least seventy hours but less than ninety hours in any calendar month shall constitute one-half service credit month of service. Compensation earnable earned for less than seventy hours in any calendar month shall constitute one-quarter service credit month of service. Time spent in standby status, whether compensated or not, is not service.

Any fraction of a year of service shall be taken into account in the computation of such retirement allowance or benefits.

(i) Service in any state elective position shall be deemed to be full time service, except that persons serving in state elective positions who are members of the Washington school employees' retirement system, teachers' retirement system, or law enforcement officers' and fire fighters' retirement system at the time of election or appointment to such position may elect to continue membership in the Washington school employees' retirement system, teachers' retirement system, or law enforcement officers' and fire fighters' retirement system.

(ii) A member shall receive a total of not more than twelve service credit months of service for such calendar year. If an individual is employed in an



eligible position by one or more employers the individual shall receive no more than one service credit month during any calendar month in which multiple service for ninety or more hours is rendered.

(iii) Up to forty-five days of sick leave may be creditable as service solely for the purpose of determining eligibility to retire under RCW 41.40.180 as authorized by RCW 28A.400.300. For purposes of plan 2 and plan 3 "forty-five days" as used in RCW 28A.400.300 is equal to two service credit months. Use of less than forty-five days of sick leave is creditable as allowed under this subsection as follows:

(A) Less than eleven days equals one-quarter service credit month;

(B) Eleven or more days but less than twenty-two days equals one-half service credit month;

(C) Twenty-two days equals one service credit month;

(D) More than twenty-two days but less than thirty-three days equals one and one-quarter service credit month;

(E) Thirty-three or more days but less than forty-five days equals one and one-half service credit month.

(10) "Service credit year" means an accumulation of months of service credit which is equal to one when divided by twelve.

(11) "Service credit month" means a month or an accumulation of months of service credit which is equal to one.

(12) "Prior service" means all service of an original member rendered to any employer prior to October 1, 1947.

(13) "Membership service" means:

(a) All service rendered, as a member, after October 1, 1947;

(b) All service after October 1, 1947, to any employer prior to the time of its admission into the retirement system for which member and employer contributions, plus interest as required by RCW 41.50.125, have been paid under RCW 41.40.056 or 41.40.057;

(c) Service not to exceed six consecutive months of probationary service rendered after April 1, 1949, and prior to becoming a member, in the case of any member, upon payment in full by such member of the total amount of the employer's contribution to the retirement fund which would have been required under the law in effect when such probationary service was rendered if the member had been a member during such period, except that the amount of the employer's contribution shall be calculated by the director based on the first month's compensation earnable as a member;

(d) Service not to exceed six consecutive months of probationary service, rendered after October 1, 1947, and before April 1, 1949, and prior to becoming a member, in the case of any member, upon payment in full by such member of five percent of such member's salary during said period of probationary service, except that the amount of the employer's contribution shall be calculated by the director based on the first month's compensation earnable as a member.

(14)(a) "Beneficiary" for plan 1 members, means any person in receipt of a retirement allowance, pension or other benefit provided by this chapter.

(b) "Beneficiary" for plan 2 and plan 3 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.

(15) "Regular interest" means such rate as the director may determine.

(16) "Accumulated contributions" means the sum of all contributions standing to the credit of a member in the member's individual account, including any amount paid under RCW 41.50.165(2), together with the regular interest thereon.

(17)(a) "Average final compensation" for plan 1 members, means the annual average of the greatest compensation earnable by a member during any consecutive two year period of service credit months for which service credit is allowed; or if the member has less than two years of service credit months then the annual average compensation earnable during the total years of service for which service credit is allowed.

(b) "Average final compensation" for plan 2 and plan 3 members, means the member's average compensation earnable of the highest consecutive sixty months of service credit months prior to such member's retirement, termination, or death. Periods constituting authorized leaves of absence may not be used in the calculation of average final compensation except under RCW 41.40.710(2).

(18) "Final compensation" means the annual rate of compensation earnable by a member at the time of termination of employment.

(19) "Annuity" means payments for life derived from accumulated contributions of a member. All annuities shall be paid in monthly installments.

(20) "Pension" means payments for life derived from contributions made by the employer. All pensions shall be paid in monthly installments.

(21) "Retirement allowance" means the sum of the annuity and the pension.

(22) "Employee" or "employed" means a person who is providing services for compensation to an employer, unless the person is free from the employer's direction and control over the performance of work. The department shall adopt rules and interpret this subsection consistent with common law.

(23) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of such mortality and other tables as may be adopted by the director.

(24) "Retirement" means withdrawal from active service with a retirement allowance as provided by this chapter.

(25) "Eligible position" means:

(a) Any position that, as defined by the employer, normally requires five or more months of service a year for which regular compensation for at least seventy hours is earned by the occupant thereof. For purposes of this chapter an employer shall not define "position" in such a manner that an employee's monthly work for that employer is divided into more than one position;

(b) Any position occupied by an elected official or person appointed directly by the governor, or appointed by the chief justice of the supreme court under RCW 2.04.240(2) or 2.06.150(2), for which compensation is paid.

(26) "Ineligible position" means any position which does not conform with the requirements set forth in subsection (25) of this section.

(27) "Leave of absence" means the period of time a member is authorized by the employer to be absent from service without being separated from membership.

(28) "Totally incapacitated for duty" means total inability to perform the duties of a member's employment or office or any other work for which the member is qualified by training or experience.

(29) "Retiree" means any person who has begun accruing a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer while a member.

(30) "Director" means the director of the department.

(31) "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.

(32) "State actuary" or "actuary" means the person appointed pursuant to RCW 44.44.010(2).

(33) "Plan 1" means the public employees' retirement system, plan 1 providing the benefits and funding provisions covering persons who first became members of the system prior to October 1, 1977.

(34) "Plan 2" means the public employees' retirement system, plan 2 providing the benefits and funding provisions covering persons who first became members of the system on and after October 1, 1977, and are not included in plan 3.

(35) "Plan 3" means the public employees' retirement system, plan 3 providing the benefits and funding provisions covering persons who:

(a) First become a member on or after:

(i) March 1, 2002, and are employed by a state agency or institute of higher education and who did not choose to enter plan 2; or

(ii) September 1, 2002, and are employed by other than a state agency or institute of higher education and who did not choose to enter plan 2; or

(b) Transferred to plan 3 under section 304 of this act.

(36) "Index" means, for any calendar year, that year's annual average consumer price index, Seattle, Washington area, for urban wage earners and clerical workers, all items, compiled by the bureau of labor statistics, United States department of labor.

~~((36))~~ (37) "Index A" means the index for the year prior to the determination of a postretirement adjustment.

~~((37))~~ (38) "Index B" means the index for the year prior to index A.

~~((38))~~ (39) "Index year" means the earliest calendar year in which the index is more than sixty percent of index A.

~~((39))~~ (40) "Adjustment ratio" means the value of index A divided by index B.

~~((40))~~ (41) "Annual increase" means, initially, fifty-nine cents per month per year of service which amount shall be increased each July 1st by three percent, rounded to the nearest cent.

~~((41))~~ (42) "Separation from service" occurs when a person has terminated all employment with an employer.

(43) "Member account" or "member's account" for purposes of plan 3 means the sum of the contributions and earnings on behalf of the member in the defined contribution portion of plan 3.

**Sec. 103.** RCW 41.40.042 and 1991 c 35 s 89 are each amended to read as follows:

The deductions from the compensation of members, provided for in RCW 41.40.330 (~~or 41.40.650~~), 41.45.060, 41.45.061, or section 507 of this act, shall be made notwithstanding that the minimum compensation provided for by law for any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made and provided for in this chapter and receipt in full for his or her salary or compensation, and payment less the deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by the person during the period covered by the payment, except as to benefits provided for under this chapter.

**Sec. 104.** RCW 41.40.054 and 1997 c 103 s 3 are each amended to read as follows:

A member shall not receive a disability retirement benefit under RCW 41.40.200, 41.40.220, 41.40.230, 41.40.235, 41.40.250, (~~or~~) 41.40.670, or section 310 of this act if the disability is the result of criminal conduct by the member committed after April 21, 1997.

**Sec. 105.** RCW 41.40.057 and 1995 c 286 s 3 are each amended to read as follows:

(1) This section applies to the establishment of membership service with employers admitted to the retirement system after July 23, 1995.

(2) For current employees, membership service may be established for periods of employment with an employer prior to the employer's admission into the retirement system by making the payments required by this section.

The employer must select one of the options in this subsection and apply it uniformly, except as provided in subsection (3) of this section. The required payment shall include the total member and employer contributions that would have been required from the date of each current member's hire.

(a) Option A: The employer makes all the required payments within fifteen years from the date of the employer's admission.

(b) Option B: The employer makes a portion of the required payments and the member pays the balance. The employer shall not be required to make its

payments until the member has made his or her payments. Each member shall have the option to purchase the membership service.

(c) Option C: The member makes all of the required payments. Each member shall have the option to purchase the membership service.

All payments under options B and C of this subsection must be completed within five years from the date of the employer's admission, or prior to the retirement of the member, whichever occurs sooner. A member may not receive membership service credit under option B or C of this subsection until all required payments have been made.

(3) An employer shall not be required to purchase membership service under option A or B for periods of employment for which the employer made contributions to a qualified retirement plan as defined by 26 U.S.C. Sec. 401(a), if the contributions plus interest accrued cannot be transferred to the retirement system. If the employer does not purchase the membership credit under this subsection, the member may purchase the membership service under subsection (2)(c) of this section.

(4) A former employee who is an active member of the system and is not covered by subsection (2) of this section may establish membership service by making the required payments under subsection (2)(c) of this section prior to the retirement of the member.

(5) All payments made by the member under this section shall be placed in the member's individual account in the members' savings fund or the member's account for those members entering plan 3.

**Sec. 106.** RCW 41.40.062 and 1998 c 341 s 602 are each amended to read as follows:

(1) The members and appointive and elective officials of any political subdivision or association of political subdivisions of the state may become members of the retirement system by the approval of the local legislative authority.

(2) On and after September 1, 1965, every school district of the state of Washington shall be an employer under this chapter. Every member of each school district who is eligible for membership under RCW 41.40.023 shall be a member of the retirement system and participate on the same basis as a person who first becomes a member through the admission of any employer into the retirement system on and after April 1, 1949, except that after August 31, 2000, school districts will no longer be employers for the public employees' retirement system plan 2 or plan 3.

**Sec. 107.** RCW 41.40.088 and 1998 c 341 s 603 are each amended to read as follows:

(1) A plan 1 member who is employed by a school district or districts, an educational service district, the state school for the deaf, the state school for the blind, institutions of higher education, or community colleges:

(a) Shall receive a service credit month for each month of the period from September through August of the following year if he or she is employed in an

eligible position, earns compensation earnable for six hundred thirty hours or more during that period, and is employed during nine months of that period, except that a member may not receive credit for any period prior to the member's employment in an eligible position;

(b) If a member in an eligible position does not meet the requirements of (a) of this subsection, the member is entitled to a service credit month for each month of the period he or she earns earnable compensation for seventy or more hours; and the member is entitled to a one-quarter service credit month for those calendar months during which he or she earned compensation for less than seventy hours.

(2) Except for any period prior to the member's employment in an eligible position, a plan 2 or plan 3 member who is employed by a school district or districts, an educational service district, the state school for the blind, the state school for the deaf, institutions of higher education, or community colleges:

(a) Shall receive a service credit month for each month of the period from September through August of the following year if he or she is employed in an eligible position, earns compensation earnable for eight hundred ten hours or more during that period, and is employed during nine months of that period;

(b) If a member in an eligible position for each month of the period from September through August of the following year does not meet the hours requirements of (a) of this subsection, the member is entitled to one-half service credit month for each month of the period if he or she earns earnable compensation for at least six hundred thirty hours but less than eight hundred ten hours during that period, and is employed nine months of that period.

(c) In all other instances, a member in an eligible position is entitled to service credit months as follows:

(i) One service credit month for each month in which compensation is earned for ninety or more hours;

(ii) One-half service credit month for each month in which compensation is earned for at least seventy hours but less than ninety hours; and

(iii) One-quarter service credit month for each month in which compensation is earned for less than seventy hours.

(d) After August 31, 2000, school districts and educational service districts will no longer be employers for the public employees' retirement system plan 2 or plan 3.

(3) The department shall adopt rules implementing this section.

**Sec. 108.** RCW 41.40.092 and 1983 c 81 s 3 are each amended to read as follows:

(1) Active members of the Washington state patrol retirement system who have previously established service credit in the public employees' retirement system, plan 1 or plan 2 while employed by the state patrol as a cadet as defined in RCW 43.43.120(6)(b) may have such service credit transferred to the state patrol retirement system subject to the terms and conditions specified in chapter 43.43 RCW, including reestablishment of such service for the sole purpose of transfer.

Service reestablishment shall be subject to the interest requirements of RCW 41.40.150(2).

(2) Service credit established for employment other than that specified in subsection (1) of this section is not eligible for transfer.

NEW SECTION. Sec. 109. RCW 41.40.094 is decodified.

**"PUBLIC EMPLOYEES' RETIREMENT SYSTEM PLAN 2"**

**Sec. 201.** RCW 41.40.610 and 1991 c 35 s 97 are each amended to read as follows:

RCW 41.40.620 through ((41.40.740)) 41.40.750 shall apply only to plan 2 members.

NEW SECTION. Sec. 202. RCW 41.40.650 (Employer and member contributions) and 1989 c 273 s 24, 1986 c 268 s 6, 1984 c 184 s 12, & 1977 ex.s. c 295 s 6 are each repealed.

**"PUBLIC EMPLOYEES' RETIREMENT SYSTEM PLAN 3"**

NEW SECTION. Sec. 301. (1) Sections 301 through 316 of this act apply only to plan 3 members.

(2) Plan 3 consists of two separate elements: (a) A defined benefit portion covered under this subchapter; and (b) a defined contribution portion covered under chapter 41.34 RCW.

(3) Unless otherwise specified, all references to "plan 3" in this subchapter refer to the defined benefit portion of plan 3.

NEW SECTION. Sec. 302. (1) All employees who first become employed by an employer in an eligible position on or after March 1, 2002, for state agencies or institutes of higher education, or September 1, 2002, for other employers, shall have a period of ninety days to make an irrevocable choice to become a member of plan 2 or plan 3. At the end of ninety days, if the member has not made a choice to become a member of plan 2, he or she becomes a member of plan 3.

(2) For administrative efficiency, until a member elects to become a member of plan 3, or becomes a member of plan 3 by default pursuant to subsection (1) of this section, the member shall be reported to the department in plan 2, with member and employer contributions. Upon becoming a member of plan 3 by election or by default, all service credit shall be transferred to the member's plan 3 defined benefit, and all employee accumulated contributions shall be transferred to the member's plan 3 defined contribution account.

NEW SECTION. Sec. 303. (1) A member of the retirement system shall receive a retirement allowance equal to one percent of such member's average final compensation for each service credit year.

(2) The retirement allowance payable under section 309 of this act to a member who separates after having completed at least twenty service credit years shall be increased by twenty-five one-hundredths of one percent, compounded for

each month from the date of separation to the date that the retirement allowance commences.

**NEW SECTION. Sec. 304.** (1) As used in this section, unless the context clearly requires otherwise:

(a) "Transfer period" means the time during which a member of one of the groups of plan 2 members identified in subsection (2) of this section may choose to irrevocably transfer from plan 2 to plan 3.

(b) "Transfer basis" means the accumulated contributions present in a member's savings fund on March 1, 2002, less fifty percent of any contributions made pursuant to RCW 41.50.165(2), which is the basis for calculation of the plan 2 to plan 3 additional transfer payment.

(c) "Additional transfer payment date" means June 1, 2003, the date of the additional transfer payment made according to subsection (6) of this section.

(2) Every plan 2 member employed by an employer in an eligible position has the option during their transfer period to make an irrevocable transfer to plan 3 according to the following schedule:

(a) For those members employed by state agencies and institutes of higher education the transfer period means the period between March 1, 2002, and September 1, 2002.

(b) For those members employed by other organizations the transfer period means the period between September 1, 2002, and June 1, 2003.

(c) For those members employed by more than one employer within the retirement system, and whose transfer period is different between one employer and another, the member's transfer period is the last period that is available from any of that member's employers within the retirement system.

(3) All service credit in plan 2 shall be transferred to the defined benefit portion of plan 3.

(4)(a) Anyone who first became a state or higher education member of plan 2 before March 1, 2002, or a local government member of plan 2 before September 1, 2002, who wishes to transfer to plan 3 after their transfer period may transfer during the month of January in any following year, provided that the member earns service credit for that month.

(b) Anyone who chose to become a state or higher education member of plan 2 on or after March 1, 2002, or a local government member of plan 2 on or after September 1, 2002, is prohibited from transferring to plan 3 under (a) of this subsection.

(5) The accumulated contributions in plan 2, less fifty percent of any contributions made pursuant to RCW 41.50.165(2) shall be transferred to the member's account in the defined contribution portion established in chapter 41.34 RCW, pursuant to procedures developed by the department and subject to RCW 41.34.090. Contributions made pursuant to RCW 41.50.165(2) that are not transferred to the member's account shall be transferred to the fund created in RCW



41.50.075(3), except that interest earned on all such contributions shall be transferred to the member's account.

(6) Anyone who requests to transfer under this section during their transfer period, and establishes service credit for February 2003, shall have their member account:

(a) If a member's transfer period is that described in subsection (2)(a) of this section, increased by one hundred ten percent of the transfer basis;

(b) If a member's transfer period is that described in subsection (2)(b) of this section, increased by one hundred eleven percent of the transfer basis; and

(c) Deposited into the member's individual account on the additional transfer payment date.

(7) If a member who requests to transfer dies before June 1, 2003, the additional payment provided by this section shall be paid to the member's estate, or the person or persons, trust, or organization the member nominated by written designation duly executed and filed with the department.

(8) Anyone previously retired from plan 2 is prohibited from transferring to plan 3.

(9) The legislature reserves the right to discontinue the right to transfer under this section and to modify and to discontinue the right to an additional payment under this section for any plan 2 members who have not previously transferred to plan 3.

**NEW SECTION. Sec. 305.** Any member or beneficiary eligible to receive a retirement allowance under the provisions of section 309, 310, or 312 of this act is eligible to commence receiving a retirement allowance after having filed written application with the department.

(1) Retirement allowances paid to members shall accrue from the first day of the calendar month immediately following such member's separation from employment.

(2) Retirement allowances payable to eligible members no longer in service, but qualifying for such an allowance pursuant to RCW 41.40.068 shall accrue from the first day of the calendar month immediately following such qualification.

(3) Disability allowances paid to disabled members shall accrue from the first day of the calendar month immediately following such member's separation from employment for disability.

(4) Retirement allowances paid as death benefits shall accrue from the first day of the calendar month immediately following the member's death.

**NEW SECTION. Sec. 306.** (1) A member who is on a paid leave of absence authorized by a member's employer shall continue to receive service credit.

(2) A member who receives compensation from an employer while on an authorized leave of absence to serve as an elected official of a labor organization, and whose employer is reimbursed by the labor organization for the compensation paid to the member during the period of absence, may also be considered to be on a paid leave of absence. This subsection shall only apply if the member's leave of

absence is authorized by a collective bargaining agreement that provides that the member retains seniority rights with the employer during the period of leave. The earnable compensation reported for a member who establishes service credit under this subsection may not be greater than the salary paid to the highest paid job class covered by the collective bargaining agreement.

(3) Except as specified in subsection (4) of this section, a member shall be eligible to receive a maximum of two years service credit during a member's entire working career for those periods when a member is on an unpaid leave of absence authorized by an employer. Such credit may be obtained only if:

(a) The member makes the contribution on behalf of the employer, plus interest, as determined by the department; and

(b) The member makes the employee contribution, plus interest, as determined by the department, to the defined contribution portion.

The contributions required shall be based on the average of the member's earnable compensation at both the time the authorized leave of absence was granted and the time the member resumed employment.

(4) A member who leaves the employ of an employer to enter the armed forces of the United States shall be entitled to retirement system service credit for up to five years of military service if within ninety days of the member's honorable discharge from the United States armed forces, the member applies for reemployment with the employer who employed the member immediately prior to the member entering the United States armed forces. This subsection shall be administered in a manner consistent with the requirements of the federal uniformed services employment and reemployment rights act.

The department shall establish the member's service credit and shall bill the employer for its contribution required under RCW 41.45.060 and section 507 of this act for the period of military service, plus interest as determined by the department. Service credit under this subsection may be obtained only if the member makes the employee contribution to the defined contribution portion as determined by the department.

The contributions required shall be based on the compensation the member would have earned if not on leave, or if that cannot be estimated with reasonable certainty, the compensation reported for the member in the year prior to when the member went on military leave.

**NEW SECTION. Sec. 307.** (1) Contributions on behalf of the employer paid by the employee to purchase plan 3 service credit shall be allocated to the defined benefit portion of plan 3 and shall not be refundable when paid to the fund described in RCW 41.50.075(3). Contributions on behalf of the employee shall be allocated to the member account. If the member fails to meet the statutory time limitations to purchase plan 3 service credit, it may be purchased under the provisions of RCW 41.50.165(2). One-half of the purchase payments under RCW 41.50.165(2), plus interest, shall be allocated to the member's account.

(2) No purchased plan 3 membership service may be credited until all payments required of the member are made, with interest. Upon receipt of all payments owed by the member, the department shall bill the employer for any contributions, plus interest, required to purchase membership service.

**NEW SECTION. Sec. 308.** (1) The director may pay a member eligible to receive a retirement allowance or the member's beneficiary a lump sum payment in lieu of a monthly benefit if the initial monthly benefit would be less than one hundred dollars. The one hundred dollar limit shall be increased annually as determined by the director. The lump sum payment shall be the actuarial equivalent of the monthly benefit.

(2) Persons covered under the provisions of subsection (1) of this section may upon returning to member status reinstate all previous service by depositing the lump sum payment received, with interest as computed by the director, within two years of returning to service or prior to retiring again, whichever comes first. In computing the amount due, the director shall exclude the accumulated value of the normal payments the member would have received while in beneficiary status if the lump sum payment had not occurred.

(3) Any member who receives a settlement under this section is deemed to be retired from this system.

**NEW SECTION. Sec. 309.** (1) **NORMAL RETIREMENT.** Any member who is at least age sixty-five and who has:

(a) Completed ten service credit years; or

(b) Completed five service credit years, including twelve service credit months after attaining age fifty-four; or

(c) Completed five service credit years by the transfer payment date specified in section 304 of this act, under the public employees' retirement system plan 2 and who transferred to plan 3 under section 304 of this act; shall be eligible to retire and to receive a retirement allowance computed according to the provisions of section 303 of this act.

(2) **EARLY RETIREMENT.** Any member who has attained at least age fifty-five and has completed at least ten years of service shall be eligible to retire and to receive a retirement allowance computed according to the provisions of section 303 of this act, 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 sixty-five.

(3) **ALTERNATE EARLY RETIREMENT.** Any member who has completed at least thirty service credit years and has attained age fifty-five shall be eligible to retire and to receive a retirement allowance computed according to the provisions of section 303 of this act, except that a member retiring pursuant to this subsection shall have the retirement allowance reduced by three percent per year to reflect the difference in the number of years between age at retirement and the attainment of age sixty-five.

**NEW SECTION. Sec. 310.** (1) A member of the retirement system who becomes totally incapacitated for continued employment by an employer as determined by the department shall be eligible to receive an allowance under the provisions of plan 3. The member shall receive a monthly disability allowance computed as provided for in section 303 of this act and shall have this allowance actuarially reduced to reflect the difference in the number of years between age at disability and the attainment of age sixty-five.

Any member who receives an allowance under the provisions of this section shall be subject to comprehensive medical examinations as required by the department. If these medical examinations reveal that a member has recovered from the incapacitating disability and the member is offered reemployment by an employer at a comparable compensation, the member shall cease to be eligible for the allowance.

(2) If the recipient of a monthly retirement allowance under this section dies, any further benefit payments shall be conditioned by the payment option selected by the retiree as provided in section 314 of this act.

**NEW SECTION. Sec. 311.** (1) Any member who elects to transfer to plan 3 and has eligible unreturned withdrawn contributions in plan 2, may restore such contributions under the provisions of RCW 41.40.740 with interest as determined by the department. The restored plan 2 service credit will be automatically transferred to plan 3. Restoration payments will be transferred to the member account in plan 3. If the member fails to meet the time limitations of RCW 41.40.740, they may restore such contributions under the provisions of RCW 41.50.165(2). The restored plan 2 service credit will be automatically transferred to plan 3. One-half of the restoration payments under RCW 41.50.165(2) plus interest shall be allocated to the member's account.

(2) Any member who elects to transfer to plan 3 may purchase plan 2 service credit under RCW 41.40.740. Purchased plan 2 service credit will be automatically transferred to plan 3. Contributions on behalf of the employer paid by the employee shall be allocated to the defined benefit portion of plan 3 and shall not be refundable when paid to the fund described in RCW 41.50.075(3). Contributions on behalf of the employee shall be allocated to the member account. If the member fails to meet the time limitations of RCW 41.40.740, they may subsequently restore such contributions under the provisions of RCW 41.50.165(2). Purchased plan 2 service credit will be automatically transferred to plan 3. One-half of the payments under RCW 41.50.165(2), plus interest, shall be allocated to the member's account.

**NEW SECTION. Sec. 312.** If a member dies prior to retirement, the surviving spouse or eligible child or children shall receive a retirement allowance computed as provided in section 303 of this act actuarially reduced to reflect a joint and one hundred percent survivor option and if the member was not eligible for normal retirement at the date of death a further reduction as described in section 309 of this act.

If the surviving spouse who is receiving the retirement allowance dies leaving a child or children under the age of majority, then such child or children shall continue to receive an allowance in an amount equal to that which was being received by the surviving spouse, share and share alike, until such child or children reach the age of majority.

If there is no surviving spouse eligible to receive an allowance at the time of the member's death, such member's child or children under the age of majority shall receive an allowance, share and share alike. The allowance shall be calculated with the assumption that the age of the spouse and member were equal at the time of the member's death.

**NEW SECTION. Sec. 313.** Beginning July 1, 1979, and every year thereafter, the department shall determine the following information for each retired member or beneficiary whose retirement allowance has been in effect for at least one year:

- (1) The original dollar amount of the retirement allowance;
- (2) The index for the calendar year prior to the effective date of the retirement allowance, to be known as "index A";
- (3) The index for the calendar year prior to the date of determination, to be known as "index B"; and
- (4) The ratio obtained when index B is divided by index A.

The value of the ratio obtained shall be the annual adjustment to the original retirement allowance and shall be applied beginning with the July payment. In no event, however, shall the annual adjustment:

- (a) Produce a retirement allowance which is lower than the original retirement allowance;
- (b) Exceed three percent in the initial annual adjustment; or
- (c) Differ from the previous year's annual adjustment by more than three percent.

For the purposes of this section, "index" means, for any calendar year, that year's average consumer price index—Seattle, Washington area for urban wage earners and clerical workers, all items, compiled by the bureau of labor statistics, United States department of labor.

**NEW SECTION. Sec. 314.** (1) Upon retirement for service as prescribed in section 309 of this act or retirement for disability under section 310 of this act, a member shall elect to have the retirement allowance paid pursuant to one of the following options, calculated so as to be actuarially equivalent to each other.

- (a) Standard allowance. A member electing this option shall receive a retirement allowance payable throughout such member's life. However, if the retiree dies before the total of the retirement allowance paid to such retiree equals the amount of such retiree's accumulated contributions at the time of retirement, then the balance shall be paid to the member's estate, or such person or persons, trust, or organization as the retiree shall have nominated by written designation duly executed and filed with the department; or if there be no such designated

person or persons still living at the time of the retiree's death, then to the surviving spouse; or if there be neither such designated person or persons still living at the time of death nor a surviving spouse, then to the retiree's legal representative.

(b) The department shall adopt rules that allow a member to select a retirement option that pays the member a reduced retirement allowance and upon death, such portion of the member's reduced retirement allowance as the department by rule designates shall be continued throughout the life of and paid to a person nominated by the member by written designation duly executed and filed with the department at the time of retirement. The options adopted by the department shall include, but are not limited to, a joint and one hundred percent survivor option and a joint and fifty percent survivor option.

(2)(a) A member, if married, must provide the written consent of his or her spouse to the option selected under this section, except as provided in (b) of this subsection. If a member is married and both the member and the member's spouse do not give written consent to an option under this section, the department shall pay a joint and fifty percent survivor benefit calculated to be actuarially equivalent to the benefit options available under subsection (1) of this section unless spousal consent is not required as provided in (b) of this subsection.

(b) If a copy of a dissolution order designating a survivor beneficiary under RCW 41.50.790 has been filed with the department at least thirty days prior to a member's retirement:

(i) The department shall honor the designation as if made by the member under subsection (1) of this section; and

(ii) The spousal consent provisions of (a) of this subsection do not apply.

**NEW SECTION. Sec. 315.** (1) Except as provided in RCW 41.40.037, no retiree under the provisions of plan 3 shall be eligible to receive such retiree's monthly retirement allowance if he or she is employed in an eligible position as defined in RCW 41.40.010, 41.32.010, or 41.35.010, or as a law enforcement officer or fire fighter as defined in RCW 41.26.030, except that a retiree who ends his or her membership in the retirement system pursuant to RCW 41.40.023(3)(b) is not subject to this section if the retiree's only employment is as an elective official of a city or town.

(2) If a retiree's benefits have been suspended under this section, his or her benefits shall be reinstated when the retiree terminates the employment that caused his or her benefits to be suspended. Upon reinstatement, the retiree's benefits shall be actuarially recomputed pursuant to the rules adopted by the department.

(3) The department shall adopt rules implementing this section.

**NEW SECTION. Sec. 316.** The benefits provided pursuant to chapter . . . , Laws of 2000 (this act) are not provided to employees as a matter of contractual right prior to March 1, 2002. The legislature retains the right to alter or abolish these benefits at any time prior to March 1, 2002.

**NEW SECTION. Sec. 317.** Sections 301 through 316 of this act are each added to chapter 41.40 RCW and codified with the subchapter heading "PLAN 3."

**"DEFINED CONTRIBUTION"**

**Sec. 401.** RCW 41.34.020 and 1998 c 341 s 301 are each amended to read as follows:

As used in this chapter, the following terms have the meanings indicated:

- (1) "Actuary" means the state actuary or the office of the state actuary.
- (2) "Board" means the employee retirement benefits board authorized in chapter 41.50 RCW.
- (3) "Department" means the department of retirement systems.
- (4)(a) "Compensation" for teachers for purposes of this chapter is the same as "earnable compensation" for plan 3 in chapter 41.32 RCW except that the compensation may be reported when paid, rather than when earned.
- (b) "Compensation" for classified employees for purposes of this chapter is the same as "compensation earnable" for plan 3 in RCW 41.35.010, except that the compensation may be reported when paid, rather than when earned.
- (c) "Compensation" for public employees for purposes of this chapter is the same as "compensation earnable" for plan 3 in RCW 41.40.010, except that the compensation may be reported when paid, rather than when earned.
- (5)(a) "Employer" for teachers for purposes of this chapter means the same as "employer" for plan 3 in chapter 41.32 RCW.
- (b) "Employer" for classified employees for purposes of this chapter means the same as "employer" for plan 3 in RCW 41.35.010.
- (c) "Employer" for public employees for purposes of this chapter means the same as "employer" for plan 3 in RCW 41.40.010.
- (6) "Member" means any employee included in the membership of a retirement system as provided for in chapter 41.32 RCW of plan 3 ~~((or))~~, chapter 41.35 RCW of plan 3, or chapter 41.40 RCW of plan 3.
- (7) "Member account" or "member's account" means the sum of the contributions and earnings on behalf of the member.
- (8) "Retiree" means any member in receipt of an allowance or other benefit provided by this chapter resulting from service rendered to an employer by such member.
- (9) "Teacher" means a member of the teachers' retirement system plan 3 as defined in RCW 41.32.010(29).
- (10) "Classified employee" means a member of the school employees' retirement system plan 3 as defined in RCW 41.35.010.
- (11) "Public employee" means a member of the public employees' retirement system plan 3 as defined in RCW 41.40.010.

**Sec. 402.** RCW 41.34.030 and 1998 c 341 s 302 are each amended to read as follows:

- (1) This chapter applies only to members of plan 3 retirement systems created under chapters 41.32 ~~((and))~~, 41.35, and 41.40 RCW.
- (2) Plan 3 consists of two separate elements:
  - (a) A defined benefit portion covered under:

- (i) Sections 101 through 117, chapter 239, Laws of 1995; or  
(ii) Sections 1 through 25 and 201 through 213, chapter 341, Laws of 1998;

or

(iii) Sections 101 through 316, chapter . . . . Laws of 2000 (sections 101 through 316 of this act); and

(b) A defined contribution portion covered under this chapter. Unless specified otherwise, all references to "plan 3" in this chapter refer to the defined contribution portion of plan 3.

Sec. 403. RCW 41.34.040 and 1996 c 39 s 14 are each amended to read as follows:

(1) A member shall contribute from his or her compensation according to one of the following rate structures:

<u>Option A</u>	<u>Contribution Rate</u>
All Ages	5.0% fixed
<u>Option B</u>	
Up to Age 35	5.0%
Age 35 to 44	6.0%
Age 45 and above	7.5%
<u>Option C</u>	
Up to Age 35	6.0%
Age 35 to 44	7.5%
Age 45 and above	8.5%

(2) The board shall have the right to offer contribution rate options in addition to those listed in subsection (1) of this section, provided that no significant additional administrative costs are created. All options offered by the board shall conform to the requirements stated in subsections (3) and (4) of this section.

(3)(a) For members of the teachers' retirement system entering plan 3 under RCW 41.32.835 or members of the school employees' retirement system entering plan 3 under RCW 41.35.610, within ninety days of becoming a member he or she has an irrevocable option to choose one of the above contribution rate structures. If the member does not select an option within the ninety-day period, he or she shall be assigned option A. Such assignment shall be irrevocable.

(b) For members of the public employees' retirement system entering plan 3 under section 302 of this act, within the ninety days described in section 302 an employee who irrevocably chooses plan 3 shall select one of the above contribution rate structures. If the member does not select an option within the ninety-day period, he or she shall be assigned option A. Such assignment shall be irrevocable.

(c) For members of the teachers' retirement system transferring to plan 3 under RCW 41.32.817, members of the school employees' retirement system transferring to plan 3 under RCW 41.35.510, or members of the public employees' retirement system transferring to plan 3 under section 304 of this act, upon election to plan 3 he or she must irrevocably choose one of the above contribution rate structures.



(d) Within ninety days of the date that an employee (~~becomes a member of plan III or~~) changes employers, he or she has an irrevocable option to choose one of the above contribution rate structures. If the member does not select an option within this ninety-day period, he or she shall be assigned option A. Such assignment shall be irrevocable.

(4) Contributions shall begin the first day of the pay cycle in which the rate option is made, or the first day of the pay cycle in which the end of the ninety-day period occurs.

**Sec. 404.** RCW 41.34.060 and 1999 c 265 s 1 are each amended to read as follows:

(1) Except as provided in subsection (3) of this section, the member's account shall be invested by the state investment board. In order to reduce transaction costs and address liquidity issues, based upon recommendations of the state investment board, the department may require members to provide up to ninety days' notice prior to moving funds from the state investment board portfolio to self-directed investment options provided under subsection (3) of this section.

(a) For members of the retirement system as provided for in chapter 41.32 RCW of plan 3, investment shall be in the same portfolio as that of the teachers' retirement system combined plan 2 and 3 fund under RCW 41.50.075(2).

(b) For members of the retirement system as provided for in chapter 41.35 RCW of plan 3, investment shall be in the same portfolio as that of the school employees' retirement system combined plan 2 and 3 fund under RCW 41.50.075(4).

(c) For members of the retirement system as provided for in chapter 41.40 RCW of plan 3, investment shall be in the same portfolio as that of the public employees' retirement system combined plan 2 and 3 fund under RCW 41.50.075(3).

(2) The state investment board shall declare monthly unit values for the portfolios or funds, or portions thereof, utilized under subsection (1)(a) and (b) of this section. The declared values shall be an approximation of portfolio or fund values, based on internal procedures of the state investment board. Such declared unit values and internal procedures shall be in the sole discretion of the state investment board. The state investment board may delegate any of the powers and duties under this subsection, including discretion, pursuant to RCW 43.33A.030. Member accounts shall be credited by the department with a rate of return based on changes to such unit values.

(3) Members may elect to self-direct their investments as set forth in RCW 41.34.130 and 43.33A.190.

**Sec. 405.** RCW 41.34.080 and 1998 c 341 s 304 are each amended to read as follows:

(1) Subject to subsections (2) and (3) of this section, the right of a person to a pension, an annuity, a retirement allowance, any optional benefit, any other right accrued or accruing to any person under the provisions of this chapter, and the

various funds created by chapter 239, Laws of 1995(~~, and~~); chapter 341, Laws of 1998; and chapter . . . , Laws of 2000 (this act) and all moneys and investments and income thereof, is hereby exempt from any state, county, municipal, or other local tax, and shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency laws, or other process of law whatsoever, and shall be unassignable.

(2) This section shall not be deemed to prohibit a beneficiary of a retirement allowance from authorizing deductions therefrom for payment of premiums due on any group insurance policy or plan issued for the benefit of a group comprised of public employees of the state of Washington or its political subdivisions and that has been approved for deduction in accordance with rules that may be adopted by the state health care authority and/or the department. This section shall not be deemed to prohibit a beneficiary of a retirement allowance from authorizing deductions therefrom for payment of dues and other membership fees to any retirement association or organization the membership of which is composed of retired public employees, if a total of three hundred or more of such retired employees have authorized such deduction for payment to the same retirement association or organization.

(3) Subsection (1) of this section shall not prohibit the department from complying with (a) a wage assignment order for child support issued pursuant to chapter 26.18 RCW, (b) an order to withhold and deliver issued pursuant to chapter 74.20A RCW, (c) a notice of payroll deduction issued pursuant to RCW 26.23.060, (d) a mandatory benefits assignment order issued by the department, (e) a court order directing the department to pay benefits directly to an obligee under a dissolution order as defined in RCW 41.50.500(3) which fully complies with RCW 41.50.670 and 41.50.700, or (f) any administrative or court order expressly authorized by federal law.

**Sec. 406.** RCW 41.34.100 and 1998 c 341 s 305 are each amended to read as follows:

(1) The benefits provided pursuant to chapter 239, Laws of 1995 are not provided to employees as a matter of contractual right prior to July 1, 1996. The legislature retains the right to alter or abolish these benefits at any time prior to July 1, 1996.

(2) The benefits provided pursuant to chapter 341, Laws of 1998 are not provided to employees as a matter of contractual right prior to September 1, 2000. The legislature retains the right to alter or abolish these benefits at any time prior to September 1, 2000.

(3) The benefits provided pursuant to chapter . . . , Laws of 2000 (this act) are not provided to employees as a matter of contractual right prior to March 1, 2002. The legislature retains the right to alter or abolish these benefits at any time prior to March 1, 2002.

**"GAIN SHARING"**

**Sec. 407.** RCW 41.31A.010 and 1998 c 341 s 311 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context requires otherwise.

- (1) "Actuary" means the state actuary or the office of the state actuary.
- (2) "Department" means the department of retirement systems.
- (3) "Teacher" means any employee included in the membership of the teachers' retirement system as provided for in chapter 41.32 RCW.
- (4) "Member account" or "member's account" means the sum of any contributions as provided for in chapter 41.34 RCW and the earnings on behalf of the member.
- (5) "Classified employee" means the same as in RCW 41.35.010.
- (6) "Public employee" means the same as "member" as defined in RCW 41.40.010(5).

**Sec. 408.** RCW 41.31A.020 and 1998 c 341 s 312 are each amended to read as follows:

(1) On January 1, ~~((2002))~~ 2004, and on January 1st of even-numbered years thereafter, the member account of a person meeting the requirements of this section shall be credited by the extraordinary investment gain amount.

(2) The following persons shall be eligible for the benefit provided in subsection (1) of this section:

(a) Any member of the teachers' retirement system plan 3 ~~((or))~~, the Washington school employees' retirement system plan 3, or the public employees' retirement system plan 3 who earned service credit during the twelve-month period from September 1st to August 31st immediately preceding the distribution and had a balance of at least one thousand dollars in their member account on August 31st of the year immediately preceding the distribution; or

(b) Any person in receipt of a benefit pursuant to RCW 41.32.875 ~~((or))~~, 41.35.680, or section 309 of this act; or

(c) Any person who is a retiree pursuant to RCW 41.34.020(8) and who:  
 (i) Completed ten service credit years; or  
 (ii) Completed five service credit years, including twelve service months after attaining age fifty-four; or

(d) Any teacher who is a retiree pursuant to RCW 41.34.020(8) and who has completed five service credit years by July 1, 1996, under plan 2 and who transferred to plan 3 under RCW 41.32.817; or

(e) Any classified employee who is a retiree pursuant to RCW 41.34.020(8) and who has completed five service credit years by September 1, 2000, and who transferred to plan 3 under RCW 41.35.510; or

(f) Any public employee who is a retiree pursuant to RCW 41.40.010(29) and who has completed five service credit years by March 1, 2002, and who transferred to plan 3 under section 304 of this act; or

(g) Any person who had a balance of at least one thousand dollars in their member account on August 31st of the year immediately preceding the distribution and who:

(i) Completed ten service credit years; or

(ii) Completed five service credit years, including twelve service months after attaining age fifty-four; or

~~((g))~~ (h) Any teacher who had a balance of at least one thousand dollars in their member account on August 31st of the year immediately preceding the distribution and who has completed five service credit years by July 1, 1996, under plan 2 and who transferred to plan 3 under RCW 41.32.817; or

~~((h))~~ (i) Any classified employee who had a balance of at least one thousand dollars in their member account on August 31st of the year immediately preceding the distribution and who has completed five service credit years by September 1, 2000, and who transferred to plan 3 under RCW 41.35.510; or

(j) Any public employee who had a balance of at least one thousand dollars in their member account on August 31st of the year immediately preceding the distribution and who has completed five service credit years by March 1, 2002, and who transferred to plan 3 under section 304 of this act.

(3) The extraordinary investment gain amount shall be calculated as follows:

(a) One-half of the sum of the value of the net assets held in trust for pension benefits in the teachers' retirement system combined plan 2 and 3 fund ~~((and))~~, the Washington school employees' retirement system combined plan 2 and 3 fund, and the public employees' retirement system combined plan 2 and 3 fund at the close of the previous state fiscal year not including the amount attributable to member accounts;

(b) Multiplied by the amount which the compound average of investment returns on those assets over the previous four state fiscal years exceeds ten percent;

(c) Multiplied by the proportion of:

(i) The sum of the service credit on August 31st of the previous year of all persons eligible for the benefit provided in subsection (1) of this section; to

(ii) The sum of the service credit on August 31st of the previous year of:

(A) All persons eligible for the benefit provided in subsection (1) of this section;

(B) Any person who earned service credit in the teachers' retirement system plan 2 ~~((or))~~, the Washington school employees' retirement system plan 2, or the public employees' retirement system plan 2 during the twelve-month period from September 1st to August 31st immediately preceding the distribution;

(C) Any person in receipt of a benefit pursuant to RCW 41.32.765 ~~((or))~~, 41.35.420, or 41.40.630; and

(D) Any person with five or more years of service in the teachers' retirement system plan 2 ~~((or))~~, the Washington school employees' retirement system plan 2, or the public employees' retirement system plan 2;

(d) Divided proportionally among persons eligible for the benefit provided in subsection (1) of this section on the basis of their service credit total on August 31st of the previous year.

(4) The legislature reserves the right to amend or repeal this section in the future and no member or beneficiary has a contractual right to receive this distribution not granted prior to that time.

NEW SECTION, Sec. 409. A new section is added to chapter 41.31A RCW to read as follows:

(1) On June 1, 2003, the member account of a person meeting the requirements of this section shall be credited by the 2000 retroactive extraordinary investment gain amount and the 2002 retroactive extraordinary investment gain amount.

(2) The following persons shall be eligible for the benefits provided in subsection (1) of this section:

(a) Any public employee who earned service credit during the twelve-month period from September 1st to August 31st immediately preceding the distribution and who transferred to plan 3 under section 304 of this act; or

(b) Any public employee in receipt of a benefit pursuant to section 309 of this act and who has completed five service credit years by September 1, 2002, and who transferred to plan 3 under section 304 of this act; or

(c) Any public employee who is a retiree pursuant to RCW 41.34.020(8) and who has completed five service credit years by September 1, 2002, and who transferred to plan 3 under section 304 of this act; or

(d) Any public employee who has a balance of at least one thousand dollars in either his or her member account or in plan 2 accumulated contributions and who has completed five service credit years by September 1, 2002, and who transferred to plan 3 under section 304 of this act.

(3) The 2000 retroactive extraordinary investment gain amount shall be calculated as follows:

(a) An amount equal to the average benefit per year of service paid in 2000 to members of the teachers' retirement system plan 3 under section 309, chapter 341, Laws of 1998;

(b) Distributed to persons eligible for the benefit in subsection (1) of this section on the basis of their service credit total on July 1, 1999.

(4) The 2002 retroactive extraordinary investment gain amount shall be calculated as follows:

(a) An amount equal to the average benefit per year of service paid in 2002 to members of the teachers' retirement system plan 3 and the school employees' retirement system plan 3 under RCW 41.31A.020;

(b) Distributed to persons eligible for the benefit provided in subsection (1) of this section on the basis of their service credit total on July 1, 2001.

(5) The legislature reserves the right to amend or repeal this section in the future and no member or beneficiary has a contractual right to receive this distribution not granted prior to that time.

#### "ACTUARIAL FUNDING"

**Sec. 501.** RCW 41.45.010 and 1998 c 341 s 401 are each amended to read as follows:

It is the intent of the legislature to provide a dependable and systematic process for funding the benefits provided to members and retirees of the public employees' retirement system, chapter 41.40 RCW; the teachers' retirement system, chapter 41.32 RCW; the law enforcement officers' and fire fighters' retirement system, chapter 41.26 RCW; the school employees' retirement system, chapter 41.35 RCW; and the Washington state patrol retirement system, chapter 43.43 RCW.

The funding process established by this chapter is intended to achieve the following goals:

(1) To continue to fully fund the public employees' retirement system plans 2 and 3, the teachers' retirement system plans 2 and 3, the school employees' retirement system plans 2 and 3, and the law enforcement officers' and fire fighters' retirement system plan 2 as provided by law;

(2) To fully amortize the total costs of the public employees' retirement system plan 1, the teachers' retirement system plan 1, and the law enforcement officers' and fire fighters' retirement system plan 1 not later than June 30, 2024;

(3) To establish predictable long-term employer contribution rates which will remain a relatively constant proportion of the future state budgets; and

(4) To fund, to the extent feasible, benefit increases for plan 1 members and all benefits for plan 2 and 3 members over the working lives of those members so that the cost of those benefits are paid by the taxpayers who receive the benefit of those members' service.

**Sec. 502.** RCW 41.45.020 and 1998 c 341 s 402 and 1998 c 283 s 1 are each reenacted and amended to read as follows:

As used in this chapter, the following terms have the meanings indicated unless the context clearly requires otherwise.

(1) "Council" means the pension funding council created in RCW 41.45.100.

(2) "Department" means the department of retirement systems.

(3) "Law enforcement officers' and fire fighters' retirement system plan 1" and "law enforcement officers' and fire fighters' retirement system plan 2" mean the benefits and funding provisions under chapter 41.26 RCW.

(4) "Public employees' retirement system plan 1," (~~and~~) "public employees' retirement system plan 2," and "public employees' retirement system plan 3" mean the benefits and funding provisions under chapter 41.40 RCW.

(5) "Teachers' retirement system plan 1," "teachers' retirement system plan 2," and "teachers' retirement system plan 3" mean the benefits and funding provisions under chapter 41.32 RCW.

(6) "School employees' retirement system plan 2" and "school employees' retirement system plan 3" mean the benefits and funding provisions under chapter 41.35 RCW.

(7) "Washington state patrol retirement system" means the retirement benefits provided under chapter 43.43 RCW.

(8) "Unfunded liability" means the unfunded actuarial accrued liability of a retirement system.

(9) "Actuary" or "state actuary" means the state actuary employed under chapter 44.44 RCW.

(10) "State retirement systems" means the retirement systems listed in RCW 41.50.030.

(11) "Work group" means the pension funding work group created in RCW 41.45.120.

(12) "Classified employee" means a member of the Washington school employees' retirement system plan 2 or plan 3 as defined in RCW 41.35.010.

(13) "Teacher" means a member of the teachers' retirement system as defined in RCW 41.32.010(15).

**Sec. 503.** RCW 41.45.050 and 1998 c 341 s 403 are each amended to read as follows:

(1) Employers of members of the public employees' retirement system, the teachers' retirement system, the school employees' retirement system, and the Washington state patrol retirement system shall make contributions to those systems based on the rates established in RCW 41.45.060 and 41.45.070.

(2) The state shall make contributions to the law enforcement officers' and fire fighters' retirement system based on the rates established in RCW 41.45.060 and 41.45.070. The state treasurer shall transfer the required contributions each month on the basis of salary data provided by the department.

(3) The department shall bill employers, and the state shall make contributions to the law enforcement officers' and fire fighters' retirement system, using the combined rates established in RCW 41.45.060 and 41.45.070 regardless of the level of pension funding provided in the biennial budget. Any member of an affected retirement system may, by mandamus or other appropriate proceeding, require the transfer and payment of funds as directed in this section.

(4) The contributions received for the public employees' retirement system shall be allocated between the public employees' retirement system plan 1 fund and the public employees' retirement system combined plan 2 and plan 3 fund as follows: The contributions necessary to fully fund the public employees' retirement system combined plan 2 and plan 3 employer contribution (~~required by RCW 41.40.650~~) shall first be deposited in the public employees' retirement system combined plan 2 and plan 3 fund. All remaining public employees' retirement system employer contributions shall be deposited in the public employees' retirement system plan 1 fund.

(5) The contributions received for the teachers' retirement system shall be allocated between the plan 1 fund and the combined plan 2 and plan 3 fund as follows: The contributions necessary to fully fund the combined plan 2 and plan 3 employer contribution shall first be deposited in the combined plan 2 and plan 3 fund. All remaining teachers' retirement system employer contributions shall be deposited in the plan 1 fund.

(6) The contributions received for the school employees' retirement system shall be allocated between the public employees' retirement system plan 1 fund and the school employees' retirement system combined plan 2 and plan 3 fund as follows: The contributions necessary to fully fund the combined plan 2 and plan 3 employer contribution shall first be deposited in the combined plan 2 and plan 3 fund. All remaining school employees' retirement system employer contributions shall be deposited in the public employees' retirement system plan 1 fund.

(7) The contributions received under RCW ~~((41.26.450))~~ 41.45.060, 41.45.061, and section 507 of this act for the law enforcement officers' and fire fighters' retirement system shall be allocated between the law enforcement officers' and fire fighters' retirement system plan 1 and the law enforcement officers' and fire fighters' retirement system plan 2 fund as follows: The contributions necessary to fully fund the law enforcement officers' and fire fighters' retirement system plan 2 employer contributions shall be first deposited in the law enforcement officers' and fire fighters' retirement system plan 2 fund. All remaining law enforcement officers' and fire fighters' retirement system employer contributions shall be deposited in the law enforcement officers' and fire fighters' retirement system plan 1 fund.

**Sec. 504.** RCW 41.45.060 and 1998 c 341 s 404, 1998 c 340 s 11, and 1998 c 283 s 6 are each reenacted and amended to read as follows:

(1) The state actuary shall provide actuarial valuation results based on the assumptions adopted under RCW 41.45.030.

(2) Not later than September 30, 1998, and every two years thereafter, consistent with the assumptions adopted under RCW 41.45.030, the council shall adopt and may make changes to:

(a) A basic state contribution rate for the law enforcement officers' and fire fighters' retirement system;

(b) Basic employer contribution rates for the public employees' retirement system (~~(plan 1)~~), the teachers' retirement system (~~(plan 1)~~), and the Washington state patrol retirement system to be used in the ensuing biennial period; and

(c) A basic employer contribution rate for the school employees' retirement system for funding the public employees' retirement system plan 1.

(3) The employer and state contribution rates adopted by the council shall be the level percentages of pay that are needed:

(a) To fully amortize the total costs of the public employees' retirement system plan 1, the teachers' retirement system plan 1, the law enforcement officers' and fire fighters' retirement system plan 1, and the unfunded liability of the Washington



state patrol retirement system not later than June 30, 2024, except as provided in subsection (5) of this section; ~~((and))~~

(b) To also continue to fully fund the public employees' retirement system plans ~~2 and 3~~, the teachers' retirement system plans 2 and 3, the school employees' retirement system plans 2 and 3, and the law enforcement officers' and fire fighters' retirement system plan 2 in accordance with RCW ~~((41.40.650, 41.26.450,))~~ 41.45.061, section 507 of this act, and this section; and

(c) For the law enforcement officers' and fire fighters' system plan 2 the rate charged to employers, except as provided in RCW 41.26.450, shall be thirty percent of the cost of the retirement system and the rate charged to the state shall be twenty percent of the cost of the retirement system.

(4) The aggregate actuarial cost method shall be used to calculate a combined plan 2 and 3 employer contribution rate.

(5) An amount equal to the amount of extraordinary investment gains as defined in RCW 41.31.020 shall be used to shorten the amortization period for the public employees' retirement system plan 1 and the teachers' retirement system plan 1.

(6) 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.

(7) The director of the department of retirement systems shall collect those rates adopted by the council.

**Sec. 505.** RCW 41.45.070 and 1998 c 341 s 406 and 1998 c 340 s 10 are each reenacted and amended to read as follows:

(1) In addition to the basic employer contribution rate established in RCW 41.45.060, the department shall also charge employers of public employees' retirement system, teachers' retirement system, school employees' retirement system, or Washington state patrol retirement system members an additional supplemental rate to pay for the cost of additional benefits, if any, granted to members of those systems. Except as provided in subsections (6) and (7) of this section, the supplemental contribution rates required by this section shall be calculated by the state actuary and shall be charged regardless of language to the contrary contained in the statute which authorizes additional benefits.

(2) In addition to the basic state contribution rate established in RCW 41.45.060 for the law enforcement officers' and fire fighters' retirement system the department shall also establish a supplemental rate to pay for the cost of additional benefits, if any, granted to members of the law enforcement officers' and fire fighters' retirement system. Except as provided in subsection (6) of this section, this supplemental rate shall be calculated by the state actuary and the state treasurer shall transfer the additional required contributions regardless of language to the contrary contained in the statute which authorizes the additional benefits.

(3) The supplemental rate charged under this section to fund benefit increases provided to active members of the public employees' retirement system plan 1, the

teachers' retirement system plan 1, the law enforcement officers' and fire fighters' retirement system plan 1, and Washington state patrol retirement system, shall be calculated as the level percentage of all members' pay needed to fund the cost of the benefit not later than June 30, 2024.

(4) The supplemental rate charged under this section to fund benefit increases provided to active and retired members of the public employees' retirement system plan 2 and plan 3, the teachers' retirement system plan 2 and plan 3, the school employees' retirement system plan 2 and plan 3, or the law enforcement officers' and fire fighters' retirement system plan 2, shall be calculated as the level percentage of all members' pay needed to fund the cost of the benefit, as calculated under RCW ~~((41.40.650 or 41.26.450, respectively))~~ 41.45.060, 41.45.061, or section 507 of this act.

(5) The supplemental rate charged under this section to fund postretirement adjustments which are provided on a nonautomatic basis to current retirees shall be calculated as the percentage of pay needed to fund the adjustments as they are paid to the retirees. The supplemental rate charged under this section to fund automatic postretirement adjustments for active or retired members of the public employees' retirement system plan 1 and the teachers' retirement system plan 1 shall be calculated as the level percentage of pay needed to fund the cost of the automatic adjustments not later than June 30, 2024.

(6) A supplemental rate shall not be charged to pay for the cost of additional benefits granted to members pursuant to chapter 340, Laws of 1998.

(7) A supplemental rate shall not be charged to pay for the cost of additional benefits granted to members pursuant to chapter 41.31A RCW; section 309, chapter 341, Laws of 1998; or section 701, chapter 341, Laws of 1998.

**Sec. 506.** RCW 41.45.061 and 1998 c 341 s 405 are each amended to read as follows:

(1) The required contribution rate for members of the plan 2 teachers' retirement system shall be fixed at the rates in effect on July 1, 1996, subject to the following:

(a) Beginning September 1, 1997, except as provided in (b) of this subsection, the employee contribution rate shall not exceed the employer plan 2 and 3 rates adopted under RCW 41.45.060 and 41.45.070 for the teachers' retirement system;

(b) In addition, the employee contribution rate for plan 2 shall be increased by fifty percent of the contribution rate increase caused by any plan 2 benefit increase passed after July 1, 1996;

(c) In addition, the employee contribution rate for plan 2 shall not be increased as a result of any distributions pursuant to section 309, chapter 341, Laws of 1998 and RCW 41.31A.020.

(2) The required contribution rate for members of the school employees' retirement system plan 2 shall be fixed at the rates in effect on September 1, 2000, for members of the public employees' retirement system plan 2, subject to the following:

(a) Except as provided in (b) of this subsection, the member contribution rate shall not exceed the school employees' retirement system employer plan 2 and 3 contribution rate adopted under RCW 41.45.060 and 41.45.070;

(b) The member contribution rate for the school employees' retirement system plan 2 shall be increased by fifty percent of the contribution rate increase caused by any plan 2 benefit increase passed after September 1, 2000.

(3) The required contribution rate for members of the public employees' retirement system plan 2 shall be set at the same rate as the employer combined plan 2 and plan 3 rate.

(4) The required contribution rate for members of the law enforcement officers' and fire fighters' retirement system plan 2 shall be set at fifty percent of the cost of the retirement system.

(5) The employee contribution rates for plan 2 under subsections (3) and (4) of this section shall not ((be increased)) include any increase as a result of any distributions pursuant to RCW 41.31A.020 and 41.31A.030.

~~((4))~~ (6) The required plan 2 and 3 contribution rates for employers shall be adopted in the manner described in RCW 41.45.060.

**NEW SECTION. Sec. 507.** A new section is added to chapter 41.45 RCW to read as follows:

(1) 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.

(2) The director shall notify all employers of any pending adjustment in the required contribution rate and such pending adjustment in the required contribution rate and any increase shall be announced at least thirty days prior to the effective date of the change.

(3) Members' contributions required by RCW 41.45.060 and 41.45.061 shall be deducted from the members' compensation 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.

(4) The state's contribution required for the law enforcement officers' and fire fighters' retirement system plan 2 shall be transferred to the appropriate fund from the total contributions transferred by the state treasurer under RCW 41.45.060 and 41.45.070.

#### **"NECESSARY FOR IMPLEMENTATION"**

**Sec. 601.** RCW 41.50.075 and 1998 c 341 s 503 are each amended to read as follows:

(1) Two funds are hereby created and established in the state treasury to be known as the Washington law enforcement officers' and fire fighters' system plan 1 retirement fund, and the Washington law enforcement officers' and fire fighters' system plan 2 retirement fund which shall consist of all moneys paid into them in accordance with the provisions of this chapter and chapter 41.26 RCW, whether

such moneys take the form of cash, securities, or other assets. The plan 1 fund shall consist of all moneys paid to finance the benefits provided to members of the law enforcement officers' and fire fighters' retirement system plan 1, and the plan 2 fund shall consist of all moneys paid to finance the benefits provided to members of the law enforcement officers' and fire fighters' retirement system plan 2.

(2) All of the assets of the Washington state teachers' retirement system shall be credited according to the purposes for which they are held, to two funds to be maintained in the state treasury, namely, the teachers' retirement system plan 1 fund and the teachers' retirement system combined plan 2 and 3 fund. The plan 1 fund shall consist of all moneys paid to finance the benefits provided to members of the Washington state teachers' retirement system plan 1, and the combined plan 2 and 3 fund shall consist of all moneys paid to finance the benefits provided to members of the Washington state teachers' retirement system plan 2 and 3.

(3) There is hereby established in the state treasury two separate funds, namely the public employees' retirement system plan 1 fund and the public employees' retirement system combined plan 2 and plan 3 fund. The plan 1 fund shall consist of all moneys paid to finance the benefits provided to members of the public employees' retirement system plan 1, and the combined plan 2 and plan 3 fund shall consist of all moneys paid to finance the benefits provided to members of the public employees' retirement system plans 2 and 3.

(4) There is hereby established in the state treasury the school employees' retirement system combined plan 2 and 3 fund. The combined plan 2 and 3 fund shall consist of all moneys paid to finance the benefits provided to members of the school employees' retirement system plan 2 and plan 3.

**Sec. 602.** RCW 41.50.088 and 1998 c 341 s 507 and 1998 c 116 s 10 are each reenacted and amended to read as follows:

(1) The board shall adopt rules as necessary and exercise ~~((all))~~ the following powers and ~~((perform all))~~ duties ~~((prescribed by law with respect to))~~:

(a) The board shall recommend to the state investment board types of options for member self-directed investment in the teachers' retirement system plan 3 ~~((and))~~, the school employees' retirement system plan 3, and the public employees' retirement system plan 3 as deemed by the board to be reflective of the members' preferences;

(b) ~~((The selection of optional benefit payment schedules available to members and survivors of members upon the death, disability, retirement, or termination of the member. The optional benefit payments may include but not be limited to: Fixed and participating annuities, joint and survivor annuities, and payments that bridge to social security or defined benefit plan payments;~~

~~—(c) Approval of actuarially equivalent annuities))~~ By July 1, 2005, the board shall make optional actuarially equivalent life annuity benefit payment schedules available to members and survivors that may be purchased from the combined plan 2 and plan 3 funds under RCW 41.50.075 ~~((2) or (3))~~; and

~~((d))~~ (c) Determination of the basis for administrative charges to the self-directed investment fund to offset self-directed account expenses;

(2) The board shall recommend to the state investment board types of options for participant self-directed investment in the state deferred compensation plan, as deemed by the board to be reflective of the participants' preferences.

**Sec. 603.** RCW 41.50.500 and 1998 c 341 s 512 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 41.50.500 through 41.50.650, 41.50.670 through 41.50.720, and 26 09.138.

(1) "Benefits" means periodic retirement payments or a withdrawal of accumulated contributions.

(2) "Disposable benefits" means that part of the benefits of an individual remaining after the deduction from those benefits of any amount required by law to be withheld. The term "required by law to be withheld" does not include any deduction elective to the member.

(3) "Dissolution order" means any judgment, decree, or order of spousal maintenance, property division, or court-approved property settlement incident to a decree of divorce, dissolution, invalidity, or legal separation issued by the superior court of the state of Washington or a judgment, decree, or other order of spousal support issued by a court of competent jurisdiction in another state or country, that has been registered or otherwise made enforceable in this state.

(4) "Mandatory benefits assignment order" means an order issued to the department of retirement systems pursuant to RCW 41.50.570 to withhold and deliver benefits payable to an obligor under chapter 2.10, 2.12, 41.26, 41.32, 41.40, 41.35, or 43.43 RCW.

(5) "Obligee" means an ex spouse or spouse to whom a duty of spousal maintenance or property division obligation is owed.

(6) "Obligor" means the spouse or ex spouse owing a duty of spousal maintenance or a property division obligation.

(7) "Periodic retirement payments" means periodic payments of retirement allowances, including but not limited to service retirement allowances, disability retirement allowances, and survivors' allowances. The term does not include a withdrawal of accumulated contributions.

(8) "Property division obligation" means any outstanding court-ordered property division or court-approved property settlement obligation incident to a decree of divorce, dissolution, or legal separation.

(9) "Standard allowance" means a benefit payment option selected under RCW 2.10.146(1)(a), 41.26.460(1)(a), 41.32.785(1)(a), 41.40.188(1)(a), 41.40.660(1), section 314(1)(a) of this act, or 41.35.220 that ceases upon the death of the retiree. Standard allowance also means the benefit allowance provided under RCW 2.10.110, 2.10.130, 43.43.260, 41.26.100, 41.26.130(1)(a), or chapter 2.12 RCW. Standard allowance also means the maximum retirement allowance

available under RCW 41.32.530(1) following member withdrawal of accumulated contributions, if any.

(10) "Withdrawal of accumulated contributions" means a lump sum payment to a retirement system member of all or a part of the member's accumulated contributions, including accrued interest, at the request of the member including any lump sum amount paid upon the death of the member.

**Sec. 604.** RCW 41.05.011 and 1998 c 341 s 706 are each amended to read as follows:

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 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.

(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) 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; (b) 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; and (c) employees of a school district if the authority agrees to provide any of the

school districts' insurance programs by contract with the authority as provided in RCW 28A.400.350.

(7) "Board" means the public employees' benefits board established under RCW 41.05.055.

(8) "Retired or disabled school employee" means:

(a) Persons who separated from employment with a school district or educational service district and are receiving a retirement allowance under chapter 41.32 or 41.40 RCW as of September 30, 1993;

(b) Persons who separate from employment with a school district or educational service district on or after October 1, 1993, and immediately upon separation receive a retirement allowance under chapter 41.32, 41.35, or 41.40 RCW;

(c) Persons who separate from employment with a school district or educational service district due to a total and permanent disability, and are eligible to receive a deferred retirement allowance under chapter 41.32, 41.35, or 41.40 RCW.

(9) "Benefits contribution plan" means a premium only contribution plan, a medical flexible spending arrangement, or a cafeteria plan whereby state and public employees may agree to a contribution to benefit costs which will allow the employee to participate in benefits offered pursuant to 26 U.S.C. Sec. 125 or other sections of the internal revenue code.

(10) "Salary" means a state employee's monthly salary or wages.

(11) "Participant" means an individual who fulfills the eligibility and enrollment requirements under the benefits contribution plan.

(12) "Plan year" means the time period established by the authority.

(13) "Separated employees" means persons who separate from employment with an employer as defined in:

(a) RCW 41.32.010(11) on or after July 1, 1996; or

(b) RCW 41.35.010 on or after September 1, 2000; or

(c) RCW 41.40.010 on or after March 1, 2002;

and who are at least age fifty-five and have at least ten years of service under the teachers' retirement system plan 3 as defined in RCW 41.32.010(40) (~~or~~), the Washington school employees' retirement system plan 3 as defined in RCW 41.35.010, or the public employees' retirement system plan 3 as defined in RCW 41.40.010.

#### "FUND INVESTMENTS AND INTEREST EARNINGS"

**Sec. 701.** RCW 43.33A.190 and 1998 c 341 s 707 are each amended to read as follows:

Pursuant to RCW 41.34.130, the state investment board shall invest all self-directed investment moneys under teachers' retirement system plan 3 (~~and~~), the school employees' retirement system plan 3, and the public employees' retirement system plan 3 with full power to establish investment policy, develop investment options, and manage self-directed investment funds.

**Sec. 702.** RCW 43.84.092 and 1999 c 380 s 9, 1999 c 309 s 929, 1999 c 268 s 5, and 1999 c 94 s 4 are each reenacted and 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 drinking water assistance account, the Eastern Washington University capital projects account, the education construction fund, the emergency reserve fund, 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 state higher education construction account, the higher education construction account, the highway



infrastructure 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 mobile home park relocation fund, 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 1 account, the public employees' retirement system combined plan 2 and plan 3 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 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the transportation infrastructure account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer fire fighters' and reserve officers' relief and pension principal (~~account~~) fund, the volunteer fire fighters' (~~relief and pension~~) and reserve officers' administrative (~~account~~) fund, the Washington judicial retirement system account, the Washington law enforcement officers' and fire fighters' system plan 1 retirement account, the Washington law enforcement officers' and fire fighters' system plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving 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 (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 aeronautics account, the aircraft search and rescue account, the county arterial preservation account, the department of licensing services account, the essential rail assistance account, the ferry bond retirement fund, the grade crossing protective fund, the high capacity transportation account, the highway bond retirement fund, 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 safety and education account, the special category C account, the state patrol highway account, the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, and the urban arterial trust account.

(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.

**"LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM PLAN 2"**

Sec. 80I. RCW 41.26.450 and 1996 c 38 s 3 are each amended to read as follows:

~~((1) 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.~~

~~(2) Except as provided in subsection (3) of this section, the member, the employer and the state shall each contribute the following shares of the cost of the retirement system:~~

<del>Member</del>	<del>50%</del>
<del>Employer</del>	<del>30%</del>
<del>State</del>	<del>20%</del>

~~(3)) 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. Institutions of higher education shall contribute both the employer and the state shares of the cost of the retirement system for any of their employees who are fire fighters.~~

~~((4) 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.~~

~~(5) 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.~~

~~(6) 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.~~

~~(7) 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.~~

~~(8) 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:))~~

**"EARLY RETIREMENT REDUCTION FACTORS"**

**Sec. 901.** RCW 41.40.630 and 1991 c 343 s 11 are each amended to read as follows:

(1) **NORMAL RETIREMENT.** Any member with at least five service credit years who has attained at least age sixty-five shall be eligible to retire and to receive a retirement allowance computed according to the provisions of RCW 41.40.620.

(2) **EARLY RETIREMENT.** Any member who has completed at least twenty service credit years and has attained age fifty-five shall be eligible to retire and to receive a retirement allowance computed according to the provisions of RCW 41.40.620, 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 sixty-five.

(3) **ALTERNATE EARLY RETIREMENT.** Any member who has completed at least thirty service credit years and has attained age fifty-five shall be eligible to retire and to receive a retirement allowance computed according to the provisions of RCW 41.40.620, except that a member retiring pursuant to this subsection shall have the retirement allowance reduced by three percent per year to reflect the difference in the number of years between age at retirement and the attainment of age sixty-five.

**Sec. 902.** RCW 41.32.765 and 1991 c 343 s 5 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 sixty-five shall be eligible to retire and to receive a retirement allowance computed according to the provisions of RCW 41.32.760.

(2) **EARLY RETIREMENT.** Any member who has completed at least twenty service credit years of service who has attained at least age fifty-five shall be eligible to retire and to receive a retirement allowance computed according to the provisions of RCW 41.32.760, 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 sixty-five.

(3) **ALTERNATE EARLY RETIREMENT.** Any member who has completed at least thirty service credit years and has attained age fifty-five shall be eligible to retire and to receive a retirement allowance computed according to the provisions of RCW 41.32.760, except that a member retiring pursuant to this subsection shall have the retirement allowance reduced by three percent per year to reflect the

difference in the number of years between age at retirement and the attainment of age sixty-five.

**Sec. 903.** RCW 41.32.875 and 1996 c 39 s 6 are each amended to read as follows:

(1) **NORMAL RETIREMENT.** Any member who is at least age sixty-five and who has:

- (a) Completed ten service credit years; or
  - (b) Completed five service credit years, including twelve service credit months after attaining age fifty-four; or
  - (c) Completed five service credit years by July 1, 1996, under plan 2 and who transferred to plan 3 under RCW 41.32.817;
- shall be eligible to retire and to receive a retirement allowance computed according to the provisions of RCW 41.32.840.

(2) **EARLY RETIREMENT.** Any member who has attained at least age fifty-five and has completed at least ten years of service shall be eligible to retire and to receive a retirement allowance computed according to the provisions of RCW 41.32.840, 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 sixty-five.

(3) ALTERNATE EARLY RETIREMENT. Any member who has completed at least thirty service credit years and has attained age fifty-five shall be eligible to retire and to receive a retirement allowance computed according to the provisions of RCW 41.32.840, except that a member retiring pursuant to this subsection shall have the retirement allowance reduced by three percent per year to reflect the difference in the number of years between age at retirement and the attainment of age sixty-five.

**Sec. 904.** RCW 41.26.430 and 1993 c 517 s 3 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-five))~~ fifty-three 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-five))~~ fifty-three.

(3) ALTERNATE EARLY RETIREMENT. Any member who has completed at least twenty service credit years 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 reduced by three percent per year to reflect the difference in the number of years between age at retirement and the attainment of age fifty-three.

**Sec. 905.** RCW 41.35.420 and 1998 c 341 s 103 are each amended to read as follows:

(1) **NORMAL RETIREMENT.** Any member with at least five service credit years who has attained at least age sixty-five shall be eligible to retire and to receive a retirement allowance computed according to the provisions of RCW 41.35.400.

(2) **EARLY RETIREMENT.** Any member who has completed at least twenty service credit years and has attained age fifty-five shall be eligible to retire and to receive a retirement allowance computed according to the provisions of RCW 41.35.400, 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 sixty-five.

(3) **ALTERNATE EARLY RETIREMENT.** Any member who has completed at least thirty service credit years and has attained age fifty-five shall be eligible to retire and to receive a retirement allowance computed according to the provisions of RCW 41.35.400, except that a member retiring pursuant to this subsection shall have the retirement allowance reduced by three percent per year to reflect the difference in the number of years between age at retirement and the attainment of age sixty-five.

**Sec. 906.** RCW 41.35.680 and 1998 c 341 s 209 are each amended to read as follows:

(1) **NORMAL RETIREMENT.** Any member who is at least age sixty-five and who has:

(a) Completed ten service credit years; or

(b) Completed five service credit years, including twelve service credit months after attaining age fifty-four; or

(c) Completed five service credit years by September 1, 2000, under the public employees' retirement system plan 2 and who transferred to plan 3 under RCW 41.35.510;

shall be eligible to retire and to receive a retirement allowance computed according to the provisions of RCW 41.35.620.

(2) **EARLY RETIREMENT.** Any member who has attained at least age fifty-five and has completed at least ten years of service shall be eligible to retire and to receive a retirement allowance computed according to the provisions of RCW 41.35.620, 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 sixty-five.

(3) **ALTERNATE EARLY RETIREMENT.** Any member who has completed at least thirty service credit years and has attained age fifty-five shall be eligible to retire and to receive a retirement allowance computed according to the provisions

of RCW 41.35.620, except that a member retiring pursuant to this subsection shall have the retirement allowance reduced by three percent per year to reflect the difference in the number of years between age at retirement and the attainment of age sixty-five.

#### "DEATH BENEFITS"

**Sec. 1001.** RCW 41.26.510 and 1995 c 245 s 1 and 1995 c 144 s 19 are each reenacted and amended to read as follows:

(1) Except as provided in RCW 11.07.010, if a member or a vested member who has not completed at least ten years of service dies, the amount of the accumulated contributions standing to such member's credit in the retirement system at the time of such member's death, less any amount identified as owing to an obligee upon withdrawal of accumulated contributions pursuant to a court order filed under RCW 41.50.670, shall be paid to the member's estate, or such person or persons, trust, or organization as the member shall have nominated by written designation duly executed and filed with the department. If there be no such designated person or persons still living at the time of the member's death, such member's accumulated contributions standing to such member's credit in the retirement system, less any amount identified as owing to an obligee upon withdrawal of accumulated contributions pursuant to a court order filed under RCW 41.50.670, shall be paid to the member's surviving spouse as if in fact such spouse had been nominated by written designation, or if there be no such surviving spouse, then to such member's legal representatives.

(2) If a member who is eligible for retirement or a member who has completed at least ten years of service dies, the surviving spouse or eligible child or children shall elect to receive either:

(a) A retirement allowance computed as provided for in RCW 41.26.430(~~((+))~~), actuarially reduced by the amount of any lump sum benefit identified as owing to an obligee upon withdrawal of accumulated contributions pursuant to a court order filed under RCW 41.50.670 and actuarially adjusted to reflect a joint and one hundred percent survivor option under RCW 41.26.460 and if the member was not eligible for normal retirement at the date of death a further reduction as described in RCW 41.26.430(~~((2))~~); if a surviving spouse who is receiving a retirement allowance dies leaving a child or children of the member under the age of majority, then such child or children shall continue to receive an allowance in an amount equal to that which was being received by the surviving spouse, share and share alike, until such child or children reach the age of majority; if there is no surviving spouse eligible to receive an allowance at the time of the member's death, such member's child or children under the age of majority shall receive an allowance share and share alike calculated as herein provided making the assumption that the ages of the spouse and member were equal at the time of the member's death; or

(b)(i) The member's accumulated contributions, less any amount identified as owing to an obligee upon withdrawal of accumulated contributions pursuant to a court order filed under RCW 41.50.670; or

(ii) If the member dies on or after July 25, 1993, one hundred fifty percent of the member's accumulated contributions, less any amount identified as owing to an obligee upon withdrawal of accumulated contributions pursuant to a court order filed under RCW 41.50.670. Any accumulated contributions attributable to restorations made under RCW 41.50.165(2) shall be refunded at one hundred percent.

(3) If a member who is eligible for retirement or a member who has completed at least ten years of service dies after October 1, 1977, and is not survived by a spouse or an eligible child, then the accumulated contributions standing to the member's credit, less any amount identified as owing to an obligee upon withdrawal of accumulated contributions pursuant to a court order filed under RCW 41.50.670, shall be paid:

(a) To an estate, a person or persons, trust, or organization as the member shall have nominated by written designation duly executed and filed with the department; or

(b) If there is no such designated person or persons still living at the time of the member's death, then to the member's legal representatives.

**Sec. 1002.** RCW 41.32.805 and 1995 c 144 s 16 are each amended to read as follows:

(1) Except as provided in RCW 11.07.010, if a member or a vested member who has not completed at least ten years of service dies, the amount of the accumulated contributions standing to such member's credit in the retirement system, less any amount identified as owing to an obligee upon withdrawal of accumulated contributions pursuant to a court order filed under RCW 41.50.670, at the time of such member's death shall be paid to the member's estate, or such person or persons, trust, or organization as the member shall have nominated by written designation duly executed and filed with the department. If there be no such designated person or persons still living at the time of the member's death, such member's accumulated contributions standing to such member's credit in the retirement system, less any amount identified as owing to an obligee upon withdrawal of accumulated contributions pursuant to a court order filed under RCW 41.50.670, shall be paid to the member's surviving spouse as if in fact such spouse had been nominated by written designation, or if there be no such surviving spouse, then to such member's legal representatives.

(2) If a member who is eligible for retirement or a member who has completed at least ten years of service dies, the surviving spouse or eligible children shall elect to receive either:

(a) A retirement allowance computed as provided for in RCW 41.32.765(((+))), actuarially reduced by the amount of any lump sum benefit identified as owing to an obligee upon withdrawal of accumulated contributions

pursuant to a court order filed under RCW 41.50.670 and actuarially adjusted to reflect a joint and one hundred percent survivor option under RCW 41.32.785 and if the member was not eligible for normal retirement at the date of death a further reduction as described in RCW 41.32.765(~~((2))~~); if a surviving spouse who is receiving a retirement allowance dies leaving a child or children of the member under the age of majority, then such child or children shall continue to receive an allowance in an amount equal to that which was being received by the surviving spouse, share and share alike, until such child or children reach the age of majority; if there is no surviving spouse eligible to receive an allowance at the time of the member's death, such member's child or children under the age of majority shall receive an allowance share and share alike calculated as herein provided making the assumption that the ages of the spouse and member were equal at the time of the member's death; or

(b) The member's accumulated contributions, less any amount identified as owing to an obligee upon withdrawal of accumulated contributions pursuant to a court order filed under RCW 41.50.670.

(3) If a member who is eligible for retirement or a member who has completed at least ten years of service dies after October 1, 1977, and is not survived by a spouse or an eligible child, then the accumulated contributions standing to the member's credit, less any amount identified as owing to an obligee upon withdrawal of accumulated contributions pursuant to a court order filed under RCW 41.50.670, shall be paid:

(a) To an estate, a person or persons, trust, or organization as the member shall have nominated by written designation duly executed and filed with the department; or

(b) If there is no such designated person or persons still living at the time of the member's death, then to the member's legal representatives.

**Sec. 1003.** RCW 41.32.895 and 1996 c 39 s 7 are each amended to read as follows:

If a member dies prior to retirement, the surviving spouse or eligible child or children shall receive a retirement allowance computed as provided in RCW 41.32.851 actuarially reduced to reflect a joint and one hundred percent survivor option and if the member was not eligible for normal retirement at the date of death a further reduction as described in RCW 41.32.875(~~((2))~~).

If the surviving spouse who is receiving the retirement allowance dies leaving a child or children under the age of majority, then such child or children shall continue to receive an allowance in an amount equal to that which was being received by the surviving spouse, share and share alike, until such child or children reach the age of majority.

If there is no surviving spouse eligible to receive an allowance at the time of the member's death, such member's child or children under the age of majority shall receive an allowance, share and share alike. The allowance shall be



calculated with the assumption that the age of the spouse and member were equal at the time of the member's death.

**Sec. 1004.** RCW 41.40.700 and 1995 c 144 s 8 are each amended to read as follows:

(1) Except as provided in RCW 11.07.010, if a member or a vested member who has not completed at least ten years of service dies, the amount of the accumulated contributions standing to such member's credit in the retirement system at the time of such member's death, less any amount identified as owing to an obligee upon withdrawal of accumulated contributions pursuant to a court order filed under RCW 41.50.670, shall be paid to the member's estate, or such person or persons, trust, or organization as the member shall have nominated by written designation duly executed and filed with the department. If there be no such designated person or persons still living at the time of the member's death, such member's accumulated contributions standing to such member's credit in the retirement system, less any amount identified as owing to an obligee upon withdrawal of accumulated contributions pursuant to a court order filed under RCW 41.50.670, shall be paid to the member's surviving spouse as if in fact such spouse had been nominated by written designation, or if there be no such surviving spouse, then to such member's legal representatives.

(2) If a member who is eligible for retirement or a member who has completed at least ten years of service dies, the surviving spouse or eligible child or children shall elect to receive either:

(a) A retirement allowance computed as provided for in RCW 41.40.630(~~(+)~~), actuarially reduced by the amount of any lump sum benefit identified as owing to an obligee upon withdrawal of accumulated contributions pursuant to a court order filed under RCW 41.50.670 and actuarially adjusted to reflect a joint and one hundred percent survivor option under RCW 41.40.660 and if the member was not eligible for normal retirement at the date of death a further reduction as described in RCW 41.40.630(~~(2)~~); if a surviving spouse who is receiving a retirement allowance dies leaving a child or children of the member under the age of majority, then such child or children shall continue to receive an allowance in an amount equal to that which was being received by the surviving spouse, share and share alike, until such child or children reach the age of majority; if there is no surviving spouse eligible to receive an allowance at the time of the member's death, such member's child or children under the age of majority shall receive an allowance share and share alike calculated as herein provided making the assumption that the ages of the spouse and member were equal at the time of the member's death; or

(b) The member's accumulated contributions, less any amount identified as owing to an obligee upon withdrawal of accumulated contributions pursuant to a court order filed under RCW 41.50.670.

(3) If a member who is eligible for retirement or a member who has completed at least ten years of service dies after October 1, 1977, and is not survived by a

spouse or an eligible child, then the accumulated contributions standing to the member's credit, less any amount identified as owing to an obligee upon withdrawal of accumulated contributions pursuant to a court order filed under RCW 41.50.670, shall be paid:

(a) To a person or persons, estate, trust, or organization as the member shall have nominated by written designation duly executed and filed with the department; or

(b) If there is no such designated person or persons still living at the time of the member's death, then to the member's legal representatives.

**"CONFORMING AMENDMENTS"**

**Sec. 1101.** RCW 41.04.440 and 1995 c 239 s 322 are each amended to read as follows:

(1) The sole purpose of RCW 41.04.445 and 41.04.450 is to allow the members of the retirement systems created in chapters 2.10, 2.12, 41.26, 41.32, 41.40, 41.34, and 43.43 RCW to enjoy the tax deferral benefits allowed under 26 U.S.C. 414(h). Chapter 227, Laws of 1984 does not alter in any manner the provisions of RCW ~~((41.26.450 and 41.40.650))~~ 41.45.060, 41.45.061, and section 507 of this act which require that the member contribution rates shall be set so as to provide fifty percent of the cost of the respective retirement plans.

(2) Should the legislature revoke any benefit allowed under 26 U.S.C. 414(h), no affected employee shall be entitled thereafter to receive such benefit as a matter of contractual right.

**Sec. 1102.** RCW 41.04.445 and 1995 c 239 s 323 are each amended to read as follows:

(1) This section applies to all members who are:

(a) Judges under the retirement system established under chapter 2.10, 2.12, or 2.14 RCW;

(b) Employees of the state under the retirement system established by chapter 41.32, 41.40, or 43.43 RCW;

(c) Employees of school districts under the retirement system established by chapter 41.32 or 41.40 RCW, except for substitute teachers as defined by RCW 41.32.010;

(d) Employees of educational service districts under the retirement system established by chapter 41.32 or 41.40 RCW; or

(e) Employees of community college districts under the retirement system established by chapter 41.32 or 41.40 RCW.

(2) Only for compensation earned after the effective date of the implementation of this section and as provided by section 414(h) of the federal internal revenue code, the employer of all the members specified in subsection (1) of this section shall pick up only those member contributions as required under:

(a) RCW 2.10.090(1);

(b) RCW 2.12.060;

(c) RCW 2.14.090;

- (d) RCW 41.32.263;
- (e) RCW 41.32.350;
- (f) RCW 41.40.330 (1) and (3);
- (g) RCW ((41.40.650)) 41.45.061 and section 507 of this act;
- (h) RCW 41.34.070;
- (i) RCW 43.43.300; and
- (j) RCW 41.34.040.

(3) Only for the purposes of federal income taxation, the gross income of the member shall be reduced by the amount of the contribution to the respective retirement system picked up by the employer.

(4) All member contributions to the respective retirement system picked up by the employer as provided by this section, plus the accrued interest earned thereon, shall be paid to the member upon the withdrawal of funds or lump-sum payment of accumulated contributions as provided under the provisions of the retirement systems.

(5) At least forty-five days prior to implementing this section, the employer shall provide:

- (a) A complete explanation of the effects of this section to all members; and
- (b) Notification of such implementation to the director of the department of retirement systems.

**Sec. 1103.** RCW 41.04.450 and 1995 c 239 s 324 are each amended to read as follows:

(1) Employers of those members under chapters 41.26, 41.40, and 41.34 RCW who are not specified in RCW 41.04.445 may choose to implement the employer pick up of all member contributions without exception under RCW 41.26.080(1), 41.26.450, 41.40.330(1), ((41.40.650;)) 41.45.060, 41.45.061, and section 507 of this act and chapter 41.34 RCW. If the employer does so choose, the employer and members shall be subject to the conditions and limitations of RCW 41.04.445 (3), (4), and (5) and RCW 41.04.455.

(2) An employer exercising the option under this section may later choose to withdraw from and/or reestablish the employer pick up of member contributions only once in a calendar year following forty-five days prior notice to the director of the department of retirement systems.

**Sec. 1104.** RCW 41.26.470 and 1999 c 135 s 1 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-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~~) 41.45.060 and section 507 of this act.

(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 accunulated contributions at the date of retirement, then the balance shall be paid to the member's estate, or such person or persons, trust, or organization 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 persons 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.

(5) Should the disability retirement allowance of any disability beneficiary be canceled for any cause other than reentrance into service or retirement for service, he or she shall be paid the excess, if any, of the accumulated contributions at the time of retirement over all payments made on his or her behalf under this chapter.

**See. 1105.** RCW 41.26.520 and 1996 c 61 s 1 are each amended to read as follows:

(1) A member who is on a paid leave of absence authorized by a member's employer shall continue to receive service credit as provided for under the provisions of RCW 41.26.410 through 41.26.550.

(2) A member who receives compensation from an employer while on an authorized leave of absence to serve as an elected official of a labor organization, and whose employer is reimbursed by the labor organization for the compensation paid to the member during the period of absence, may also be considered to be on a paid leave of absence. This subsection shall only apply if the member's leave of absence is authorized by a collective bargaining agreement that provides that the member retains seniority rights with the employer during the period of leave. The basic salary reported for a member who establishes service credit under this subsection may not be greater than the salary paid to the highest paid job class covered by the collective bargaining agreement.

(3) Except as specified in subsection (6) of this section, a member shall be eligible to receive a maximum of two years service credit during a member's entire working career for those periods when a member is on an unpaid leave of absence authorized by an employer. Such credit may be obtained only if the member makes the employer, member, and state contributions plus interest as determined by the department for the period of the authorized leave of absence within five years of resumption of service or prior to retirement whichever comes sooner.

(4) If a member fails to meet the time limitations of subsection (3) of this section, the member may receive a maximum of two years of service credit during a member's working career for those periods when a member is on unpaid leave of absence authorized by an employer. This may be done by paying the amount required under RCW 41.50.165(2) prior to retirement.

(5) For the purpose of subsection (3) of this section the contribution shall not include the contribution for the unfunded supplemental present value as required by RCW ((41.26.450)) 41.45.060, 41.45.061, and section 507 of this act. The

contributions required shall be based on the average of the member's basic salary at both the time the authorized leave of absence was granted and the time the member resumed employment.

(6) A member who leaves the employ of an employer to enter the armed forces of the United States shall be entitled to retirement system service credit for up to five years of military service. This subsection shall be administered in a manner consistent with the requirements of the federal uniformed services employment and reemployment rights act.

(a) The member qualifies for service credit under this subsection if:

(i) Within ninety days of the member's honorable discharge from the United States armed forces, the member applies for reemployment with the employer who employed the member immediately prior to the member entering the United States armed forces; and

(ii) The member makes the employee contributions required under RCW ((41.26.450)) 41.45.060, 41.45.061, and section 507 of this act within five years of resumption of service or prior to retirement, whichever comes sooner; or

(iii) Prior to retirement and not within ninety days of the member's honorable discharge or five years of resumption of service the member pays the amount required under RCW 41.50.165(2).

(b) Upon receipt of member contributions under (a)(ii) of this subsection, the department shall establish the member's service credit and shall bill the employer and the state for their respective contributions required under RCW 41.26.450 for the period of military service, plus interest as determined by the department.

(c) The contributions required under (a)(ii) of this subsection shall be based on the compensation the member would have earned if not on leave, or if that cannot be estimated with reasonable certainty, the compensation reported for the member in the year prior to when the member went on military leave.

(7) A member receiving benefits under Title 51 RCW who is not receiving benefits under this chapter shall be deemed to be on unpaid, authorized leave of absence.

**Sec. 1106.** RCW 41.40.710 and 1996 c 61 s 4 are each amended to read as follows:

(1) A member who is on a paid leave of absence authorized by a member's employer shall continue to receive service credit as provided for under the provisions of RCW 41.40.610 through 41.40.740.

(2) A member who receives compensation from an employer while on an authorized leave of absence to serve as an elected official of a labor organization, and whose employer is reimbursed by the labor organization for the compensation paid to the member during the period of absence, may also be considered to be on a paid leave of absence. This subsection shall only apply if the member's leave of absence is authorized by a collective bargaining agreement that provides that the member retains seniority rights with the employer during the period of leave. The compensation earnable reported for a member who establishes service credit under

this subsection may not be greater than the salary paid to the highest paid job class covered by the collective bargaining agreement.

(3) Except as specified in subsection (4) of this section, a member shall be eligible to receive a maximum of two years service credit during a member's entire working career for those periods when a member is on an unpaid leave of absence authorized by an employer. Such credit may be obtained only if:

(a) The member makes both the plan 2 employer and member contributions plus interest as determined by the department for the period of the authorized leave of absence within five years of resumption of service or prior to retirement whichever comes sooner; or

(b) If not within five years of resumption of service but prior to retirement, pay the amount required under RCW 41.50.165(2).

The contributions required under (a) of this subsection shall be based on the average of the member's compensation earnable at both the time the authorized leave of absence was granted and the time the member resumed employment.

(4) A member who leaves the employ of an employer to enter the armed forces of the United States shall be entitled to retirement system service credit for up to five years of military service. This subsection shall be administered in a manner consistent with the requirements of the federal uniformed services employment and reemployment rights act.

(a) The member qualifies for service credit under this subsection if:

(i) Within ninety days of the member's honorable discharge from the United States armed forces, the member applies for reemployment with the employer who employed the member immediately prior to the member entering the United States armed forces; and

(ii) The member makes the employee contributions required under RCW ~~((41-40-650))~~ 41.45.061 and section 507 of this act within five years of resumption of service or prior to retirement, whichever comes sooner; or

(iii) Prior to retirement and not within ninety days of the member's honorable discharge or five years of resumption of service the member pays the amount required under RCW 41.50.165(2).

(b) Upon receipt of member contributions under (a)(ii) of this subsection, the department shall establish the member's service credit and shall bill the employer for its contribution required under RCW ~~((41-40-650))~~ 41.45.060, 41.45.061, and section 507 of this act for the period of military service, plus interest as determined by the department.

(c) The contributions required under (a)(ii) of this subsection shall be based on the compensation the member would have earned if not on leave, or if that cannot be estimated with reasonable certainty, the compensation reported for the member in the year prior to when the member went on military leave.

NEW SECTION. Sec. 1107. A new section is added to chapter 41.50 RCW to read as follows:

Employers, as defined in RCW 41.26.030, 41.32.010, 41.34.020, 41.35.010, and 41.40.010, must report all member data to the department in a format designed and communicated by the department. Employers failing to comply with this reporting requirement shall be assessed an additional fee as defined under RCW 41.50.110(5).

"MISCELLANEOUS"

NEW SECTION. Sec. 1201. (1) Except for sections 408 and 901 through 906 of this act, this act takes effect March 1, 2002.

(2) Section 408 of this act takes effect January 1, 2004.

(3) Sections 901 through 906 of this act take effect September 1, 2000.

NEW SECTION. Sec. 1202. Subchapter headings in this act are not any part of the law.

Passed the Senate March 9, 2000.

Passed the House March 9, 2000.

Approved by the Governor March 31, 2000.

Filed in Office of Secretary of State March 31, 2000.

---

CHAPTER 248

[Engrossed Substitute Senate Bill 5001]

COUGAR HUNTING

AN ACT Relating to hunting cougar; amending RCW 77.16.360; and declaring an emergency.

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

**Sec. 1.** RCW 77.16.360 and 1997 c 1 s 1 are each amended to read as follows:

(1) Notwithstanding the provisions of RCW 77.12.240 ~~((and 77.12.265))~~, 77.36.020, 77.36.030, or any other provisions of law, it is unlawful to take, hunt, or attract black bear with the aid of bait.

(a) Nothing in this subsection shall be construed to prohibit the killing of black bear with the aid of bait by employees or agents of county, state, or federal agencies while acting in their official capacities for the purpose of protecting livestock, domestic animals, private property, or the public safety.

(b) Nothing in this subsection shall be construed to prevent the establishment and operation of feeding stations for black bear in order to prevent damage to commercial timberland.

(c) Nothing in this subsection shall be construed to prohibit the director from issuing a permit or memorandum of understanding to a public agency, university, or scientific or educational institution for the use of bait to attract black bear for scientific purposes.

(d) As used in this subsection, "bait" means a substance placed, exposed, deposited, distributed, scattered, or otherwise used for the purpose of attracting black bears to an area where one or more persons hunt or intend to hunt them.



(2) Notwithstanding RCW 77.12.240, 77.36.020, 77.36.030, or any other provisions of law, it is unlawful to hunt or pursue black bear, cougar, bobcat, or lynx with the aid of a dog or dogs.

(a) Nothing in this subsection shall be construed to prohibit the killing of black bear, cougar, bobcat, or lynx with the aid of a dog or dogs by employees or agents of county, state, or federal agencies while acting in their official capacities for the purpose of protecting livestock, domestic animals, private property, or the public safety. A dog or dogs may be used by the owner or tenant of real property consistent with a permit issued and conditioned by the director (~~under RCW 77.12.265~~).

(b) Nothing in this subsection shall be construed to prohibit the director from issuing a permit or memorandum of understanding to a public agency, university, or scientific or educational institution for the use of a dog or dogs for the pursuit, capture and relocation, of black bear, cougar, bobcat, or lynx for scientific purposes.

(c) Nothing in this subsection shall be construed to prohibit the director from issuing a permit or memorandum of understanding to a public agency, university, or scientific or educational institution for the use of a dog or dogs for the killing of black bear, cougar, or bobcat, for the protection of a state and/or federally listed threatened or endangered species.

(3) Notwithstanding subsection (2) of this section, the commission shall authorize the use of dogs only in selected areas within a game management unit to address a public safety need presented by one or more cougar. This authority may only be exercised after the commission has determined that no other practical alternative to the use of dogs exists, and after the commission has adopted rules describing the conditions in which dogs may be used. Conditions that may warrant the use of dogs within a game management unit include, but are not limited to, confirmed cougar/human safety incidents, confirmed cougar/livestock and cougar/pet depredations, and the number of cougar capture attempts and relocations.

(4) A person who violates subsection (1) or (2) of this section is guilty of a gross misdemeanor. In addition to appropriate criminal penalties, the director shall revoke the hunting license of a person who violates subsection (1) or (2) of this section and a hunting license shall not be issued for a period of five years following the revocation. Following a subsequent violation of subsection (1) or (2) of this section by the same person, a hunting license shall not be issued to the person at any time.

**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 takes effect immediately.

Passed the Senate March 7, 2000.

Passed the House March 3, 2000.

Approved by the Governor March 31, 2000.

Filed in Office of Secretary of State March 31, 2000.

---

**CHAPTER 249**

[Substitute Senate Bill 5924]  
REAL ESTATE APPRAISERS

AN ACT Relating to real estate appraisers; amending RCW 18.140.010 and 18.140.030; and adding new sections to chapter 18.140 RCW.

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

**Sec. 1.** RCW 18.140.010 and 1997 c 399 s 1 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) "Appraisal" means the act or process of estimating value; an estimate of value; or of or pertaining to appraising and related functions.

(2) "Appraisal report" means any communication, written or oral, of an appraisal, review, or consulting service in accordance with the standards of professional conduct or practice, adopted by the director, that is transmitted to the client upon completion of an assignment.

(3) "Appraisal assignment" means an engagement for which an appraiser is employed or retained to act, or would be perceived by third parties or the public as acting, as a disinterested third party in rendering an unbiased analysis, opinion, or conclusion relating to the value of specified interests in, or aspects of, identified real estate. The term "appraisal assignment" may apply to valuation work and analysis work.

(4) "Brokers price opinion" means an oral or written report of property value that is prepared by a real estate broker or salesperson licensed under chapter 18.85 RCW.

(5) "Certified appraisal" means an appraisal prepared or signed by a state-certified real estate appraiser. A certified appraisal represents to the public that it meets the appraisal standards defined in this chapter.

(6) "Client" means any party for whom an appraiser performs a service.

(7) (~~"Committee"~~) "Commission" means the real estate appraiser (~~advisory committee~~) commission of the state of Washington.

(8) "Comparative market analysis" means a brokers price opinion.

(9) "Department" means the department of licensing.

(10) "Director" means the director of the department of licensing.

(11) "Expert review appraiser" means a state-certified or state-licensed real estate appraiser chosen by the director for the purpose of providing appraisal review assistance to the director.

(12) "Federal department" means an executive department of the United States of America specifically concerned with housing finance issues, such as the department of housing and urban development, the department of veterans affairs, or their legal federal successors.

(13) "Federal financial institutions regulatory agency" means the board of governors of the federal reserve system, the federal deposit insurance corporation, the office of the comptroller of the currency, the office of thrift supervision, the national credit union administration, their successors and/or such other agencies as may be named in future amendments to 12 U.S.C. Sec. 3350(6).

(14) "Federal secondary mortgage marketing agency" means the federal national mortgage association, the government national mortgage association, the federal home loan mortgage corporation, their successors and/or such other similarly functioning housing finance agencies as may be federally chartered in the future.

(15) "Federally related transaction" means any real estate-related financial transaction that the federal financial institutions regulatory agency or the resolution trust corporation engages in, contracts for, or regulates; and that requires the services of an appraiser.

(16) "Financial institution" means any person doing business under the laws of this state or the United States relating to banks, bank holding companies, savings banks, trust companies, savings and loan associations, credit unions, consumer loan companies, and the affiliates, subsidiaries, and service corporations thereof.

(17) "Licensed appraisal" means an appraisal prepared or signed by a state-licensed real estate appraiser. A licensed appraisal represents to the public that it meets the appraisal standards defined in this chapter.

(18) "Mortgage broker" for the purpose of this chapter means a mortgage broker licensed under chapter 19.146 RCW, any mortgage broker approved and subject to audit by the federal national mortgage association, the government national mortgage association, or the federal home loan mortgage corporation as provided in RCW 19.146.020, any mortgage broker approved by the United States secretary of housing and urban development for participation in any mortgage insurance under the national housing act, 12 U.S.C. Sec. 1201, and the affiliates, subsidiaries, and service corporations thereof.

(19) "Real estate" means an identified parcel or tract of land, including improvements, if any.

(20) "Real estate-related financial transaction" means any transaction involving:

(a) The sale, lease, purchase, investment in, or exchange of real property, including interests in property, or the financing thereof;

(b) The refinancing of real property or interests in real property; and

(c) The use of real property or interests in property as security for a loan or investment, including mortgage-backed securities.

(21) "Real property" means one or more defined interests, benefits, or rights inherent in the ownership of real estate.

(22) "Review" means the act or process of critically studying an appraisal report prepared by another.

(23) "Specialized appraisal services" means all appraisal services which do not fall within the definition of appraisal assignment. The term "specialized appraisal service" may apply to valuation work and to analysis work. Regardless of the intention of the client or employer, if the appraiser would be perceived by third parties or the public as acting as a disinterested third party in rendering an unbiased analysis, opinion, or conclusion, the work is classified as an appraisal assignment and not a specialized appraisal service.

(24) "State-certified general real estate appraiser" means a person certified by the director to develop and communicate real estate appraisals of all types of property. A state-certified general real estate appraiser may designate or identify an appraisal rendered by him or her as a "certified appraisal."

(25) "State-certified residential real estate appraiser" means a person certified by the director to develop and communicate real estate appraisals of all types of residential property of one to four units without regard to transaction value or complexity and nonresidential property having a transaction value as specified in rules adopted by the director. A state certified residential real estate appraiser may designate or identify an appraisal rendered by him or her as a "certified appraisal."

(26) "State-licensed real estate appraiser" means a person licensed by the director to develop and communicate real estate appraisals of noncomplex one to four residential units and complex one to four residential units and nonresidential property having transaction values as specified in rules adopted by the director.

**Sec. 2.** RCW 18.140.030 and 1996 c 182 s 4 are each amended to read as follows:

The director shall have the following powers and duties:

(1) To adopt rules in accordance with chapter 34.05 RCW necessary to implement this chapter, with the advice and approval of the commission;

(2) To receive and approve or deny applications for certification or licensure as a state-certified or state-licensed real estate appraiser under this chapter; to establish appropriate administrative procedures for the processing of such applications; to issue certificates or licenses to qualified applicants pursuant to the provisions of this chapter; and to maintain a register of the names and addresses of individuals who are currently certified or licensed under this chapter;

(3) To ~~((establish;))~~ provide administrative assistance ~~((; and appoint))~~ to the members of and to keep records for the real estate appraiser ~~((advisory committee to enable the committee to act in an advisory capacity to the director))~~ commission;

(4) To solicit bids and enter into contracts with educational testing services or organizations for the preparation of questions and answers for certification or licensure examinations;

- (5) To administer or contract for administration of certification or licensure examinations at locations and times as may be required to carry out the responsibilities under this chapter;
- (6) To enter into contracts for professional services determined to be necessary for adequate enforcement of this chapter;
- (7) To consider recommendations by the real estate appraiser (~~advisory committee~~) commission relating to the experience, education, and examination requirements for each classification of state-certified appraiser and for licensure;
- (8) To (~~impose~~) consider recommendations by the real estate appraiser commission relating to continuing education requirements as a prerequisite to renewal of certification or licensure;
- (9) To consider recommendations by the real estate appraiser (~~advisory committee~~) commission relating to standards of professional appraisal conduct or practice in the enforcement of this chapter;
- (10) To investigate all complaints or reports of unprofessional conduct as defined in this chapter and to hold hearings as provided in this chapter;
- (11) To establish appropriate administrative procedures for disciplinary proceedings conducted pursuant to the provisions of this chapter;
- (12) To compel the attendance of witnesses and production of books, documents, records, and other papers; to administer oaths; and to take testimony and receive evidence concerning all matters within their jurisdiction. These powers may be exercised directly by the director or the director's authorized representatives acting by authority of law;
- (13) To take emergency action ordering summary suspension of a license or certification pending proceedings by the director;
- (14) To employ such professional, clerical, and technical assistance as may be necessary to properly administer the work of the director;
- (15) To establish forms necessary to administer this chapter;
- (16) (~~To adopt standards of professional conduct or practice;~~  
~~(17))~~ To establish an expert review appraiser roster comprised of state-certified or licensed real estate appraisers whose purpose is to assist the director by applying their individual expertise by reviewing real estate appraisals for compliance with this chapter. Qualifications to act as an expert review appraiser shall be established by the director with the advice of the (~~committee~~) commission. An application to serve as an expert review appraiser shall be submitted to the real estate appraiser program, and the roster of accepted expert review appraisers shall be maintained by the department. An expert review appraiser may be added to or deleted from that roster by the director. The expert review appraiser shall be reimbursed for expenses in the same manner as the department reimburses the (~~committee~~) commission; and
- (~~18~~) (17) To do all other things necessary to carry out the provisions of this chapter and minimally meet the requirements of federal guidelines regarding state

certification or licensure of appraisers that the director determines are appropriate for state-certified and state-licensed appraisers in this state.

**NEW SECTION. Sec. 3.** There is established the real estate appraiser commission of the state of Washington, consisting of seven members who shall act to give advice to the director.

(1) The seven commission members shall be appointed by the governor in the following manner: For a term of six years each, with the exception of the first appointees who shall be the incumbent members of the predecessor real estate appraiser advisory committee to serve for the duration of their current terms, with all other subsequent appointees to be appointed for a six-year term.

(2) At least two of the commission members shall be selected from the area of the state east of the Cascade mountain range and at least two of the commission members shall be selected from the area of the state west of the Cascade mountain range. At least two members of the commission shall be certified general real estate appraisers, at least two members of the commission shall be certified residential real estate appraisers, and at least one member of the commission shall be a licensed real estate appraiser, all pursuant to this chapter. No certified or licensed appraiser commission member shall be appointed who has not been certified and/or licensed pursuant to this chapter for less than ten years, except that this experience duration shall be not less than five years only for any commission member taking office before January 1, 2003. One member shall be an employee of a financial institution as defined in this chapter whose duties are concerned with real estate appraisal management and policy. One member shall be an individual engaged in mass appraisal whose duties are concerned with ad valorem appraisal management and policy and who is licensed or certified under this chapter. One member may be a member of the general public.

(3) The members of the commission annually shall elect their chairperson and vice-chairperson to serve for a term of one calendar year. A majority of the members of said commission shall at all times constitute a quorum.

(4) Any vacancy on the commission shall be filled by appointment by the governor for the unexpired term.

**NEW SECTION. Sec. 4.** The members of the real estate appraiser commission and its individual members shall have the following duties and responsibilities:

(1) To meet at the call of the director or upon its own initiative at the call of its chair or a majority of its members;

(2) To adopt a mission statement, and to serve as a liaison between appraisal practitioners, the public, and the department; and

(3) To study and recommend changes to this chapter to the director or to the legislature.

**NEW SECTION. Sec. 5.** The commission members shall be compensated in accordance with RCW 43.03.240, plus travel expenses in accordance with RCW

43.03.050 and 43.03.060 when they are in session by their call or by the director, or when otherwise engaged in the business of the commission.

**NEW SECTION. Sec. 6.** Sections 3 through 5 of this act are each added to chapter 18.140 RCW.

Passed the Senate March 7, 2000.

Passed the House March 2, 2000.

Approved by the Governor March 31, 2000.

Filed in Office of Secretary of State March 31, 2000.

---

## CHAPTER 250

[Substitute Senate Bill 6186]

### SECURED TRANSACTIONS

AN ACT Relating to secured transactions, revising Article 9 of the uniform commercial code with conforming amendments and additions to other statutes; amending RCW 62A.1-105, 62A.1-201, 62A.2-103, 62A.2-210, 62A.2-326, 62A.2-502, 62A.2-716, 62A.2A-103, 62A.2A-303, 62A.2A-307, 62A.2A-309, 62A.2A-310, 62A.4-210, 62A.7-503, 62A.8-103, 62A.8-106, 62A.8-110, 62A.8-301, 62A.8-302, 62A.8-510, 9.38.020, 46.12.095, 46.12.103, 60.11.010, 60.11.020, 60.11.030, 60.11.040, 60.11.050, 60.11.060, 60.11.070, 60.11.100, 60.11.120, 60.11.130, 60.11.140, and 65.20.030; adding new sections to chapter 60.11 RCW; adding a new section to Article 62A.5 RCW; adding a new Article to Title 62A RCW; repealing RCW 62A.9-101, 62A.9-102, 62A.9-103, 62A.9-104, 62A.9-105, 62A.9-106, 62A.9-107, 62A.9-108, 62A.9-109, 62A.9-110, 62A.9-112, 62A.9-113, 62A.9-114, 62A.9-115, 62A.9-116, 62A.9-201, 62A.9-202, 62A.9-203, 62A.9-204, 62A.9-205, 62A.9-206, 62A.9-207, 62A.9-208, 62A.9-301, 62A.9-302, 62A.9-303, 62A.9-304, 62A.9-305, 62A.9-306, 62A.9-307, 62A.9-308, 62A.9-309, 62A.9-310, 62A.9-311, 62A.9-312, 62A.9-313, 62A.9-314, 62A.9-315, 62A.9-316, 62A.9-317, 62A.9-318, 62A.9-401, 62A.9-402, 62A.9-403, 62A.9-404, 62A.9-405, 62A.9-406, 62A.9-407, 62A.9-408, 62A.9-409, 62A.9-420, 62A.9-501, 62A.9-502, 62A.9-503, 62A.9-504, 62A.9-505, 62A.9-506, and 62A.9-507; and providing an effective date.

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

**NEW SECTION. Sec. 1.** A new section is added to chapter 60.11 RCW, to be codified as RCW 60.11.9001, to read as follows:

**TRANSITION RULE FOR EXISTING FILINGS.** All statements filed with the department of licensing under this chapter before July 1, 2001, shall be deemed to satisfy the requirements of RCW 60.11.030 and 62A.9A-310 for filing a financing statement.

**NEW SECTION. Sec. 2.** A new section is added to Article 62A.5 RCW, to be codified as RCW 62A.5-118, to read as follows:

**SECURITY INTEREST OF ISSUER OR NOMINATED PERSON.** (a) An issuer or nominated person has a security interest in a document presented under a letter of credit to the extent that the issuer or nominated person honors or gives value for the presentation.

(b) So long as and to the extent that an issuer or nominated person has not been reimbursed or has not otherwise recovered the value given with respect to a security interest in a document under subsection (a) of this section, the security interest continues and is subject to Article 9, but:

(1) A security agreement is not necessary to make the security interest enforceable under RCW 62A.9A-203(b)(3);

(2) If the document is presented in a medium other than a written or other tangible medium, the security interest is perfected; and

(3) If the document is presented in a written or other tangible medium and is not a certificated security, chattel paper, a document of title, an instrument, or a letter of credit, the security interest is perfected and has priority over a conflicting security interest in the document so long as the debtor does not have possession of the document.

### PART 1 GENERAL PROVISIONS

NEW SECTION. Sec. 9A-101. SHORT TITLE. This Article may be cited as the Uniform Commercial Code-Secured Transactions.

NEW SECTION. Sec. 9A-102. DEFINITIONS AND INDEX OF DEFINITIONS. (a) Article 9 definitions. In this Article:

(1) "Accession" means goods that are physically united with other goods in such a manner that the identity of the original goods is not lost.

(2)(A) "Account," except as used in "account for," means a right to payment of a monetary obligation, whether or not earned by performance, (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to be rendered, (iii) for a policy of insurance issued or to be issued, (iv) for a secondary obligation incurred or to be incurred, (v) for energy provided or to be provided, (vi) for the use or hire of a vessel under a charter or other contract, (vii) arising out of the use of a credit or charge card or information contained on or for use with the card, or (viii) as winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or person licensed or authorized to operate the game by a state or governmental unit of a state. The term includes health-care-insurance receivables.

(B) The term does not include (i) rights to payment evidenced by chattel paper or an instrument, (ii) commercial tort claims, (iii) deposit accounts, (iv) investment property, (v) letter-of-credit rights or letters of credit, or (vi) rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information contained on or for use with the card.

(3) "Account debtor" means a person obligated on an account, chattel paper, or general intangible. The term does not include persons obligated to pay a negotiable instrument, even if the instrument constitutes part of chattel paper.

(4) "Accounting," except as used in "accounting for," means a record:

(A) Authenticated by a secured party;

(B) Indicating the aggregate unpaid secured obligations as of a date not more than thirty-five days earlier or thirty-five days later than the date of the record; and

(C) Identifying the components of the obligations in reasonable detail.

(5) "Agricultural lien" means an interest, other than a security interest, in farm products:

(A) Which secures payment or performance of an obligation for:



(i) Goods or services furnished in connection with a debtor's farming operation; or

(ii) Rent on real property leased by a debtor in connection with its farming operation;

(B) Which is created by statute in favor of a person that:

(i) In the ordinary course of its business, furnished goods or services to a debtor in connection with a debtor's farming operation; or

(ii) Leased real property to a debtor in connection with the debtor's farming operation; and

(C) Whose effectiveness does not depend on the person's possession of the personal property.

(6) "As-extracted collateral" means:

(A) Oil, gas, or other minerals that are subject to a security interest that:

(i) Is created by a debtor having an interest in the minerals before extraction;

and

(ii) Attaches to the minerals as extracted; or

(B) Accounts arising out of the sale at the wellhead or minehead of oil, gas, or other minerals in which the debtor had an interest before extraction.

(7) "Authenticate" means:

(A) To sign; or

(B) To execute or otherwise adopt a symbol, or encrypt or similarly process a record in whole or in part, with the present intent of the authenticating person to identify the person and adopt or accept a record.

(8) "Bank" means an organization that is engaged in the business of banking. The term includes savings banks, savings and loan associations, credit unions, and trust companies.

(9) "Cash proceeds" means proceeds that are money, checks, deposit accounts, or the like.

(10) "Certificate of title" means a certificate of title with respect to which a statute provides for the security interest in question to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral.

(11) "Chattel paper" means a record or records that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. In this subsection, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods. The term "chattel paper" does not include charters or other contracts involving the use or hire of a vessel. If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper.

(12) "Collateral" means the property subject to a security interest or agricultural lien. The term includes:

(A) Proceeds to which a security interest attaches;

(B) Accounts, chattel paper, payment intangibles, and promissory notes that have been sold; and

(C) Goods that are the subject of a consignment.

(13) "Commercial tort claim" means a claim arising in tort with respect to which:

(A) The claimant is an organization; or

(B) The claimant is an individual, and the claim:

(i) Arose in the course of the claimant's business or profession; and

(ii) Does not include damages arising out of personal injury to, or the death of, an individual.

(14) "Commodity account" means an account maintained by a commodity intermediary in which a commodity contract is carried for a commodity customer.

(15) "Commodity contract" means a commodity futures contract, an option on a commodity futures contract, a commodity option, or another contract if the contract or option is:

(A) Traded on or subject to the rules of a board of trade that has been designated as a contract market for such a contract pursuant to federal commodities laws; or

(B) Traded on a foreign commodity board of trade, exchange, or market, and is carried on the books of a commodity intermediary for a commodity customer.

(16) "Commodity customer" means a person for which a commodity intermediary carries a commodity contract on its books.

(17) "Commodity intermediary" means a person that:

(A) Is registered as a futures commission merchant under federal commodities law; or

(B) In the ordinary course of its business, provides clearance or settlement services for a board of trade that has been designated as a contract market pursuant to federal commodities law.

(18) "Communicate" means:

(A) To send a written or other tangible record;

(B) To transmit a record by any means agreed upon by the persons sending and receiving the record; or

(C) In the case of transmission of a record to or by a filing office, to transmit a record by any means prescribed by filing-office rule.

(19) "Consignee" means a merchant to which goods are delivered in a consignment.

(20) "Consignment" means a transaction, regardless of its form, in which a person delivers goods to a merchant for the purpose of sale and:

(A) The merchant:

(i) Deals in goods of that kind under a name other than the name of the person making delivery;

(ii) Is not an auctioneer; and

(iii) Is not generally known by its creditors to be substantially engaged in selling the goods of others;

(B) With respect to each delivery, the aggregate value of the goods is one thousand dollars or more at the time of delivery;

(C) The goods are not consumer goods immediately before delivery; and

(D) The transaction does not create a security interest that secures an obligation.

(21) "Consignor" means a person that delivers goods to a consignee in a consignment.

(22) "Consumer debtor" means a debtor in a consumer transaction.

(23) "Consumer goods" means goods that are used or bought for use primarily for personal, family, or household purposes.

(24) "Consumer-goods transaction" means a consumer transaction in which:

(A) An individual incurs a consumer obligation; and

(B) A security interest in consumer goods secures the obligation.

(25) "Consumer obligation" means an obligation which:

(A) Is incurred as part of a transaction entered into primarily for personal, family, or household purposes; and

(B) Arises from an extension of credit, or commitment to extend credit, in an aggregate amount not exceeding forty thousand dollars, or is secured by personal property used or expected to be used as a principal dwelling.

"Consumer obligor" means an obligor who is an individual and who incurred a consumer obligation.

(26) "Consumer transaction" means a transaction in which (A) an individual incurs a consumer obligation, (B) a security interest secures the obligation, and (C) the collateral is held or acquired primarily for personal, family, or household purposes. The term includes consumer-goods transactions.

(27) "Continuation statement" means an amendment of a financing statement which:

(A) Identifies, by its file number, the initial financing statement to which it relates; and

(B) Indicates that it is a continuation statement for, or that it is filed to continue the effectiveness of, the identified financing statement.

(28) "Debtor" means:

(A) A person having an interest, other than a security interest or other lien, in the collateral, whether or not the person is an obligor;

(B) A seller of accounts, chattel paper, payment intangibles, or promissory notes; or

(C) A consignee.

(29) "Deposit account" means a demand, time, savings, passbook, or similar account maintained with a bank. The term does not include investment property or accounts evidenced by an instrument.

(30) "Document" means a document of title or a receipt of the type described in RCW 62A.7-201(2).

(31) "Electronic chattel paper" means chattel paper evidenced by a record or records consisting of information stored in an electronic medium.

(32) "Encumbrance" means a right, other than an ownership interest, in real property. The term includes mortgages and other liens on real property.

(33) "Equipment" means goods other than inventory, farm products, or consumer goods.

(34) "Farm products" means goods, other than standing timber, with respect to which the debtor is engaged in a farming operation and which are:

(A) Crops grown, growing, or to be grown, including:

(i) Crops produced on trees, vines, and bushes; and

(ii) Aquatic goods produced in aquacultural operations;

(B) Livestock, born or unborn, including aquatic goods produced in aquacultural operations;

(C) Supplies used or produced in a farming operation; or

(D) Products of crops or livestock in their unmanufactured states.

(35) "Farming operation" means raising, cultivating, propagating, fattening, grazing, or any other farming, livestock, or aquacultural operation.

(36) "File number" means the number assigned to an initial financing statement pursuant to RCW 62A.9A-519(a).

(37) "Filing office" means an office designated in RCW 62A.9A-501 as the place to file a financing statement.

(38) "Filing-office rule" means a rule adopted pursuant to RCW 62A.9A-526.

(39) "Financing statement" means a record or records composed of an initial financing statement and any filed record relating to the initial financing statement.

(40) "Fixture filing" means the filing of a financing statement covering goods that are or are to become fixtures and satisfying RCW 62A.9A-502 (a) and (b). The term includes the filing of a financing statement covering goods of a transmitting utility which are or are to become fixtures.

(41) "Fixtures" means goods that have become so related to particular real property that an interest in them arises under real property law.

(42) "General intangible" means any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. The term includes payment intangibles and software.

(43) "Good faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing.

(44) "Goods" means all things that are movable when a security interest attaches. The term includes (A) fixtures, (B) standing timber that is to be cut and removed under a conveyance or contract for sale, (C) the unborn young of animals, (D) crops grown, growing, or to be grown, even if the crops are produced on trees, vines, or bushes, and (E) manufactured homes. The term also includes a computer program embedded in goods and any supporting information provided in connection with a transaction relating to the program if (i) the program is associated with the goods in such a manner that it customarily is considered part of the goods, or (ii) by becoming the owner of the goods, a person acquires a right to use the program in connection with the goods. The term does not include a computer program embedded in goods that consist solely of the medium in which the program is embedded. The term also does not include accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, instruments, investment property, letter-of-credit rights, letters of credit, money, or oil, gas, or other minerals before extraction or a manufactured home converted to real property under chapter 65.20 RCW.

(45) "Governmental unit" means a subdivision, agency, department, county, parish, municipality, or other unit of the government of the United States, a state, or a foreign country. The term includes an organization having a separate corporate existence if the organization is eligible to issue debt on which interest is exempt from income taxation under the laws of the United States.

(46) "Health-care-insurance receivable" means an interest in or claim under a policy of insurance which is a right to payment of a monetary obligation for health-care goods or services provided.

(47) "Instrument" means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in ordinary course of business is transferred by delivery with any necessary indorsement or assignment. The term does not include (A) investment property, (B) letters of credit, (C) writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card, (D) writings that do not contain a promise or order to pay, or (E) writings that are expressly nontransferable or nonassignable.

(48) "Inventory" means goods, other than farm products, which:

(A) Are leased by a person as lessor;

(B) Are held by a person for sale or lease or to be furnished under a contract of service;

(C) Are furnished by a person under a contract of service; or

(D) Consist of raw materials, work in process, or materials used or consumed in a business.

(49) "Investment property" means a security, whether certificated or uncertificated, security entitlement, securities account, commodity contract, or commodity account.

(50) "Jurisdiction of organization," with respect to a registered organization, means the jurisdiction under whose law the organization is organized.

(51) "Letter-of-credit right" means a right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance. The term does not include the right of a beneficiary to demand payment or performance under a letter of credit.

(52) "Lien creditor" means:

(A) A creditor that has acquired a lien on the property involved by attachment, levy, or the like;

(B) An assignee for benefit of creditors from the time of assignment;

(C) A trustee in bankruptcy from the date of the filing of the petition; or

(D) A receiver in equity from the time of appointment.

(53) "Manufactured home" means a manufactured home or mobile home as defined in RCW 46.04.302.

(54) [Reserved]

(55) "Mortgage" means a consensual interest in real property, including fixtures, which secures payment or performance of an obligation.

(56) "New debtor" means a person that becomes bound as debtor under RCW 62A.9A-203(d) by a security agreement previously entered into by another person.

(57) "New value" means (A) money, (B) money's worth in property, services, or new credit, or (C) release by a transferee of an interest in property previously transferred to the transferee. The term does not include an obligation substituted for another obligation.

(58) "Noncash proceeds" means proceeds other than cash proceeds.

(59) "Obligor" means a person that, with respect to an obligation secured by a security interest in or an agricultural lien on the collateral, (A) owes payment or other performance of the obligation, (B) has provided property other than the collateral to secure payment or other performance of the obligation, or (C) is otherwise accountable in whole or in part for payment or other performance of the obligation. The term does not include issuers or nominated persons under a letter of credit.

(60) "Original debtor" means a person that, as debtor, entered into a security agreement to which a new debtor has become bound under RCW 62A.9A-203(d).

(61) "Payment intangible" means a general intangible under which the account debtor's principal obligation is a monetary obligation.

(62) "Person related to," with respect to an individual, means:

(A) The spouse of the individual;

(B) A brother, brother-in-law, sister, or sister-in-law of the individual;

(C) An ancestor or lineal descendant of the individual or the individual's spouse; or

(D) Any other relative, by blood or marriage, of the individual or the individual's spouse who shares the same home with the individual.

(63) "Person related to," with respect to an organization, means:

(A) A person directly or indirectly controlling, controlled by, or under common control with the organization;

(B) An officer or director of, or a person performing similar functions with respect to, the organization;

(C) An officer or director of, or a person performing similar functions with respect to, a person described in (64)(A) of this subsection;

(D) The spouse of an individual described in (64)(A), (B), or (C) of this subsection; or

(E) An individual who is related by blood or marriage to an individual described in (64)(A), (B), (C), or (D) of this subsection and shares the same home with the individual.

(64) "Proceeds" means the following property:

(A) Whatever is acquired upon the sale, lease, license, exchange, or other disposition of collateral;

(B) Whatever is collected on, or distributed on account of, collateral;

(C) Rights arising out of collateral;

(D) To the extent of the value of collateral, claims arising out of the loss, nonconformity, or interference with the use of, defects or infringement of rights in, or damage to, the collateral; or

(E) To the extent of the value of collateral and to the extent payable to the debtor or the secured party, insurance payable by reason of the loss or nonconformity of, defects or infringement of rights in, or damage to, the collateral.

(65) "Promissory note" means an instrument that evidences a promise to pay a monetary obligation, does not evidence an order to pay, and does not contain an acknowledgment by a bank that the bank has received for deposit a sum of money or funds.

(66) "Proposal" means a record authenticated by a secured party, which includes the terms on which the secured party is willing to accept collateral in full or partial satisfaction of the obligation it secures pursuant to RCW 62A.9A-620, 62A.9A-621, and 62A.9A-622.

(67) "Public-finance transaction" means a secured transaction in connection with which:

(A) Debt securities are issued;

(B) All or a portion of the securities issued have an initial stated maturity of at least twenty years; and

(C) The debtor, obligor, secured party, account debtor or other person obligated on collateral, assignor or assignee of a secured obligation, or assignor or assignee of a security interest is a state or a governmental unit of a state.

(68) "Pursuant to commitment," with respect to an advance made or other value given by a secured party, means pursuant to the secured party's obligation, whether or not a subsequent event of default or other event not within the secured party's control has relieved or may relieve the secured party from its obligation.

(69) "Record," except as used in "for record," "of record," "record or legal title," and "record owner," means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

(70) "Registered organization" means an organization organized solely under the law of a single state or the United States and as to which the state or the United States must maintain a public record showing the organization to have been organized.

(71) "Secondary obligor" means an obligor to the extent that:

(A) The obligor's obligation is secondary; or

(B) The obligor has a right of recourse with respect to an obligation secured by collateral against the debtor, another obligor, or property of either.

(72) "Secured party" means:

(A) A person in whose favor a security interest is created or provided for under a security agreement, whether or not any obligation to be secured is outstanding;

(B) A person that holds an agricultural lien;

(C) A consignor;

(D) A person to which accounts, chattel paper, payment intangibles, or promissory notes have been sold;

(E) A trustee, indenture trustee, agent, collateral agent, or other representative in whose favor a security interest or agricultural lien is created or provided for;

(F) A person that holds a security interest arising under RCW 62A.2-401, 62A.2-505, 62A.2-711(3), 62A.2A-508(5), 62A.4-210, or 62A.5-118.

(73) "Security agreement" means an agreement that creates or provides for a security interest.

(74) "Send," in connection with a record or notification, means:

(A) To deposit in the mail, deliver for transmission, or transmit by any other usual means of communication, with postage or cost of transmission provided for, addressed to any address reasonable under the circumstances; or

(B) To cause the record or notification to be received within the time that it would have been received if properly sent under (75)(A) of this subsection.

(75) "Software" means a computer program and any supporting information provided in connection with a transaction relating to the program. The term does not include a computer program that is included in the definition of goods.

(76) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(77) "Supporting obligation" means a letter-of-credit right or secondary obligation that supports the payment or performance of an account, chattel paper, a document, a general intangible, an instrument, or investment property.

(78) "Tangible chattel paper" means chattel paper evidenced by a record or records consisting of information that is inscribed on a tangible medium.



(79) "Termination statement" means an amendment of a financing statement which:

(A) Identifies, by its file number, the initial financing statement to which it relates; and

(B) Indicates either that it is a termination statement or that the identified financing statement is no longer effective.

(80) "Transmitting utility" means a person primarily engaged in the business of:

(A) Operating a railroad, subway, street railway, or trolley bus;

(B) Transmitting communications electrically, electromagnetically, or by light;

(C) Transmitting goods by pipeline or sewer; or

(D) Transmitting or producing and transmitting electricity, steam, gas, or water.

(b) **Definitions in other Articles.** The following definitions in other Articles apply to this Article:

"Applicant."	RCW 62A.5-102.
"Beneficiary."	RCW 62A.5-102.
"Broker."	RCW 62A.8-102.
"Certificated security."	RCW 62A.8-102.
"Check."	RCW 62A.3-104.
"Clearing corporation."	RCW 62A.8-102.
"Contract for sale."	RCW 62A.2-106.
"Customer."	RCW 62A.4-104.
"Entitlement holder."	RCW 62A.8-102.
"Financial asset."	RCW 62A.8-102.
"Holder in due course."	RCW 62A.3-302.
"Issuer" with respect to a letter of credit or letter-of-credit right.	RCW 62A.5-102.
"Issuer" with respect to a security.	RCW 62A.8-201.
"Lease."	RCW 62A.2A-103.
"Lease agreement."	RCW 62A.2A-103.
"Lease contract."	RCW 62A.2A-103.
"Leasehold interest."	RCW 62A.2A-103.
"Lessee."	RCW 62A.2A-103.
"Lessee in ordinary course of business."	RCW 62A.2A-103.
"Lessor."	RCW 62A.2A-103.
"Lessor's residual interest."	RCW 62A.2A-103.
"Letter of credit."	RCW 62A.5-102.
"Merchant."	RCW 62A.2-104.
"Negotiable instrument."	RCW 62A.3-104.
"Nominated person."	RCW 62A.5-102.
"Note."	RCW 62A.3-104.
"Proceeds of a letter of credit."	RCW 62A.5-114.

"Prove."	RCW 62A.3-103.
"Sale."	RCW 62A.2-106.
"Securities account."	RCW 62A.8-501.
"Securities intermediary."	RCW 62A.8-102.
"Security."	RCW 62A.8-102.
"Security certificate."	RCW 62A.8-102.
"Security entitlement."	RCW 62A.8-102.
"Uncertificated security."	RCW 62A.8-102.

(c) **Article 1 definitions and principles.** Article 1 contains general definitions and principles of construction and interpretation applicable throughout this Article.

**NEW SECTION. Sec. 9A-103. PURCHASE-MONEY SECURITY INTEREST; APPLICATION OF PAYMENTS; BURDEN OF ESTABLISHING.**

(a) **Definitions.** In this section:

(1) "Purchase-money collateral" means goods or software that secures a purchase-money obligation incurred with respect to that collateral; and

(2) "Purchase-money obligation" means an obligation of an obligor incurred as all or part of the price of the collateral or for value given to enable the debtor to acquire rights in, or the use of, the collateral, if the value is in fact so used.

(b) **Purchase-money security interest in goods.** A security interest in goods is a purchase-money security interest:

(1) To the extent that the goods are purchase-money collateral with respect to that security interest;

(2) If the security interest is in inventory that is or was purchase-money collateral, also to the extent that the security interest secures a purchase-money obligation incurred with respect to other inventory in which the secured party holds or held a purchase-money security interest; and

(3) Also to the extent that the security interest secures a purchase-money obligation incurred with respect to software in which the secured party holds or held a purchase-money security interest.

(c) **Purchase-money security interest in software.** A security interest in software is a purchase-money security interest to the extent that the security interest also secures a purchase-money obligation incurred with respect to goods in which the secured party holds or held a purchase-money security interest if:

(1) The debtor acquired its interest in the software in an integrated transaction in which it acquired an interest in the goods; and

(2) The debtor acquired its interest in the software for the principal purpose of using the software in the goods.

(d) **Consignor's inventory purchase-money security interest.** The security interest of a consignor in goods that are the subject of a consignment is a purchase-money security interest in inventory.

(e) **Application of payment in nonconsumer-goods transaction.** In a transaction other than a consumer-goods transaction, if the extent to which a

security interest is a purchase-money security interest depends on the application of a payment to a particular obligation, the payment must be applied:

(1) In accordance with any reasonable method of application to which the parties agree;

(2) In the absence of the parties' agreement to a reasonable method, in accordance with any intention of the obligor manifested at or before the time of payment; or

(3) In the absence of an agreement to a reasonable method and a timely manifestation of the obligor's intention, in the following order:

(A) To obligations that are not secured; and

(B) If more than one obligation is secured, to obligations secured by purchase-money security interests in the order in which those obligations were incurred.

**(f) No loss of status of purchase-money security interest in nonconsumer-goods transaction.** In a transaction other than a consumer-goods transaction, a purchase-money security interest does not lose its status as such, even if:

(1) The purchase-money collateral also secures an obligation that is not a purchase-money obligation;

(2) Collateral that is not purchase-money collateral also secures the purchase-money obligation; or

(3) The purchase-money obligation has been renewed, refinanced, consolidated, or restructured.

**(g) Burden of proof in nonconsumer-goods transaction.** In a transaction other than a consumer-goods transaction, a secured party claiming a purchase-money security interest has the burden of establishing the extent to which the security interest is a purchase-money security interest.

**(h) Nonconsumer-goods transactions; no inference.** The limitation of the rules in subsections (e), (f), and (g) of this section to transactions other than consumer-goods transactions is intended to leave to the court the determination of the proper rules in consumer-goods transactions. The court may not infer from that limitation the nature of the proper rule in consumer-goods transactions and may continue to apply established approaches.

**NEW SECTION. Sec. 9A-104. CONTROL OF DEPOSIT ACCOUNT.** (a) **Requirements for control.** A secured party has control of a deposit account if:

(1) The secured party is the bank with which the deposit account is maintained;

(2) The debtor, secured party, and bank have agreed in an authenticated record that the bank will comply with instructions originated by the secured party directing disposition of the funds in the account without further consent by the debtor; or

(3) The secured party becomes the bank's customer with respect to the deposit account.

(b) **Debtor's right to direct disposition.** A secured party that has satisfied subsection (a) of this section has control, even if the debtor retains the right to direct the disposition of funds from the deposit account.

**NEW SECTION. Sec. 9A-105. CONTROL OF ELECTRONIC CHATTEL PAPER.** A secured party has control of electronic chattel paper if the record or records comprising the chattel paper are created, stored, and assigned in such a manner that:

(1) A single authoritative copy of the record or records exists which is unique, identifiable and, except as otherwise provided in (4), (5), and (6) of this section, unalterable;

(2) The authoritative copy identifies the secured party as the assignee of the record or records;

(3) The authoritative copy is communicated to and maintained by the secured party or its designated custodian;

(4) Copies or revisions that add or change an identified assignee of the authoritative copy can be made only with the participation of the secured party;

(5) Each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and

(6) Any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

**NEW SECTION. Sec. 9A-106. CONTROL OF INVESTMENT PROPERTY.** (a) **Control under RCW 62A.8-106.** A person has control of a certificated security, uncertificated security, or security entitlement as provided in RCW 62A.8-106.

(b) **Control of commodity contract.** A secured party has control of a commodity contract if:

(1) The secured party is the commodity intermediary with which the commodity contract is carried; or

(2) The commodity customer, secured party, and commodity intermediary have agreed that the commodity intermediary will apply any value distributed on account of the commodity contract as directed by the secured party without further consent by the commodity customer.

(c) **Effect of control of securities account or commodity account.** A secured party having control of all security entitlements or commodity contracts carried in a securities account or commodity account has control over the securities account or commodity account.

**NEW SECTION. Sec. 9A-107. CONTROL OF LETTER-OF-CREDIT RIGHT.** A secured party has control of a letter-of-credit right to the extent of any right to payment or performance by the issuer or any nominated person if the issuer or nominated person has consented to an assignment of proceeds of the letter of credit under RCW 62A.5-114(c) or otherwise applicable law or practice.

**NEW SECTION. Sec. 9A-108. SUFFICIENCY OF DESCRIPTION IN SECURITY AGREEMENT.** (a) **Sufficiency of description.** Except as otherwise provided in subsections (c), (d), and (e) of this section, a description of personal or real property is sufficient, whether or not it is specific, if it reasonably identifies what is described.

(b) **Examples of reasonable identification.** Except as otherwise provided in subsection (d) of this section, a description of collateral reasonably identifies the collateral if it identifies the collateral by:

- (1) Specific listing;
- (2) Category;
- (3) Except as otherwise provided in subsection (e) of this section, a type of collateral defined in the Uniform Commercial Code;
- (4) Quantity;
- (5) Computational or allocational formula or procedure; or
- (6) Except as otherwise provided in subsection (c) of this section, any other method, if the identity of the collateral is objectively determinable.

(c) **Supergeneric description not sufficient.** A description of collateral as "all the debtor's assets" or "all the debtor's personal property" or using words of similar import does not reasonably identify the collateral. However, as provided in RCW 62A.9A-504, such a description is sufficient in a financing statement.

(d) **Investment property.** Except as otherwise provided in subsection (e) of this section, a description of a security entitlement, securities account, or commodity account is sufficient if it describes:

- (1) The collateral by those terms or as investment property; or
- (2) The underlying financial asset or commodity contract.

(e) **When description by type insufficient.** A description only by type of collateral defined in the Uniform Commercial Code is an insufficient description of:

- (1) A commercial tort claim; or
- (2) In a consumer transaction, consumer goods, a security entitlement, a securities account, or a commodity account.

**NEW SECTION. Sec. 9A-109. SCOPE.** (a) **General scope of Article.** Except as otherwise provided in subsections (c) and (d) of this section, this Article applies to:

- (1) A transaction, regardless of its form, that creates a security interest in personal property or fixtures by contract;
- (2) An agricultural lien;
- (3) A sale of accounts, chattel paper, payment intangibles, or promissory notes;
- (4) A consignment;
- (5) A security interest arising under RCW 62A.2-401, 62A.2-505, 62A.2-711(3), or 62A.2A-508(5), as provided in RCW 62A.9A-110; and
- (6) A security interest arising under RCW 62A.4-210 or 62A.5-118.

(b) **Security interest in secured obligation.** The application of this Article to a security interest in a secured obligation is not affected by the fact that the obligation is itself secured by a transaction or interest to which this Article does not apply.

(c) **Extent to which Article does not apply.** This Article does not apply to the extent that:

- (1) A statute, regulation, or treaty of the United States preempts this Article;
- (2) Another statute of this state expressly governs the creation, perfection, priority, or enforcement of a security interest created by this state or a governmental unit of this state;
- (3) A statute of another state, a foreign country, or a governmental unit of another state or a foreign country, other than a statute generally applicable to security interests, expressly governs creation, perfection, priority, or enforcement of a security interest created by the state, country, or governmental unit; or
- (4) The rights of a transferee beneficiary or nominated person under a letter of credit are independent and superior under RCW 62A.5-114.

(d) **Inapplicability of Article.** This Article does not apply to:

- (1) A landlord's lien, other than an agricultural lien;
- (2) A lien, other than an agricultural lien, given by statute or other rule of law for services or materials, but RCW 62A.9A-333 applies with respect to priority of the lien;
- (3) An assignment of a claim for wages, salary, or other compensation of an employee;
- (4) A sale of accounts, chattel paper, payment intangibles, or promissory notes as part of a sale of the business out of which they arose;
- (5) An assignment of accounts, chattel paper, payment intangibles, or promissory notes which is for the purpose of collection only;
- (6) An assignment of a right to payment under a contract to an assignee that is also obligated to perform under the contract;
- (7) An assignment of a single account, payment intangible, or promissory note to an assignee in full or partial satisfaction of a preexisting indebtedness;
- (8) A transfer of an interest in or an assignment of a claim under a policy of insurance, other than an assignment by or to a health-care provider of a health-care-insurance receivable and any subsequent assignment of the right to payment, but RCW 62A.9A-315 and 62A.9A-322 apply with respect to proceeds and priorities in proceeds;
- (9) An assignment of a right represented by a judgment, other than a judgment taken on a right to payment that was collateral;
- (10) A right of recoupment or set-off, but:
  - (A) RCW 62A.9A-340 applies with respect to the effectiveness of rights of recoupment or set-off against deposit accounts; and
  - (B) RCW 62A.9A-404 applies with respect to defenses or claims of an account debtor;

(11) The creation or transfer of an interest in or lien on real property, including a lease or rents thereunder, except to the extent that provision is made for:

- (A) Liens on real property in RCW 62A.9A-203 and 62A.9A-308;
- (B) Fixtures in RCW 62A.9A-334;
- (C) Fixture filings in RCW 62A.9A-501, 62A.9A-502, 62A.9A-512, 62A.9A-516, and 62A.9A-519; and
- (D) Security agreements covering personal and real property in RCW 62A.9A-604;

(12) An assignment of a claim arising in tort, other than a commercial tort claim, but RCW 62A.9A-315 and 62A.9A-322 apply with respect to proceeds and priorities in proceeds;

(13) An assignment in a consumer transaction of a deposit account on which checks can be drawn, but RCW 62A.9A-315 and 62A.9A-322 apply with respect to proceeds and priorities in proceeds; or

(14) A transfer by this state or a governmental unit of this state.

**NEW SECTION. Sec. 9A-110. SECURITY INTERESTS ARISING UNDER ARTICLE 2 OR 2A.** A security interest arising under RCW 62A.2-401, 62A.2-505, 62A.2-711(3), or 62A.2A-508(5) is subject to this Article. However, until the debtor obtains possession of the goods:

- (1) The security interest is enforceable, even if RCW 62A.9A-203(b)(3) has not been satisfied;
- (2) Filing is not required to perfect the security interest;
- (3) The rights of the secured party after default by the debtor are governed by Article 2 or 2A; and
- (4) The security interest has priority over a conflicting security interest created by the debtor.

**PART 2  
EFFECTIVENESS OF SECURITY AGREEMENT;  
ATTACHMENT OF SECURITY INTEREST;  
RIGHTS OF PARTIES TO SECURITY AGREEMENT**

**NEW SECTION. Sec. 9A-201. GENERAL EFFECTIVENESS OF SECURITY AGREEMENT.** (a) **General effectiveness.** Except as otherwise provided in the Uniform Commercial Code, a security agreement is effective according to its terms between the parties, against purchasers of the collateral, and against creditors.

(b) **Applicable consumer laws and other law.** A transaction subject to this Article is subject to any applicable rule of law which establishes a different rule for consumers and (i) any other statute or regulation that regulates the rates, charges, agreements, and practices for loans, credit sales, or other extensions of credit and (ii) any consumer-protection statute or regulation.

(c) **Other applicable law controls.** In case of conflict between this Article and a rule of law, statute, or regulation described in subsection (b) of this section,

the rule of law, statute, or regulation controls. Failure to comply with a statute or regulation described in subsection (b) of this section has only the effect the statute or regulation specifies.

(d) **Further deference to other applicable law.** This Article does not:

- (1) Validate any rate, charge, agreement, or practice that violates a rule of law, statute, or regulation described in subsection (b) of this section; or
- (2) Extend the application of the rule of law, statute, or regulation to a transaction not otherwise subject to it.

**NEW SECTION. Sec. 9A-202. TITLE TO COLLATERAL IMMATERIAL.**

Except as otherwise provided with respect to consignments or sales of accounts, chattel paper, payment intangibles, or promissory notes, the provisions of this Article with regard to rights and obligations apply whether title to collateral is in the secured party or the debtor.

**NEW SECTION. Sec. 9A-203. ATTACHMENT AND ENFORCEABILITY OF SECURITY INTEREST; PROCEEDS; SUPPORTING OBLIGATIONS; FORMAL REQUISITES.** (a) **Attachment.** A security interest attaches to collateral when it becomes enforceable against the debtor with respect to the collateral, unless an agreement expressly postpones the time of attachment.

(b) **Enforceability.** Except as otherwise provided in subsections (c) through (i) of this section, a security interest is enforceable against the debtor and third parties with respect to the collateral only if:

- (1) Value has been given;
- (2) The debtor has rights in the collateral or the power to transfer rights in the collateral to a secured party; and
- (3) One of the following conditions is met:
  - (A) The debtor has authenticated a security agreement that provides a description of the collateral and, if the security interest covers timber to be cut, a description of the land concerned;
  - (B) The collateral is not a certificated security and is in the possession of the secured party under RCW 62A.9A-313 pursuant to the debtor's security agreement;
  - (C) The collateral is a certificated security in registered form and the security certificate has been delivered to the secured party under RCW 62A.8-301 pursuant to the debtor's security agreement; or
  - (D) The collateral is deposit accounts, electronic chattel paper, investment property, or letter-of-credit rights, and the secured party has control under RCW 62A.9A-104, 62A.9A-105, 62A.9A-106, or 62A.9A-107 pursuant to the debtor's security agreement.

(c) **Other UCC provisions.** Subsection (b) of this section is subject to RCW 62A.4-210 on the security interest of a collecting bank, RCW 62A.5-118 on the security interest of a letter-of-credit issuer or nominated person, RCW 62A.9A-110 on a security interest arising under Article 2 or 2A, and RCW 62A.9A-206 on security interests in investment property.



**(d) When person becomes bound by another person's security agreement.**

A person becomes bound as debtor by a security agreement entered into by another person if, by operation of law other than this Article or by contract:

(1) The security agreement becomes effective to create a security interest in the person's property; or

(2) The person becomes generally obligated for the obligations of the other person, including the obligation secured under the security agreement, and acquires or succeeds to all or substantially all of the assets of the other person.

**(e) Effect of new debtor becoming bound.** If a new debtor becomes bound as debtor by a security agreement entered into by another person:

(1) The agreement satisfies subsection (b)(3) of this section with respect to existing or after-acquired property of the new debtor to the extent the property is described in the agreement; and

(2) Another agreement is not necessary to make a security interest in the property enforceable.

**(f) Proceeds and supporting obligations.** The attachment of a security interest in collateral gives the secured party the rights to proceeds provided by RCW 62A.9A-315 and is also attachment of a security interest in a supporting obligation for the collateral.

**(g) Lien securing right to payment.** The attachment of a security interest in a right to payment or performance secured by a security interest or other lien on personal or real property is also attachment of a security interest in the security interest, mortgage, or other lien.

**(h) Security entitlement carried in securities account.** The attachment of a security interest in a securities account is also attachment of a security interest in the security entitlements carried in the securities account.

**(i) Commodity contracts carried in commodity account.** The attachment of a security interest in a commodity account is also attachment of a security interest in the commodity contracts carried in the commodity account.

**NEW SECTION. Sec. 9A-204. AFTER-ACQUIRED PROPERTY; FUTURE ADVANCES.** (a) **After-acquired collateral.** Except as otherwise provided in subsection (b) of this section, a security agreement may create or provide for a security interest in after-acquired collateral.

**(b) When after-acquired property clause not effective.** A security interest does not attach, under a term constituting an after-acquired property clause, to:

(1) Consumer goods, other than an accession when given as additional security, unless the debtor acquires rights in them within ten days after the secured party gives value; or

(2) A commercial tort claim.

**(c) Future advances and other value.** A security agreement may provide that collateral secures, or that accounts, chattel paper, payment intangibles, or promissory notes are sold in connection with, future advances or other value, whether or not the advances or value are given pursuant to commitment.

**NEW SECTION. Sec. 9A-205. USE OR DISPOSITION OF COLLATERAL PERMISSIBLE.** (a) **When security interest not invalid or fraudulent.** A security interest is not invalid or fraudulent against creditors solely because:

- (1) The debtor has the right or ability to:
  - (A) Use, commingle, or dispose of all or part of the collateral, including returned or repossessed goods;
  - (B) Collect, compromise, enforce, or otherwise deal with collateral;
  - (C) Accept the return of collateral or make repossessions; or
  - (D) Use, commingle, or dispose of proceeds; or
- (2) The secured party fails to require the debtor to account for proceeds or replace collateral.

(b) **Requirements of possession not relaxed.** This section does not relax the requirements of possession if attachment, perfection, or enforcement of a security interest depends upon possession of the collateral by the secured party.

**NEW SECTION. Sec. 9A-206. SECURITY INTEREST ARISING IN PURCHASE OR DELIVERY OF FINANCIAL ASSET.** (a) **Security interest when person buys through securities intermediary.** A security interest in favor of a securities intermediary attaches to a person's security entitlement if:

(1) The person buys a financial asset through the securities intermediary in a transaction in which the person is obligated to pay the purchase price to the securities intermediary at the time of the purchase; and

(2) The securities intermediary credits the financial asset to the buyer's securities account before the buyer pays the securities intermediary.

(b) **Security interest secures obligation to pay for financial asset.** The security interest described in subsection (a) of this section secures the person's obligation to pay for the financial asset.

(c) **Security interest in payment against delivery transaction.** A security interest in favor of a person that delivers a certificated security or other financial asset represented by a writing attaches to the security or other financial asset if:

(1) The security or other financial asset:

(A) In the ordinary course of business, is transferred by delivery with any necessary indorsement or assignment; and

(B) Is delivered under an agreement between persons in the business of dealing with such securities or financial assets; and

(2) The agreement calls for delivery against payment.

(d) **Security interest secures obligation to pay for delivery.** The security interest described in subsection (c) of this section secures the obligation to make payment for the delivery.

**NEW SECTION. Sec. 9A-207. RIGHTS AND DUTIES OF SECURED PARTY HAVING POSSESSION OR CONTROL OF COLLATERAL.** (a) **Duty of care when secured party in possession.** Except as otherwise provided in

subsection (d) of this section, a secured party shall use reasonable care in the custody and preservation of collateral in the secured party's possession. In the case of chattel paper or an instrument, reasonable care includes taking necessary steps to preserve rights against prior parties unless otherwise agreed.

**(b) Expenses, risks, duties, and rights when secured party in possession.** Except as otherwise provided in subsection (d) of this section, if a secured party has possession of collateral:

(1) Reasonable expenses, including the cost of insurance and payment of taxes or other charges, incurred in the custody, preservation, use, or operation of the collateral are chargeable to the debtor and are secured by the collateral;

(2) The risk of accidental loss or damage is on the debtor to the extent of a deficiency in any effective insurance coverage;

(3) The secured party shall keep the collateral identifiable, but fungible collateral may be commingled; and

(4) The secured party may use or operate the collateral:

(A) For the purpose of preserving the collateral or its value;

(B) As permitted by an order of a court having competent jurisdiction; or

(C) Except in the case of consumer goods, in the manner and to the extent agreed by the debtor.

**(c) Duties and rights when secured party in possession or control.** Except as otherwise provided in subsection (d) of this section, a secured party having possession of collateral or control of collateral under RCW 62A.9A-104, 62A.9A-105, 62A.9A-106, or 62A.9A-107:

(1) May hold as additional security any proceeds, except money or funds, received from the collateral;

(2) Shall apply money or funds received from the collateral to reduce the secured obligation, unless remitted to the debtor; and

(3) May create a security interest in the collateral.

**(d) Buyer of certain rights to payment.** If the secured party is a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignee:

(1) Subsection (a) of this section does not apply unless the secured party is entitled under an agreement:

(A) To charge back uncollected collateral; or

(B) Otherwise to full or limited recourse against the debtor or a secondary obligor based on the nonpayment or other default of an account debtor or other obligor on the collateral; and

(2) Subsections (b) and (c) of this section do not apply.

**NEW SECTION. Sec. 9A-208. ADDITIONAL DUTIES OF SECURED PARTY HAVING CONTROL OF COLLATERAL.** (a) **Applicability of section.** This section applies to cases in which there is no outstanding secured obligation and the secured party is not committed to make advances, incur obligations, or otherwise give value.

(b) **Duties of secured party after receiving demand from debtor.** Within ten days after receiving an authenticated demand by the debtor:

(1) A secured party having control of a deposit account under RCW 62A.9A-104(a)(2) shall send to the bank with which the deposit account is maintained an authenticated statement that releases the bank from any further obligation to comply with instructions originated by the secured party;

(2) A secured party having control of a deposit account under RCW 62A.9A-104(a)(3) shall:

(A) Pay the debtor the balance on deposit in the deposit account; or

(B) Transfer the balance on deposit into a deposit account in the debtor's name;

(3) A secured party, other than a buyer, having control of electronic chattel paper under RCW 62A.9A-105 shall:

(A) Communicate the authoritative copy of the electronic chattel paper to the debtor or its designated custodian;

(B) If the debtor designates a custodian that is the designated custodian with which the authoritative copy of the electronic chattel paper is maintained for the secured party, communicate to the custodian an authenticated record releasing the designated custodian from any further obligation to comply with instructions originated by the secured party and instructing the custodian to comply with instructions originated by the debtor; and

(C) Take appropriate action to enable the debtor or its designated custodian to make copies of or revisions to the authoritative copy which add or change an identified assignee of the authoritative copy without the consent of the secured party;

(4) A secured party having control of investment property under RCW 62A.8-106(d)(2) or 62A.9A-106(b) shall send to the securities intermediary or commodity intermediary with which the security entitlement or commodity contract is maintained an authenticated record that releases the securities intermediary or commodity intermediary from any further obligation to comply with entitlement orders or directions originated by the secured party; and

(5) A secured party having control of a letter-of-credit right under RCW 62A.9A-107 shall send to each person having an unfulfilled obligation to pay or deliver proceeds of the letter of credit to the secured party an authenticated release from any further obligation to pay or deliver proceeds of the letter of credit to the secured party.

**NEW SECTION. Sec. 9A-209. DUTIES OF SECURED PARTY IF ACCOUNT DEBTOR HAS BEEN NOTIFIED OF ASSIGNMENT.** (a) **Applicability of section.** Except as otherwise provided in subsection (c) of this section, this section applies if:

(1) There is no outstanding secured obligation; and

(2) The secured party is not committed to make advances, incur obligations, or otherwise give value.

**(b) Duties of secured party after receiving demand from debtor.** Within ten days after receiving an authenticated demand by the debtor, a secured party shall send to an account debtor that has received notification of an assignment to the secured party as assignee under RCW 62A.9A-406(a) an authenticated record that releases the account debtor from any further obligation to the secured party.

**(c) Inapplicability to sales.** This section does not apply to an assignment constituting the sale of an account, chattel paper, or payment intangible.

**NEW SECTION. Sec. 9A-210. REQUEST FOR ACCOUNTING; REQUEST REGARDING LIST OF COLLATERAL OR STATEMENT OF ACCOUNT.** (a) **Definitions.** In this section:

(1) "Request" means a record of a type described in (2), (3), or (4) of this subsection.

(2) "Request for an accounting" means a record authenticated by a debtor requesting that the recipient provide an accounting of the unpaid obligations secured by collateral and reasonably identifying the transaction or relationship that is the subject of the request.

(3) "Request regarding a list of collateral" means a record authenticated by a debtor requesting that the recipient approve or correct a list of what the debtor believes to be the collateral securing an obligation and reasonably identifying the transaction or relationship that is the subject of the request.

(4) "Request regarding a statement of account" means a record authenticated by a debtor requesting that the recipient approve or correct a statement indicating what the debtor believes to be the aggregate amount of unpaid obligations secured by collateral as of a specified date and reasonably identifying the transaction or relationship that is the subject of the request.

**(b) Duty to respond to requests.** Subject to subsections (c), (d), (e), and (f) of this section, a secured party, other than a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor, shall comply with a request within fourteen days after receipt:

(1) In the case of a request for an accounting, by authenticating and sending to the debtor an accounting; and

(2) In the case of a request regarding a list of collateral or a request regarding a statement of account, by authenticating and sending to the debtor an approval or correction.

**(c) Request regarding list of collateral; statement concerning type of collateral.** A secured party that claims a security interest in all of a particular type of collateral owned by the debtor may comply with a request regarding a list of collateral by sending to the debtor an authenticated record including a statement to that effect within fourteen days after receipt.

**(d) Request regarding list of collateral; no interest claimed.** A person that receives a request regarding a list of collateral, claims no interest in the collateral when it receives the request, and claimed an interest in the collateral at an earlier

time shall comply with the request within fourteen days after receipt by sending to the debtor an authenticated record:

- (1) Disclaiming any interest in the collateral; and
- (2) If known to the recipient, providing the name and mailing address of any assignee of, or successor to, the recipient's interest in the collateral.

(e) **Request for accounting or regarding statement of account; no interest in obligation claimed.** A person that receives a request for an accounting or a request regarding a statement of account, claims no interest in the obligations when it receives the request, and claimed an interest in the obligations at an earlier time shall comply with the request within fourteen days after receipt by sending to the debtor an authenticated record:

- (1) Disclaiming any interest in the obligations; and
- (2) If known to the recipient, providing the name and mailing address of any assignee of, or successor to, the recipient's interest in the obligations.

(f) **Charges for responses.** A debtor is entitled without charge to one response to a request under this section during any six-month period. The secured party may require payment of a charge not exceeding twenty-five dollars for each additional response.

### PART 3 PERFECTION AND PRIORITY

**NEW SECTION. Sec. 9A-301. LAW GOVERNING PERFECTION AND PRIORITY OF SECURITY INTERESTS.** Except as otherwise provided in RCW 62A.9A-303 through 62A.9A-306, the following rules determine the law governing perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral:

(1) Except as otherwise provided in this section, while a debtor is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral.

(2) While collateral is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a possessory security interest in that collateral.

(3) Except as otherwise provided in (4) of this section, while negotiable documents, goods, instruments, money, or tangible chattel paper is located in a jurisdiction, the local law of that jurisdiction governs:

- (A) Perfection of a security interest in the goods by filing a fixture filing;
- (B) Perfection of a security interest in timber to be cut; and
- (C) The effect of perfection or nonperfection and the priority of a nonpossessory security interest in the collateral.

(4) The local law of the jurisdiction in which the wellhead or minehead is located governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in as-extracted collateral.

**NEW SECTION. Sec. 9A-302. LAW GOVERNING PERFECTION AND PRIORITY OF AGRICULTURAL LIENS.** While farm products are located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of an agricultural lien on the farm products.

**NEW SECTION. Sec. 9A-303. LAW GOVERNING PERFECTION AND PRIORITY OF SECURITY INTERESTS IN GOODS COVERED BY A CERTIFICATE OF TITLE.** (a) **Applicability of section.** This section applies to goods covered by a certificate of title, even if there is no other relationship between the jurisdiction under whose certificate of title the goods are covered and the goods or the debtor.

(b) **When goods covered by certificate of title.** Goods become covered by a certificate of title when a valid application for the certificate of title and the applicable fee are delivered to the appropriate authority. Goods cease to be covered by a certificate of title at the earlier of the time the certificate of title ceases to be effective under the law of the issuing jurisdiction or the time the goods become covered subsequently by a certificate of title issued by another jurisdiction.

(c) **Applicable law.** The local law of the jurisdiction under whose certificate of title the goods are covered governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in goods covered by a certificate of title from the time the goods become covered by the certificate of title until the goods cease to be covered by the certificate of title.

**NEW SECTION. Sec. 9A-304. LAW GOVERNING PERFECTION AND PRIORITY OF SECURITY INTERESTS IN DEPOSIT ACCOUNTS.** (a) **Law of bank's jurisdiction governs.** The local law of a bank's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a deposit account maintained with that bank.

(b) **Bank's jurisdiction.** The following rules determine a bank's jurisdiction for purposes of this part:

(1) If an agreement between the bank and the debtor governing the deposit account expressly provides that a particular jurisdiction is the bank's jurisdiction for purposes of this part, this Article, or the Uniform Commercial Code, that jurisdiction is the bank's jurisdiction.

(2) If (1) of this subsection does not apply and an agreement between the bank and its customer governing the deposit account expressly provides that the agreement is governed by the law of a particular jurisdiction, that jurisdiction is the bank's jurisdiction.

(3) If neither (1) nor (2) of this subsection applies and an agreement between the bank and its customer governing the deposit account expressly provides that the deposit account is maintained at an office in a particular jurisdiction, that jurisdiction is the bank's jurisdiction.

(4) If (1) through (3) of this subsection do not apply, the bank's jurisdiction is the jurisdiction in which the office identified in an account statement as the office serving the customer's account is located.

(5) If (1) through (4) of this subsection do not apply, the bank's jurisdiction is the jurisdiction in which the chief executive office of the bank is located.

**NEW SECTION. Sec. 9A-305. LAW GOVERNING PERFECTION AND PRIORITY OF SECURITY INTERESTS IN INVESTMENT PROPERTY.** (a) **Governing law: General rules.** Except as otherwise provided in subsection (c) of this section, the following rules apply:

(1) While a security certificate is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in the certificated security represented thereby.

(2) The local law of the issuer's jurisdiction as specified in RCW 62A.8-110(d) governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in an uncertificated security.

(3) The local law of the securities intermediary's jurisdiction as specified in RCW 62A.8-110(e) governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a security entitlement or securities account.

(4) The local law of the commodity intermediary's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a commodity contract or commodity account.

(b) **Commodity intermediary's jurisdiction.** The following rules determine a commodity intermediary's jurisdiction for purposes of this part:

(1) If an agreement between the commodity intermediary and commodity customer governing the commodity account expressly provides that a particular jurisdiction is the commodity intermediary's jurisdiction for purposes of this part, this Article, or the Uniform Commercial Code, that jurisdiction is the commodity intermediary's jurisdiction.

(2) If (1) of this subsection does not apply and an agreement between the commodity intermediary and commodity customer governing the commodity account expressly provides that the agreement is governed by the law of a particular jurisdiction, that jurisdiction is the commodity intermediary's jurisdiction.

(3) If neither (1) nor (2) of this subsection applies and an agreement between the commodity intermediary and commodity customer governing the commodity account expressly provides that the commodity account is maintained at an office in a particular jurisdiction, that jurisdiction is the commodity intermediary's jurisdiction.

(4) If (1) through (3) of this subsection do not apply, the commodity intermediary's jurisdiction is the jurisdiction in which the office identified in an account statement as the office serving the commodity customer's account is located.



(5) If (1) through (4) of this subsection do not apply, the commodity intermediary's jurisdiction is the jurisdiction in which the chief executive office of the commodity intermediary is located.

(c) **When perfection governed by law of jurisdiction where debtor located.**

The local law of the jurisdiction in which the debtor is located governs:

- (1) Perfection of a security interest in investment property by filing;
- (2) Automatic perfection of a security interest in investment property created by a broker or securities intermediary; and
- (3) Automatic perfection of a security interest in a commodity contract or commodity account created by a commodity intermediary.

**NEW SECTION. Sec. 9A-306. LAW GOVERNING PERFECTION AND PRIORITY OF SECURITY INTERESTS IN LETTER-OF-CREDIT RIGHTS.**

(a) **Governing law: Issuers or nominated person's jurisdiction.** Subject to subsection (c) of this section, the local law of the issuer's jurisdiction or a nominated person's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a letter-of-credit right if the issuer's jurisdiction or nominated person's jurisdiction is a state.

(b) **Issuer's or nominated person's jurisdiction.** For purposes of this part, an issuer's jurisdiction or nominated person's jurisdiction is the jurisdiction whose law governs the liability of the issuer or nominated person with respect to the letter-of-credit right as provided in RCW 62A.5-116.

(c) **When section not applicable.** This section does not apply to a security interest that is perfected only under RCW 62A.9A-308(d).

**NEW SECTION. Sec. 9A-307. LOCATION OF DEBTOR.** (a) **"Place of business."** In this section, "place of business" means a place where a debtor conducts its affairs.

(b) **Debtor's location: General rules.** Except as otherwise provided in this section, the following rules determine a debtor's location:

- (1) A debtor who is an individual is located at the individual's principal residence.
- (2) A debtor that is an organization and has only one place of business is located at its place of business.
- (3) A debtor that is an organization and has more than one place of business is located at its chief executive office.

(c) **Limitation of applicability of subsection (b).** Subsection (b) of this section applies only if a debtor's residence, place of business, or chief executive office, as applicable, is located in a jurisdiction whose law generally requires information concerning the existence of a nonpossessory security interest to be made generally available in a filing, recording, or registration system as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral. If subsection (b) of this section does not apply, the debtor is located in the District of Columbia.

(d) **Continuation of location: Cessation of existence, etc.** A person that ceases to exist, have a residence, or have a place of business continues to be located in the jurisdiction specified by subsections (b) and (c) of this section.

(e) **Location of registered organization organized under state law.** A registered organization that is organized under the law of a state is located in that state.

(f) **Location of registered organization organized under federal law; bank branches and agencies.** Except as otherwise provided in subsection (i) of this section, a registered organization that is organized under the law of the United States and a branch or agency of a bank that is not organized under the law of the United States or a state are located:

(1) In the state that the law of the United States designates, if the law designates a state of location;

(2) In the state that the registered organization, branch, or agency designates, if the law of the United States authorizes the registered organization, branch, or agency to designate its state of location; or

(3) In the District of Columbia, if neither (1) nor (2) of this subsection applies.

(g) **Continuation of location: Change in status of registered organization.** A registered organization continues to be located in the jurisdiction specified by subsection (e) or (f) of this section notwithstanding:

(1) The suspension, revocation, forfeiture, or lapse of the registered organization's status as such in its jurisdiction of organization; or

(2) The dissolution, winding up, or cancellation of the existence of the registered organization.

(h) **Location of United States.** The United States is located in the District of Columbia.

(i) **Location of foreign bank branch or agency if licensed in only one state.** A branch or agency of a bank that is not organized under the law of the United States or a state is located in the state in which the branch or agency is licensed, if all branches and agencies of the bank are licensed in only one state.

(j) **Location of foreign air carrier.** A foreign air carrier under the Federal Aviation Act of 1958, as amended, is located at the designated office of the agent upon which service of process may be made on behalf of the carrier.

(k) **Section applies only to this part.** This section applies only for purposes of this part.

**NEW SECTION. Sec. 9A-308. WHEN SECURITY INTEREST OR AGRICULTURAL LIEN IS PERFECTED; CONTINUITY OF PERFECTION.**

(a) **Perfection of security interest.** Except as otherwise provided in this section and RCW 62A.9A-309, a security interest is perfected if it has attached and all of the applicable requirements for perfection in RCW 62A.9A-310 through 62A.9A-316 have been satisfied. A security interest is perfected when it attaches if the applicable requirements are satisfied before the security interest attaches.

(b) **Perfection of agricultural lien.** An agricultural lien is perfected if it has become effective and all of the applicable requirements for perfection in RCW 62A.9A-310 have been satisfied. An agricultural lien is perfected when it becomes effective if the applicable requirements are satisfied before the agricultural lien becomes effective.

(c) **Continuous perfection; perfection by different methods.** A security interest or agricultural lien is perfected continuously if it is originally perfected by one method under this Article and is later perfected by another method under this Article, without an intermediate period when it was unperfected.

(d) **Supporting obligation.** Perfection of a security interest in collateral also perfects a security interest in a supporting obligation for the collateral.

(e) **Lien securing right to payment.** Perfection of a security interest in a right to payment or performance also perfects a security interest in a security interest, mortgage, or other lien on personal or real property securing the right.

(f) **Security entitlement carried in securities account.** Perfection of a security interest in a securities account also perfects a security interest in the security entitlements carried in the securities account.

(g) **Commodity contract carried in commodity account.** Perfection of a security interest in a commodity account also perfects a security interest in the commodity contracts carried in the commodity account.

**NEW SECTION. Sec. 9A-309. SECURITY INTEREST PERFECTED UPON ATTACHMENT.** The following security interests are perfected when they attach:

(1) A purchase-money security interest in consumer goods, except as otherwise provided in RCW 62A.9A-311(b) with respect to consumer goods that are subject to a statute or treaty described in RCW 62A.9A-311(a);

(2) An assignment of accounts or payment intangibles which does not by itself or in conjunction with other assignments to the same assignee transfer more than fifty thousand dollars, or ten percent of the total amount of the assignor's outstanding accounts and payment intangibles;

(3) A sale of a payment intangible;

(4) A sale of a promissory note;

(5) A security interest created by the assignment of a health-care-insurance receivable to the provider of the health-care goods or services;

(6) A security interest arising under RCW 62A.2-404, 62A.2-505, 62A.2-711(3), or 62A.2A-508(5), until the debtor obtains possession of the collateral;

(7) A security interest of a collecting bank arising under RCW 62A.4-210;

(8) A security interest of an issuer or nominated person arising under RCW 62A.5-118;

(9) A security interest arising in the delivery of a financial asset under RCW 62A.9A-206(c);

(10) A security interest in investment property created by a broker or securities intermediary;

(11) A security interest in a commodity contract or a commodity account created by a commodity intermediary;

(12) An assignment for the benefit of all creditors of the transferor and subsequent transfers by the assignee thereunder; and

(13) A security interest created by an assignment of a beneficial interest in a decedent's estate.

**NEW SECTION. Sec. 9A-310. WHEN FILING REQUIRED TO PERFECT SECURITY INTEREST OR AGRICULTURAL LIEN; SECURITY INTERESTS AND AGRICULTURAL LIENS TO WHICH FILING PROVISIONS DO NOT APPLY.** (a) **General rule: Perfection by filing.** Except as otherwise provided in subsections (b) and (d) of this section and RCW 62A.9A-312(b), a financing statement must be filed to perfect all security interests and agricultural liens.

(b) **Exceptions: Filing not necessary.** The filing of a financing statement is not necessary to perfect a security interest:

(1) That is perfected under RCW 62A.9A-308 (d), (e), (f), or (g);

(2) That is perfected under RCW 62A.9A-309 when it attaches;

(3) In property subject to a statute, regulation, or treaty described in RCW 62A.9A-311(a);

(4) In goods in possession of a bailee which is perfected under RCW 62A.9A-312(d) (1) or (2);

(5) In certificated securities, documents, goods, or instruments which is perfected without filing or possession under RCW 62A.9A-312 (e), (f), or (g);

(6) In collateral in the secured party's possession under RCW 62A.9A-313;

(7) In a certificated security which is perfected by delivery of the security certificate to the secured party under RCW 62A.9A-313;

(8) In deposit accounts, electronic chattel paper, investment property, or letter-of-credit rights which is perfected by control under RCW 62A.9A-314;

(9) In proceeds which is perfected under RCW 62A.9A-315; or

(10) That is perfected under RCW 62A.9A-316.

(c) **Assignment of perfected security interest.** If a secured party assigns a perfected security interest or agricultural lien, a filing under this Article is not required to continue the perfected status of the security interest against creditors of and transferees from the original debtor.

(d) **Further exception: Filing not necessary for handler's lien.** The filing of a financing statement is not necessary to perfect the agricultural lien of a handler on orchard crops as provided in RCW 60.11.020(3).

**NEW SECTION. Sec. 9A-311. PERFECTION OF SECURITY INTERESTS IN PROPERTY SUBJECT TO CERTAIN STATUTES, REGULATIONS, AND TREATIES.** (a) **Security interest subject to other law.** Except as otherwise provided in subsection (d) of this section, the filing of a financing statement is not necessary or effective to perfect a security interest in property subject to:

(1) A statute, regulation, or treaty of the United States whose requirements for a security interest's obtaining priority over the rights of a lien creditor with respect to the property preempt RCW 62A.9A-310(a);

(2) RCW 46.12.095 or 88.02.070, or chapter 65.12 RCW; or

(3) A certificate-of-title statute of another jurisdiction which provides for a security interest to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the property.

(b) **Compliance with other law.** Compliance with the requirements of a statute, regulation, or treaty described in subsection (a) of this section for obtaining priority over the rights of a lien creditor is equivalent to the filing of a financing statement under this Article. Except as otherwise provided in subsection (d) of this section, RCW 62A.9A-313, and 62A.9A-316 (d) and (e) for goods covered by a certificate of title, a security interest in property subject to a statute, regulation, or treaty described in subsection (a) of this section may be perfected only by compliance with those requirements, and a security interest so perfected remains perfected notwithstanding a change in the use or transfer of possession of the collateral.

(c) **Duration and renewal of perfection.** Except as otherwise provided in subsection (d) of this section and RCW 62A.9A-316 (d) and (e), duration and renewal of perfection of a security interest perfected by compliance with the requirements prescribed by a statute, regulation, or treaty described in subsection (a) of this section are governed by the statute, regulation, or treaty. In other respects, the security interest is subject to this Article.

(d) **Inapplicability to certain inventory.** During any period in which collateral is inventory held for sale or lease by a person or leased by that person as lessor and that person is in the business of selling or leasing goods of that kind, this section does not apply to a security interest in that collateral created by that person as debtor.

**NEW SECTION. Sec. 9A-312. PERFECTION OF SECURITY INTERESTS IN CHATTEL PAPER, DEPOSIT ACCOUNTS, DOCUMENTS, GOODS COVERED BY DOCUMENTS, INSTRUMENTS, INVESTMENT PROPERTY, LETTER-OF-CREDIT RIGHTS, AND MONEY; PERFECTION BY PERMISSIVE FILING; TEMPORARY PERFECTION WITHOUT FILING OR TRANSFER OF POSSESSION.** (a) **Perfection by filing permitted.** A security interest in chattel paper, negotiable documents, instruments, or investment property may be perfected by filing.

(b) **Control or possession of certain collateral.** Except as otherwise provided in RCW 62A.9A-315 (c) and (d) for proceeds:

(1) A security interest in a deposit account may be perfected only by control under RCW 62A.9A-314;

(2) And except as otherwise provided in RCW 62A.9A-308(d), a security interest in a letter-of-credit right may be perfected only by control under RCW 62A.9A-314; and

(3) A security interest in money may be perfected only by the secured party's taking possession under RCW 62A.9A-313.

(c) **Goods covered by negotiable document.** While goods are in the possession of a bailee that has issued a negotiable document covering the goods:

(1) A security interest in the goods may be perfected by perfecting a security interest in the document; and

(2) A security interest perfected in the document has priority over any security interest that becomes perfected in the goods by another method during that time.

(d) **Goods covered by nonnegotiable document.** While goods are in the possession of a bailee that has issued a nonnegotiable document covering the goods, a security interest in the goods may be perfected by:

(1) Issuance of a document in the name of the secured party;

(2) The bailee's receipt of notification of the secured party's interest; or

(3) Filing as to the goods.

(e) **Temporary perfection: New value.** A security interest in certificated securities, negotiable documents, or instruments is perfected without filing or the taking of possession for a period of twenty days from the time it attaches to the extent that it arises for new value given under an authenticated security agreement.

(f) **Temporary perfection: Goods or documents made available to debtor.** A perfected security interest in a negotiable document or goods in possession of a bailee, other than one that has issued a negotiable document for the goods, remains perfected for twenty days without filing if the secured party makes available to the debtor the goods or documents representing the goods for the purpose of:

(1) Ultimate sale or exchange; or

(2) Loading, unloading, storing, shipping, transshipping, manufacturing, processing, or otherwise dealing with them in a manner preliminary to their sale or exchange.

(g) **Temporary perfection: Delivery of security certificate or instrument to debtor.** A perfected security interest in a certificated security or instrument remains perfected for twenty days without filing if the secured party delivers the security certificate or instrument to the debtor for the purpose of:

(1) Ultimate sale or exchange; or

(2) Presentation, collection, enforcement, renewal, or registration of transfer.

(h) **Expiration of temporary perfection.** After the twenty-day period specified in subsection (c), (f), or (g) of this section expires, perfection depends upon compliance with this Article.

**NEW SECTION. Sec. 9A-313. WHEN POSSESSION BY OR DELIVERY TO SECURED PARTY PERFECTS SECURITY INTEREST WITHOUT FILING.** (a) **Perfection by possession or delivery.** Except as otherwise provided

in subsection (b) of this section, a secured party may perfect a security interest in negotiable documents, goods, instruments, money, or tangible chattel paper by taking possession of the collateral. A secured party may perfect a security interest in certificated securities by taking delivery of the certificated securities under RCW 62A.8-301.

(b) **Goods covered by certificate of title.** With respect to goods covered by a certificate of title issued by this state, a secured party may perfect a security interest in the goods by taking possession of the goods only in the circumstances described in RCW 62A.9A-316(d).

(c) **Collateral in possession of person other than debtor.** With respect to collateral other than certificated securities and goods covered by a document, a secured party takes possession of collateral in the possession of a person other than the debtor, the secured party, or a lessee of the collateral from the debtor in the ordinary course of the debtor's business, when:

(1) The person in possession authenticates a record acknowledging that it holds possession of the collateral for the secured party's benefit; or

(2) The person takes possession of the collateral after having authenticated a record acknowledging that it will hold possession of collateral for the secured party's benefit.

(d) **Time of perfection by possession; continuation of perfection.** If perfection of a security interest depends upon possession of the collateral by a secured party, perfection occurs no earlier than the time the secured party takes possession and continues only while the secured party retains possession.

(e) **Time of perfection by delivery; continuation of perfection.** A security interest in a certificated security in registered form is perfected by delivery when delivery of the certificated security occurs under RCW 62A.8-301 and remains perfected by delivery until the debtor obtains possession of the security certificate.

(f) **Acknowledgment not required.** A person in possession of collateral is not required to acknowledge that it holds possession for a secured party's benefit.

(g) **Effectiveness of acknowledgment; no duties or confirmation.** If a person acknowledges that it holds possession for the secured party's benefit:

(1) The acknowledgment is effective under subsection (c) of this section or RCW 62A.8-301(a), even if the acknowledgment violates the rights of a debtor; and

(2) Unless the person otherwise agrees or law other than this Article otherwise provides, the person does not owe any duty to the secured party and is not required to confirm the acknowledgment to another person.

(h) **Secured party's delivery to person other than debtor.** A secured party having possession of collateral does not relinquish possession by delivering the collateral to a person other than the debtor or a lessee of the collateral from the debtor in the ordinary course of the debtor's business if the person was instructed before the delivery or is instructed contemporaneously with the delivery:

(1) To hold possession of the collateral for the secured party's benefit; or

(2) To redeliver the collateral to the secured party.

(i) **Effect of delivery under subsection (h); no duties or confirmation.** A secured party does not relinquish possession, even if a delivery under subsection (h) of this section violates the rights of a debtor. A person to which collateral is delivered under subsection (h) of this section does not owe any duty to the secured party and is not required to confirm the delivery to another person unless the person otherwise agrees or law other than this Article otherwise provides.

**NEW SECTION. Sec. 9A-314. PERFECTION BY CONTROL.** (a) **Perfection by control.** A security interest in investment property, deposit accounts, letter-of-credit rights, or electronic chattel paper may be perfected by control of the collateral under RCW 62A.9A-104, 62A.9A-105, 62A.9A-106, or 62A.9A-107.

(b) **Specified collateral: Time of perfection by control; continuation of perfection.** A security interest in deposit accounts, electronic chattel paper, or letter-of-credit rights is perfected by control under RCW 62A.9A-104, 62A.9A-105, or 62A.9A-107 when the secured party obtains control and remains perfected by control only while the secured party retains control.

(c) **Investment property: Time of perfection by control; continuation of perfection.** A security interest in investment property is perfected by control under RCW 62A.9A-106 from the time the secured party obtains control and remains perfected by control until:

(1) The secured party does not have control; and

(2) One of the following occurs:

(A) If the collateral is a certificated security, the debtor has or acquires possession of the security certificate;

(B) If the collateral is an uncertificated security, the issuer has registered or registers the debtor as the registered owner; or

(C) If the collateral is a security entitlement, the debtor is or becomes the entitlement holder.

**NEW SECTION. Sec. 9A-315. SECURED PARTY'S RIGHTS ON DISPOSITION OF COLLATERAL AND IN PROCEEDS.** (a) **Disposition of collateral: Continuation of security interest or agricultural lien; proceeds.** Except as otherwise provided in this Article and in RCW 62A.2-403(2):

(1) A security interest or agricultural lien continues in collateral notwithstanding sale, lease, license, exchange, or other disposition thereof unless the secured party authorized the disposition free of the security interest or agricultural lien; and

(2) A security interest attaches to any identifiable proceeds of collateral.

(b) **When commingled proceeds identifiable.** Proceeds that are commingled with other property are identifiable proceeds:

(1) If the proceeds are goods, to the extent provided by RCW 62A.9A-336; and



(2) If the proceeds are not goods, to the extent that the secured party identifies the proceeds by a method of tracing, including application of equitable principles, that is permitted under law other than this Article with respect to commingled property of the type involved.

(c) **Perfection of security interest in proceeds.** A security interest in proceeds is a perfected security interest if the security interest in the original collateral was perfected.

(d) **Continuation of perfection.** A perfected security interest in proceeds becomes unperfected on the twenty-first day after the security interest attaches to the proceeds unless:

(1) The following conditions are satisfied:

(A) A filed financing statement covers the original collateral;

(B) The proceeds are collateral in which a security interest may be perfected by filing in the office in which the financing statement has been filed; and

(C) The proceeds are not acquired with cash proceeds;

(2) The proceeds are identifiable cash proceeds; or

(3) The security interest in the proceeds is perfected other than under subsection (c) of this section when the security interest attaches to the proceeds or within twenty days thereafter.

(e) **When perfected security interest in proceeds becomes unperfected.** If a filed financing statement covers the original collateral, a security interest in proceeds which remains perfected under subsection (d)(1) of this section becomes unperfected at the later of:

(1) When the effectiveness of the filed financing statement lapses under RCW 62A.9A-515 or is terminated under RCW 62A.9A-513; or

(2) The twenty-first day after the security interest attaches to the proceeds.

**NEW SECTION. Sec. 9A-316. CONTINUED PERFECTION OF SECURITY INTEREST FOLLOWING CHANGE IN GOVERNING LAW.** (a) **General rule: Effect on perfection of change in governing law.** A security interest perfected pursuant to the law of the jurisdiction designated in RCW 62A.9A-301(1) or 62A.9A-305(c) remains perfected until the earliest of:

(1) The time perfection would have ceased under the law of that jurisdiction;

(2) The expiration of four months after a change of the debtor's location to another jurisdiction; or

(3) The expiration of one year after a transfer of collateral to a person that thereby becomes a debtor and is located in another jurisdiction.

(b) **Security interest perfected or unperfected under law of new jurisdiction.** If a security interest described in subsection (a) of this section becomes perfected under the law of the other jurisdiction before the earliest time or event described in subsection (a) of this section, it remains perfected thereafter. If the security interest does not become perfected under the law of the other jurisdiction before the earliest time or event, it becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

**(c) Possessory security interest in collateral moved to new jurisdiction.**

A possessory security interest in collateral, other than goods covered by a certificate of title and as-extracted collateral consisting of goods, remains continuously perfected if:

(1) The collateral is located in one jurisdiction and subject to a security interest perfected under the law of that jurisdiction;

(2) Thereafter the collateral is brought into another jurisdiction; and

(3) Upon entry into the other jurisdiction, the security interest is perfected under the law of the other jurisdiction.

**(d) Goods covered by certificate of title from this state.** Except as otherwise provided in subsection (e) of this section, a security interest in goods covered by a certificate of title which is perfected by any method under the law of another jurisdiction when the goods become covered by a certificate of title from this state remains perfected until the security interest would have become unperfected under the law of the other jurisdiction had the goods not become so covered.

**(e) When subsection (d) security interest becomes unperfected against purchasers.** A security interest described in subsection (d) of this section becomes unperfected as against a purchaser of the goods for value and is deemed never to have been perfected as against a purchaser of the goods for value if the applicable requirements for perfection under RCW 62A.9A-311(b) or 62A.9A-313 are not satisfied before the earlier of:

(1) The time the security interest would have become unperfected under the law of the other jurisdiction had the goods not become covered by a certificate of title from this state; or

(2) The expiration of four months after the goods had become so covered.

**(f) Change in jurisdiction of bank, issuer, nominated person, securities intermediary, or commodity intermediary.** A security interest in deposit accounts, letter-of-credit rights, or investment property which is perfected under the law of the bank's jurisdiction, the issuer's jurisdiction, a nominated person's jurisdiction, the securities intermediary's jurisdiction, or the commodity intermediary's jurisdiction, as applicable, remains perfected until the earlier of:

(1) The time the security interest would have become unperfected under the law of that jurisdiction; or

(2) The expiration of four months after a change of the applicable jurisdiction to another jurisdiction.

**(g) Subsection (f) of this section security interest perfected or unperfected under law of new jurisdiction.** If a security interest described in subsection (f) of this section becomes perfected under the law of the other jurisdiction before the earlier of the time or the end of the period described in subsection (f) of this section, it remains perfected thereafter. If the security interest does not become perfected under the law of the other jurisdiction before the earlier of that time or

the end of that period, it becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

**NEW SECTION. Sec. 9A-317. INTERESTS THAT TAKE PRIORITY OVER OR TAKE FREE OF SECURITY INTEREST OR AGRICULTURAL LIEN.** (a) **Conflicting security interests and rights of lien creditors.** A security interest or agricultural lien is subordinate to the rights of:

(1) A person entitled to priority under RCW 62A.9A-322; and

(2) Except as otherwise provided in subsection (e) of this section, a person that becomes a lien creditor before the earlier of the time the security interest or agricultural lien is perfected or a financing statement covering the collateral is filed.

(b) **Buyers that receive delivery.** Except as otherwise provided in subsection (e) of this section, a buyer, other than a secured party, of tangible chattel paper, documents, goods, instruments, or a security certificate takes free of a security interest or agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

(c) **Lessees that receive delivery.** Except as otherwise provided in subsection (e) of this section, a lessee of goods takes free of a security interest or agricultural lien if the lessee gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

(d) **Licensees and buyers of certain collateral.** A licensee of a general intangible or a buyer, other than a secured party, of accounts, electronic chattel paper, general intangibles, or investment property other than a certificated security takes free of a security interest if the licensee or buyer gives value without knowledge of the security interest and before it is perfected.

(e) **Purchase-money security interest.** Except as otherwise provided in RCW 62A.9A-320 and 62A.9A-321, if a person files a financing statement with respect to a purchase-money security interest before or within twenty days after the debtor receives delivery of the collateral, the security interest takes priority over the rights of a buyer, lessee, or lien creditor which arise between the time the security interest attaches and the time of filing.

**NEW SECTION. Sec. 9A-318. NO INTEREST RETAINED IN RIGHT TO PAYMENT THAT IS SOLD; RIGHTS AND TITLE OF SELLER OF ACCOUNT OR CHATTEL PAPER WITH RESPECT TO CREDITORS AND PURCHASERS.** (a) **Seller retains no interest.** A debtor that has sold an account, chattel paper, payment intangible, or promissory note does not retain a legal or equitable interest in the collateral sold.

(b) **Deemed rights of debtor if buyer's security interest unperfected.** For purposes of determining the rights of creditors of, and purchasers for value of an account or chattel paper from, a debtor that has sold an account or chattel paper, while the buyer's security interest is unperfected, the debtor is deemed to have rights and title to the account or chattel paper identical to those the debtor sold.

**NEW SECTION. Sec. 9A-319. RIGHTS AND TITLE OF CONSIGNEE WITH RESPECT TO CREDITORS AND PURCHASERS.** (a) **Consignee has consignor's rights.** Except as otherwise provided in subsection (b) of this section, for purposes of determining the rights of creditors of, and purchasers for value of goods from, a consignee, while the goods are in the possession of the consignee, the consignee is deemed to have rights and title to the goods identical to those the consignor had or had power to transfer.

(b) **Applicability of other law.** For purposes of determining the rights of a creditor of a consignee, law other than this Article determines the rights and title of a consignee while goods are in the consignee's possession if, under this part, a perfected security interest held by the consignor would have priority over the rights of the creditor.

**NEW SECTION. Sec. 9A-320. BUYER OF GOODS.** (a) **Buyer in ordinary course of business.** Except as otherwise provided in subsection (e) of this section, a buyer in ordinary course of business, other than a person buying farm products from a person engaged in farming operations, takes free of a security interest created by the buyer's seller, even if the security interest is perfected and the buyer knows of its existence.

(b) **Buyer of consumer goods.** Except as otherwise provided in subsection (e) of this section, a buyer of goods from a person who used or bought the goods for use primarily for personal, family, or household purposes takes free of a security interest, even if perfected, if the buyer buys:

- (1) Without knowledge of the security interest;
- (2) For value;
- (3) Primarily for the buyer's personal, family, or household purposes; and
- (4) Before the filing of a financing statement covering the goods.

(c) **Effectiveness of filing for subsection (b) of this section.** To the extent that it affects the priority of a security interest over a buyer of goods under subsection (b) of this section, the period of effectiveness of a filing made in the jurisdiction in which the seller is located is governed by RCW 62A.9A-316 (a) and (b).

(d) **Buyer in ordinary course of business at wellhead or minehead.** A buyer in ordinary course of business buying oil, gas, or other minerals at the wellhead or minehead or after extraction takes free of an interest arising out of an encumbrance.

(e) **Possessory security interest not affected.** Subsections (a) and (b) of this section do not affect a security interest in goods in the possession of the secured party under RCW 62A.9A-313.

**NEW SECTION. Sec. 9A-321. LICENSEE OF GENERAL INTANGIBLE AND LESSEE OF GOODS IN ORDINARY COURSE OF BUSINESS.** (a) **"Licensee in ordinary course of business."** In this section, "licensee in ordinary course of business" means a person that becomes a licensee of a general intangible in good faith, without knowledge that the license violates the rights of another

person in the general intangible, and in the ordinary course from a person in the business of licensing general intangibles of that kind. A person becomes a licensee in the ordinary course if the license to the person comports with the usual or customary practices in the kind of business in which the licensor is engaged or with the licensor's own usual or customary practices.

(b) **Rights of licensee in ordinary course of business.** A licensee in ordinary course of business takes its rights under a nonexclusive license free of a security interest in the general intangible created by the licensor, even if the security interest is perfected and the licensee knows of its existence.

(c) **Rights of lessee in ordinary course of business.** A lessee in ordinary course of business takes its leasehold interest free of a security interest in the goods created by the lessor, even if the security interest is perfected and the lessee knows of its existence.

**NEW SECTION. Sec. 9A-322. PRIORITIES AMONG CONFLICTING SECURITY INTERESTS IN AND AGRICULTURAL LIENS ON SAME COLLATERAL.** (a) **General priority rules.** Except as otherwise provided in this section, priority among conflicting security interests and agricultural liens in the same collateral is determined according to the following rules:

(1) Conflicting perfected security interests and agricultural liens rank according to priority in time of filing or perfection. Priority dates from the earlier of the time a filing covering the collateral is first made or the security interest or agricultural lien is first perfected, if there is no period thereafter when there is neither filing nor perfection.

(2) A perfected security interest or agricultural lien has priority over a conflicting unperfected security interest or agricultural lien.

(3) The first security interest or agricultural lien to attach or become effective has priority if conflicting security interests and agricultural liens are unperfected.

(b) **Time of perfection: Proceeds and supporting obligations.** For the purposes subsection (a)(1) of this section:

(1) The time of filing or perfection as to a security interest in collateral is also the time of filing or perfection as to a security interest in proceeds; and

(2) The time of filing or perfection as to a security interest in collateral supported by a supporting obligation is also the time of filing or perfection as to a security interest in the supporting obligation.

(c) **Special priority rules: Proceeds and supporting obligations.** Except as otherwise provided in subsection (f) of this section, a security interest in collateral which qualifies for priority over a conflicting security interest under RCW 62A.9A-327, 62A.9A-328, 62A.9A-329, 62A.9A-330, or 62A.9A-331 also has priority over a conflicting security interest in:

(1) Any supporting obligation for the collateral; and

(2) Proceeds of the collateral if:

(A) The security interest in proceeds is perfected;

(B) The proceeds are cash proceeds or of the same type as the collateral; and

(C) In the case of proceeds that are proceeds of proceeds, all intervening proceeds are cash proceeds, proceeds of the same type as the collateral, or an account relating to the collateral.

(d) **First-to-file priority rule for certain collateral.** Subject to subsection (e) of this section and except as otherwise provided in subsection (f) of this section, if a security interest in chattel paper, deposit accounts, negotiable documents, instruments, investment property, or letter-of-credit rights is perfected by a method other than filing, conflicting perfected security interests in proceeds of the collateral rank according to priority in time of filing.

(e) **Applicability of subsection (d) of this section.** Subsection (d) of this section applies only if the proceeds of the collateral are not cash proceeds, chattel paper, negotiable documents, instruments, investment property, or letter-of-credit rights.

(f) **Limitations on subsections (a) through (e) of this section.** Subsections (a) through (e) of this section are subject to:

- (1) Subsection (g) of this section and the other provisions of this part;
- (2) RCW 62A.4-210 with respect to a security interest of a collecting bank;
- (3) RCW 62A.5-118 with respect to a security interest of an issuer or nominated person; and
- (4) RCW 62A.9A-110 with respect to a security interest arising under Article 2 or 2A.

(g) **Priority under agricultural lien statute.** A perfected agricultural lien on collateral has priority over a conflicting security interest in or agricultural lien on the same collateral if the statute creating the agricultural lien so provides. Conflicts as to priority between and among security interests in crops and agricultural liens subject to chapter 60.11 RCW are governed by the provisions of that chapter.

**NEW SECTION. Sec. 9A-323. FUTURE ADVANCES.** (a) **When priority based on time of advance.** Except as otherwise provided in subsection (c) of this section, for purposes of determining the priority of a perfected security interest under RCW 62A.9A-322(a)(1), perfection of the security interest dates from the time an advance is made to the extent that the security interest secures an advance that:

- (1) Is made while the security interest is perfected only:
  - (A) Under RCW 62A.9A-309 when it attaches; or
  - (B) Temporarily under RCW 62A.9A-312 (e), (f), or (g); and
- (2) Is not made pursuant to a commitment entered into before or while the security interest is perfected by a method other than under RCW 62A.9A-309 or 62A.9A-312 (e), (f), or (g).

(b) **Lien creditor.** Except as otherwise provided in subsection (c) of this section, a security interest is subordinate to the rights of a person that becomes a lien creditor to the extent that the security interest secures an advance made more than forty-five days after the person becomes a lien creditor unless the advance is made:

- (1) Without knowledge of the lien; or
- (2) Pursuant to a commitment entered into without knowledge of the lien.

(c) **Buyer of receivables.** Subsections (a) and (b) of this section do not apply to a security interest held by a secured party that is a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor.

(d) **Buyer of goods.** Except as otherwise provided in subsection (e) of this section, a buyer of goods other than a buyer in ordinary course of business takes free of a security interest to the extent that it secures advances made after the earlier of:

- (1) The time the secured party acquires knowledge of the buyer's purchase; or
- (2) Forty-five days after the purchase.

(e) **Advances made pursuant to commitment: Priority of buyer of goods.** Subsection (d) of this section does not apply if the advance is made pursuant to a commitment entered into without knowledge of the buyer's purchase and before the expiration of the forty-five day period.

(f) **Lessee of goods.** Except as otherwise provided in subsection (g) of this section, a lessee of goods, other than a lessee in ordinary course of business, takes the leasehold interest free of a security interest to the extent that it secures advances made after the earlier of:

- (1) The time the secured party acquires knowledge of the lease; or
- (2) Forty-five days after the lease contract becomes enforceable.

(g) **Advances made pursuant to commitment: Priority of lessee of goods.** Subsection (f) of this section does not apply if the advance is made pursuant to a commitment entered into without knowledge of the lease and before the expiration of the forty-five day period.

**NEW SECTION. Sec. 9A-324. PRIORITY OF PURCHASE-MONEY SECURITY INTERESTS.** (a) **General rule: Purchase-money priority.** Except as otherwise provided in subsection (g) of this section, a perfected purchase-money security interest in goods other than inventory or livestock has priority over a conflicting security interest in the same goods, and, except as otherwise provided in RCW 62A.9A-327, a perfected security interest in its identifiable proceeds also has priority, if the purchase-money security interest is perfected when the debtor receives possession of the collateral or within twenty days thereafter.

(b) **Inventory purchase-money priority.** Subject to subsection (c) of this section and except as otherwise provided in subsection (g) of this section, a perfected purchase-money security interest in inventory has priority over a conflicting security interest in the same inventory, has priority over a conflicting security interest in chattel paper or an instrument constituting proceeds of the inventory and in proceeds of the chattel paper, if so provided in RCW 62A.9A-330, and, except as otherwise provided in RCW 62A.9A-327, also has priority in identifiable cash proceeds of the inventory to the extent the identifiable cash proceeds are received on or before the delivery of the inventory to a buyer, if:

(1) The purchase-money security interest is perfected when the debtor receives possession of the inventory;

(2) The purchase-money secured party sends an authenticated notification to the holder of the conflicting security interest;

(3) The holder of the conflicting security interest receives the notification within five years before the debtor receives possession of the inventory; and

(4) The notification states that the person sending the notification has or expects to acquire a purchase-money security interest in inventory of the debtor and describes the inventory.

**(c) Holders of conflicting inventory security interests to be notified.** Subsections (b)(2) through (4) of this section apply only if the holder of the conflicting security interest had filed a financing statement covering the same types of inventory:

(1) If the purchase-money security interest is perfected by filing, before the date of the filing; or

(2) If the purchase-money security interest is temporarily perfected without filing or possession under RCW 62A.9A-312(f), before the beginning of the twenty-day period thereunder.

**(d) Livestock purchase-money priority.** Subject to subsection (e) of this section and except as otherwise provided in subsection (g) of this section, a perfected purchase-money security interest in livestock that are farm products has priority over a conflicting security interest in the same livestock, and, except as otherwise provided in RCW 62A.9A-327, a perfected security interest in their identifiable proceeds and identifiable products in their unmanufactured states also has priority, if:

(1) The purchase-money security interest is perfected when the debtor receives possession of the livestock;

(2) The purchase-money secured party sends an authenticated notification to the holder of the conflicting security interest;

(3) The holder of the conflicting security interest receives the notification within six months before the debtor receives possession of the livestock; and

(4) The notification states that the person sending the notification has or expects to acquire a purchase-money security interest in livestock of the debtor and describes the livestock.

**(e) Holders of conflicting livestock security interests to be notified.** Subsections (d)(2) through (4) of this section apply only if the holder of the conflicting security interest had filed a financing statement covering the same types of livestock:

(1) If the purchase-money security interest is perfected by filing, before the date of the filing; or

(2) If the purchase-money security interest is temporarily perfected without filing or possession under RCW 62A.9A-312(f), before the beginning of the twenty-day period thereunder.



(f) **Software purchase-money priority.** Except as otherwise provided in subsection (g) of this section, a perfected purchase-money security interest in software has priority over a conflicting security interest in the same collateral, and, except as otherwise provided in RCW 62A.9A-327, a perfected security interest in its identifiable proceeds also has priority, to the extent that the purchase-money security interest in the goods in which the software was acquired for use has priority in the goods and proceeds of the goods under this section.

(g) **Conflicting purchase-money security interests.** If more than one security interest qualifies for priority in the same collateral under subsection (a), (b), (d), or (f) of this section:

(1) A security interest securing an obligation incurred as all or part of the price of the collateral has priority over a security interest securing an obligation incurred for value given to enable the debtor to acquire rights in or the use of collateral; and

(2) In all other cases, RCW 62A.9A-322(a) applies to the qualifying security interests.

**NEW SECTION. Sec. 9A-325. PRIORITY OF SECURITY INTERESTS IN TRANSFERRED COLLATERAL.** (a) **Subordination of security interest in transferred collateral.** Except as otherwise provided in subsection (b) of this section, a security interest created by a debtor is subordinate to a security interest in the same collateral created by another person if:

(1) The debtor acquired the collateral subject to the security interest created by the other person;

(2) The security interest created by the other person was perfected when the debtor acquired the collateral; and

(3) There is no period thereafter when the security interest is unperfected.

(b) **Limitation of subsection (a) of this section subordination.** Subsection (a) of this section subordinates a security interest only if the security interest:

(1) Otherwise would have priority solely under RCW 62A.9A-322(a) or 62A.9A-324; or

(2) Arose solely under RCW 62A.2-711(3) or 62A.2A-508(5).

**NEW SECTION. Sec. 9A-326. PRIORITY OF SECURITY INTERESTS CREATED BY NEW DEBTOR.** (a) **Subordination of security interest created by new debtor.** Subject to subsection (b) of this section, a security interest created by a new debtor which is perfected by a filed financing statement that is effective solely under RCW 62A.9A-508 in collateral in which a new debtor has or acquires rights is subordinate to a security interest in the same collateral which is perfected other than by a filed financing statement that is effective solely under RCW 62A.9A-508.

(b) **Priority under other provisions; multiple original debtors.** The other provisions of this part determine the priority among conflicting security interests in the same collateral perfected by filed financing statements that are effective solely under RCW 62A.9A-508. However, if the security agreements to which a new debtor became bound as debtor were not entered into by the same original

debtor, the conflicting security interests rank according to priority in time of the new debtor's having become bound.

**NEW SECTION. Sec. 9A-327. PRIORITY OF SECURITY INTERESTS IN DEPOSIT ACCOUNT.** The following rules govern priority among conflicting security interests in the same deposit account:

(1) A security interest held by a secured party having control of the deposit account under RCW 62A.9A-104 has priority over a conflicting security interest held by a secured party that does not have control.

(2) Except as otherwise provided in (3) and (4) of this section, security interests perfected by control under RCW 62A.9A-314 rank according to priority in time of obtaining control.

(3) Except as otherwise provided in (4) of this section, a security interest held by the bank with which the deposit account is maintained has priority over a conflicting security interest held by another secured party.

(4) A security interest perfected by control under RCW 62A.9A-104(a)(3) has priority over a security interest held by the bank with which the deposit account is maintained.

**NEW SECTION. Sec. 9A-328. PRIORITY OF SECURITY INTERESTS IN INVESTMENT PROPERTY.** The following rules govern priority among conflicting security interests in the same investment property:

(1) A security interest held by a secured party having control of investment property under RCW 62A.9A-106 has priority over a security interest held by a secured party that does not have control of the investment property.

(2) Except as otherwise provided in (3) and (4) of this section, conflicting security interests held by secured parties each of which has control under RCW 62A.9A-106 rank according to priority in time of:

(A) If the collateral is a security, obtaining control;

(B) If the collateral is a security entitlement carried in a securities account and:

(i) If the secured party obtained control under RCW 62A.8-106(d)(1), the secured party's becoming the person for which the securities account is maintained;

(ii) If the secured party obtained control under RCW 62A.8-106(d)(2), the securities intermediary's agreement to comply with the secured party's entitlement orders with respect to security entitlements carried or to be carried in the securities account; or

(iii) If the secured party obtained control through another person under RCW 62A.8-106(d)(3), the time on which priority would be based under this paragraph if the other person were the secured party; or

(C) If the collateral is a commodity contract carried with a commodity intermediary, the satisfaction of the requirement for control specified in RCW 62A.9A-106(b)(2) with respect to commodity contracts carried or to be carried with the commodity intermediary.

(3) A security interest held by a securities intermediary in a security entitlement or a securities account maintained with the securities intermediary has priority over a conflicting security interest held by another secured party.

(4) A security interest held by a commodity intermediary in a commodity contract or a commodity account maintained with the commodity intermediary has priority over a conflicting security interest held by another secured party.

(5) A security interest in a certificated security in registered form which is perfected by taking delivery under RCW 62A.9A-313(a) and not by control under RCW 62A.9A-314 has priority over a conflicting security interest perfected by a method other than control.

(6) Conflicting security interests created by a broker, securities intermediary, or commodity intermediary which are perfected without control under RCW 62A.9A-106 rank equally.

(7) In all other cases, priority among conflicting security interests in investment property is governed by RCW 62A.9A-322 and 62A.9A-323.

**NEW SECTION. Sec. 9A-329. PRIORITY OF SECURITY INTERESTS IN LETTER-OF-CREDIT RIGHT.** The following rules govern priority among conflicting security interests in the same letter-of-credit right:

(1) A security interest held by a secured party having control of the letter-of-credit right under RCW 62A.9A-107 has priority to the extent of its control over a conflicting security interest held by a secured party that does not have control.

(2) Security interests perfected by control under RCW 62A.9A-314 rank according to priority in time of obtaining control.

**NEW SECTION. Sec. 9A-330. PRIORITY OF PURCHASER OF CHATTEL PAPER OR INSTRUMENT.** (a) **Purchaser's priority: Security interest claimed merely as proceeds.** A purchaser of chattel paper has priority over a security interest in the chattel paper which is claimed merely as proceeds of inventory subject to a security interest if:

(1) In good faith and in the ordinary course of the purchaser's business, the purchaser gives new value and takes possession of the chattel paper or obtains control of the chattel paper under RCW 62A.9A-105; and

(2) The chattel paper does not indicate that it has been assigned to an identified assignee other than the purchaser.

(b) **Purchaser's priority: Other security interests.** A purchaser of chattel paper has priority over a security interest in the chattel paper which is claimed other than merely as proceeds of inventory subject to a security interest if the purchaser gives new value and takes possession of the chattel paper or obtains control of the chattel paper under RCW 62A.9A-105 in good faith, in the ordinary course of the purchaser's business, and without knowledge that the purchase violates the rights of the secured party.

(c) **Chattel paper purchaser's priority in proceeds.** Except as otherwise provided in RCW 62A.9A-327, a purchaser having priority in chattel paper under

subsection (a) or (b) of this section also has priority in proceeds of the chattel paper to the extent that:

(1) RCW 62A.9A-322 provides for priority in the proceeds; or

(2) The proceeds consist of the specific goods covered by the chattel paper or cash proceeds of the specific goods, even if the purchaser's security interest in the proceeds is unperfected.

(d) **Instrument purchaser's priority.** Except as otherwise provided in RCW 62A.9A-331(a), a purchaser of an instrument has priority over a security interest in the instrument perfected by a method other than possession if the purchaser gives value and takes possession of the instrument in good faith and without knowledge that the purchase violates the rights of the secured party.

(e) **Holder of purchase-money security interest gives new value.** For purposes of subsections (a) and (b) of this section, the holder of a purchase-money security interest in inventory gives new value for chattel paper constituting proceeds of the inventory.

(f) **Indication of assignment gives knowledge.** For purposes of subsections (b) and (d) of this section, if chattel paper or an instrument indicates that it has been assigned to an identified secured party other than the purchaser, a purchaser of the chattel paper or instrument has knowledge that the purchase violates the rights of the secured party.

**NEW SECTION. Sec. 9A-331. PRIORITY OF RIGHTS OF PURCHASERS OF INSTRUMENTS, DOCUMENTS, AND SECURITIES UNDER OTHER ARTICLES; PRIORITY OF INTERESTS IN FINANCIAL ASSETS AND SECURITY ENTITLEMENTS UNDER ARTICLE 8.** (a) **Rights under Articles 3, 7, and 8 not limited.** This Article does not limit the rights of a holder in due course of a negotiable instrument, a holder to which a negotiable document of title has been duly negotiated, or a protected purchaser of a security. These holders or purchasers take priority over an earlier security interest, even if perfected, to the extent provided in Articles 3, 7, and 8.

(b) **Protection under Article 8.** This Article does not limit the rights of or impose liability on a person to the extent that the person is protected against the assertion of an adverse claim under Article 8.

(c) **Filing not notice.** Filing under this Article does not constitute notice of a claim or defense to the holders, or purchasers, or persons described in subsections (a) and (b) of this section.

**NEW SECTION. Sec. 9A-332. TRANSFER OF MONEY; TRANSFER OF FUNDS FROM DEPOSIT ACCOUNT.** (a) **Transferee of money.** A transferee of money takes the money free of a security interest unless the transferee acts in collusion with the debtor in violating the rights of the secured party.

(b) **Transferee of funds from deposit account.** A transferee of funds from a deposit account takes the funds free of a security interest in the deposit account unless the transferee acts in collusion with the debtor in violating the rights of the secured party.

**NEW SECTION. Sec. 9A-333. PRIORITY OF CERTAIN LIENS ARISING BY OPERATION OF LAW.** (a) "**Possessory lien.**" In this section, "possessory lien" means an interest, other than a security interest or an agricultural lien:

(1) Which secures payment or performance of an obligation for services or materials furnished with respect to goods by a person in the ordinary course of the person's business;

(2) Which is created by statute or rule of law in favor of the person; and

(3) Whose effectiveness depends on the person's possession of the goods.

(b) **Priority of possessory lien.** A possessory lien on goods has priority over a security interest in the goods only if the lien is created by a statute that expressly provides otherwise.

**NEW SECTION. Sec. 9A-334. PRIORITY OF SECURITY INTERESTS IN FIXTURES AND CROPS.** (a) **Security interest in fixtures under this Article.** A security interest under this Article may be created in goods that are fixtures or may continue in goods that become fixtures. A security interest does not exist under this Article in ordinary building materials incorporated into an improvement on land.

(b) **Security interest in fixtures under real-property law.** This Article does not prevent creation of an encumbrance upon fixtures under real property law.

(c) **General rule: Subordination of security interest in fixtures.** In cases not governed by subsections (d) through (h) of this section, a security interest in fixtures is subordinate to a conflicting interest of an encumbrancer or owner of the related real property other than the debtor.

(d) **Fixtures purchase-money priority.** Except as otherwise provided in subsection (h) of this section, a perfected security interest in fixtures has priority over a conflicting interest of an encumbrancer or owner of the real property if the debtor has an interest of record in, or is in possession of, the real property and:

(1) The security interest is a purchase-money security interest;

(2) The interest of the encumbrancer or owner arises before the goods become fixtures; and

(3) The security interest is perfected by a fixture filing before the goods become fixtures or within twenty days thereafter.

(e) **Priority of security interest in fixtures over interests in real property.** A perfected security interest in fixtures has priority over a conflicting interest of an encumbrancer or owner of the real property if:

(1) The debtor has an interest of record in the real property or is in possession of the real property and the security interest:

(A) Is perfected by a fixture filing before the interest of the encumbrancer or owner is of record; and

(B) Has priority over any conflicting interest of a predecessor in title of the encumbrancer or owner;

(2) Before the goods become fixtures, the security interest is perfected by any method permitted by this Article and the fixtures are readily removable:

- (A) Factory or office machines;
- (B) Equipment that is not primarily used or leased for use in the operation of the real property; or
- (C) Replacements of domestic appliances that are consumer goods; or
- (3) The conflicting interest is a lien on the real property obtained by legal or equitable proceedings after the security interest was perfected by any method permitted by this Article.

(f) **Priority based on consent, disclaimer, or right to remove.** A security interest in fixtures, whether or not perfected, has priority over a conflicting interest of an encumbrancer or owner of the real property if:

- (1) The encumbrancer or owner has, in an authenticated record, consented to the security interest or disclaimed an interest in the goods as fixtures; or
- (2) The debtor has a right to remove the goods as against the encumbrancer or owner.

(g) **Continuation of subsection (f) priority.** The priority of the security interest under subsection (f) of this section continues for a reasonable time if the debtor's right to remove the goods as against the encumbrancer or owner terminates.

(h) **Priority of construction mortgage.** A mortgage is a construction mortgage to the extent that it secures an obligation incurred for the construction of an improvement on land, including the acquisition cost of the land, if a recorded record of the mortgage so indicates. Except as otherwise provided in subsections (e) and (f) of this section, a security interest in fixtures is subordinate to a construction mortgage if a record of the mortgage is recorded before the goods become fixtures and the goods become fixtures before the completion of the construction. A mortgage has this priority to the same extent as a construction mortgage to the extent that it is given to refinance a construction mortgage.

(i) **Priority of security interest in crops.** A perfected security interest in crops growing on real property has priority over a conflicting interest of an encumbrancer or owner of the real property if the debtor has an interest of record in or is in possession of the real property.

(j) **Subsection (i) prevails.** Subsection (i) of this section prevails over inconsistent provisions of any other statute except RCW 60.11.050.

**NEW SECTION. Sec. 9A-335. ACCESSIONS.** (a) **Creation of security interest in accession.** A security interest may be created in an accession and continues in collateral that becomes an accession.

(b) **Perfection of security interest.** If a security interest is perfected when the collateral becomes an accession, the security interest remains perfected in the collateral.

(c) **Priority of security interest.** Except as otherwise provided in subsection (d) of this section, the other provisions of this part determine the priority of a security interest in an accession.

(d) **Compliance with certificate-of-title statute.** A security interest in an accession is subordinate to a security interest in the whole which is perfected by compliance with the requirements of a certificate-of-title statute under RCW 62A.9A-311(b).

(e) **Removal of accession after default.** After default, subject to Part 6 of this Article, a secured party may remove an accession from other goods if the security interest in the accession has priority over the claims of every person having an interest in the whole.

(f) **Reimbursement following removal.** A secured party that removes an accession from other goods under subsection (e) of this section shall promptly reimburse any holder of a security interest or other lien on, or owner of, the whole or of the other goods, other than the debtor, for the cost of repair of any physical injury to the whole or the other goods. The secured party need not reimburse the holder or owner for any diminution in value of the whole or the other goods caused by the absence of the accession removed or by any necessity for replacing it. A person entitled to reimbursement may refuse permission to remove until the secured party gives adequate assurance for the performance of the obligation to reimburse.

NEW SECTION. Sec. 9A-336. **COMMINGLED GOODS.** (a) **"Commingled goods."** In this section, "commingled goods" means goods that are physically united with other goods in such a manner that their identity is lost in a product or mass.

(b) **No security interest in commingled goods as such.** A security interest does not exist in commingled goods as such. However, a security interest may attach to a product or mass that results when goods become commingled goods.

(c) **Attachment of security interest to product or mass.** If collateral becomes commingled goods, a security interest attaches to the product or mass.

(d) **Perfection of security interest.** If a security interest in collateral is perfected before the collateral becomes commingled goods, the security interest that attaches to the product or mass under subsection (c) of this section is perfected.

(e) **Priority of security interest.** Except as otherwise provided in subsection (f) of this section, the other provisions of this part determine the priority of a security interest that attaches to the product or mass under subsection (c) of this section.

(f) **Conflicting security interests in product or mass.** If more than one security interest attaches to the product or mass under subsection (c) of this section, the following rules determine priority:

(1) A security interest that is perfected under subsection (d) of this section has priority over a security interest that is unperfected at the time the collateral becomes commingled goods.

(2) If more than one security interest is perfected under subsection (d) of this section, the security interests rank equally in proportion to value of the collateral at the time it became commingled goods.

**NEW SECTION. Sec. 9A-337. PRIORITY OF SECURITY INTERESTS IN GOODS COVERED BY CERTIFICATE OF TITLE.** If, while a security interest in goods is perfected by any method under the law of another jurisdiction, this state issues a certificate of title that does not show that the goods are subject to the security interest or contain a statement that they may be subject to security interests not shown on the certificate:

(1) A buyer of the goods, other than a person in the business of selling goods of that kind, takes free of the security interest if the buyer gives value and receives delivery of the goods after issuance of the certificate and without knowledge of the security interest; and

(2) The security interest is subordinate to a conflicting security interest in the goods that attaches, and is perfected under RCW 62A.9A-311(b), after issuance of the certificate and without the conflicting secured party's knowledge of the security interest.

**NEW SECTION. Sec. 9A-338. PRIORITY OF SECURITY INTEREST OR AGRICULTURAL LIEN PERFECTED BY FILED FINANCING STATEMENT PROVIDING CERTAIN INCORRECT INFORMATION.** If a security interest or agricultural lien is perfected by a filed financing statement providing information described in RCW 62A.9A-516(b)(5) which is incorrect at the time the financing statement is filed:

(1) The security interest or agricultural lien is subordinate to a conflicting perfected security interest in the collateral to the extent that the holder of the conflicting security interest gives value in reasonable reliance upon the incorrect information; and

(2) A purchaser, other than a secured party, of the collateral takes free of the security interest or agricultural lien to the extent that, in reasonable reliance upon the incorrect information, the purchaser gives value and, in the case of chattel paper, documents, goods, instruments, or a security certificate, receives delivery of the collateral.

**NEW SECTION. Sec. 9A-339. PRIORITY SUBJECT TO SUBORDINATION.** This Article does not preclude subordination by agreement by a person entitled to priority.

**NEW SECTION. Sec. 9A-340. EFFECTIVENESS OF RIGHT OF RECOUPMENT OR SET-OFF AGAINST DEPOSIT ACCOUNT.** (a) **Exercise of recoupment or set-off.** Except as otherwise provided in subsection (c) of this section, a bank with which a deposit account is maintained may exercise any right of recoupment or set-off against a secured party that holds a security interest in the deposit account.

(b) **Recoupment or set-off not affected by security interest.** Except as otherwise provided in subsection (c) of this section, the application of this Article to a security interest in a deposit account does not affect a right of recoupment or



set-off of the secured party as to a deposit account maintained with the secured party.

(c) **When set-off ineffective.** The exercise by a bank of a set-off against a deposit account is ineffective against a secured party that holds a security interest in the deposit account which is perfected by control under RCW 62A.9A-104(a)(3), if the set-off is based on a claim against the debtor.

**NEW SECTION. Sec. 9A-341. BANK'S RIGHTS AND DUTIES WITH RESPECT TO DEPOSIT ACCOUNT.** Except as otherwise provided in RCW 62A.9A-340(c), and unless the bank otherwise agrees in an authenticated record, a bank's rights and duties with respect to a deposit account maintained with the bank are not terminated, suspended, or modified by:

(1) The creation, attachment, or perfection of a security interest in the deposit account;

(2) The bank's knowledge of the security interest; or

(3) The bank's receipt of instructions from the secured party.

**NEW SECTION. Sec. 9A-342. BANK'S RIGHT TO REFUSE TO ENTER INTO OR DISCLOSE EXISTENCE OF CONTROL AGREEMENT.** This Article does not require a bank to enter into an agreement of the kind described in RCW 62A.9A-104(a)(2), even if its customer so requests or directs. A bank that has entered into such an agreement is not required to confirm the existence of the agreement to another person unless requested to do so by its customer.

#### PART 4

#### RIGHTS OF THIRD PARTIES

**NEW SECTION. Sec. 9A-401. ALIENABILITY OF DEBTOR'S RIGHTS.**

(a) **Other law governs alienability; exceptions.** Except as otherwise provided in subsection (b) of this section and RCW 62A.9A-406, 62A.9A-407, 62A.9A-408, and 62A.9A-409, whether a debtor's rights in collateral may be voluntarily or involuntarily transferred is governed by law other than this Article.

(b) **Agreement does not prevent transfer.** An agreement between the debtor and secured party which prohibits a transfer of the debtor's rights in collateral or makes the transfer a default does not prevent the transfer from taking effect.

**NEW SECTION. Sec. 9A-402. SECURED PARTY NOT OBLIGATED ON CONTRACT OF DEBTOR OR IN TORT.** The existence of a security interest, agricultural lien, or authority given to a debtor to dispose of or use collateral, without more, does not subject a secured party to liability in contract or tort for the debtor's acts or omissions.

**NEW SECTION. Sec. 9A-403. AGREEMENT NOT TO ASSERT DEFENSES AGAINST ASSIGNEE.** (a) "Value." In this section, "value" has the meaning provided in RCW 62A.3-303(a).

(b) **Agreement not to assert claim or defense.** Except as otherwise provided in this section, an agreement between an account debtor and an assignor not to

assert against an assignee any claim or defense that the account debtor may have against the assignor is enforceable by an assignee that takes an assignment:

- (1) For value;
- (2) In good faith;
- (3) Without notice of a claim of a property or possessory right to the property assigned; and
- (4) Without notice of a defense or claim in recoupment of the type that may be asserted against a person entitled to enforce a negotiable instrument under RCW 62A.3-305(a).

(c) **When subsection (b) of this section not applicable.** Subsection (b) of this section does not apply to defenses of a type that may be asserted against a holder in due course of a negotiable instrument under RCW 62A.3-305(b).

(d) **Omission of required statement in consumer transaction.** In a consumer transaction, if a record evidences the account debtor's obligation, law other than this Article requires that the record include a statement to the effect that the rights of an assignee are subject to claims or defenses that the account debtor could assert against the original obligee, and the record does not include such a statement:

- (1) The record has the same effect as if the record included such a statement; and
- (2) The account debtor may assert against an assignee those claims and defenses that would have been available if the record included such a statement.

(e) **Rule for individual under other law.** This section is subject to law other than this Article which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

(f) **Other law not displaced.** Except as otherwise provided in subsection (d) of this section, this section does not displace law other than this Article which gives effect to an agreement by an account debtor not to assert a claim or defense against an assignee.

**NEW SECTION. Sec. 9A-404. RIGHTS ACQUIRED BY ASSIGNEE; CLAIMS AND DEFENSES AGAINST ASSIGNEE.** (a) **Assignee's rights subject to terms, claims, and defenses; exceptions.** Unless an account debtor has made an enforceable agreement not to assert defenses or claims, and subject to subsections (b) through (e) of this section, the rights of an assignee are subject to:

- (1) All terms of the agreement between the account debtor and assignor and any defense or claim in recoupment arising from the transaction that gave rise to the contract; and
- (2) Any other defense or claim of the account debtor against the assignor which accrues before the account debtor receives a notification of the assignment authenticated by the assignor or the assignee.

(b) **Account debtor's claim reduces amount owed to assignee.** Subject to subsection (c) of this section, and except as otherwise provided in subsection (d)

of this section, the claim of an account debtor against an assignor may be asserted against an assignee under subsection (a) of this section only to reduce the amount the account debtor owes.

(c) **Rule for individual under other law.** This section is subject to law other than this Article which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

(d) **Omission of required statement in consumer transaction.** In a consumer transaction, if a record evidences the account debtor's obligation, law other than this Article requires that the record include a statement to the effect that the account debtor's recovery against an assignee with respect to claims and defenses against the assignor may not exceed amounts paid by the account debtor under the record, and the record does not include such a statement, the extent to which a claim of an account debtor against the assignor may be asserted against an assignee is determined as if the record included such a statement.

(e) **Inapplicability to health-care-insurance receivable.** This section does not apply to an assignment of a health-care-insurance receivable.

**NEW SECTION. Sec. 9A-405. MODIFICATION OF ASSIGNED CONTRACT.** (a) **Effect of modification on assignee.** A modification of or substitution for an assigned contract is effective against an assignee if made in good faith. The assignee acquires corresponding rights under the modified or substituted contract. The assignment may provide that the modification or substitution is a breach of contract by the assignor. This subsection is subject to subsections (b) through (d) of this section.

(b) **Applicability of subsection (a) of this section.** Subsection (a) of this section applies to the extent that:

(1) The right to payment or a part thereof under an assigned contract has not been fully earned by performance; or

(2) The right to payment or a part thereof has been fully earned by performance and the account debtor has not received notification of the assignment under RCW 62A.9A-406(a).

(c) **Rule for individual under other law.** This section is subject to law other than this Article which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

(d) **Inapplicability to health-care-insurance receivable.** This section does not apply to an assignment of a health-care-insurance receivable.

**NEW SECTION. Sec. 9A-406. DISCHARGE OF ACCOUNT DEBTOR; NOTIFICATION OF ASSIGNMENT; IDENTIFICATION AND PROOF OF ASSIGNMENT; RESTRICTIONS ON ASSIGNMENT OF ACCOUNTS, CHATTEL PAPER, PAYMENT INTANGIBLES, AND PROMISSORY NOTES INEFFECTIVE.** (a) **Discharge of account debtor; effect of notification.** Subject to subsections (b) through (i) of this section, an account debtor on an account,

chattel paper, or a payment intangible may discharge its obligation by paying the assignor until, but not after, the account debtor receives a notification, authenticated by the assignor or the assignee, that the amount due or to become due has been assigned and that payment is to be made to the assignee. After receipt of the notification, the account debtor may discharge its obligation by paying the assignee and may not discharge the obligation by paying the assignor.

**(b) When notification ineffective.** Subject to subsection (h) of this section, notification is ineffective under subsection (a) of this section:

(1) If it does not reasonably identify the rights assigned;

(2) To the extent that an agreement between an account debtor and a seller of a payment intangible limits the account debtor's duty to pay a person other than the seller and the limitation is effective under law other than this Article; or

(3) At the option of an account debtor, if the notification notifies the account debtor to make less than the full amount of any installment or other periodic payment to the assignee, even if:

(A) Only a portion of the account, chattel paper, or general intangible has been assigned to that assignee;

(B) A portion has been assigned to another assignee; or

(C) The account debtor knows that the assignment to that assignee is limited.

**(c) Proof of assignment.** Subject to subsection (h) of this section, if requested by the account debtor, an assignee shall seasonably furnish reasonable proof that the assignment has been made. Unless the assignee complies, the account debtor may discharge its obligation by paying the assignor, even if the account debtor has received a notification under subsection (a) of this section.

**(d) Term restricting assignment generally ineffective.** Except as otherwise provided in subsection (e) of this section and RCW 62A.2A-303 and 62A.9A-407, and subject to subsection (h) of this section, a term in an agreement between an account debtor and an assignor or in a promissory note is ineffective to the extent that it:

(1) Prohibits, restricts, or requires the consent of the account debtor or person obligated on the promissory note to the assignment or transfer of, or the creation, attachment, perfection, or enforcement of a security interest in, the account, chattel paper, payment intangible, or promissory note; or

(2) Provides that the assignment or transfer or the creation, attachment, perfection, or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the account, chattel paper, payment intangible, or promissory note.

**(e) Inapplicability of subsection (d) to certain sales.** Subsection (d) of this section does not apply to the sale of a payment intangible or promissory note.

(f) [Reserved]

**(g) Subsection (b)(3) not waivable.** Subject to subsection (h) of this section, an account debtor may not waive or vary its option under subsection (b)(3) of this section.

(h) **Rule for individual under other law.** This section is subject to law other than this Article which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

(i) **Inapplicability to health-care-insurance receivable.** This section does not apply to an assignment of a health-care-insurance receivable.

**NEW SECTION. Sec. 9A-407. RESTRICTIONS ON CREATION OR ENFORCEMENT OF SECURITY INTEREST IN LEASEHOLD INTEREST OR IN LESSOR'S RESIDUAL INTEREST.** (a) **Term restricting assignment generally ineffective.** Except as otherwise provided in subsection (b) of this section, a term in a lease agreement is ineffective to the extent that it:

(1) Prohibits, restricts, or requires the consent of a party to the lease to the assignment or transfer of, or the creation, attachment, perfection, or enforcement of a security interest in an interest of a party under the lease contract or in the lessor's residual interest in the goods; or

(2) Provides that the assignment or transfer or the creation, attachment, perfection, or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the lease.

(b) **Effectiveness of certain terms.** Except as otherwise provided in RCW 62A.2A-303(7), a term described in subsection (a)(2) of this section is effective to the extent that there is:

(1) A transfer by the lessee of the lessee's right of possession or use of the goods in violation of the term; or

(2) A delegation of a material performance of either party to the lease contract in violation of the term.

(c) **Security interest not material impairment.** The creation, attachment, perfection, or enforcement of a security interest in the lessor's interest under the lease contract or the lessor's residual interest in the goods is not a transfer that materially impairs the lessee's prospect of obtaining return performance or materially changes the duty of or materially increases the burden or risk imposed on the lessee within the purview of RCW 62A.2A-303(4) unless, and then only to the extent that, enforcement actually results in a delegation of material performance of the lessor.

**NEW SECTION. Sec. 9A-408. RESTRICTIONS ON ASSIGNMENT OF PROMISSORY NOTES, HEALTH-CARE-INSURANCE RECEIVABLES, AND CERTAIN GENERAL INTANGIBLES INEFFECTIVE.** (a) **Term restricting assignment generally ineffective.** Except as otherwise provided in subsection (b) of this section, a term in a promissory note or in an agreement between an account debtor and a debtor which relates to a health-care-insurance receivable or a general intangible, including a contract, permit, license, or franchise, and which term prohibits, restricts, or requires the consent of the person obligated on the promissory note or the account debtor to, the assignment or transfer of, or creation,

attachment, or perfection of a security interest in, the promissory note, health-care-insurance receivable, or general intangible, is ineffective to the extent that the term:

(1) Would impair the creation, attachment, or perfection of a security interest;

or

(2) Provides that the assignment or transfer or the creation, attachment, or perfection of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the promissory note, health-care-insurance receivable, or general intangible.

**(b) Applicability of subsection (a) of this section to sales of certain rights to payment.** Subsection (a) of this section applies to a security interest in a payment intangible or promissory note only if the security interest arises out of a sale of the payment intangible or promissory note.

**(c) Legal restrictions on assignment generally ineffective.** A rule of law, statute, or regulation that prohibits, restricts, or requires the consent of a government, governmental body or official, person obligated on a promissory note, or account debtor to the assignment or transfer of, or creation of a security interest in, a promissory note, health-care-insurance receivable, or general intangible, including a contract, permit, license, or franchise between an account debtor and a debtor, is ineffective to the extent that the rule of law, statute, or regulation:

(1) Would impair the creation, attachment, or perfection of a security interest;

or

(2) Provides that the assignment or transfer or the creation, attachment, or perfection of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the promissory note, health-care-insurance receivable, or general intangible.

**(d) Limitation on ineffectiveness under subsections (a) and (c) of this section.** To the extent that a term in a promissory note or in an agreement between an account debtor and a debtor which relates to a health-care-insurance receivable or general intangible or a rule of law, statute, or regulation described in subsection (c) of this section would be effective under law other than this Article but is ineffective under subsection (a) or (c) of this section, the creation, attachment, or perfection of a security interest in the promissory note, health-care-insurance receivable, or general intangible:

(1) Is not enforceable against the person obligated on the promissory note or the account debtor;

(2) Does not impose a duty or obligation on the person obligated on the promissory note or the account debtor;

(3) Does not require the person obligated on the promissory note or the account debtor to recognize the security interest, pay or render performance to the secured party, or accept payment or performance from the secured party;

(4) Does not entitle the secured party to use or assign the debtor's rights under the promissory note, health-care-insurance receivable, or general intangible, including any related information or materials furnished to the debtor in the

transaction giving rise to the promissory note, health-care-insurance receivable, or general intangible;

(5) Does not entitle the secured party to use, assign, possess, or have access to any trade secrets or confidential information of the person obligated on the promissory note or the account debtor; and

(6) Does not entitle the secured party to enforce the security interest in the promissory note, health-care-insurance receivable, or general intangible.

**NEW SECTION. Sec. 9A-409. RESTRICTIONS ON ASSIGNMENT OF LETTER-OF-CREDIT RIGHTS INEFFECTIVE.** (a) **Term or law restricting assignment generally ineffective.** A term in a letter of credit or a rule of law, statute, regulation, custom, or practice applicable to the letter of credit which prohibits, restricts, or requires the consent of an applicant, issuer, or nominated person to a beneficiary's assignment of or creation of a security interest in a letter-of-credit right is ineffective to the extent that the term or rule of law, statute, regulation, custom, or practice:

(1) Would impair the creation, attachment, or perfection of a security interest in the letter-of-credit right; or

(2) Provides that the assignment or the creation, attachment, or perfection of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the letter-of-credit right.

(b) **Limitation on ineffectiveness under subsection (a) of this section.** To the extent that a term in a letter of credit is ineffective under subsection (a) of this section but would be effective under law other than this Article or a custom or practice applicable to the letter of credit, to the transfer of a right to draw or otherwise demand performance under the letter of credit, or to the assignment of a right to proceeds of the letter of credit, the creation, attachment, or perfection of a security interest in the letter-of-credit right:

(1) Is not enforceable against the applicant, issuer, nominated person, or transferee beneficiary;

(2) Imposes no duties or obligations on the applicant, issuer, nominated person, or transferee beneficiary; and

(3) Does not require the applicant, issuer, nominated person, or transferee beneficiary to recognize the security interest, pay or render performance to the secured party, or accept payment or other performance from the secured party.

## **PART 5 FILING**

**NEW SECTION. Sec. 9A-501. FILING OFFICE.** (a) **Filing offices.** Except as otherwise provided in subsection (b) of this section, if the local law of this state governs perfection of a security interest or agricultural lien, the office in which to file a financing statement to perfect the security interest or agricultural lien is:

(1) The office designated for the filing or recording of a record of a mortgage on the related real property, if:

(A) The collateral is as-extracted collateral or timber to be cut; or

(B) The financing statement is filed as a fixture filing and the collateral is goods that are or are to become fixtures; or

(2) The department of licensing, in all other cases, including a case in which the collateral is goods that are or are to become fixtures and the financing statement is not filed as a fixture filing.

(b) **Filing office for transmitting utilities.** The office in which to file a financing statement to perfect a security interest in collateral, including fixtures, of a transmitting utility is the department of licensing. The financing statement also constitutes a fixture filing as to the collateral indicated in the financing statement which is or is to become fixtures.

NEW SECTION. **Sec. 9A-502. CONTENTS OF FINANCING STATEMENT; RECORD OF MORTGAGE AS FINANCING STATEMENT; TIME OF FILING FINANCING STATEMENT.** (a) **Sufficiency of financing statement.** Subject to subsection (b) of this section, a financing statement is sufficient only if it:

(1) Provides the name of the debtor;

(2) Provides the name of the secured party or a representative of the secured party; and

(3) Indicates the collateral covered by the financing statement.

(b) **Real-property-related financing statements.** Except as otherwise provided in RCW 62A.9A-501(b), to be sufficient, a financing statement that covers as-extracted collateral or timber to be cut, or which is filed as a fixture filing and covers goods that are or are to become fixtures, must satisfy subsection (a) of this section and also:

(1) Indicate that it covers this type of collateral;

(2) Indicate that it is to be filed for record in the real property records;

(3) Provide a description of the real property to which the collateral is related sufficient to give constructive notice of a mortgage under the law of this state if the description were contained in a record of the mortgage of the real property; and

(4) If the debtor does not have an interest of record in the real property, provide the name of a record owner.

(c) **Record of mortgage as financing statement.** A record of a mortgage is effective, from the date of recording, as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut only if:

(1) The record indicates the goods or accounts that it covers;

(2) The goods are or are to become fixtures related to the real property described in the record or the collateral is related to the real property described in the record and is as-extracted collateral or timber to be cut;



(3) The record satisfies the requirements for a financing statement in this section other than an indication that it is to be filed in the real property records; and

(4) The record is recorded.

(d) **Filing before security agreement or attachment.** A financing statement may be filed before a security agreement is made or a security interest otherwise attaches.

**NEW SECTION. Sec. 9A-503. NAME OF DEBTOR AND SECURED PARTY.** (a) **Sufficiency of debtor's name.** A financing statement sufficiently provides the name of the debtor:

(1) If the debtor is a registered organization, only if the financing statement provides the name of the debtor indicated on the public record of the debtor's jurisdiction of organization which shows the debtor to have been organized;

(2) If the debtor is a decedent's estate, only if the financing statement provides the name of the decedent and indicates that the debtor is an estate;

(3) If the debtor is a trust or a trustee acting with respect to property held in trust, only if the financing statement:

(A) Provides the name specified for the trust in its organic documents or, if no name is specified, provides the name of the settlor and additional information sufficient to distinguish the debtor from other trusts having one or more of the same settlors; and

(B) Indicates, in the debtor's name or otherwise, that the debtor is a trust or is a trustee acting with respect to property held in trust; and

(4) In other cases:

(A) If the debtor has a name, only if it provides the individual or organizational name of the debtor; and

(B) If the debtor does not have a name, only if it provides the names of the partners, members, associates, or other persons comprising the debtor.

(b) **Additional debtor-related information.** A financing statement that provides the name of the debtor in accordance with subsection (a) of this section is not rendered ineffective by the absence of:

(1) A trade name or other name of the debtor; or

(2) Unless required under subsection (a)(4)(B) of this section, names of partners, members, associates, or other persons comprising the debtor.

(c) **Debtor's trade name insufficient.** A financing statement that provides only the debtor's trade name does not sufficiently provide the name of the debtor.

(d) **Representative capacity.** Failure to indicate the representative capacity of a secured party or representative of a secured party does not affect the sufficiency of a financing statement.

(e) **Multiple debtors and secured parties.** A financing statement may provide the name of more than one debtor and the name of more than one secured party.

**NEW SECTION. Sec. 9A-504. INDICATION OF COLLATERAL.** A financing statement sufficiently indicates the collateral that it covers if the financing statement provides:

- (1) A description of the collateral pursuant to RCW 62A.9A-108; or
- (2) An indication that the financing statement covers all assets or all personal property.

**NEW SECTION. Sec. 9A-505. FILING AND COMPLIANCE WITH OTHER STATUTES AND TREATIES FOR CONSIGNMENTS, LEASES, OTHER BAILMENTS, AND OTHER TRANSACTIONS.** (a) **Use of terms other than "debtor" and "secured party."** A consignor, lessor, or other bailor of goods, a licensor, or a buyer of a payment intangible or promissory note may file a financing statement, or may comply with a statute or treaty described in RCW 62A.9A-311(a), using the terms "consignor," "consignee," "lessor," "lessee," "bailor," "bailee," "licensor," "licensee," "owner," "registered owner," "buyer," "seller," or words of similar import, instead of the terms "secured party" and "debtor."

(b) **Effect of financing statement under subsection (a) of this section.** This part applies to the filing of a financing statement under subsection (a) of this section and, as appropriate, to compliance that is equivalent to filing a financing statement under RCW 62A.9A-311(b), but the filing or compliance is not of itself a factor in determining whether the collateral secures an obligation. If it is determined for another reason that the collateral secures an obligation, a security interest held by the consignor, lessor, bailor, licensor, owner, or buyer which attaches to the collateral is perfected by the filing or compliance.

**NEW SECTION. Sec. 9A-506. EFFECT OF ERRORS OR OMISSIONS.** (a) **Minor errors and omissions.** A financing statement substantially satisfying the requirements of this part is effective, even if it has minor errors or omissions, unless the errors or omissions make the financing statement seriously misleading.

(b) **Financing statement seriously misleading.** Except as otherwise provided in subsection (c) of this section, a financing statement that fails sufficiently to provide the name of the debtor in accordance with RCW 62A.9A-503(a) is seriously misleading.

(c) **Financing statement not seriously misleading.** If a search of the records of the filing office under the debtor's correct name, using the filing office's standard search logic, if any, would disclose a financing statement that fails sufficiently to provide the name of the debtor in accordance with RCW 62A.9A-503(a), the name provided does not make the financing statement seriously misleading.

(d) **"Debtor's correct name."** For purposes of RCW 62A.9A-508(b), the "debtor's correct name" in subsection (c) of this section means the correct name of the new debtor.

**NEW SECTION. Sec. 9A-507. EFFECT OF CERTAIN EVENTS ON EFFECTIVENESS OF FINANCING STATEMENT.** (a) **Disposition.** A filed

financing statement remains effective with respect to collateral that is sold, exchanged, leased, licensed, or otherwise disposed of and in which a security interest or agricultural lien continues, even if the secured party knows of or consents to the disposition.

(b) **Information becoming seriously misleading.** Except as otherwise provided in subsection (c) of this section and RCW 62A.9A-508, a financing statement is not rendered ineffective if, after the financing statement is filed, the information provided in the financing statement becomes seriously misleading under RCW 62A.9A-506.

(c) **Change in debtor's name.** If a debtor so changes its name that a filed financing statement becomes seriously misleading under RCW 62A.9A-506:

(1) The financing statement is effective to perfect a security interest in collateral acquired by the debtor before, or within four months after, the change; and

(2) The financing statement is not effective to perfect a security interest in collateral acquired by the debtor more than four months after the change, unless an amendment to the financing statement which renders the financing statement not seriously misleading is filed within four months after the change.

NEW SECTION. **Sec. 9A-508. EFFECTIVENESS OF FINANCING STATEMENT IF NEW DEBTOR BECOMES BOUND BY SECURITY AGREEMENT.** (a) **Financing statement naming original debtor.** Except as otherwise provided in this section, a filed financing statement naming an original debtor is effective to perfect a security interest in collateral in which a new debtor has or acquires rights to the extent that the financing statement would have been effective had the original debtor acquired rights in the collateral.

(b) **Financing statement becoming seriously misleading.** If the difference between the name of the original debtor and that of the new debtor causes a filed financing statement that is effective under subsection (a) of this section to be seriously misleading under RCW 62A.9A-506:

(1) The financing statement is effective to perfect a security interest in collateral acquired by the new debtor before, and within four months after, the new debtor becomes bound under RCW 62A.9A-203(d); and

(2) The financing statement is not effective to perfect a security interest in collateral acquired by the new debtor more than four months after the new debtor becomes bound under RCW 62A.9A-203(d) unless an initial financing statement providing the name of the new debtor is filed before the expiration of that time.

(c) **When section not applicable.** This section does not apply to collateral as to which a filed financing statement remains effective against the new debtor under RCW 62A.9A-507(a).

NEW SECTION. **Sec. 9A-509. PERSONS ENTITLED TO FILE A RECORD.** (a) **Person entitled to file record.** A person may file an initial financing statement, amendment that adds collateral covered by a financing statement, or amendment that adds a debtor to a financing statement only if:

(1) The debtor authorizes the filing in an authenticated record; or  
(2) The person holds an agricultural lien that has become effective at the time of filing and the financing statement covers only collateral in which the person holds an agricultural lien.

(b) **Security agreement as authorization.** By authenticating or becoming bound as debtor by a security agreement, a debtor or new debtor authorizes the filing of an initial financing statement, and an amendment, covering:

(1) The collateral described in the security agreement; and  
(2) Property that becomes collateral under RCW 62A.9A-315(a)(2), whether or not the security agreement expressly covers proceeds.

(c) **Acquisition of collateral as authorization.** By acquiring collateral in which a security interest or agricultural lien continues under RCW 62A.9A-315(a)(1), a debtor authorizes the filing of an initial financing statement, and an amendment, covering the collateral and property that becomes collateral under RCW 62A.9A-315(a)(2).

(d) **Person entitled to file certain amendments.** A person may file an amendment other than an amendment that adds collateral covered by a financing statement or an amendment that adds a debtor to a financing statement only if:

(1) The secured party of record authorizes the filing; or  
(2) The amendment is a termination statement for a financing statement as to which the secured party of record has failed to file or send a termination statement as required by RCW 62A.9A-513 (a) or (c), the debtor authorizes the filing, and the termination statement indicates that the debtor authorized it to be filed.

(e) **Multiple secured parties of record.** If there is more than one secured party of record for a financing statement, each secured party of record may authorize the filing of an amendment under subsection (d) of this section.

**NEW SECTION. Sec. 9A-510. EFFECTIVENESS OF FILED RECORD.**

(a) **Filed record effective if authorized.** A filed record is effective only to the extent that it was filed by a person that may file it under RCW 62A.9A-509.

(b) **Authorization by one secured party of record.** A record authorized by one secured party of record does not affect the financing statement with respect to another secured party of record.

(c) **Continuation statement not timely filed.** A continuation statement that is not filed within the six-month period prescribed by RCW 62A.9A-515(d) is ineffective.

**NEW SECTION. Sec. 9A-511. SECURED PARTY OF RECORD.** (a)

**Secured party of record.** A secured party of record with respect to a financing statement is a person whose name is provided as the name of the secured party or a representative of the secured party in an initial financing statement that has been filed. If an initial financing statement is filed under RCW 62A.9A-514(a), the assignee named in the initial financing statement is the secured party of record with respect to the financing statement.

(b) **Amendment naming secured party of record.** If an amendment of a financing statement which provides the name of a person as a secured party or a representative of a secured party is filed, the person named in the amendment is a secured party of record. If an amendment is filed under RCW 62A.9A-514(b), the assignee named in the amendment is a secured party of record.

(c) **Amendment deleting secured party of record.** A person remains a secured party of record until the filing of an amendment of the financing statement which deletes the person.

**NEW SECTION. Sec. 9A-512. AMENDMENT OF FINANCING STATEMENT.** (a) **Amendment of information in financing statement.** Subject to RCW 62A.9A-509, a person may add or delete collateral covered by, continue or terminate the effectiveness of, or, subject to subsection (e) of this section, otherwise amend the information provided in, a financing statement by filing an amendment that:

(1) Identifies, by its file number, the initial financing statement to which the amendment relates; and

(2) If the amendment relates to an initial financing statement filed or recorded in a filing office described in RCW 62A.9A-501(a)(1), provides the information specified in RCW 62A.9A-502(b).

(b) **Period of effectiveness not affected.** Except as otherwise provided in RCW 62A.9A-515, the filing of an amendment does not extend the period of effectiveness of the financing statement.

(c) **Effectiveness of amendment adding collateral.** A financing statement that is amended by an amendment that adds collateral is effective as to the added collateral only from the date of the filing of the amendment.

(d) **Effectiveness of amendment adding debtor.** A financing statement that is amended by an amendment that adds a debtor is effective as to the added debtor only from the date of the filing of the amendment.

(e) **Certain amendments ineffective.** An amendment is ineffective to the extent it:

(1) Purports to delete all debtors and fails to provide the name of a debtor to be covered by the financing statement; or

(2) Purports to delete all secured parties of record and fails to provide the name of a new secured party of record.

**NEW SECTION. Sec. 9A-513. TERMINATION STATEMENT.** (a) **Consumer goods.** A secured party shall cause the secured party of record for a financing statement to file a termination statement for the financing statement if the financing statement covers consumer goods and:

(1) There is no obligation secured by the collateral covered by the financing statement and no commitment to make an advance, incur an obligation, or otherwise give value; or

(2) The debtor did not authorize the filing of the initial financing statement.

(b) **Time for compliance with subsection (a) of this section.** To comply with subsection (a) of this section, a secured party shall cause the secured party of record to file the termination statement:

(1) Within one month after there is no obligation secured by the collateral covered by the financing statement and no commitment to make an advance, incur an obligation, or otherwise give value; or

(2) If earlier, within twenty days after the secured party receives an authenticated demand from a debtor.

(c) **Other collateral.** In cases not governed by subsection (a) of this section, within twenty days after a secured party receives an authenticated demand from a debtor, the secured party shall cause the secured party of record for a financing statement to send to the debtor a termination statement for the financing statement or file the termination statement in the filing office if:

(1) Except in the case of a financing statement covering accounts or chattel paper that has been sold or goods that are the subject of a consignment, there is no obligation secured by the collateral covered by the financing statement and no commitment to make an advance, incur an obligation, or otherwise give value;

(2) The financing statement covers accounts or chattel paper that has been sold but as to which the account debtor or other person obligated has discharged its obligation;

(3) The financing statement covers goods that were the subject of a consignment to the debtor but are not in the debtor's possession; or

(4) The debtor did not authorize the filing of the initial financing statement.

(d) **Effect of filing termination statement.** Except as otherwise provided in RCW 62A.9A-510, upon the filing of a termination statement with the filing office, the financing statement to which the termination statement relates ceases to be effective.

**NEW SECTION. Sec. 9A-514. ASSIGNMENT OF POWERS OF SECURED PARTY OF RECORD.** (a) **Assignment reflected on initial financing statement.** Except as otherwise provided in subsection (c) of this section, an initial financing statement may reflect an assignment of all of the secured party's power to authorize an amendment to the financing statement by providing the name and mailing address of the assignee as the name and address of the secured party.

(b) **Assignment of filed financing statement.** Except as otherwise provided in subsection (c) of this section, a secured party of record may assign of record all or part of its power to authorize an amendment to a financing statement by filing in the filing office an amendment of the financing statement which:

(1) Identifies, by its file number, the initial financing statement to which it relates;

(2) Provides the name of the assignor; and

(3) Provides the name and mailing address of the assignee.

(c) **Assignment of record of mortgage.** An assignment of record of a security interest in a fixture covered by a record of a mortgage which is effective

as a financing statement filed as a fixture filing under RCW 62A.9A-502(c) may be made only by an assignment of record of the mortgage in the manner provided by law of this state other than the Uniform Commercial Code.

**NEW SECTION. Sec. 9A-515. DURATION AND EFFECTIVENESS OF FINANCING STATEMENT; EFFECT OF LAPSED FINANCING STATEMENT.** (a) **Five-year effectiveness.** Except as otherwise provided in subsections (b), (e), (f), and (g) of this section, a filed financing statement is effective for a period of five years after the date of filing.

(b) [Reserved]

(c) **Lapse and continuation of financing statement.** The effectiveness of a filed financing statement lapses on the expiration of the period of its effectiveness unless before the lapse a continuation statement is filed pursuant to subsection (d) of this section. Upon lapse, a financing statement ceases to be effective and any security interest or agricultural lien that was perfected by the financing statement becomes unperfected, unless the security interest is perfected otherwise. If the security interest or agricultural lien becomes unperfected upon lapse, it is deemed never to have been perfected as against a purchaser of the collateral for value.

(d) **When continuation statement may be filed.** A continuation statement may be filed only within six months before the expiration of the five-year period specified in subsection (a) of this section or the thirty-year period specified in subsection (b) of this section, whichever is applicable.

(e) **Effect of filing continuation statement.** Except as otherwise provided in RCW 62A.9A-510, upon timely filing of a continuation statement, the effectiveness of the initial financing statement continues for a period of five years commencing on the day on which the financing statement would have become ineffective in the absence of the filing. Upon the expiration of the five-year period, the financing statement lapses in the same manner as provided in subsection (c) of this section, unless, before the lapse, another continuation statement is filed pursuant to subsection (d) of this section. Succeeding continuation statements may be filed in the same manner to continue the effectiveness of the initial financing statement.

(f) **Transmitting utility financing statement.** If a debtor is a transmitting utility and a filed financing statement so indicates, the financing statement is effective until a termination statement is filed.

(g) **Record of mortgage as financing statement.** A record of a mortgage that is effective as a financing statement filed as a fixture filing under RCW 62A.9A-502(c) remains effective as a financing statement filed as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real property.

**NEW SECTION. Sec. 9A-516. WHAT CONSTITUTES FILING; EFFECTIVENESS OF FILING.** (a) **What constitutes filing.** Except as otherwise provided in subsection (b) of this section, communication of a record to a filing

office and tender of the filing fee or acceptance of the record by the filing office constitutes filing.

(b) **Refusal to accept record; filing does not occur.** Filing does not occur with respect to a record that a filing office refuses to accept because:

(1) The record is not communicated by a method or medium of communication authorized by the filing office;

(2) An amount equal to or greater than the applicable filing fee is not tendered;

(3) The filing office is unable to index the record because:

(A) In the case of an initial financing statement, the record does not provide a name for the debtor;

(B) In the case of an amendment or correction statement, the record:

(i) Does not identify the initial financing statement as required by RCW 62A.9A-512 or 62A.9A-518, as applicable; or

(ii) Identifies an initial financing statement whose effectiveness has lapsed under RCW 62A.9A-515;

(C) In the case of an initial financing statement that provides the name of a debtor identified as an individual or an amendment that provides a name of a debtor identified as an individual which was not previously provided in the financing statement to which the record relates, the record does not identify the debtor's last name; or

(D) In the case of a record filed or recorded in the filing office described in RCW 62A.9A-501(a)(1), the record does not provide a sufficient description of the real property to which it relates;

(4) In the case of an initial financing statement or an amendment that adds a secured party of record, the record does not provide a name and mailing address for the secured party of record;

(5) In the case of an initial financing statement or an amendment that provides a name of a debtor which was not previously provided in the financing statement to which the amendment relates, the record does not:

(A) Provide a mailing address for the debtor;

(B) Indicate whether the debtor is an individual or an organization; or

(C) If the financing statement indicates that the debtor is an organization, provide:

(i) A type of organization for the debtor;

(ii) A jurisdiction of organization for the debtor; or

(iii) An organizational identification number for the debtor or indicate that the debtor has none;

(6) In the case of an assignment reflected in an initial financing statement under RCW 62A.9A-514(a) or an amendment filed under RCW 62A.9A-514(b), the record does not provide a name and mailing address for the assignee; or

(7) In the case of a continuation statement, the record is not filed within the six-month period prescribed by RCW 62A.9A-515(d).



(c) **Rules applicable to subsection (b) of this section.** For purposes of subsection (b) of this section:

(1) A record does not provide information if the filing office is unable to read or decipher the information; and

(2) A record that does not indicate that it is an amendment or identify an initial financing statement to which it relates, as required by RCW 62A.9A-512, 62A.9A-514, or 62A.9A-518, is an initial financing statement.

(d) **Refusal to accept record; record effective as filed record.** A record that is communicated to the filing office with tender of the filing fee, but which the filing office refuses to accept for a reason other than one set forth in subsection (b) of this section, is effective as a filed record except as against a purchaser of the collateral which gives value in reasonable reliance upon the absence of the record from the files.

**NEW SECTION. Sec. 9A-517. EFFECT OF INDEXING ERRORS.** The failure of the filing office to index a record correctly does not affect the effectiveness of the filed record.

**NEW SECTION. Sec. 9A-518. CLAIM CONCERNING INACCURATE OR WRONGFULLY FILED RECORD.** (a) **Correction statement.** A person may file in the filing office a correction statement with respect to a record indexed there under the person's name if the person believes that the record is inaccurate or was wrongfully filed.

(b) **Sufficiency of correction statement.** A correction statement must:

(1) Identify the record to which it relates by the file number assigned to the initial financing statement to which the record relates;

(2) Indicate that it is a correction statement; and

(3) Provide the basis for the person's belief that the record is inaccurate and indicate the manner in which the person believes the record should be amended to cure any inaccuracy or provide the basis for the person's belief that the record was wrongfully filed.

(c) **Record not affected by correction statement.** The filing of a correction statement does not affect the effectiveness of an initial financing statement or other filed record.

**NEW SECTION. Sec. 9A-519. NUMBERING, MAINTAINING, AND INDEXING RECORDS; COMMUNICATING INFORMATION PROVIDED IN RECORDS.** (a) **Filing office duties.** For each record filed in a filing office, the filing office shall:

(1) Assign a unique number to the filed record;

(2) Create a record that bears the number assigned to the filed record and the date and time of filing;

(3) Maintain the filed record for public inspection; and

(4) Index the filed record in accordance with subsections (c), (d), and (e) of this section.

(b) **File number.** A file number assigned after January 1, 2002, must include a digit that:

(1) Is mathematically derived from or related to the other digits of the file number; and

(2) Aids the filing office in determining whether a number communicated as the file number includes a single-digit or transpositional error.

(c) **Indexing: General.** Except as otherwise provided in subsections (d) and (e) of this section, the filing office shall:

(1) Index an initial financing statement according to the name of the debtor and index all filed records relating to the initial financing statement in a manner that associates with one another an initial financing statement and all filed records relating to the initial financing statement; and

(2) Index a record that provides a name of a debtor which was not previously provided in the financing statement to which the record relates also according to the name that was not previously provided.

(d) **Indexing: Real-property-related financing statement.** If a financing statement is filed as a fixture filing or covers as-extracted collateral or timber to be cut, it must be filed for record and the filing office shall index it:

(1) Under the names of the debtor and of each owner of record shown on the financing statement as if they were the mortgagors under a mortgage of the real property described; and

(2) To the extent that the law of this state provides for indexing of records of mortgages under the name of the mortgagee, under the name of the secured party as if the secured party were the mortgagee thereunder, or, if indexing is by description, as if the financing statement were a record of a mortgage of the real property described.

(e) **Indexing: Real-property-related assignment.** If a financing statement is filed as a fixture filing or covers as-extracted collateral or timber to be cut, the filing office shall index an assignment filed under RCW 62A.9A-514(a) or an amendment filed under RCW 62A.9A-514(b):

(1) Under the name of the assignor as grantor; and

(2) To the extent that the law of this state provides for indexing a record of the assignment of a mortgage under the name of the assignee, under the name of the assignee.

(f) **Retrieval and association capability.** The filing office shall maintain a capability:

(1) To retrieve a record by the name of the debtor and by the file number assigned to the initial financing statement to which the record relates; and

(2) To associate and retrieve with one another an initial financing statement and each filed record relating to the initial financing statement.

(g) **Removal of debtor's name.** The filing office may not remove a debtor's name from the index until one year after the effectiveness of a financing statement

naming the debtor lapses under RCW 62A.9A-515 with respect to all secured parties of record.

(h) **Timeliness of filing office performance.** The filing office shall perform the acts required by subsections (a) through (e) of this section at the time and in the manner prescribed by filing-office rule, but not later than two business days after the filing office receives the record in question.

(i) **Inapplicability to real-property-related filing office.** Subsections (b) and (h) of this section do not apply to a filing office described in RCW 62A.9A-501(a)(1).

**NEW SECTION. Sec. 9A-520. ACCEPTANCE AND REFUSAL TO ACCEPT RECORD.** (a) **Mandatory refusal to accept record.** A filing office shall refuse to accept a record for filing for a reason set forth in RCW 62A.9A-516(b) and may refuse to accept a record for filing only for a reason set forth in RCW 62A.9A-516(b).

(b) **Communication concerning refusal.** If a filing office refuses to accept a record for filing, it shall communicate to the person that presented the record the fact of and reason for the refusal and the date and time the record would have been filed had the filing office accepted it. The communication must be made at the time and in the manner prescribed by filing-office rule but, in the case of a filing office described in RCW 62A.9A-501(a)(2), in no event more than two business days after the filing office receives the record.

(c) **When filed financing statement effective.** A filed financing statement satisfying RCW 62A.9A-502 (a) and (b) is effective, even if the filing office is required to refuse to accept it for filing under subsection (a) of this section. However, RCW 62A.9A-338 applies to a filed financing statement providing information described in RCW 62A.9A-516(b)(5) which is incorrect at the time the financing statement is filed.

(d) **Separate application to multiple debtors.** If a record communicated to a filing office provides information that relates to more than one debtor, this part applies as to each debtor separately.

**NEW SECTION. Sec. 9A-521. UNIFORM FORM OF WRITTEN FINANCING STATEMENT AND AMENDMENT.** (a) **Initial financing statement form.** A filing office that accepts written records may not refuse to accept a written initial financing statement in the following form and format except for a reason set forth in RCW 62A.9A-516(b):

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)







## UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

## 11. INITIAL FINANCING STATEMENT FILE #

(same as item 1a on Amendment form)

## 12. NAME OF PARTY AUTHORIZING THIS AMENDMENT

(same as item 9 on Amendment form)

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME,

SUFFIX

## 13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

NATIONAL UCC FINANCING STATEMENT AMENDMENT ADDENDUM (FORM UCC3Ad) (REV. 07/29/98)

**NEW SECTION. Sec. 9A-522. MAINTENANCE AND DESTRUCTION OF RECORDS.** (a) **Post-lapse maintenance and retrieval of information.** The filing office shall maintain a record of the information provided in a filed financing statement for at least one year after the effectiveness of the financing statement has lapsed under RCW 62A.9A-515 with respect to all secured parties of record. The record must be retrievable by using the name of the debtor and by using the file number assigned to the initial financing statement to which the record relates.

(b) **Destruction of written records.** Except to the extent that a statute governing disposition of public records provides otherwise, the filing office immediately may destroy any written record evidencing a financing statement. However, if the filing office destroys a written record, it shall maintain another record of the financing statement which complies with subsection (a) of this section.

**NEW SECTION. Sec. 9A-523. INFORMATION FROM FILING OFFICE; SALE OR LICENSE OF RECORDS.** (a) **Acknowledgment of filing written record.** If a person that files a written record requests an acknowledgment of the filing, the filing office shall send to the person an image of the record showing the number assigned to the record pursuant to RCW 62A.9A-519(a)(1) and the date and time of the filing of the record. However, if the person furnishes a copy of the record to the filing office, the filing office may instead:

(1) Note upon the copy the number assigned to the record pursuant to RCW 62A.9A-519(a)(1) and the date and time of the filing of the record; and

(2) Send the copy to the person.

(b) **Acknowledgment of filing other record.** If a person files a record other than a written record, the filing office shall communicate to the person an acknowledgment that provides:

(1) The information in the record;

(2) The number assigned to the record pursuant to RCW 62A.9A-519(a)(1);

and

(3) The date and time of the filing of the record.

(c) **Communication of requested information.** The filing office shall communicate or otherwise make available in a record the following information to any person that requests it:

(1) Whether there is on file on a date and time specified by the filing office, but not a date earlier than three business days before the filing office receives the request, any financing statement that:

(A) Designates a particular debtor or, if the request so states, designates a particular debtor at the address specified in the request;

(B) Has not lapsed under RCW 62A.9A-515 with respect to all secured parties of record; and

(C) If the request so states, has lapsed under RCW 62A.9A-515 and a record of which is maintained by the filing office under RCW 62A.9A-522(a);

(2) The date and time of filing of each financing statement; and

(3) The information provided in each financing statement.

(d) **Medium for communicating information.** In complying with its duty under subsection (c) of this section, the filing office may communicate information in any medium. However, if requested, the filing office shall communicate information by issuing a record that can be admitted into evidence in the courts of this state without extrinsic evidence of its authenticity.

(e) **Timeliness of filing office performance.** The filing office shall perform the acts required by subsections (a) through (d) of this section at the time and in the manner prescribed by filing-office rule, but not later than two business days after the filing office receives the request.

(f) **Public availability of records.** At least weekly, the filing office shall offer to sell or license to the public on a nonexclusive basis, in bulk, copies of all records filed in it under this part, in every medium from time to time available to the filing office. If information provided pursuant to this section includes a list of individuals, disclosure of the list is specifically authorized.

**NEW SECTION. Sec. 9A-524. DELAY BY FILING OFFICE.** Delay by the filing office beyond a time limit prescribed by this part is excused if:

(1) The delay is caused by interruption of communication or computer facilities, war, emergency conditions, failure of equipment, or other circumstances beyond control of the filing office; and

(2) The filing office exercises reasonable diligence under the circumstances.

**NEW SECTION. Sec. 9A-525. FEES.** (a) **Filing with department of licensing.** Except as otherwise provided in subsection (b) or (e) of this section, the fee for filing and indexing a record under this part is the fee set by department of licensing rule pursuant to subsection (f) of this section. Without limitation, different fees may be charged for:

(1) A record that is communicated in writing and consists of one or two pages;

(2) A record that is communicated in writing and consists of more than two pages, which fee may be a multiple of the fee described in (1) of this subsection; and



(3) A record that is communicated by another medium authorized by department of licensing rule, which fee may be a fraction of the fee described in (1) of this subsection.

(b) **Filing with other filing offices.** Except as otherwise provided in subsection (e) of this section, the fee for filing and indexing a record under this part that is filed in a filing office described in RCW 62A.9A-501(a)(1) is the fee that would otherwise be applicable to the recording of a mortgage in that filing office, as set forth in RCW 36.18.010.

(c) **Number of names.** The number of names required to be indexed does not affect the amount of the fee in subsections (a) and (b) of this section.

(d) **Response to information request.** The fee for responding to a request for information from a filing office, including for issuing a certificate showing, or otherwise communicating, whether there is on file any financing statement naming a particular debtor, is the fee set by department of licensing rule pursuant to subsection (f) of this section; provided however, if the request is to a filing office described in RCW 62A.9A-501(a)(1) and that office charges a different fee, then that different fee shall apply instead. Without limitation, different fees may be charged:

(1) If the request is communicated in writing;

(2) If the request is communicated by another medium authorized by filing-office rule; and

(3) If the request is for expedited service.

(e) **Record of mortgage.** This section does not require a fee with respect to a record of a mortgage which is effective as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut under RCW 62A.9A-502(c). However, the recording and satisfaction fees that otherwise would be applicable to the record of the mortgage apply.

(f) **Filing office rules.** The department of licensing shall by rule set the fees called for in this section for filing with, and obtaining information from, the department of licensing. The director shall set fees at a sufficient level to defray the costs of administering the program. All receipts from fees collected under this title, except fees for services covered under RCW 62A.9A-501(a)(1), shall be deposited to the uniform commercial code fund in the state treasury. Moneys in the fund may be spent only after appropriation and may be used only to administer the uniform commercial code program.

(g) **Transition.** This section continues the fee-setting authority conferred on the department of licensing by former RCW 62A.9-409 and nothing herein shall invalidate fees set by the department of licensing under the authority of former RCW 62A.9-409.

**NEW SECTION. Sec. 9A-526. FILING-OFFICE RULES.** (a) **Adoption of filing-office rules.** The department of licensing shall adopt and publish rules to implement this Article. The filing-office rules must be:

(1) Consistent with this Article; and

(2) Adopted and published in accordance with chapter 34.05 RCW.

(b) **Harmonization of rules.** To keep the filing-office rules and practices of the filing office in harmony with the rules and practices of filing offices in other jurisdictions that enact substantially this part, and to keep the technology used by the filing office compatible with the technology used by filing offices in other jurisdictions that enact substantially this part, the department of licensing, so far as is consistent with the purposes, policies, and provisions of this Article, in adopting, amending, and repealing filing-office rules, shall:

(1) Consult with filing offices in other jurisdictions that enact substantially this part; and

(2) Consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators or any successor organization; and

(3) Take into consideration the rules and practices of, and the technology used by, filing offices in other jurisdictions that enact substantially this part.

**NEW SECTION. Sec. 9A-527. DUTY TO REPORT.** The department of licensing shall report annually on or before December 31st to the governor on the operation of the filing office.

## PART 6 DEFAULT

**NEW SECTION. Sec. 9A-601. RIGHTS AFTER DEFAULT; JUDICIAL ENFORCEMENT; CONSIGNOR OR BUYER OF ACCOUNTS, CHATTEL PAPER, PAYMENT INTANGIBLES, OR PROMISSORY NOTES.** (a) **Rights of secured party after default.** After default, a secured party has the rights provided in this part and, except as otherwise provided in RCW 62A.9A-602, those provided by agreement of the parties. A secured party:

(1) May reduce a claim to judgment, foreclose, or otherwise enforce the claim, security interest, or agricultural lien by any available judicial procedure; and

(2) If the collateral is documents, may proceed either as to the documents or as to the goods they cover.

(b) **Rights and duties of secured party in possession or control.** A secured party in possession of collateral or control of collateral under RCW 62A.9A-104, 62A.9A-105, 62A.9A-106, or 62A.9A-107 has the rights and duties provided in RCW 62A.9A-207.

(c) **Rights cumulative; simultaneous exercise.** The rights under subsections (a) and (b) of this section are cumulative and may be exercised simultaneously.

(d) **Rights of debtor and obligor.** Except as otherwise provided in subsection (g) of this section and RCW 62A.9A-605, after default, a debtor and an obligor have the rights provided in this part and by agreement of the parties.

(e) **Lien of levy after judgment.** If a secured party has reduced its claim to judgment, the lien of any levy that may be made upon the collateral by virtue of an execution based upon the judgment relates back to the earliest of:

(1) The date of perfection of the security interest or agricultural lien in the collateral;

(2) The date of filing a financing statement covering the collateral; or

(3) Any date specified in a statute under which the agricultural lien was created.

(f) **Execution sale.** A sale pursuant to an execution is a foreclosure of the security interest or agricultural lien by judicial procedure within the meaning of this section. A secured party may purchase at the sale and thereafter hold the collateral free of any other requirements of this Article.

(g) **Consignor or buyer of certain rights to payment.** Except as otherwise provided in RCW 62A.9A-607(c), this part imposes no duties upon a secured party that is a consignor or is a buyer of accounts, chattel paper, payment intangibles, or promissory notes.

(h) **Enforcement restrictions.** All rights and remedies provided in this part with respect to promissory notes or an agreement between an account debtor and a debtor which relates to a health-care-insurance receivable or a general intangible, including a contract, permit, license, or franchise, are subject to RCW 62A.9A-408 to the extent applicable.

**NEW SECTION. Sec. 9A-602. WAIVER AND VARIANCE OF RIGHTS AND DUTIES.** Except as otherwise provided in RCW 62A.9A-624, to the extent that they give rights to an obligor (other than a secondary obligor) or a debtor and impose duties on a secured party, the debtor or obligor may not waive or vary the rules stated in the following listed sections:

(1) RCW 62A.9A-207(b)(4)(C), which deals with use and operation of the collateral by the secured party;

(2) RCW 62A.9A-210, which deals with requests for an accounting and requests concerning a list of collateral and statement of account;

(3) RCW 62A.9A-607(c), which deals with collection and enforcement of collateral;

(4) RCW 62A.9A-608(a) and 62A.9A-615(c) to the extent that they deal with application or payment of noncash proceeds of collection, enforcement, or disposition;

(5) RCW 62A.9A-608(a) and 62A.9A-615(d) to the extent that they require accounting for or payment of surplus proceeds of collateral;

(6) RCW 62A.9A-609 to the extent that it imposes upon a secured party that takes possession of collateral without judicial process the duty to do so without breach of the peace;

(7) RCW 62A.9A-610(b), 62A.9A-611, 62A.9A-613, and 62A.9A-614, which deal with disposition of collateral;

(8) [Reserved]

(9) RCW 62A.9A-616, which deals with explanation of the calculation of a surplus or deficiency;

(10) RCW 62A.9A-620, 62A.9A-621, and 62A.9A-622, which deal with acceptance of collateral in satisfaction of obligation;

(11) RCW 62A.9A-623, which deals with redemption of collateral;

(12) RCW 62A.9A-624, which deals with permissible waivers; and

(13) RCW 62A.9A-625 and 62A.9A-626, which deal with the secured party's liability for failure to comply with this Article.

**NEW SECTION. Sec. 9A-603. AGREEMENT ON STANDARDS CONCERNING RIGHTS AND DUTIES.** (a) **Agreed standards.** The parties may determine by agreement the standards measuring the fulfillment of the rights of a debtor or obligor and the duties of a secured party under a rule stated in RCW 62A.9A-602 if the standards are not manifestly unreasonable.

(b) **Agreed standards inapplicable to breach of peace.** Subsection (a) of this section does not apply to the duty under RCW 62A.9A-609 to refrain from breaching the peace.

**NEW SECTION. Sec. 9A-604. PROCEDURE IF SECURITY AGREEMENT COVERS REAL PROPERTY, FIXTURES, OR MANUFACTURED HOME.** (a) **Enforcement: Personal and real property.** If a security agreement covers both personal and real property, a secured party may proceed:

(1) Under this part as to the personal property without prejudicing any rights with respect to the real property; or

(2) As to both the personal property and the real property in accordance with the rights with respect to the real property, in which case the other provisions of this part do not apply.

(b) **Enforcement: Fixtures.** Subject to subsection (c) of this section, if a security agreement covers goods that are or become fixtures, a secured party may proceed:

(1) Under this part; or

(2) In accordance with the rights with respect to real property, in which case the other provisions of this part do not apply.

(c) **Removal of fixtures or manufactured home.** Subject to the other provisions of this part, if a secured party holding a security interest in fixtures or a manufactured home has priority over all owners and encumbrancers of the real property, the secured party, after default, may remove the collateral from the real property.

(d) **Injury caused by removal.** A secured party that removes collateral consisting of fixtures or a manufactured home shall promptly reimburse any encumbrancer or owner of the real property, other than the debtor, for the cost of repair of any physical injury caused by the removal. The secured party need not reimburse the encumbrancer or owner for any diminution in value of the real property caused by the absence of the goods removed or by any necessity of replacing them. A person entitled to reimbursement may refuse permission to

remove until the secured party gives adequate assurance for the performance of the obligation to reimburse.

**NEW SECTION. Sec. 9A-605. UNKNOWN DEBTOR OR SECONDARY OBLIGOR.** A secured party does not owe a duty based on its status as secured party:

- (1) To a person that is a debtor or obligor, unless the secured party knows:
  - (A) That the person is a debtor or obligor;
  - (B) The identity of the person; and
  - (C) How to communicate with the person; or
- (2) To a secured party or lienholder that has filed a financing statement against a person, unless the secured party knows:
  - (A) That the person is a debtor; and
  - (B) The identity of the person.

**NEW SECTION. Sec. 9A-606. TIME OF DEFAULT FOR AGRICULTURAL LIEN.** For purposes of this part, a default occurs in connection with an agricultural lien at the time the secured party becomes entitled to enforce the lien in accordance with the statute under which it was created.

**NEW SECTION. Sec. 9A-607. COLLECTION AND ENFORCEMENT BY SECURED PARTY.** (a) **Collection and enforcement generally.** If so agreed, and in any event after default, a secured party:

- (1) May notify an account debtor or other person obligated on collateral to make payment or otherwise render performance to or for the benefit of the secured party;
- (2) May take any proceeds to which the secured party is entitled under RCW 62A.9A-315;
- (3) May enforce the obligations of an account debtor or other person obligated on collateral and exercise the rights of the debtor with respect to the obligation of the account debtor or other person obligated on collateral to make payment or otherwise render performance to the debtor, and with respect to any property that secures the obligations of the account debtor or other person obligated on the collateral;
- (4) If it holds a security interest in a deposit account perfected by control under RCW 62A.9A-104(a)(1), may apply the balance of the deposit account to the obligation secured by the deposit account; and
- (5) If it holds a security interest in a deposit account perfected by control under RCW 62A.9A-104(a)(2) or (3), may instruct the bank to pay the balance of the deposit account to or for the benefit of the secured party.

(b) **Nonjudicial enforcement of mortgage.** If necessary to enable a secured party to exercise, under subsection (a)(3) of this section, the right of a debtor to enforce a mortgage nonjudicially, the secured party may record in the office in which a record of the mortgage is recorded the secured party's sworn affidavit stating that:

(1) Default has occurred under the security agreement that creates or provides for a security interest in the obligations secured by the mortgage;

(2) A copy of the security agreement is attached to the affidavit; and

(3) The secured party is entitled to enforce the mortgage nonjudicially.

If the secured party's affidavit and attached copy of the security agreement in the form prescribed by chapter 65.04 RCW are presented with the applicable fee to the office in which a record of the mortgage is recorded, the affidavit and attached copy of the security agreement shall be recorded pursuant to RCW 65.04.030(3).

(c) **Commercially reasonable collection and enforcement.** A secured party shall proceed in a commercially reasonable manner if the secured party:

(1) Undertakes to collect from or enforce an obligation of an account debtor or other person obligated on collateral; and

(2) Is entitled to charge back uncollected collateral or otherwise to full or limited recourse against the debtor or a secondary obligor.

(d) **Expenses of collection and enforcement.** A secured party may deduct from the collections made pursuant to subsection (c) of this section reasonable expenses of collection and enforcement, including reasonable attorneys' fees and legal expenses incurred by the secured party.

(e) **Duties to secured party not affected.** This section does not determine whether an account debtor, bank, or other person obligated on collateral owes a duty to a secured party.

**NEW SECTION. Sec. 9A-608. APPLICATION OF PROCEEDS OF COLLECTION OR ENFORCEMENT; LIABILITY FOR DEFICIENCY AND RIGHT TO SURPLUS.** (a) **Application of proceeds, surplus, and deficiency if obligation secured.** If a security interest or agricultural lien secures payment or performance of an obligation, the following rules apply:

(1) A secured party shall apply or pay over for application the cash proceeds of collection or enforcement under this section in the following order to:

(A) The reasonable expenses of collection and enforcement and, to the extent provided for by agreement and not prohibited by law, reasonable attorneys' fees and legal expenses incurred by the secured party;

(B) The satisfaction of obligations secured by the security interest or agricultural lien under which the collection or enforcement is made; and

(C) The satisfaction of obligations secured by any subordinate security interest in or other lien on the collateral subject to the security interest or agricultural lien under which the collection or enforcement is made if the secured party receives an authenticated demand for proceeds before distribution of the proceeds is completed.

(2) If requested by a secured party, a holder of a subordinate security interest or other lien shall furnish reasonable proof of the interest or lien within a reasonable time. Unless the holder complies, the secured party need not comply with the holder's demand under (1)(C) of this subsection.

(3) A secured party need not apply or pay over for application noncash proceeds of collection and enforcement under this section unless the failure to do so would be commercially unreasonable. A secured party that applies or pays over for application noncash proceeds shall do so in a commercially reasonable manner.

(4) A secured party shall account to and pay a debtor for any surplus, and the obligor is liable for any deficiency.

(b) **No surplus or deficiency in sales of certain rights to payment.** If the underlying transaction is a sale of accounts, chattel paper, payment intangibles, or promissory notes, the debtor is not entitled to any surplus, and the obligor is not liable for any deficiency.

**NEW SECTION. Sec. 9A-609. SECURED PARTY'S RIGHT TO TAKE POSSESSION AFTER DEFAULT.** (a) **Possession; rendering equipment unusable; disposition on debtor's premises.** After default, a secured party:

(1) May take possession of the collateral; and  
(2) Without removal, may render equipment unusable and dispose of collateral on a debtor's premises under RCW 62A.9A-610.

(b) **Judicial and nonjudicial process.** A secured party may proceed under subsection (a) of this section:

(1) Pursuant to judicial process; or  
(2) Without judicial process, if it proceeds without breach of the peace.

(c) **Assembly of collateral.** If so agreed, and in any event after default, a secured party may require the debtor to assemble the collateral and make it available to the secured party at a place to be designated by the secured party which is reasonably convenient to both parties.

**NEW SECTION. Sec. 9A-610. DISPOSITION OF COLLATERAL AFTER DEFAULT.** (a) **Disposition after default.** After default, a secured party may sell, lease, license, or otherwise dispose of any or all of the collateral in its present condition or following any commercially reasonable preparation or processing.

(b) **Commercially reasonable disposition.** Every aspect of a disposition of collateral, including the method, manner, time, place, and other terms, must be commercially reasonable. If commercially reasonable, a secured party may dispose of collateral by public or private proceedings, by one or more contracts, as a unit or in parcels, and at any time and place and on any terms.

(c) **Purchase by secured party.** A secured party may purchase collateral:  
(1) At a public disposition; or  
(2) At a private disposition only if the collateral is of a kind that is customarily sold on a recognized market or the subject of widely distributed standard price quotations.

(d) **Warranties on disposition.** A contract for sale, lease, license, or other disposition includes the warranties relating to title, possession, quiet enjoyment, and the like which by operation of law accompany a voluntary disposition of property of the kind subject to the contract.

(e) **Disclaimer of warranties.** A secured party may disclaim or modify warranties under subsection (d) of this section:

(1) In a manner that would be effective to disclaim or modify the warranties in a voluntary disposition of property of the kind subject to the contract of disposition; or

(2) By communicating to the purchaser a record evidencing the contract for disposition and including an express disclaimer or modification of the warranties.

(f) **Record sufficient to disclaim warranties.** A record is sufficient to disclaim under subsection (e) of this section all warranties included under subsection (d) of this section if it indicates "There is no warranty relating to title, possession, quiet enjoyment, or the like in this disposition" or uses words of similar import.

**NEW SECTION. Sec. 9A-611. NOTIFICATION BEFORE DISPOSITION OF COLLATERAL.** (a) **"Notification date."** In this section, "notification date" means the earlier of the date on which:

(1) A secured party sends to the debtor and any secondary obligor an authenticated notification of disposition; or

(2) The debtor and any secondary obligor waive the right to notification.

(b) **Notification of disposition required.** Except as otherwise provided in subsection (d) of this section, a secured party that disposes of collateral under RCW 62A.9A-610 shall send to the persons specified in subsection (c) of this section a reasonable authenticated notification of disposition.

(c) **Persons to be notified.** To comply with subsection (b) of this section, the secured party shall send an authenticated notification of disposition to:

(1) The debtor;

(2) Any secondary obligor; and

(3) If the collateral is other than consumer goods:

(A) Any other secured party or lienholder that, ten days before the notification date, held a security interest in or other lien on the collateral perfected by the filing of a financing statement that:

(i) Identified the collateral;

(ii) Was indexed under the debtor's name as of that date; and

(iii) Was filed in the office in which to file a financing statement against the debtor covering the collateral as of that date; and

(B) Any other secured party that, ten days before the notification date, held a security interest in the collateral perfected by compliance with a statute, regulation, or treaty described in RCW 62A.9A-311(a).

(d) **Subsection (h) of this section inapplicable: Perishable collateral; recognized market.** Subsection (b) of this section does not apply if the collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market.



(e) **Compliance with subsection (c)(3)(A) of this section.** A secured party complies with the requirement for notification prescribed by subsection (c)(3)(A) of this section if:

(1) Not later than twenty days or earlier than thirty days before the notification date, the secured party requests, in a commercially reasonable manner, information concerning financing statements indexed under the debtor's name in the office indicated in subsection (c)(3)(A) of this section; and

(2) Before the notification date, the secured party:

(A) Did not receive a response to the request for information; or

(B) Received a response to the request for information and sent an authenticated notification of disposition to each secured party or other lienholder named in that response whose financing statement covered the collateral.

**NEW SECTION. Sec. 9A-612. TIMELINESS OF NOTIFICATION BEFORE DISPOSITION OF COLLATERAL.** (a) **Reasonable time is question of fact.** Except as otherwise provided in subsection (b) of this section, whether a notification is sent within a reasonable time is a question of fact.

(b) **Ten-day period sufficient in nonconsumer transaction.** In a transaction other than a consumer transaction, a notification of disposition sent after default and ten days or more before the earliest time of disposition set forth in the notification is sent within a reasonable time before the disposition.

**NEW SECTION. Sec. 9A-613. CONTENTS AND FORM OF NOTIFICATION BEFORE DISPOSITION OF COLLATERAL: GENERAL.** Except in a consumer-goods transaction, the following rules apply:

(1) The contents of a notification of disposition are sufficient if the notification:

(A) Describes the debtor and the secured party;

(B) Describes the collateral that is the subject of the intended disposition;

(C) States the method of intended disposition;

(D) States that the debtor is entitled to an accounting of the unpaid indebtedness and states the charge, if any, for an accounting; and

(E) States the time and place of a public sale or the time after which any other disposition is to be made.

(2) Whether the contents of a notification that lacks any of the information specified in (1) of this section are nevertheless sufficient is a question of fact.

(3) The contents of a notification providing substantially the information specified in (1) of this section are sufficient, even if the notification includes:

(A) Information not specified by (1) of this section; or

(B) Minor errors that are not seriously misleading.

(4) A particular phrasing of the notification is not required.

(5) The following form of notification and the form appearing in RCW 62A.9A-614(3), when completed, each provides sufficient information:

**NOTIFICATION OF DISPOSITION OF COLLATERAL**

To: [Name of debtor, obligor, or other person to which the notification is sent]

From: [Name, address, and telephone number of secured party]

Name of Debtor(s): [Include only if debtor(s) are not an addressee]

[For a public disposition:]

We will sell [or lease or license, *as applicable*] the [describe collateral] [to the highest qualified bidder] in public as follows:

Day and Date: \_\_\_\_\_

Time: \_\_\_\_\_

Place: \_\_\_\_\_

[For a private disposition:]

We will sell [or lease or license, *as applicable*] the [describe collateral] privately sometime after [day and date].

You are entitled to an accounting of the unpaid indebtedness secured by the property that we intend to sell [or lease or license, *as applicable*] [for a charge of \$\_\_\_\_\_]. You may request an accounting by calling us at [telephone number].

**NEW SECTION. Sec. 9A-614. CONTENTS AND FORM OF NOTIFICATION BEFORE DISPOSITION OF COLLATERAL: CONSUMER-GOODS TRANSACTION.** In a consumer-goods transaction, the following rules apply:

(1) A notification of disposition must provide the following information:

(A) The information specified in RCW 62A.9A-613(1);

(B) A description of any liability for a deficiency of the person to which the notification is sent;

(C) A telephone number from which the amount that must be paid to the secured party to redeem the collateral under RCW 62A.9A-623 is available; and

(D) A telephone number or mailing address from which additional information concerning the disposition and the obligation secured is available.

(2) A particular phrasing of the notification is not required.

(3) The following form of notification, when completed, provides sufficient information:

[Name and address of secured party]

[Date]

**NOTICE OF OUR PLAN TO SELL PROPERTY**

[Name and address of any obligor who is also a debtor]

Subject: [Identification of Transaction]

We have your [describe collateral], because you broke promises in our agreement.

[For a public disposition:]

We will sell [describe collateral] at public sale. A sale could include a lease or license. The sale will be held as follows:

Date: \_\_\_\_\_  
 Time: \_\_\_\_\_  
 Place: \_\_\_\_\_

You may attend the sale and bring bidders if you want.

[For a private disposition:]

We will sell [describe collateral] at private sale sometime after [date]. A sale could include a lease or license.

The money that we get from the sale (after paying our costs) will reduce the amount you owe. If we get less money than you owe, you [will or will not, as applicable] still owe us the difference. If we get more money than you owe, you will get the extra money, unless we must pay it to someone else.

You can get the property back at any time before we sell it by paying us the full amount you owe (not just the past due payments), including our expenses. To learn the exact amount you must pay, call us at [telephone number].

If you want us to explain to you in writing how we have figured the amount that you owe us, you may call us at [telephone number] [or write us at [secured party's address]] and request a written explanation. [We will charge you \$ \_\_\_\_\_ for the explanation if we sent you another written explanation of the amount you owe us within the last six months.]

If you need more information about the sale call us at [telephone number] [or write us at [secured party's address]].

We are sending this notice to the following other people who have an interest in [describe collateral] or who owe money under your agreement:

[Names of all other debtors and obligors, if any]

(4) A notification in the form of (3) of this section is sufficient, even if additional information appears at the end of the form.

(5) A notification in the form of (3) of this section is sufficient, even if it includes errors in information not required by (1) of this section, unless the error is misleading with respect to rights arising under this Article.

(6) If a notification under this section is not in the form of (3) of this section, law other than this Article determines the effect of including information not required by (1) of this section.

**NEW SECTION. Sec. 9A-615. APPLICATION OF PROCEEDS OF DISPOSITION; LIABILITY FOR DEFICIENCY AND RIGHT TO SURPLUS.**

(a) **Application of proceeds.** A secured party shall apply or pay over for application the cash proceeds of disposition in the following order to:

(1) The reasonable expenses of retaking, holding, preparing for disposition, processing, and disposing, and, to the extent provided for by agreement and not prohibited by law, reasonable attorneys' fees and legal expenses incurred by the secured party;

(2) The satisfaction of obligations secured by the security interest or agricultural lien under which the disposition is made;

(3) The satisfaction of obligations secured by any subordinate security interest in or other subordinate lien on the collateral if:

(A) The secured party receives from the holder of the subordinate security interest or other lien an authenticated demand for proceeds before distribution of the proceeds is completed; and

(B) In a case in which a consignor has an interest in the collateral, the subordinate security interest or other lien is senior to the interest of the consignor; and

(4) A secured party that is a consignor of the collateral if the secured party receives from the consignor an authenticated demand for proceeds before distribution of the proceeds is completed.

(b) **Proof of subordinate interest.** If requested by a secured party, a holder of a subordinate security interest or other lien shall furnish reasonable proof of the interest or lien within a reasonable time. Unless the holder does so, the secured party need not comply with the holder's demand under subsection (a)(3) of this section.

(c) **Application of noncash proceeds.** A secured party need not apply or pay over for application noncash proceeds of disposition under this section unless the failure to do so would be commercially unreasonable. A secured party that applies or pays over for application noncash proceeds shall do so in a commercially reasonable manner.

(d) **Surplus or deficiency if obligation secured.** If the security interest under which a disposition is made secures payment or performance of an obligation, after making the payments and applications required by subsection (a) of this section and permitted by subsection (c) of this section:

(1) Unless subsection (a)(4) of this section requires the secured party to apply or pay over cash proceeds to a consignor, the secured party shall account to and pay a debtor for any surplus; and

(2) The obligor is liable for any deficiency.

(e) **No surplus or deficiency in sales of certain rights to payment.** If the underlying transaction is a sale of accounts, chattel paper, payment intangibles, or promissory notes:

(1) The debtor is not entitled to any surplus; and

(2) The obligor is not liable for any deficiency.

(f) [Reserved]

(g) **Cash proceeds received by junior secured party.** A secured party that receives cash proceeds of a disposition in good faith and without knowledge that the receipt violates the rights of the holder of a security interest or other lien that is not subordinate to the security interest or agricultural lien under which the disposition is made:

(1) Takes the cash proceeds free of the security interest or other lien;

(2) Is not obligated to apply the proceeds of the disposition to the satisfaction of obligations secured by the security interest or other lien; and

(3) Is not obligated to account to or pay the holder of the security interest or other lien for any surplus.

**NEW SECTION. Sec. 9A-616. EXPLANATION OF CALCULATION OF SURPLUS OR DEFICIENCY.** (a) **Definitions.** In this section:

(1) "Explanation" means a writing that:

(A) States the amount of the surplus or deficiency;

(B) Provides an explanation in accordance with subsection (c) of this section of how the secured party calculated the surplus or deficiency;

(C) States, if applicable, that future debits, credits, charges, including additional credit service charges or interest, rebates, and expenses may affect the amount of the surplus or deficiency; and

(D) Provides a telephone number or mailing address from which additional information concerning the transaction is available.

(2) "Request" means a record:

(A) Authenticated by a debtor or consumer obligor;

(B) Requesting that the recipient provide an explanation; and

(C) Sent after disposition of the collateral under RCW 62A.9A-610.

(b) **Explanation of calculation.** In a consumer-goods transaction in which the debtor is entitled to a surplus or a consumer obligor is liable for a deficiency under RCW 62A.9A-615, the secured party shall:

(1) Send an explanation to the debtor or consumer obligor, as applicable, after the disposition and:

(A) Before or when the secured party accounts to the debtor and pays any surplus or first makes written demand on the consumer obligor after the disposition for payment of the deficiency; and

(B) Within fourteen days after receipt of a request; or

(2) In the case of a consumer obligor who is liable for a deficiency, within fourteen days after receipt of a request, send to the consumer obligor a record waiving the secured party's right to a deficiency.

(c) **Required information.** To comply with subsection (a)(1)(B) of this section, a writing must provide the following information in the following order:

(1) The aggregate amount of obligations secured by the security interest under which the disposition was made, and, if the amount reflects a rebate of unearned interest or credit service charge, an indication of that fact, calculated as of a specified date:

(A) If the secured party takes or receives possession of the collateral after default, not more than thirty-five days before the secured party takes or receives possession; or

(B) If the secured party takes or receives possession of the collateral before default or does not take possession of the collateral, not more than thirty-five days before the disposition;

- (2) The amount of proceeds of the disposition;
  - (3) The aggregate amount of the obligations after deducting the amount of proceeds;
  - (4) The amount, in the aggregate or by type, and types of expenses, including expenses of retaking, holding, preparing for disposition, processing, and disposing of the collateral, and attorneys' fees secured by the collateral which are known to the secured party and relate to the current disposition;
  - (5) The amount, in the aggregate or by type, and types of credits, including rebates of interest or credit service charges, to which the obligor is known to be entitled and which are not reflected in the amount in (1) of this subsection; and
  - (6) The amount of the surplus or deficiency.
- (d) **Substantial compliance.** A particular phrasing of the explanation is not required. An explanation complying substantially with the requirements of subsection (a) of this section is sufficient, even if it includes minor errors that are not seriously misleading.
- (e) **Charges for responses.** A debtor or consumer obligor is entitled without charge to one response to a request under this section during any six-month period in which the secured party did not send to the debtor or consumer obligor an explanation pursuant to subsection (b)(1) of this section. The secured party may require payment of a charge not exceeding twenty-five dollars for each additional response.

**NEW SECTION. Sec. 9A-617. RIGHTS OF TRANSFEREE OF COLLATERAL.** (a) **Effects of disposition.** A secured party's disposition of collateral after default:

- (1) Transfers to a transferee for value all of the debtor's rights in the collateral;
  - (2) Discharges the security interest under which the disposition is made; and
  - (3) Discharges any subordinate security interest or other subordinate lien.
- (b) **Rights of good-faith transferee.** A transferee that acts in good faith takes free of the rights and interests described in subsection (a) of this section, even if the secured party fails to comply with this Article or the requirements of any judicial proceeding.
- (c) **Rights of other transferee.** If a transferee does not take free of the rights and interests described in subsection (a) of this section, the transferee takes the collateral subject to:
- (1) The debtor's rights in the collateral;
  - (2) The security interest or agricultural lien under which the disposition is made; and
  - (3) Any other security interest or other lien.

**NEW SECTION. Sec. 9A-618. RIGHTS AND DUTIES OF CERTAIN SECONDARY OBLIGORS.** (a) **Rights and duties of secondary obligor.** A secondary obligor acquires the rights and becomes obligated to perform the duties of the secured party after the secondary obligor:

- (1) Receives an assignment of a secured obligation from the secured party;

- (2) Receives a transfer of collateral from the secured party and agrees to accept the rights and assume the duties of the secured party; or
  - (3) Is subrogated to the rights of a secured party with respect to collateral.
- (b) **Effect of assignment, transfer, or subrogation.** An assignment, transfer, or subrogation described in subsection (a) of this section:
- (1) Is not a disposition of collateral under RCW 62A.9A-610; and
  - (2) Relieves the secured party of further duties under this Article.

**NEW SECTION. Sec. 9A-619. TRANSFER OF RECORD OR LEGAL TITLE.** (a) **"Transfer statement."** In this section, "transfer statement" means a record authenticated by a secured party stating:

- (1) That the debtor has defaulted in connection with an obligation secured by specified collateral;
- (2) That the secured party has exercised its post-default remedies with respect to the collateral;
- (3) That, by reason of the exercise, a transferee has acquired the rights of the debtor in the collateral; and
- (4) The name and mailing address of the secured party, debtor, and transferee.

(b) **Effect of transfer statement.** A transfer statement entitles the transferee to the transfer of record of all rights of the debtor in the collateral specified in the statement in any official filing, recording, registration, or certificate-of-title system covering the collateral. If a transfer statement is presented with the applicable fee and request form to the official or office responsible for maintaining the system, the official or office shall:

- (1) Accept the transfer statement;
- (2) Promptly amend its records to reflect the transfer; and
- (3) If applicable, issue a new appropriate certificate of title in the name of the transferee.

(c) **Transfer not a disposition; no relief of secured party's duties.** A transfer of the record or legal title to collateral to a secured party under subsection (b) of this section or otherwise is not of itself a disposition of collateral under this Article and does not of itself relieve the secured party of its duties under this Article.

**NEW SECTION. Sec. 9A-620. ACCEPTANCE OF COLLATERAL IN FULL OR PARTIAL SATISFACTION OF OBLIGATION; COMPULSORY DISPOSITION OF COLLATERAL.** (a) **Conditions to acceptance in satisfaction.** A secured party may accept collateral in full or partial satisfaction of the obligation it secures only if:

- (1) The debtor consents to the acceptance under subsection (c) of this section;
- (2) The secured party does not receive, within the time set forth in subsection (d) of this section, a notification of objection to the proposal authenticated by:
  - (A) A person to which the secured party was required to send a proposal under RCW 62A.9A-621; or

(B) Any other person, other than the debtor, holding an interest in the collateral subordinate to the security interest that is the subject of the proposal; and

(3) Subsection (e) of this section does not require the secured party to dispose of the collateral or the debtor waives the requirement pursuant to RCW 62A.9A-624.

(b) **Purported acceptance ineffective.** A purported or apparent acceptance of collateral under this section is ineffective unless:

(1) The secured party consents to the acceptance in an authenticated record or sends a proposal to the debtor; and

(2) The conditions of subsection (a) of this section are met.

(c) **Debtor's consent.** For purposes of this section:

(1) A debtor consents to an acceptance of collateral in partial satisfaction of the obligation it secures only if the debtor agrees to the terms of the acceptance in a record authenticated after default; and

(2) A debtor consents to an acceptance of collateral in full satisfaction of the obligation it secures only if the debtor agrees to the terms of the acceptance in a record authenticated after default or the secured party:

(A) Sends to the debtor after default a proposal that is unconditional or subject only to a condition that collateral not in the possession of the secured party be preserved or maintained;

(B) In the proposal, proposes to accept collateral in full satisfaction of the obligation it secures; and

(C) Does not receive a notification of objection authenticated by the debtor within twenty days after the proposal is sent.

(d) **Effectiveness of notification.** To be effective under subsection (a)(2) of this section, a notification of objection must be received by the secured party:

(1) In the case of a person to which the proposal was sent pursuant to RCW 62A.9A-621, within twenty days after notification was sent to that person; and

(2) In other cases:

(A) Within twenty days after the last notification was sent pursuant to RCW 62A.9A-621; or

(B) If a notification was not sent, before the debtor consents to the acceptance under subsection (c) of this section.

(e) **Mandatory disposition of consumer goods.** A secured party that has taken possession of collateral shall dispose of the collateral pursuant to RCW 62A.9A-610 within the time specified in subsection (f) of this section if:

(1) Sixty percent of the cash price has been paid in the case of a purchase-money security interest in consumer goods; or

(2) Sixty percent of the principal amount of the obligation secured has been paid in the case of a nonpurchase-money security interest in consumer goods.

(f) **Compliance with mandatory disposition requirement.** To comply with subsection (e) of this section, the secured party shall dispose of the collateral:

(1) Within ninety days after taking possession; or



(2) Within any longer period to which the debtor and all secondary obligors have agreed in an agreement to that effect entered into and authenticated after default.

**NEW SECTION. Sec. 9A-621. NOTIFICATION OF PROPOSAL TO ACCEPT COLLATERAL.** (a) **Persons to which proposal to be sent.** A secured party that desires to accept collateral in full or partial satisfaction of the obligation it secures shall send its proposal to:

(1) Any other secured party or lienholder that, ten days before the debtor consented to the acceptance, held a security interest in or other lien on the collateral perfected by the filing of a financing statement that:

(A) Identified the collateral;

(B) Was indexed under the debtor's name as of that date; and

(C) Was filed in the office or offices in which to file a financing statement against the debtor covering the collateral as of that date; and

(2) Any other secured party that, ten days before the debtor consented to the acceptance, held a security interest in the collateral perfected by compliance with a statute, regulation, or treaty described in RCW 62A.9A-311(a).

(b) **Proposal to be sent to secondary obligor in partial satisfaction.** A secured party that desires to accept collateral in partial satisfaction of the obligation it secures shall send its proposal to any secondary obligor in addition to the persons described in subsection (a) of this section.

**NEW SECTION. Sec. 9A-622. EFFECT OF ACCEPTANCE OF COLLATERAL.** (a) **Effect of acceptance.** A secured party's acceptance of collateral in full or partial satisfaction of the obligation it secures:

(1) Discharges the obligation to the extent consented to by the debtor;

(2) Transfers to the secured party all of a debtor's rights in the collateral;

(3) Discharges the security interest or agricultural lien that is the subject of the debtor's consent and any subordinate security interest or other subordinate lien; and

(4) Terminates any other subordinate interest.

(b) **Discharge of subordinate interest notwithstanding noncompliance.** A subordinate interest is discharged or terminated under subsection (a) of this section, even if the secured party fails to comply with this Article.

**NEW SECTION. Sec. 9A-623. RIGHT TO REDEEM COLLATERAL.** (a) **Persons that may redeem.** A debtor, any secondary obligor, or any other secured party or lienholder may redeem collateral.

(b) **Requirements for redemption.** To redeem collateral, a person shall tender:

(1) Fulfillment of all obligations secured by the collateral; and

(2) The reasonable expenses and attorneys' fees described in RCW 62A.9A-615(a)(1).

(c) **When redemption may occur.** A redemption may occur at any time before a secured party:

- (1) Has collected collateral under RCW 62A.9A-607;
- (2) Has disposed of collateral or entered into a contract for its disposition under RCW 62A.9A-610; or
- (3) Has accepted collateral in full or partial satisfaction of the obligation it secures under RCW 62A.9A-622.

**NEW SECTION. Sec. 9A-624. WAIVER.** (a) **Waiver of disposition notification.** A debtor may waive the right to notification of disposition of collateral under RCW 62A.9A-611 only by an agreement to that effect entered into and authenticated after default.

(b) **Waiver of mandatory disposition.** A debtor may waive the right to require disposition of collateral under RCW 62A.9A-620(e) only by an agreement to that effect entered into and authenticated after default.

(c) **Waiver of redemption right.** Except in a consumer-goods transaction, a debtor or secondary obligor may waive the right to redeem collateral under RCW 62A.9A-623 only by an agreement to that effect entered into and authenticated after default.

**NEW SECTION. Sec. 9A-625. REMEDIES FOR SECURED PARTY'S FAILURE TO COMPLY WITH ARTICLE.** (a) **Judicial orders concerning noncompliance.** If it is established that a secured party is not proceeding in accordance with this Article, a court may order or restrain collection, enforcement, or disposition of collateral on appropriate terms and conditions.

(b) **Damages for noncompliance.** Subject to subsections (c), (d), and (f) of this section, a person is liable for damages in the amount of any loss caused by a failure to comply with this Article or by filing a false statement under RCW 62A.9A-607(b) or 62A.9A-619. Loss caused by a failure to comply with a request under RCW 62A.9A-210 may include loss resulting from the debtor's inability to obtain, or increased costs of, alternative financing.

(c) **Persons entitled to recover damages; statutory damages in consumer-goods transaction.** Except as otherwise provided in RCW 62A.9A-628:

(1) A person that, at the time of the failure, was a debtor, was an obligor, or held a security interest in or other lien on the collateral may recover damages under subsection (b) of this section for its loss; and

(2) If the collateral is consumer goods, a person that was a debtor or a secondary obligor at the time a secured party failed to comply with this part may recover for that failure in any event an amount not less than the credit service charge plus ten percent of the principal amount of the obligation or the time-price differential plus ten percent of the cash price.

(d) **Recovery when deficiency eliminated or reduced.** A debtor whose deficiency is eliminated under RCW 62A.9A-626 may recover damages for the loss of any surplus. However, a debtor or secondary obligor whose deficiency is eliminated or reduced under RCW 62A.9A-626 may not otherwise recover under subsection (b) of this section for noncompliance with the provisions of this part relating to collection, enforcement, disposition, or acceptance.

(e) **Statutory damages: Noncompliance with specified provisions.** In addition to any damages recoverable under subsection (b) of this section, the debtor, consumer obligor, or person named as a debtor in a filed record, as applicable, may recover five hundred dollars in each case from a person that:

- (1) Fails to comply with RCW 62A.9A-208;
- (2) Fails to comply with RCW 62A.9A-209;
- (3) Files a record that the person is not entitled to file under RCW 62A.9A-509(a);
- (4) Fails to cause the secured party of record to file or send a termination statement as required by RCW 62A.9A-513 (a) or (c) within twenty days after the secured party receives an authenticated demand from a debtor;
- (5) Fails to comply with RCW 62A.9A-616(b)(1) and whose failure is part of a pattern, or consistent with a practice, of noncompliance; or
- (6) Fails to comply with RCW 62A.9A-616(b)(2).

(f) **Statutory damages: Noncompliance with RCW 62A.9A-210.** A debtor or consumer obligor may recover damages under subsection (b) of this section and, in addition, five hundred dollars in each case from a person that, without reasonable cause, fails to comply with a request under RCW 62A.9A-210. A recipient of a request under RCW 62A.9A-210 which never claimed an interest in the collateral or obligations that are the subject of a request under RCW 62A.9A-210 has a reasonable excuse for failure to comply with the request within the meaning of this subsection.

(g) **Limitation of security interest: Noncompliance with RCW 62A.9A-210.** If a secured party fails to comply with a request regarding a list of collateral or a statement of account under RCW 62A.9A-210, the secured party may claim a security interest only as shown in the statement included in the request as against a person that is reasonably misled by the failure.

**NEW SECTION. Sec. 9A-626. ACTION IN WHICH DEFICIENCY OR SURPLUS IS IN ISSUE.** (a) **Applicable rules if amount of deficiency or surplus in issue.** In an action arising from a transaction in which the amount of a deficiency or surplus is in issue, the following rules apply:

(1) A secured party need not prove compliance with the provisions of this part relating to collection, enforcement, disposition, or acceptance unless the debtor or a secondary obligor places the secured party's compliance in issue.

(2) If the secured party's compliance is placed in issue, the secured party has the burden of establishing that the collection, enforcement, disposition, or acceptance was conducted in accordance with this part.

(3) Except as otherwise provided in RCW 62A.9A-628, if a secured party fails to prove that the collection, enforcement, disposition, or acceptance was conducted in accordance with the provisions of this part relating to collection, enforcement, disposition, or acceptance, the liability of a debtor or a secondary obligor for a deficiency is limited to an amount by which the sum of the secured obligation, expenses, and attorneys' fees exceeds the greater of:

(A) The proceeds of the collection, enforcement, disposition, or acceptance;  
or

(B) The amount of proceeds that would have been realized had the noncomplying secured party proceeded in accordance with the provisions of this part relating to collection, enforcement, disposition, or acceptance.

(4) For purposes of (3)(B) of this subsection, the amount of proceeds that would have been realized is equal to the sum of the secured obligation, expenses, and attorneys' fees unless the secured party proves that the amount is less than that sum.

(b) [Reserved]

**NEW SECTION. Sec. 9A-627. DETERMINATION OF WHETHER CONDUCT WAS COMMERCIALY REASONABLE.** (a) **Greater amount obtainable under other circumstances; no preclusion of commercial reasonableness.** The fact that a greater amount could have been obtained by a collection, enforcement, disposition, or acceptance at a different time or in a different method from that selected by the secured party is not of itself sufficient to preclude the secured party from establishing that the collection, enforcement, disposition, or acceptance was made in a commercially reasonable manner.

(b) **Dispositions that are commercially reasonable.** A disposition of collateral is made in a commercially reasonable manner if the disposition is made:

- (1) In the usual manner on any recognized market;
- (2) At the price current in any recognized market at the time of the disposition;

or

(3) Otherwise in conformity with reasonable commercial practices among dealers in the type of property that was the subject of the disposition.

(c) **Approval by court or on behalf of creditors.** A collection, enforcement, disposition, or acceptance is commercially reasonable if it has been approved:

- (1) In a judicial proceeding;
- (2) By a bona fide creditors' committee;
- (3) By a representative of creditors; or
- (4) By an assignee for the benefit of creditors.

(d) **Approval under subsection (c) of this section not necessary; absence of approval has no effect.** Approval under subsection (c) of this section need not be obtained, and lack of approval does not mean that the collection, enforcement, disposition, or acceptance is not commercially reasonable.

**NEW SECTION. Sec. 9A-628. NONLIABILITY AND LIMITATION ON LIABILITY OF SECURED PARTY; LIABILITY OF SECONDARY OBLIGOR.**

(a) **Limitation of liability to debtor or obligor.** Unless a secured party knows that a person is a debtor or obligor, knows the identity of the person, and knows how to communicate with the person:

(1) The secured party is not liable to the person, or to a secured party or lienholder that has filed a financing statement against the person, for failure to comply with this Article; and

(2) The secured party's failure to comply with this Article does not affect the liability of the person for a deficiency.

(b) **Limitation of liability to debtor, obligor, another secured party, or lienholder.** A secured party is not liable because of its status as secured party:

(1) To a person that is a debtor or obligor, unless the secured party knows:

(A) That the person is a debtor or obligor;

(B) The identity of the person; and

(C) How to communicate with the person; or

(2) To a secured party or lienholder that has filed a financing statement against a person, unless the secured party knows:

(A) That the person is a debtor; and

(B) The identity of the person.

(c) **Limitation of liability if reasonable belief that transaction not a consumer-goods transaction or consumer transaction.** A secured party is not liable to any person, and a person's liability for a deficiency is not affected, because of any act or omission arising out of the secured party's reasonable belief that a transaction is not a consumer-goods transaction or a consumer transaction or that goods are not consumer goods, if the secured party's belief is based on its reasonable reliance on:

(1) A debtor's representation concerning the purpose for which collateral was to be used, acquired, or held; or

(2) An obligor's representation concerning the purpose for which a secured obligation was incurred.

(d) **Limitation of liability for statutory damages.** A secured party is not liable to any person under RCW 62A.9A-625(c)(2) for its failure to comply with RCW 62A.9A-616.

(e) **Limitation of multiple liability for statutory damages.** A secured party is not liable under RCW 62A.9A-625(c)(2) more than once with respect to any one secured obligation.

## PART 7 TRANSITION

**NEW SECTION. Sec. 9A-701. EFFECTIVE DATE.** This act takes effect July 1, 2001.

**NEW SECTION. Sec. 9A-702. SAVINGS CLAUSE.** (a) **Preeffective-date transactions or liens.** Except as otherwise provided in this section, this act applies to a transaction or lien within its scope, even if the transaction or lien was entered into or created before this act takes effect.

(b) **Continuing validity.** Except as otherwise provided in subsection (c) of this section and RCW 62A.9A-703 through 62A.9A-708:

(1) Transactions and liens that were not governed by Article 62A.9 RCW, were validly entered into or created before this act takes effect, and would be subject to this act if they had been entered into or created after this act takes effect,

and the rights, duties, and interests flowing from those transactions and liens remain valid after this act takes effect; and

(2) The transactions and liens may be terminated, completed, consummated, and enforced as required or permitted by this act or by the law that otherwise would apply if this act had not taken effect.

(c) **Preeffective-date proceedings.** This act does not affect an action, case, or proceeding commenced before this act takes effect.

**NEW SECTION. Sec. 9A-703. SECURITY INTEREST PERFECTED BEFORE EFFECTIVE DATE.** (a) **Continuing priority over lien creditor: Perfection requirements satisfied.** A security interest that is enforceable immediately before this act takes effect and would have priority over the rights of a person that becomes a lien creditor at that time is a perfected security interest under this act if, when this act takes effect, the applicable requirements for enforceability and perfection under this act are satisfied without further action.

(b) **Continuing priority over lien creditor: Perfection requirements not satisfied.** Except as otherwise provided in RCW 62A.9A-705, if, immediately before this act takes effect, a security interest is enforceable and would have priority over the rights of a person that becomes a lien creditor at that time, but the applicable requirements for enforceability or perfection under this act are not satisfied when this act takes effect, the security interest:

- (1) Is a perfected security interest for one year after this act takes effect;
- (2) Remains enforceable thereafter only if the security interest becomes enforceable under RCW 62A.9A-203 before the year expires; and
- (3) Remains perfected thereafter only if the applicable requirements for perfection under this act are satisfied before the year expires.

**NEW SECTION. Sec. 9A-704. SECURITY INTEREST UNPERFECTED BEFORE EFFECTIVE DATE.** A security interest that is enforceable immediately before this act takes effect but which would be subordinate to the rights of a person that becomes a lien creditor at that time:

- (1) Remains an enforceable security interest for one year after this act takes effect;
- (2) Remains enforceable thereafter if the security interest becomes enforceable under RCW 62A.9A-203 when this act takes effect or within one year thereafter; and
- (3) Becomes perfected:
  - (A) Without further action, when this act takes effect if the applicable requirements for perfection under this act are satisfied before or at that time; or
  - (B) When the applicable requirements for perfection are satisfied if the requirements are satisfied after that time.

**NEW SECTION. Sec. 9A-705. EFFECTIVENESS OF ACTION TAKEN BEFORE EFFECTIVE DATE.** (a) **Preeffective-date action; one-year perfection period unless reperfected.** If action, other than the filing of a financing statement,

is taken before this act takes effect and the action would have resulted in priority of a security interest over the rights of a person that becomes a lien creditor had the security interest become enforceable before this act takes effect, the action is effective to perfect a security interest that attaches under this act within one year after this act takes effect. An attached security interest becomes unperfected one year after this act takes effect unless the security interest becomes a perfected security interest under this act before the expiration of that period.

(b) **Preeffective-date filing.** The filing of a financing statement before this act takes effect is effective to perfect a security interest to the extent the filing would satisfy the applicable requirements for perfection under this act.

(c) **Preeffective-date filing in jurisdiction formerly governing perfection.** This act does not render ineffective an effective financing statement that, before this act takes effect, is filed and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in RCW 62A.9A-103. However, except as otherwise provided in subsections (d) and (e) of this section and RCW 62A.9A-706, the financing statement ceases to be effective at the earlier of:

(1) The time the financing statement would have ceased to be effective under the law of the jurisdiction in which it is filed; or

(2) June 30, 2006.

(d) **Continuation statement.** The filing of a continuation statement after this act takes effect does not continue the effectiveness of the financing statement filed before this act takes effect. However, upon the timely filing of a continuation statement after this act takes effect and in accordance with the law of the jurisdiction governing perfection as provided in Part 3, the effectiveness of a financing statement filed in the same office in that jurisdiction before this act takes effect continues for the period provided by the law of that jurisdiction.

(e) **Application of subsection (c)(2) of this section to transmitting utility financing statement.** Subsection (c)(2) of this section applies to a financing statement that, before this act takes effect, is filed against a transmitting utility and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in RCW 62A.9A-103 only to the extent that Part 3 provides that the law of a jurisdiction other than the jurisdiction in which the financing statement is filed governs perfection of a security interest in collateral covered by the financing statement.

(f) **Application of Part 5.** A financing statement that includes a financing statement filed before this act takes effect and a continuation statement filed after this act takes effect is effective only to the extent that it satisfies the requirements of Part 5 for an initial financing statement.

**NEW SECTION. Sec. 9A-706. WHEN INITIAL FINANCING STATEMENT SUFFICES TO CONTINUE EFFECTIVENESS OF FINANCING STATEMENT.** (a) **Initial financing statement in lieu of continuation statement.** The filing of an initial financing statement in the office specified in

RCW 62A.9A-501 continues the effectiveness of a financing statement filed before this act takes effect if:

- (1) The filing of an initial financing statement in that office would be effective to perfect a security interest under this act;
- (2) The preeffective-date financing statement was filed in an office in another state or another office in this state; and
- (3) The initial financing statement satisfies subsection (c) of this section.

(b) **Period of continued effectiveness.** The filing of an initial financing statement under subsection (a) of this section continues the effectiveness of the preeffective-date financing statement:

- (1) If the initial financing statement is filed before this act takes effect, for the period provided in RCW 62A.9-403 with respect to a financing statement; and
- (2) If the initial financing statement is filed after this act takes effect, for the period provided in RCW 62A.9A-515 with respect to an initial financing statement.

(c) **Requirements for initial financing statement under subsection (a) of this section.** To be effective for purposes of subsection (a) of this section, an initial financing statement must:

- (1) Satisfy the requirements of Part 5 for an initial financing statement;
- (2) Identify the preeffective-date financing statement by indicating the office in which the financing statement was filed and providing the dates of filing and file numbers, if any, of the financing statement and of the most recent continuation statement filed with respect to the financing statement; and
- (3) Indicate that the preeffective-date financing statement remains effective.

**NEW SECTION. Sec. 9A-707. PERSONS ENTITLED TO FILE INITIAL FINANCING STATEMENT OR CONTINUATION STATEMENT.** A person may file an initial financing statement or a continuation statement under this part if:

- (1) The secured party of record authorizes the filing; and
- (2) The filing is necessary under this part:
  - (A) To continue the effectiveness of a financing statement filed before this act takes effect; or
  - (B) To perfect or continue the perfection of a security interest.

**NEW SECTION. Sec. 9A-708. PRIORITY.** (a) **Law governing priority.** This act determines the priority of conflicting claims to collateral. However, if the relative priorities of the claims were established before this act takes effect, Article 62A.9 RCW determines priority.

(b) **Priority if security interest becomes enforceable under RCW 62A.9A-203.** For purposes of RCW 62A.9A-322(a), the priority of a security interest that becomes enforceable under RCW 62A.9A-203 dates from the time this act takes effect if the security interest is perfected under this act by the filing of a financing statement before this act takes effect which would not have been effective to perfect the security interest under Article 62A.9 RCW. This subsection



does not apply to conflicting security interests each of which is perfected by the filing of such a financing statement.

**PART 8  
AMENDATORY SECTIONS**

**Sec. 9A-801.** RCW 62A.1-105 and 1997 c 56 s 19 are each amended to read as follows:

**TERRITORIAL APPLICATION OF THE TITLE; PARTIES' POWER TO CHOOSE APPLICABLE LAW.** (1) Except as provided hereafter in this section, when a transaction bears a reasonable relation to this state and also to another state or nation the parties may agree that the law either of this state or of such other state or nation shall govern their rights and duties. Failing such agreement this Title applies to transactions bearing an appropriate relation to this state.

(2) Where one of the following provisions of this Title specifies the applicable law, that provision governs and a contrary agreement is effective only to the extent permitted by the law (including the conflict of laws rules) so specified:

Rights of creditors against sold goods. RCW 62A.2-402.

Applicability of the Article on Leases. RCW 62A.2A-105 and 62A.2A-106.

Applicability of the Article on Bank Deposits and Collections. RCW 62A.4-102.

Governing law in the Article on Funds Transfers. RCW 62A.4A-507.

~~((Applicability of the Article on))~~ Letters of Credit. RCW 62A.5-116.

Applicability of the Article on Investment Securities. RCW 62A.8-110.

~~((Perfection provisions of the Article on Secured Transactions. RCW 62A.9-103.))~~ Law governing perfection, the effect of perfection or nonperfection, and the priority of security interests. RCW 62A.9A-301 through 62A.9A-307.

**Sec. 9A-802.** RCW 62A.1-201 and 1996 c 77 s 1 are each amended to read as follows:

**GENERAL DEFINITIONS.** Subject to additional definitions contained in the subsequent Articles of this Title which are applicable to specific Articles or Parts thereof, and unless the context otherwise requires, in this Title:

(1) "Action" in the sense of a judicial proceeding includes recoupment, counterclaim, set-off, suit in equity and any other proceedings in which rights are determined.

(2) "Aggrieved party" means a party entitled to resort to a remedy.

(3) "Agreement" means the bargain of the parties in fact as found in their language or by implication from other circumstances including course of dealing or usage of trade or course of performance as provided in this Title (RCW 62A.1-205, RCW 62A.2-208, and RCW 62A.2A-207). Whether an agreement has legal consequences is determined by the provisions of this Title, if applicable; otherwise by the law of contracts (RCW 62A.1-103). (Compare "Contract".)

(4) "Bank" means any person engaged in the business of banking.

(5) "Bearer" means the person in possession of an instrument, document of title, or certificated security payable to bearer or indorsed in blank.

(6) "Bill of lading" means a document evidencing the receipt of goods for shipment issued by a person engaged in the business of transporting or forwarding goods, and includes an airbill. "Airbill" means a document serving for air transportation as a bill of lading does for marine or rail transportation, and includes an air consignment note or air waybill.

(7) "Branch" includes a separately incorporated foreign branch of a bank.

(8) "Burden of establishing" a fact means the burden of persuading the triers of fact that the existence of the fact is more probable than its non-existence.

(9) "Buyer in ordinary course of business" means a person ~~((who))~~ that buys goods in good faith ~~((and))~~, without knowledge that the sale ~~((to him or her is in violation of))~~ violates the ~~((ownership))~~ rights ~~((or security interest))~~ of ~~((a third party))~~ another person in the goods ~~((buys))~~, and in the ordinary course from a person, other than a pawnbroker, in the business of selling goods of that kind ~~((but does not include a pawnbroker))~~. ~~((All persons who sell minerals or the like (including oil and gas) at wellhead or minehead shall be deemed to be persons))~~ A person buys goods in the ordinary course if the sale to the person comports with the usual or customary practices in the kind of business in which the seller is engaged or with the seller's own usual or customary practices. A person that sells oil, gas, or other minerals at the wellhead or minehead is a person in the business of selling goods of that kind. ~~((Buying"))~~ A buyer in ordinary course of business may ~~((be))~~ buy for cash ~~((or))~~, by exchange of other property, or on secured or unsecured credit, and ~~((includes receiving))~~ may acquire goods or documents of title under a pre-existing contract for sale ~~((but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt))~~. Only a buyer that takes possession of the goods or has a right to recover the goods from the seller under Article 62A.2 RCW may be a buyer in ordinary course of business. A person that acquires goods in a transfer in bulk or as security for or in total or partial satisfaction of a money debt is not a buyer in ordinary course of business.

(10) "Conspicuous": A term or clause is conspicuous when it is so written that a reasonable person against whom it is to operate ought to have noticed it. A printed heading in capitals (as: NON-NEGOTIABLE BILL OF LADING) is conspicuous. Language in the body of a form is "conspicuous" if it is in larger or other contrasting type or color. But in a telegram any stated term is "conspicuous". Whether a term or clause is "conspicuous" or not is for decision by the court.

(11) "Contract" means the total legal obligation which results from the parties' agreement as affected by this Title and any other applicable rules of law. (Compare "Agreement".)

(12) "Creditor" includes a general creditor, a secured creditor, a lien creditor and any representative of creditors, including an assignee for the benefit of creditors, a trustee in bankruptcy, a receiver in equity and an executor or administrator of an insolvent debtor's or assignor's estate.

(13) "Defendant" includes a person in the position of defendant in a cross-action or counterclaim.

(14) "Delivery" with respect to instruments, documents of title, chattel paper, or certificated securities means voluntary transfer of possession.

(15) "Document of title" includes bill of lading, dock warrant, dock receipt, warehouse receipt or order for the delivery of goods, and also any other document which in the regular course of business or financing is treated as adequately evidencing that the person in possession of it is entitled to receive, hold and dispose of the document and the goods it covers. To be a document of title a document must purport to be issued by or addressed to a bailee and purport to cover goods in the bailee's possession which are either identified or are fungible portions of an identified mass.

(16) "Fault" means wrongful act, omission or breach.

(17) "Fungible" with respect to goods or securities means goods or securities of which any unit is, by nature or usage of trade, the equivalent of any other like unit. Goods which are not fungible shall be deemed fungible for the purposes of this Title to the extent that under a particular agreement or document unlike units are treated as equivalents.

(18) "Genuine" means free of forgery or counterfeiting.

(19) "Good faith" means honesty in fact in the conduct or transaction concerned.

(20) "Holder" with respect to a negotiable instrument, means the person in possession if the instrument is payable to bearer or, in the case of an instrument payable to an identified person, if the identified person is in possession. "Holder" with respect to a document of title means the person in possession if the goods are deliverable to bearer or to the order of the person in possession.

(21) To "honor" is to pay or to accept and pay, or where a credit so engages to purchase or discount a draft complying with the terms of the credit.

(22) "Insolvency proceedings" includes any assignment for the benefit of creditors or other proceedings intended to liquidate or rehabilitate the estate of the person involved.

(23) A person is "insolvent" who either has ceased to pay his or her debts in the ordinary course of business or cannot pay his or her debts as they become due or is insolvent within the meaning of the federal bankruptcy law.

(24) "Money" means a medium of exchange authorized or adopted by a domestic or foreign government and includes a monetary unit of account established by an intergovernmental organization or by agreement between two or more nations.

(25) A person has "notice" of a fact when

(a) he or she has actual knowledge of it; or

(b) he or she has received a notice or notification of it; or

(c) from all the facts and circumstances known to him or her at the time in question he or she has reason to know that it exists.

A person "knows" or has "knowledge" of a fact when he or she has actual knowledge of it. "Discover" or "learn" or a word or phrase of similar import refers

to knowledge rather than to reason to know. The time and circumstances under which a notice or notification may cease to be effective are not determined by this Title.

(26) A person "notifies" or "gives" a notice or notification to another by taking such steps as may be reasonably required to inform the other in ordinary course whether or not such other actually comes to know of it. A person "receives" a notice or notification when

(a) it comes to his or her attention; or

(b) it is duly delivered at the place of business through which the contract was made or at any other place held out by him or her as the place for receipt of such communications.

(27) Notice, knowledge or a notice or notification received by an organization is effective for a particular transaction from the time when it is brought to the attention of the individual conducting that transaction, and in any event from the time when it would have been brought to his or her attention if the organization had exercised due diligence. An organization exercises due diligence if it maintains reasonable routines for communicating significant information to the person conducting the transaction and there is reasonable compliance with the routines. Due diligence does not require an individual acting for the organization to communicate information unless such communication is part of his or her regular duties or unless he or she has reason to know of the transaction and that the transaction would be materially affected by the information.

(28) "Organization" includes a corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, two or more persons having a joint or common interest, or any other legal or commercial entity.

(29) "Party", as distinct from "third party", means a person who has engaged in a transaction or made an agreement within this Title.

(30) "Person" includes an individual or an organization (See RCW 62A.1-102).

(31) "Presumption" or "presumed" means that the trier of fact must find the existence of the fact presumed unless and until evidence is introduced which would support a finding of its nonexistence.

(32) "Purchase" includes taking by sale, discount, negotiation, mortgage, pledge, lien, security interest, issue or re-issue, gift or any other voluntary transaction creating an interest in property.

(33) "Purchaser" means a person who takes by purchase.

(34) "Remedy" means any remedial right to which an aggrieved party is entitled with or without resort to a tribunal.

(35) "Representative" includes an agent, an officer of a corporation or association, and a trustee, executor or administrator of an estate, or any other person empowered to act for another.

(36) "Rights" includes remedies.

(37) "Security interest" means an interest in personal property or fixtures which secures payment or performance of an obligation, except for lease-purchase agreements under chapter 63.19 RCW. ~~((The retention or reservation of title by a seller of goods notwithstanding shipment or delivery to the buyer (RCW 62A.2-401) is limited in effect to a reservation of a "security interest".))~~ The term also includes any interest of a consignor and a buyer of accounts ~~((or)),~~ chattel paper ~~((which)),~~ a payment intangible, or a promissory note in a transaction that is subject to Article 9. The special property interest of a buyer of goods on identification of such goods to a contract for sale under RCW 62A.2-401 is not a "security interest", but a buyer may also acquire a "security interest" by complying with Article 9. ~~((Unless a consignment is intended as security, reservation of title thereunder is not a "security interest" but a consignment in any event is subject to the provisions on consignment sales (RCW 62A.2-326).))~~ Except as otherwise provided in RCW 62A.2-505, the right of a seller or lessor of goods under Article 2 or 2A to retain or acquire possession of the goods is not a "security interest," but a seller or lessor may also acquire a "security interest" by complying with Article 9. The retention or reservation of title by a seller of goods notwithstanding shipment or delivery to the buyer (RCW 62A.2-401) is limited in effect to a reservation of a "security interest."

Whether a transaction creates a lease or security interest is determined by the facts of each case. However, a transaction creates a security interest if the consideration the lessee is to pay the lessor for the right to possession and use of the goods is an obligation for the term of the lease not subject to termination by the lessee, and:

- (a) The original term of the lease is equal to or greater than the remaining economic life of the goods;
- (b) The lessee is bound to renew the lease for the remaining economic life of the goods or is bound to become the owner of the goods;
- (c) The lessee has an option to renew the lease for the remaining economic life of the goods for no additional consideration or nominal additional consideration upon compliance with the lease agreement; or
- (d) The lessee has an option to become the owner of the goods for no additional consideration or nominal additional consideration upon compliance with the lease agreement.

A transaction does not create a security interest merely because it provides that:

- (a) The present value of the consideration the lessee is obligated to pay the lessor for the right to possession and use of the goods is substantially equal to or is greater than the fair market value of the goods at the time the lease is entered into;
- (b) The lessee assumes risk of loss of the goods, or agrees to pay taxes, insurance, filing, recording, or registration fees, or service or maintenance costs with respect to the goods;

(c) The lessee has an option to renew the lease or to become the owner of the goods;

(d) The lessee has an option to renew the lease for a fixed rent that is equal to or greater than the reasonably predictable fair market rent for the use of the goods for the term of the renewal at the time the option is to be performed;

(e) The lessee has an option to become the owner of the goods for a fixed price that is equal to or greater than the reasonably predictable fair market value of the goods at the time the option is to be performed; or

(f) The amount of rental payments may or will be increased or decreased by reference to the amount realized by the lessor upon sale or disposition of the goods.

For purposes of this subsection (37):

(a) Additional consideration is not nominal if (i) when the option to renew the lease is granted to the lessee the rent is stated to be the fair market rent for the use of the goods for the term of the renewal determined at the time the option is to be performed, or (ii) when the option to become the owner of the goods is granted to the lessee the price is stated to be the fair market value of the goods determined at the time the option is to be performed. Additional consideration is nominal if it is less than the lessee's reasonably predictable cost of performing under the lease agreement if the option is not exercised;

(b) "Reasonably predictable" and "remaining economic life of the goods" are to be determined with reference to the facts and circumstances at the time the transaction is entered into; and

(c) "Present value" means the amount as of a date certain of one or more sums payable in the future, discounted to the date certain. The discount is determined by the interest rate specified by the parties if the rate is not manifestly unreasonable at the time the transaction is entered into; otherwise, the discount is determined by a commercially reasonable rate that takes into account the facts and circumstances of each case at the time the transaction was entered into.

(38) "Send" in connection with any writing or notice means to deposit in the mail or deliver for transmission by any other usual means of communication with postage or cost of transmission provided for and properly addressed and in the case of an instrument to an address specified thereon or otherwise agreed, or if there be none to any address reasonable under the circumstances. The receipt of any writing or notice within the time at which it would have arrived if properly sent has the effect of a proper sending.

(39) "Signed" includes any symbol executed or adopted by a party with present intention to authenticate a writing.

(40) "Surety" includes guarantor.

(41) "Telegram" includes a message transmitted by radio, teletype, cable, any mechanical method of transmission, or the like.

(42) "Term" means that portion of an agreement which relates to a particular matter.

(43) "Unauthorized" signature means one made without actual, implied or apparent authority and includes a forgery.

(44) "Value". Except as otherwise provided with respect to negotiable instruments and bank collections (RCW 62A.3-303, RCW 62A.4-210, and RCW 62A.4-211) a person gives "value" for rights if he or she acquires them

(a) in return for a binding commitment to extend credit or for the extension of immediately available credit whether or not drawn upon and whether or not a charge-back is provided for in the event of difficulties in collection; or

(b) as security for or in total or partial satisfaction of a preexisting claim; or

(c) by accepting delivery pursuant to a pre-existing contract for purchase; or

(d) generally, in return for any consideration sufficient to support a simple contract.

(45) "Warehouse receipt" means a receipt issued by a person engaged in the business of storing goods for hire.

(46) "Written" or "writing" includes printing, typewriting or any other intentional reduction to tangible form.

Sec. 9A-803. RCW 62A.2-103 and 1965 ex.s. c 157 s 2-103 are each amended to read as follows:

DEFINITIONS AND INDEX OF DEFINITIONS. (1) In this Article unless the context otherwise requires

(a) "Buyer" means a person who buys or contracts to buy goods.

(b) "Good faith" in the case of a merchant means honesty in fact and the observance of reasonable commercial standards of fair dealing in the trade.

(c) "Receipt" of goods means taking physical possession of them.

(d) "Seller" means a person who sells or contracts to sell goods.

(2) Other definitions applying to this Article or to specified Parts thereof, and the sections in which they appear are:

"Acceptance."	RCW 62A.2-606.
"Banker's credit."	RCW 62A.2-325.
"Between merchants."	RCW 62A.2-104.
"Cancellation."	RCW 62A.2-106(4).
"Commercial unit."	RCW 62A.2-105.
"Confirmed credit."	RCW 62A.2-325.
"Conforming to contract."	RCW 62A.2-106.
"Contract for sale."	RCW 62A.2-106.
"Cover."	RCW 62A.2-712.
"Entrusting."	RCW 62A.2-403.
"Financing agency."	RCW 62A.2-104.
"Future goods."	RCW 62A.2-105.
"Goods."	RCW 62A.2-105.
"Identification."	RCW 62A.2-501.
"Installment contract."	RCW 62A.2-612.
"Letter of credit."	RCW 62A.2-325.

"Lot."	RCW 62A.2-105.
"Merchant."	RCW 62A.2-104.
"Overseas."	RCW 62A.2-323.
"Person in position of seller."	RCW 62A.2-707.
"Present sale."	RCW 62A.2-106.
"Sale."	RCW 62A.2-106.
"Sale on approval."	RCW 62A.2-326.
"Sale or return."	RCW 62A.2-326.
"Termination."	RCW 62A.2-106.
(3) The following definitions in other Articles apply to this Article:	
"Check."	RCW 62A.3-104.
"Consignee."	RCW 62A.7-102.
"Consignor."	RCW 62A.7-102.
"Consumer goods."	RCW ((62A.9-109)) <u>62A.9A-102.</u>
"Dishonor."	RCW ((62A.3-507)) <u>62A.3-502.</u>
"Draft."	RCW 62A.3-104.

(4) In addition Article I contains general definitions and principles of construction and interpretation applicable throughout this Article.

**Sec. 9A-804.** RCW 62A.2-210 and 1965 ex.s. c 157 s 2-210 are each amended to read as follows:

**DELEGATION OF PERFORMANCE; ASSIGNMENT OF RIGHTS.** (1) A party may perform his duty through a delegate unless otherwise agreed or unless the other party has a substantial interest in having his original promisor perform or control the acts required by the contract. No delegation of performance relieves the party delegating of any duty to perform or any liability for breach.

(2) Except as otherwise provided in RCW 62A.9A-406, unless otherwise agreed, all rights of either seller or buyer can be assigned except where the assignment would materially change the duty of the other party, or increase materially the burden or risk imposed on him by his contract, or impair materially his chance of obtaining return performance. A right to damages for breach of the whole contract or a right arising out of the assignor's due performance of his entire obligation can be assigned despite agreement otherwise.

(3) The creation, attachment, perfection, or enforcement of a security interest in the seller's interest under a contract is not a transfer that materially changes the duty of or increases materially the burden or risk imposed on the buyer or impairs materially the buyer's chance of obtaining return performance within the purview of subsection (2) of this section unless, and then only to the extent that, enforcement actually results in a delegation of material performance of the seller. Even in that event, the creation, attachment, perfection, and enforcement of the security interest remain effective, but (i) the seller is liable to the buyer for damages caused by the delegation to the extent that the damages could not



reasonably be prevented by the buyer, and (ii) a court having jurisdiction may grant other appropriate relief, including cancellation of the contract for sale or an injunction against enforcement of the security interest or consummation of the enforcement.

(4) Unless the circumstances indicate the contrary a prohibition of assignment of "the contract" is to be construed as barring only the delegation to the assignee of the assignor's performance.

~~((4))~~ (5) An assignment of "the contract" or of "all my rights under the contract" or an assignment in similar general terms is an assignment of rights and unless the language or the circumstances (as in an assignment for security) indicate the contrary, it is a delegation of performance of the duties of the assignor and its acceptance by the assignee constitutes a promise by him to perform those duties. This promise is enforceable by either the assignor or the other party to the original contract.

~~((5))~~ (6) The other party may treat any assignment which delegates performance as creating reasonable grounds for insecurity and may without prejudice to his rights against the assignor demand assurances from the assignee (RCW 62A.2-609).

(7) Notwithstanding subsections (2) and (3) of this section, an assignment that would be a breach but for the provisions of RCW 62A.9A-406 may create reasonable grounds for insecurity with respect to the due performance of the assignor (RCW 62A.2-609).

Sec. 9A-805. RCW 62A.2-326 and 1965 ex.s. c 157 s 2-326 are each amended to read as follows:

SALE ON APPROVAL AND SALE OR RETURN; ~~((CONSIGNMENT SALES AND))~~ RIGHTS OF CREDITORS. (1) Unless otherwise agreed, if delivered goods may be returned by the buyer even though they conform to the contract, the transaction is

- (a) a "sale on approval" if the goods are delivered primarily for use, and
- (b) a "sale or return" if the goods are delivered primarily for resale.

(2) ~~((Except as provided in subsection (3),))~~ Goods held on approval are not subject to the claims of the buyer's creditors until acceptance; goods held on sale or return are subject to such claims while in the buyer's possession.

(3) ~~((Where goods are delivered to a person for sale and such person maintains a place of business at which he deals in goods of the kind involved, under a name other than the name of the person making delivery, then with respect to claims of creditors of the person conducting the business the goods are deemed to be on sale or return. The provisions of this subsection are applicable even though an agreement purports to reserve title to the person making delivery until payment or resale or uses such words as "on consignment" or "on memorandum". However, this subsection is not applicable if the person making delivery~~

~~(a) complies with an applicable law providing for a consignor's interest or the like to be evidenced by a sign, or~~

~~—(b) establishes that the person conducting the business is generally known by his creditors to be substantially engaged in selling the goods of others, or~~  
~~—(c) complies with the filing provisions of the Article on Secured Transactions (Article 9).~~

~~—(4)) Any "or return" term of a contract for sale is to be treated as a separate contract for sale within the statute of frauds section of this Article (RCW 62A.2-201) and as contradicting the sale aspect of the contract within the provisions of this Article on parol or extrinsic evidence (RCW 62A.2-202).~~

**Sec. 9A-806.** RCW 62A.2-502 and 1965 ex.s. c 157 s 2-502 are each amended to read as follows:

**BUYER'S RIGHT TO GOODS ON SELLER'S INSOLVENCY.** (1) Subject to subsections (2) and (3) of this section and even though the goods have not been shipped a buyer who has paid a part or all of the price of goods in which he has a special property under the provisions of the immediately preceding section may on making and keeping good a tender of any unpaid portion of their price recover them from the seller if:

(a) In the case of goods bought for personal, family, or household purposes, the seller repudiates or fails to deliver as required by the contract; or

(b) In all cases, the seller becomes insolvent within ten days after receipt of the first installment on their price.

(2) The buyer's right to recover the goods under subsection (1)(a) of this section vests upon acquisition of a special property, even if the seller had not then repudiated or failed to deliver.

(3) If the identification creating his special property has been made by the buyer he acquires the right to recover the goods only if they conform to the contract for sale.

**Sec. 9A-807.** RCW 62A.2-716 and 1965 ex.s. c 157 s 2-716 are each amended to read as follows:

**BUYER'S RIGHT TO SPECIFIC PERFORMANCE OR REPLEVIN.** (1) Specific performance may be decreed where the goods are unique or in other proper circumstances.

(2) The decree for specific performance may include such terms and conditions as to payment of the price, damages, or other relief as the court may deem just.

(3) The buyer has a right of replevin for goods identified to the contract if after reasonable effort he is unable to effect cover for such goods or the circumstances reasonably indicate that such effort will be unavailing or if the goods have been shipped under reservation and satisfaction of the security interest in them has been made or tendered. In the case of goods bought for personal, family, or household purposes, the buyer's right of replevin vests upon acquisition of a special property, even if the seller had not then repudiated or failed to deliver.

**Sec. 9A-808.** RCW 62A.2A-103 and 1993 c 230 s 2A-103 are each amended to read as follows:

DEFINITIONS AND INDEX OF DEFINITIONS. (1) In this Article unless the context otherwise requires:

(a) "Buyer in ordinary course of business" means a person who in good faith and without knowledge that the sale to him or her is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods buys in ordinary course from a person in the business of selling goods of that kind but does not include a pawnbroker. "Buying" may be for cash, or by exchange of other property, or on secured or unsecured credit, and includes receiving goods or documents of title under a preexisting contract for sale but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

(b) "Cancellation" occurs when either party puts an end to the lease contract for default by the other party.

(c) "Commercial unit" means such a unit of goods as by commercial usage is a single whole for purposes of lease and division of which materially impairs its character or value on the market or in use. A commercial unit may be a single article, as a machine, or a set of articles, as a suite of furniture or a line of machinery, or a quantity, as a gross or carload, or any other unit treated in use or in the relevant market as a single whole.

(d) "Conforming" goods or performance under a lease contract means goods or performance that are in accordance with the obligations under the lease contract.

(e) "Consumer lease" means a lease that a lessor regularly engaged in the business of leasing or selling makes to a lessee who is an individual who takes under the lease primarily for a personal, family, or household purpose, if the total payments to be made under the lease contract, excluding payments for options to renew or buy, do not exceed twenty-five thousand dollars.

(f) "Fault" means wrongful act, omission, breach, or default.

(g) "Finance lease" means a lease with respect to which:

(i) The lessor does not select, manufacture, or supply the goods;

(ii) The lessor acquires the goods or the right to possession and use of the goods in connection with the lease; and

(iii) Only in the case of a consumer lease, either:

(A) The lessee receives a copy of the contract by which the lessor acquired the goods or the right to possession and use of the goods before signing the lease contract;

(B) The lessee's approval of the contract by which the lessor acquired the goods or the right to possession and use of the goods is a condition to effectiveness of the lease contract; or

(C) The lessee, before signing the lease contract, receives an accurate and complete statement designating the promises and warranties, and any disclaimers of warranties, limitations or modifications of remedies, or liquidated damages, including those of a third party, such as the manufacturer of the goods, provided to the lessor by the person supplying the goods in connection with or as part of the

contract by which the lessor acquired the goods or the right to possession and use of the goods.

(h) "Goods" means all things that are movable at the time of identification to the lease contract, or are fixtures (RCW 62A.2A-309), but the term does not include money, documents, instruments, accounts, chattel paper, general intangibles, or minerals or the like, including oil and gas, before extraction. The term also includes the unborn young of animals.

(i) "Installment lease contract" means a lease contract that authorizes or requires the delivery of goods in separate lots to be separately accepted, even though the lease contract contains a clause "each delivery is a separate lease" or its equivalent.

(j) "Lease" means a transfer of the right to possession and use of goods for a term in return for consideration, but a sale, including a sale on approval or a sale or return, or retention or creation of a security interest is not a lease. Unless the context clearly indicates otherwise, the term includes a sublease.

(k) "Lease agreement" means the bargain, with respect to the lease, of the lessor and the lessee in fact as found in their language or by implication from other circumstances including course of dealing or usage of trade or course of performance as provided in this Article. Unless the context clearly indicates otherwise, the term includes a sublease agreement.

(l) "Lease contract" means the total legal obligation that results from the lease agreement as affected by this Article and any other applicable rules of law. Unless the context clearly indicates otherwise, the term includes a sublease contract.

(m) "Leasehold interest" means the interest of the lessor or the lessee under a lease contract.

(n) "Lessee" means a person who acquires the right to possession and use of goods under a lease. Unless the context clearly indicates otherwise, the term includes a sublessee.

(o) "Lessee in ordinary course of business" means a person who in good faith and without knowledge that the lease to him or her is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods, leases in ordinary course from a person in the business of selling or leasing goods of that kind, but does not include a pawnbroker. "Leasing" may be for cash, or by exchange of other property, or on secured or unsecured credit and includes receiving goods or documents of title under a preexisting lease contract but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

(p) "Lessor" means a person who transfers the right to possession and use of goods under a lease. Unless the context clearly indicates otherwise, the term includes a sublessor.

(q) "Lessor's residual interest" means the lessor's interest in the goods after expiration, termination, or cancellation of the lease contract.

(r) "Lien" means a charge against or interest in goods to secure payment of a debt or performance of an obligation, but the term does not include a security interest.

(s) "Lot" means a parcel or a single article that is the subject matter of a separate lease or delivery, whether or not it is sufficient to perform the lease contract.

(t) "Merchant lessee" means a lessee that is a merchant with respect to goods of the kind subject to the lease.

(u) "Present value" means the amount as of a date certain of one or more sums payable in the future, discounted to the date certain. The discount is determined by the interest rate specified by the parties if the rate was not manifestly unreasonable at the time the transaction was entered into; otherwise, the discount is determined by a commercially reasonable rate that takes into account the facts and circumstances of each case at the time the transaction was entered into.

(v) "Purchase" includes taking by sale, lease, mortgage, security interest, pledge, gift, or any other voluntary transaction creating an interest in goods.

(w) "Sublease" means a lease of goods the right to possession and use of which was acquired by the lessor as a lessee under an existing lease.

(x) "Supplier" means a person from whom a lessor buys or leases goods to be leased under a finance lease.

(y) "Supply contract" means a contract under which a lessor buys or leases goods to be leased.

(z) "Termination" occurs when either party pursuant to a power created by agreement or law puts an end to the lease contract otherwise than for default.

(2) Other definitions applying to this Article or to specified Parts thereof, and the sections in which they appear are:

"Accessions."	RCW 62A.2A-310(1).
"Construction mortgage."	RCW 62A.2A-309(1)(d).
"Encumbrance."	RCW 62A.2A-309(1)(e).
"Fixtures."	RCW 62A.2A-309(1)(a).
"Fixture filing."	RCW 62A.2A-309(1)(b).
"Purchase money lease."	RCW 62A.2A-309(1)(c).
(3) The following definitions in other Articles apply to this Article:	
"Account."	RCW ((62A.9-106)) <u>62A.9A-102(a)(2).</u>
"Between merchants."	RCW 62A.2-104(3).
"Buyer."	RCW 62A.2-103(1)(a).
"Chattel paper."	RCW ((62A.9-105(+)(b))) <u>62A.9A-102(a)(11).</u>
"Consumer goods."	RCW ((62A.9-109(+))) <u>62A.9A-102(a)(23).</u>
"Document."	RCW ((62A.9-105(+)(f))) <u>62A.9A-102(a)(30).</u>

"Entrusting."	RCW 62A.2-403(3).
"General intangible((s))."	RCW ((62A.9-106) 62A.9A-102(a)(42).
"Good faith."	RCW 62A.2-103(1)(b).
"Instrument."	RCW ((62A.9-105(1)(i)) 62A.9A-102(a)(47).
"Merchant."	RCW 62A.2-104(1).
"Mortgage."	RCW ((62A.9-105(1)(j)) 62A.9A-102(a)(55).
"Pursuant to commitment."	RCW ((62A.9-105(1)(k)) 62A.9A-102(a)(68).
"Receipt."	RCW 62A.2-103(1)(c).
"Sale."	RCW 62A.2-106(1).
"Sale on approval."	RCW 62A.2-326.
"Sale or return."	RCW 62A.2-326.
"Seller."	RCW 62A.2-103(1)(d).

(4) In addition, Article 62A.1 RCW contains general definitions and principles of construction and interpretation applicable throughout this Article.

**Sec. 9A-809.** RCW 62A.2A-303 and 1993 c 230 s 2A-303 are each amended to read as follows:

**ALIENABILITY OF PARTY'S INTEREST UNDER LEASE CONTRACT OR OF LESSOR'S RESIDUAL INTEREST IN GOODS; DELEGATION OF PERFORMANCE; TRANSFER OF RIGHTS.** (1) As used in this section, "creation of a security interest" includes the sale of a lease contract that is subject to Article 9, Secured Transactions, by reason of RCW ((62A.9-102(1)(b))) 62A.9A-109(a)(3).

(2) Except as provided in subsection((s)) (3) of this section and ((4) of this section)) RCW 62A.9A-407, a provision in a lease agreement which (a) prohibits the voluntary or involuntary transfer, including a transfer by sale, sublease, creation or enforcement of a security interest, or attachment, levy, or other judicial process, of an interest of a party under the lease contract or of the lessor's residual interest in the goods, or (b) makes such a transfer an event of default, gives rise to the rights and remedies provided in subsection ((5)) (4) of this section, but a transfer that is prohibited or is an event of default under the lease agreement is otherwise effective.

(3) ((A provision in a lease agreement which (a) prohibits the creation or enforcement of a security interest in an interest of a party under the lease contract or in the lessor's residual interest in the goods, or (b) makes such a transfer an event of default, is not enforceable unless, and then only to the extent that, there is an actual transfer by the lessee of the lessee's right of possession or use of the goods in violation of the provision or an actual delegation of a material performance of either party to the lease contract in violation of the provision. Neither the granting nor the enforcement of a security interest in (i) the lessor's

~~interest under the lease contract or (ii) the lessor's residual interest in the goods is a transfer that materially impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden or risk imposed on, the lessee within the purview of subsection (5) of this section unless, and then only to the extent that, there is an actual delegation of a material performance of the lessor.~~

~~—(4))~~ A provision in a lease agreement which (i) prohibits a transfer of a right to damages for default with respect to the whole lease contract or of a right to payment arising out of the transferor's due performance of the transferor's entire obligation, or (ii) makes such a transfer an event of default, is not enforceable, and such a transfer is not a transfer that materially impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden or risk imposed on, the other party to the lease contract within the purview of subsection ~~((5))~~ (4) of this section.

~~((5))~~ (4) Subject to subsection ~~((3))~~ (3) of this section and ~~((4) of this section))~~ RCW 62A.9A-407:

(a) If a transfer is made which is made an event of default under a lease agreement, the party to the lease contract not making the transfer, unless that party waives the default or otherwise agrees, has the rights and remedies described in RCW 62A.2A-501(2);

(b) If subsection ~~((5))~~ (4)(a) of this section is not applicable and if a transfer is made that (i) is prohibited under a lease agreement or (ii) materially impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden or risk imposed on, the other party to the lease contract, unless the party not making the transfer agrees at any time to the transfer in the lease contract or otherwise, then, except as limited by contract, (A) the transferor is liable to the party not making the transfer for damages caused by the transfer to the extent that the damages could not reasonably be prevented by the party not making the transfer and (B) a court having jurisdiction may grant other appropriate relief, including cancellation of the lease contract or an injunction against the transfer.

~~((6))~~ (5) A transfer of "the lease" or of "all my rights under the lease," or a transfer in similar general terms, is a transfer of rights and, unless the language or the circumstances, as in a transfer for security, indicate the contrary, the transfer is a delegation of duties by the transferor to the transferee. Acceptance by the transferee constitutes a promise by the transferee to perform those duties. The promise is enforceable by either the transferor or the other party to the lease contract.

~~((7))~~ (6) Unless otherwise agreed by the lessor and the lessee, a delegation of performance does not relieve the transferor as against the other party of any duty to perform or of any liability for default.

~~((8))~~ (7) In a consumer lease, to prohibit the transfer of an interest of a party under the lease contract or to make a transfer an event of default, the language must be specific, by a writing, and conspicuous.

Sec. 9A-810. RCW 62A.2A-307 and 1993 c 230 s 2A-307 are each amended to read as follows:

PRIORITY OF LIENS ARISING BY ATTACHMENT OR LEVY ON, SECURITY INTERESTS IN, AND OTHER CLAIMS TO GOODS. (1) Except as otherwise provided in RCW 62A.2A-306, a creditor of a lessee takes subject to the lease contract.

(2) Except as otherwise provided in subsection~~((s))~~ (3) ~~((and-(4)))~~ of this section and in RCW 62A.2A-306 and 62A.2A-308, a creditor of a lessor takes subject to the lease contract unless:

~~—(a)) the creditor holds a lien that attached to the goods before the lease contract became enforceable;~~

~~—(b) The creditor holds a security interest in the goods and the lessee did not give value and receive delivery of the goods without knowledge of the security interest; or~~

~~—(c) The creditor holds a security interest in the goods which was perfected (RCW 62A.9-303) before the lease contract became enforceable).~~

~~(3) ((A lessee in the ordinary course of business takes the leasehold interest free of a security interest in the goods created by the lessor even though the security interest is perfected (RCW 62A.9-303) and the lessee knows of its existence.~~

~~—(4) A lessee other than a lessee in the ordinary course of business takes the leasehold interest free of a security interest to the extent that it secures future advances made after the secured party acquires knowledge of the lease or more than forty-five days after the lease contract becomes enforceable, whichever first occurs, unless the future advances are made pursuant to a commitment entered into without knowledge of the lease and before the expiration of the forty-five day period:))~~ Except as otherwise provided in RCW 62A.9A-317, 62A.9A-321, and 62A.9A-323, a lessee takes a leasehold interest subject to a security interest held by a creditor of the lessor.

Sec. 9A-811. RCW 62A.2A-309 and 1993 c 230 s 2A-309 are each amended to read as follows:

LESSOR'S AND LESSEE'S RIGHTS WHEN GOODS BECOME FIXTURES. (1) In this section:

(a) Goods are "fixtures" when they become so related to particular real estate that an interest in them arises under real estate law;

(b) A "fixture filing" is the filing, in the office where a record of a mortgage on the real estate would be filed or recorded, of a financing statement covering goods that are or are to become fixtures and conforming to the requirements of RCW ~~((62A.9-402(5)))~~ 62A.9A-502 (a) and (b);



(c) A lease is a "purchase money lease" unless the lessee has possession or use of the goods or the right to possession or use of the goods before the lease agreement is enforceable;

(d) A mortgage is a "construction mortgage" to the extent it secures an obligation incurred for the construction of an improvement on land including the acquisition cost of the land, if the recorded writing so indicates; and

(e) "Encumbrance" includes real estate mortgages and other liens on real estate and all other rights in real estate that are not ownership interests.

(2) Under this Article a lease may be of goods that are fixtures or may continue in goods that become fixtures, but no lease exists under this Article of ordinary building materials incorporated into an improvement on land.

(3) This Article does not prevent creation of a lease of fixtures pursuant to real estate law.

(4) The perfected interest of a lessor of fixtures has priority over a conflicting interest of an encumbrancer or owner of the real estate if:

(a) The lease is a purchase money lease, the conflicting interest of the encumbrancer or owner arises before the goods become fixtures, the interest of the lessor is perfected by a fixture filing before the goods become fixtures or within twenty days thereafter, and the lessee has an interest of record in the real estate or is in possession of the real estate; or

(b) The interest of the lessor is perfected by a fixture filing before the interest of the encumbrancer or owner is of record, the lessor's interest has priority over any conflicting interest of a predecessor in title of the encumbrancer or owner, and the lessee has an interest of record in the real estate or is in possession of the real estate.

(5) The interest of a lessor of fixtures, whether or not perfected, has priority over the conflicting interest of an encumbrancer or owner of the real estate if:

(a) The fixtures are readily removable factory or office machines, readily removable equipment that is not primarily used or leased for use in the operation of the real estate, or readily removable replacements of domestic appliances that are goods subject to a consumer lease, and before the goods become fixtures the lease contract is enforceable; or

(b) The conflicting interest is a lien on the real estate obtained by legal or equitable proceedings after the lease contract is enforceable; or

(c) The encumbrancer or owner has consented in writing to the lease or has disclaimed an interest in the goods as fixtures; or

(d) The lessee has a right to remove the goods as against the encumbrancer or owner. If the lessee's right to remove terminates, the priority of the interest of the lessor continues for a reasonable time.

(6) Notwithstanding subsection (4)(a) of this section but otherwise subject to subsections (4) and (5) of this section, the interest of a lessor of fixtures, including the lessor's residual interest, is subordinate to the conflicting interest of an encumbrancer of the real estate under a construction mortgage recorded before the

goods become fixtures if the goods become fixtures before the completion of the construction. To the extent given to refinance a construction mortgage, the conflicting interest of an encumbrancer of the real estate under a mortgage has this priority to the same extent as the encumbrancer of the real estate under the construction mortgage.

(7) In cases not within the preceding subsections, priority between the interest of a lessor of fixtures, including the lessor's residual interest, and the conflicting interest of an encumbrancer or owner of the real estate who is not the lessee is determined by the priority rules governing conflicting interests in real estate.

(8) If the interest of a lessor of fixtures, including the lessor's residual interest, has priority over all conflicting interests of all owners and encumbrancers of the real estate, the lessor or the lessee may (a) on default, expiration, termination, or cancellation of the lease agreement but subject to the lease agreement and this Article, or (b) if necessary to enforce other rights and remedies of the lessor or lessee under this Article, remove the goods from the real estate, free and clear of all conflicting interests of all owners and encumbrancers of the real estate, but the lessor or lessee must reimburse any encumbrancer or owner of the real estate who is not the lessee and who has not otherwise agreed for the cost of repair of any physical injury, but not for any diminution in value of the real estate caused by the absence of the goods removed or by any necessity of replacing them. A person entitled to reimbursement may refuse permission to remove until the party seeking removal gives adequate security for the performance of this obligation.

(9) Even though the lease agreement does not create a security interest, the interest of a lessor of fixtures, including the lessor's residual interest, is perfected by filing a financing statement as a fixture filing for leased goods that are or are to become fixtures in accordance with the relevant provisions of the Article on Secured Transactions, Article ((62A-9)) 62A.9A RCW.

**Sec. 9A-812.** RCW 62A.2A-310 and 1993 c 230 s 2A-310 are each amended to read as follows:

**LESSOR'S AND LESSEE'S RIGHTS WHEN GOODS BECOME ACCESSIONS.** (1) Goods are "accessions" when they are installed in or affixed to other goods.

(2) The interest of a lessor or a lessee under a lease contract entered into before the goods became accessions is superior to all interests in the whole except as stated in subsection (4) of this section.

(3) The interest of a lessor or a lessee under a lease contract entered into at the time or after the goods became accessions is superior to all subsequently acquired interests in the whole except as stated in subsection (4) of this section but is subordinate to interests in the whole existing at the time the lease contract was made unless the holders of such interests in the whole have in writing consented to the lease, or disclaimed an interest in the goods as part of the whole, or the accession is leased under tariff No. 74 for residential conversion burners leased by a natural gas utility.

(4) Unless the accession is leased under tariff No. 74 for residential conversion burners leased by a natural gas utility, the interest of a lessor or a lessee under a lease contract described in subsection (2) or (3) of this section is subordinate to the interest of:

(a) A buyer in the ordinary course of business or a lessee in the ordinary course of business of any interest in the whole acquired after the goods became accessions; ~~((or))~~

(b) A creditor with a security interest in the whole perfected before the lease contract was made to the extent that the creditor makes subsequent advances without knowledge of the lease contract; or

(c) A creditor with a security interest in the whole which is perfected by compliance with the requirements of a certificate-of-title statute under RCW 62A.9A-311(b).

(5) When under subsections (2) or (3) and (4) of this section a lessor or a lessee of accessions holds an interest that is superior to all interests in the whole, the lessor or the lessee may (a) on default, expiration, termination, or cancellation of the lease contract by the other party but subject to the provisions of the lease contract and this Article, or (b) if necessary to enforce his or her other rights and remedies under this Article, remove the goods from the whole, free and clear of all interests in the whole, but he or she must reimburse any holder of an interest in the whole who is not the lessee and who has not otherwise agreed for the cost of repair of any physical injury but not for any diminution in value of the whole caused by the absence of the goods removed or by any necessity for replacing them. A person entitled to reimbursement may refuse permission to remove until the party seeking removal gives adequate security for the performance of this obligation.

**Sec. 9A-813.** RCW 62A.4-210 and 1993 c 229 s 97 are each amended to read as follows:

**SECURITY INTEREST OF COLLECTING BANK IN ITEMS, ACCOMPANYING DOCUMENTS AND PROCEEDS.** (a) A collecting bank has a security interest in an item and any accompanying documents or the proceeds of either:

(1) In case of an item deposited in an account, to the extent to which credit given for the item has been withdrawn or applied;

(2) In case of an item for which it has given credit available for withdrawal as of right, to the extent of the credit given whether or not the credit is drawn upon or there is a right of charge-back; or

(3) If it makes an advance on or against the item.

(b) If credit given for several items received at one time or pursuant to a single agreement is withdrawn or applied in part, the security interest remains upon all the items, any accompanying documents or the proceeds of either. For the purpose of this section, credits first given are first withdrawn.

(c) Receipt by a collecting bank of a final settlement for an item is a realization on its security interest in the item, accompanying documents, and

proceeds. So long as the bank does not receive final settlement for the item or give up possession of the item or accompanying documents for purposes other than collection, the security interest continues to that extent and is subject to Article 9, but:

- (1) No security agreement is necessary to make the security interest enforceable (~~((subsection (1) of RCW 62A.9-203))~~ RCW 62A.9A-203(b)(3)(A));
- (2) No filing is required to perfect the security interest; and
- (3) The security interest has priority over conflicting perfected security interests in the item, accompanying documents, or proceeds.

**Sec. 9A-814.** RCW 62A.7-503 and 1965 ex.s. c 157 s 7-503 are each amended to read as follows:

**DOCUMENT OF TITLE TO GOODS DEFEATED IN CERTAIN CASES.**

(1) A document of title confers no right in goods against a person who before issuance of the document had a legal interest or a perfected security interest in them and who neither

(a) delivered or entrusted them or any document of title covering them to the bailor or his nominee with actual or apparent authority to ship, store or sell or with power to obtain delivery under this Article (RCW 62A.7-403) or with power of disposition under this Title (RCW 62A.2-403 and RCW ~~((62A.9-307))~~ 62A.9A-320) or other statute or rule of law; nor

(b) acquiesced in the procurement by the bailor or his nominee of any document of title.

(2) Title to goods based upon an unaccepted delivery order is subject to the rights of anyone to whom a negotiable warehouse receipt or bill of lading covering the goods has been duly negotiated. Such a title may be defeated under the next section to the same extent as the rights of the issuer or a transferee from the issuer.

(3) Title to goods based upon a bill of lading issued to a freight forwarder is subject to the rights of anyone to whom a bill issued by the freight forwarder is duly negotiated; but delivery by the carrier in accordance with Part 4 of this Article pursuant to its own bill of lading discharges the carrier's obligation to deliver.

**Sec. 9A-815.** RCW 62A.8-103 and 1995 c 48 s 3 are each amended to read as follows:

**RULES FOR DETERMINING WHETHER CERTAIN OBLIGATIONS AND INTERESTS ARE SECURITIES OR FINANCIAL ASSETS.** (1) A share or similar equity interest issued by a corporation, business trust, joint stock company, or similar entity is a security.

(2) An "investment company security" is a security. "Investment company security" means a share or similar equity interest issued by an entity that is registered as an investment company under the federal investment company laws, an interest in a unit investment trust that is so registered, or a face-amount certificate issued by a face-amount certificate company that is so registered. Investment company security does not include an insurance policy or endowment policy or annuity contract issued by an insurance company.

(3) An interest in a partnership or limited liability company is not a security unless it is dealt in or traded on securities exchanges or in securities markets, its terms expressly provide that it is a security governed by this Article, or it is an investment company security. However, an interest in a partnership or limited liability company is a financial asset if it is held in a securities account.

(4) A writing that is a security certificate is governed by this Article and not by Article 3, even though it also meets the requirements of that Article. However, a negotiable instrument governed by Article 3 is a financial asset if it is held in a securities account.

(5) An option or similar obligation issued by a clearing corporation to its participants is not a security, but is a financial asset.

(6) A commodity contract, as defined in RCW ~~((62A.9-115))~~ 62A.9A-102(a)(15), is not a security or a financial asset.

**Sec. 9A-816.** RCW 62A.8-106 and 1995 c 48 s 6 are each amended to read as follows:

**CONTROL.** (1) A purchaser has "control" of a certificated security in bearer form if the certificated security is delivered to the purchaser.

(2) A purchaser has "control" of a certificated security in registered form if the certificated security is delivered to the purchaser, and:

(a) The certificate is indorsed to the purchaser or in blank by an effective indorsement; or

(b) The certificate is registered in the name of the purchaser, upon original issue or registration of transfer by the issuer.

(3) A purchaser has "control" of an uncertificated security if:

(a) The uncertificated security is delivered to the purchaser; or

(b) The issuer has agreed that it will comply with instructions originated by the purchaser without further consent by the registered owner.

(4) A purchaser has "control" of a security entitlement if:

(a) The purchaser becomes the entitlement holder; ~~((or))~~

(b) The securities intermediary has agreed that it will comply with entitlement orders originated by the purchaser without further consent by the entitlement holder; or

(c) Another person has control of the security entitlement on behalf of the purchaser or, having previously acquired control of the security entitlement, acknowledges that it has control on behalf of the purchaser.

(5) If an interest in a security entitlement is granted by the entitlement holder to the entitlement holder's own securities intermediary, the securities intermediary has control.

(6) A purchaser who has satisfied the requirements of subsection (3)~~((b))~~ or (4)~~((b))~~ of this section has control even if the registered owner in the case of subsection (3)~~((b))~~ of this section or the entitlement holder in the case of subsection (4)~~((b))~~ of this section retains the right to make substitutions for the uncertificated security or security entitlement, to originate instructions or

entitlement orders to the issuer or securities intermediary, or otherwise to deal with the uncertificated security or security entitlement.

(7) An issuer or a securities intermediary may not enter into an agreement of the kind described in subsection (3)(b) or (4)(b) of this section without the consent of the registered owner or entitlement holder, but an issuer or a securities intermediary is not required to enter into such an agreement even though the registered owner or entitlement holder so directs. An issuer or securities intermediary that has entered into such an agreement is not required to confirm the existence of the agreement to another party unless requested to do so by the registered owner or entitlement holder.

**Sec. 9A-817.** RCW 62A.8-110 and 1995 c 48 s 10 are each amended to read as follows:

**APPLICABILITY; CHOICE OF LAW.** (1) The local law of the issuer's jurisdiction, as specified in subsection (4) of this section, governs:

- (a) The validity of a security;
- (b) The rights and duties of the issuer with respect to registration of transfer;
- (c) The effectiveness of registration of transfer by the issuer;
- (d) Whether the issuer owes any duties to an adverse claimant to a security;

and

(e) Whether an adverse claim can be asserted against a person to whom transfer of a certificated or uncertificated security is registered or a person who obtains control of an uncertificated security.

(2) The local law of the securities intermediary's jurisdiction, as specified in subsection (5) of this section, governs:

- (a) Acquisition of a security entitlement from the securities intermediary;
- (b) The rights and duties of the securities intermediary and entitlement holder arising out of a security entitlement;
- (c) Whether the securities intermediary owes any duties to an adverse claimant to a security entitlement; and

(d) Whether an adverse claim can be asserted against a person who acquires a security entitlement from the securities intermediary or a person who purchases a security entitlement or interest therein from an entitlement holder.

(3) The local law of the jurisdiction in which a security certificate is located at the time of delivery governs whether an adverse claim can be asserted against a person to whom the security certificate is delivered.

(4) "Issuer's jurisdiction" means the jurisdiction under which the issuer of the security is organized or, if permitted by the law of that jurisdiction, the law of another jurisdiction specified by the issuer. An issuer organized under the law of this state may specify the law of another jurisdiction as the law governing the matters specified in subsection (1) (b) through (e) of this section.

(5) The following rules determine a "securities intermediary's jurisdiction" for purposes of this section:

(a) If an agreement between the securities intermediary and its entitlement holder ~~((specifies that it is governed by the law of a particular jurisdiction))~~ governing the securities account expressly provides that a particular jurisdiction is the securities intermediary's jurisdiction for purposes of this part, this Article, or this act, that jurisdiction is the securities intermediary's jurisdiction.

(b) If (5)(a) of this section does not apply and an agreement between the securities intermediary and its entitlement holder governing the securities account expressly provides that the agreement is governed by the law of a particular jurisdiction, that jurisdiction is the securities intermediary's jurisdiction.

(c) If neither (5)(a) nor (b) of this section applies, and an agreement between the securities intermediary and its entitlement holder ((does not specify the governing law as provided in (a) of this subsection, but)) governing the securities account expressly ((specifies)) provides that the securities account is maintained at an office in a particular jurisdiction, that jurisdiction is the securities intermediary's jurisdiction.

~~((e))~~ (d) ~~((an agreement between the securities intermediary and its entitlement holder does not specify a jurisdiction as provided in (a) or (b) of this subsection))~~ (5)(a), (b), and (c) of this section do not apply, the securities intermediary's jurisdiction is the jurisdiction in which ~~((is located))~~ the office identified in an account statement as the office serving the entitlement holder's account is located.

~~((d))~~ (e) ~~((an agreement between the securities intermediary and its entitlement holder does not specify a jurisdiction as provided in (a) or (b) of this subsection and an account statement does not identify an office serving the entitlement holder's account as provided in (c) of this subsection))~~ (a), (b), (c), and (d) of this subsection do not apply, the securities intermediary's jurisdiction is the jurisdiction in which ~~((is located))~~ the chief executive office of the securities intermediary is located.

(6) A securities intermediary's jurisdiction is not determined by the physical location of certificates representing financial assets, or by the jurisdiction in which is organized the issuer of the financial asset with respect to which an entitlement holder has a security entitlement, or by the location of facilities for data processing or other recordkeeping concerning the account.

**Sec. 9A-818.** RCW 62A.8-301 and 1995 c 48 s 27 are each amended to read as follows:

DELIVERY. (1) Delivery of a certificated security to a purchaser occurs when:

- (a) The purchaser acquires possession of the security certificate;
- (b) Another person, other than a securities intermediary, either acquires possession of the security certificate on behalf of the purchaser or, having previously acquired possession of the certificate, acknowledges that it holds for the purchaser; or

(c) A securities intermediary acting on behalf of the purchaser acquires possession of the security certificate, only if the certificate is in registered form and ~~((has been))~~ is (i) registered in the name of the purchaser, (ii) payable to the order of the purchaser, or (iii) specially indorsed to the purchaser by an effective indorsement and has not been indorsed to the securities intermediary or in blank.

(2) Delivery of an uncertificated security to a purchaser occurs when:

(a) The issuer registers the purchaser as the registered owner, upon original issue or registration of transfer; or

(b) Another person, other than a securities intermediary, either becomes the registered owner of the uncertificated security on behalf of the purchaser or, having previously become the registered owner, acknowledges that it holds for the purchaser.

**Sec. 9A-819.** RCW 62A.8-302 and 1995 c 48 s 28 are each amended to read as follows:

**RIGHTS OF PURCHASER.** (1) Except as otherwise provided in subsections (2) and (3) of this section, ~~((upon delivery))~~ a purchaser of a certificated or uncertificated security ~~((to a purchaser, the purchaser))~~ acquires all rights in the security that the transferor had or had power to transfer.

(2) A purchaser of a limited interest acquires rights only to the extent of the interest purchased.

(3) A purchaser of a certificated security who as a previous holder had notice of an adverse claim does not improve its position by taking from a protected purchaser.

**Sec. 9A-820.** RCW 62A.8-510 and 1995 e 48 s 50 are each amended to read as follows:

**RIGHTS OF PURCHASER OF SECURITY ENTITLEMENT FROM ENTITLEMENT HOLDER.** (1) In a case not covered by the priority rules in Article 9 or the rules stated in subsection (3) of this section, an action based on an adverse claim to a financial asset or security entitlement, whether framed in conversion, replevin, constructive trust, equitable lien, or other theory, may not be asserted against a person who purchases a security entitlement, or an interest therein, from an entitlement holder if the purchaser gives value, does not have notice of the adverse claim, and obtains control.

(2) If an adverse claim could not have been asserted against an entitlement holder under RCW 62A.8-502, the adverse claim cannot be asserted against a person who purchases a security entitlement, or an interest therein, from the entitlement holder.

(3) In a case not covered by the priority rules in Article 9, a purchaser for value of a security entitlement, or an interest therein, who obtains control has priority over a purchaser of a security entitlement, or an interest therein, who does not obtain control. Except as otherwise provided in subsection (4) of this section, purchasers who have control rank ~~((equally, except that a))~~ according to priority in time of:



(a) The purchaser's becoming the person for whom the securities account, in which the security entitlement is carried, is maintained, if the purchaser obtained control under RCW 62A.8-106(d)(1);

(b) The securities intermediary's agreement to comply with the purchaser's entitlement orders with respect to security entitlements carried or to be carried in the securities account in which the security entitlement is carried, if the purchaser obtained control under RCW 62A.8-106(d)(2); or

(c) If the purchaser obtained control through another person under RCW 62A.8-106(d)(3), the time on which priority would be based under this subsection if the other person were the secured party.

(4) A securities intermediary as purchaser has priority over a conflicting purchaser who has control unless otherwise agreed by the securities intermediary.

**Sec. 9A-821.** RCW 9.38.020 and 1909 c 249 s 369 are each amended to read as follows:

**FALSE REPRESENTATION CONCERNING TITLE.** Every person who shall maliciously or fraudulently execute or file for record any instrument, or put forward any claim, by which the right or title of another to any real or personal property is, or purports to be transferred, encumbered or clouded, shall be guilty of a gross misdemeanor.

**Sec. 9A-822.** RCW 46.12.095 and 1998 c 203 s 10 are each amended to read as follows:

**REQUIREMENTS FOR PERFECTING SECURITY INTEREST.** A security interest in a vehicle other than one held as inventory by a manufacturer or a dealer and for which a certificate of ownership is required is perfected only by compliance with the requirements of RCW 46.12.103 under the circumstances provided for therein or by compliance with the requirements of this section:

(1) A security interest is perfected by the department's receipt of: (a) The existing certificate, if any, and (b) an application for a certificate of ownership containing the name and address of the secured party, and (c) tender of the required fee.

(2) ~~((f))~~ A security interest is perfected as of the time of its creation ~~((a) If the papers and fee referred to in subsection (1) of this section are received by this department within twenty calendar days of the day on which the security agreement was created; or (b))~~ if the secured party's name and address appear on the outstanding certificate of ownership; otherwise, as of the date on which the department has received the papers and fee required in subsection (1) of this section.

(3) If a vehicle is subject to a security interest when brought into this state, perfection of the security interest is determined by the law of the jurisdiction where the vehicle was when the security interest was attached, subject to the following:

(a) If the security interest was perfected under the law of the jurisdiction where the vehicle was when the security interest was attached, the following rules apply:

(b) If the name of the secured party is shown on the existing certificate of ownership issued by that jurisdiction, the security interest continues perfected in this state. The name of the secured party shall be shown on the certificate of ownership issued for the vehicle by this state. The security interest continues perfected in this state upon the issuance of such ownership certificate.

(c) If the security interest was not perfected under the law of the jurisdiction where the vehicle was when the security interest was attached, it may be perfected in this state; in that case, perfection dates from the time of perfection in this state.

**Sec. 9A-823.** RCW 46.12.103 and 1998 c 203 s 12 are each amended to read as follows:

**TRANSITIONAL OWNERSHIP RECORD.** (1) The purpose of a transitional ownership record is to enable a security interest in a motor vehicle to be perfected in a timely manner when the certificate of ownership is not available at the time the security interest is created, and to provide for timely notification to security interest holders under chapter 46.55 RCW.

(2) A transitional ownership record is only acceptable as an ownership record for vehicles currently stored on the department's computer system and if the certificate of ownership or other authorized proof of ownership for the motor vehicle

~~(a)) is not in the possession of the selling vehicle dealer or new security interest holder at the time the transitional ownership record is submitted to the department~~

~~(b) To the best of the knowledge of the selling dealer or new security interest holder, the certificate of ownership will not be received for submission to the department within twenty calendar days of the date of sale of the vehicle, or if no sale is involved, within twenty calendar days of the date the security agreement or contract is executed).~~

(3) A person shall submit the transitional ownership record to the department or to any of its agents or subagents. Agents and subagents shall immediately electronically transmit the transitional ownership records to the department. A transitional ownership document processed and recorded by an agent or subagent may be subject to fees as specified in RCW 46.01.140 (4)(a) or (5)(b).

(4) "Transitional ownership record" means a record containing all of the following information:

- (a) The date of sale;
- (b) The name and address of each owner of the vehicle;
- (c) The name and address of each security interest holder;
- (d) If there are multiple security interest holders, the priorities of interest if the security interest holders do not jointly hold a single security interest;
- (e) The vehicle identification number, the license plate number, if any, the year, make, and model of the vehicle;
- (f) The name of the selling dealer or security interest holder who is submitting the transitional ownership record; and

(g) The transferee's driver's license number, if available.

(5) The report of sale form prescribed or approved by the department under RCW 46.12.101 may be used by a vehicle dealer as the transitional ownership record.

(6) ~~((Notwithstanding RCW 46.12.095 (1) and (2),))~~ Compliance with the requirements of this section shall result in perfection of a security interest in the vehicle as of the ((time)) date the ((security interest was created)) department receives the transitional ownership record and any fee required under subsection (3) of this section. ((Upon)) Within ten days of receipt of the certificate of ownership for the vehicle, or ((upon receipt)) of written confirmation that only an electronic record of ownership exists or that the certificate of ownership has been lost or destroyed, the selling dealer or new security interest holder shall promptly submit the same to the department together with an application for a new certificate of ownership containing the name and address of the secured party and tender the required fee as provided in RCW 46.12.095(1). In the event a secured party fails to submit an application within the ten-day time period provided in this subsection (6), its security interest shall become unperfected, unless the security interest is perfected otherwise.

**Sec. 9A-324.** RCW 60.11.010 and 1991 c 286 s 1 are each amended to read as follows:

DEFINITIONS. As used in this chapter, the following terms have the meanings indicated unless the context clearly requires otherwise.

(1) "Crop" means all products of the soil either growing or cropped, cut, or gathered which require annual planting, harvesting, or cultivating. A crop includes orchard crops, but does not include vegetation produced by the powers of nature alone, nursery stock, or vegetation intended as a permanent enhancement of the land itself.

(2) "Handler" means a person((:)) who prepares an orchard crop for market for the account of, or as agent for, the producer of the orchard crop, which preparation includes, but is not limited to, receiving, storing, packing, marketing, selling, or delivering the orchard crop; and who takes delivery of the orchard crop from the producer of the orchard crop or from another handler. "Handler" does not include a person who solely transports the orchard crop from the producer or another handler to another person.

(3) "Landlord" means a person who leases or subleases to a tenant real property upon which crops are growing or will be grown.

(4) "Orchard crop" means cherries, peaches, nectarines, plums or prunes, pears, apricots, and apples.

(5) "Secured party" and "security interest" have the same meaning as used in the Uniform Commercial Code, Title 62A RCW.

(6) "Supplier" includes, but is not limited to, a person who furnishes seed, furnishes and/or applies commercial fertilizer, pesticide, fungicide, weed killer, or herbicide, including spraying and dusting, upon the land of the grower or

landowner, or furnishes any work or labor upon the land of the grower or landowner including tilling, preparing for the growing of crops, sowing, planting, cultivating, cutting, digging, picking, pulling, or otherwise harvesting any crop grown thereon, or in gathering, securing, or housing any crop grown thereon, or in threshing any grain or hauling to any warehouse any crop ~~((or))~~, including grain, grown thereon.

(7) "Lien debtor" means the person who is obligated or owes payment or other performance. If the lien debtor and the owner of the ~~((collateral))~~ property encumbered by the crop lien or security interest are not the same person, "lien debtor" means the owner of the ~~((collateral))~~ property encumbered by the crop lien or security interest.

(8) "Lien holder" means a person who, by statute, has acquired a lien on the property of the lien debtor, or such person's successor in interest.

**Sec. 9A-825.** RCW 60.11.020 and 1991 c 286 s 2 are each amended to read as follows:

**PERSONS ENTITLED TO CROP LIENS—PROPERTY SUBJECT TO LIEN.** (1) A landlord whose lease or other agreement with the tenant provides for cash rental payment shall have a lien upon all crops grown upon the demised land in which the landlord has an interest for payment of no more than one year's rent ~~((due or to))~~, where the last or only payment of such one year's rent is due or will become due within six months following ((harvest)) the last day of harvest of the crops encumbered by the crop lien. A landlord with a crop share agreement has an interest in the growing crop which shall not be encumbered by crop liens except as provided in subsections (2) and (3) of this section.

(2) A supplier shall have a lien upon all crops for which the supplies are used or applied ~~((to secure))~~ for payment of the purchase price of the supplies and/or services performed: PROVIDED, That the landlord's interest in the crop shall only be subject to the lien for the amount obligated to be paid by the landlord if prior written consent of the landlord is obtained or if the landlord has agreed in writing with the tenant to pay or be responsible for a portion of the supplies and/or services provided by the lien holder.

(3) A handler shall have a lien on all orchard crops delivered by the lien debtor or another handler to the handler and on all proceeds of the orchard crops for payment of: (a) All customary charges for the ordinary and necessary handling of the orchard crop, including but not limited to charges for transporting, receiving, inspecting, materials and supplies furnished, washing, waxing, sorting, packing, storing, promoting, marketing, selling, advertising, insuring, or otherwise handling the lien debtor's orchard crop; and (b) reasonable cooperative per unit retainages, and for all governmental or quasi-governmental assessments imposed by statute, ordinance, or government regulation. Charges shall not include direct or indirect advances or extensions of credit to ~~((the))~~ a lien debtor.

**Sec. 9A-826.** RCW 60.11.030 and 1991 c 286 s 3 are each amended to read as follows:

ATTACHMENT AND EFFECTIVENESS OF LIEN ON CROPS AND PROCEEDS—FILING. (1) Upon ~~((filing;))~~ the later of both: (a) Execution of the lease or other agreement, or commencement of delivery of such supplies, and/or of provision of such services giving rise to the crop lien; and (b) filing a financing statement as required by RCW 62A.9A-310 and subsection (3) of this section, the crop liens described in RCW 60.11.020 (1) and (2) shall become effective and attach to the subject crop for all sums then and thereafter due and owing the lien holder ((and)) under this chapter, and those liens shall continue in all identifiable cash proceeds of the crop.

(2) Upon the delivery of an orchard crop by the lien debtor(;) or another handler to a handler without the necessity of filing, ((the lien for charges as set forth)) the crop lien described in RCW 60.11.020(3) shall become effective and attach to and be perfected in the delivered orchard crop ((and shall continue in both the crop and)) for all sums then and thereafter due and owing the lien holder under this chapter, and the lien shall continue and be perfected in all proceeds of the orchard crop. Upon filing a financing statement as required by RCW 62A.9A-310 and subsection (3) of this section, an effective crop lien described in RCW 60.11.020(3) that has attached to the delivered orchard crop shall be perfected.

(3) Except as provided in RCW 60.11.040(4) with respect to the lien of a landlord, and except for the lien of a handler on orchard crops as provided in RCW 60.11.020(3), the lien holder must file the required financing statement during the period after the commencement of delivery of such supplies and/or of provision of such services, but before the completion of the harvest of the crops for which the lien is claimed, or in the case of a lien for furnishing work or labor, before the end of the fortieth day after the cessation of the work or labor for which the lien is claimed. If the lien holder under the crop liens described in RCW 60.11.020 (1) or (2) is to be allowed costs, disbursements, and attorneys' fees, the lien holder must also mail a copy of such financing statement to the last known address of the debtor by certified mail, return receipt requested, within ten days after filing the financing statement.

Sec. 9A-827. RCW 60.11.040 and 1991 c 286 s 4 are each amended to read as follows:

STATEMENT OF LIEN—FILING—CONTENTS—DURATION. (1) ~~((Except as provided in subsection (4) of this section with respect to the lien of a landlord, and except for the lien of a handler as provided in RCW 60.11.020(3), any lien holder must after the commencement of delivery of such supplies and/or of provision of such services, but before the completion of the harvest of the crops for which the lien is claimed, or in the case of a lien for furnishing work or labor within twenty days after the cessation of the work or labor for which the lien is claimed: (a) File a statement evidencing the lien with the department of licensing; and (b) if the lien holder is to be allowed costs, disbursements, and attorneys' fees, mail a copy of such statement to the last known address of the debtor by certified mail, return receipt requested, within ten days.))~~ Within fourteen days of receipt

of a written request from the lien debtor, or other person who provides the lien holder authorization from the lien debtor for such statement, the lien holder shall provide that person a statement described in subsection (2) of this section. Failure timely to provide the statement shall cause the lien holder to be liable to the person requesting for the attorneys' fees and costs incurred by that person to obtain the statement, together with damages incurred by that person due to the failure of the lien holder to provide the statement, including in the case of the lien debtor any loss resulting from the lien debtor's inability to obtain financing, or the increased costs thereof.

(2) The statement shall be in writing, ~~((signed))~~ authenticated by the claimant, and shall contain in substance the following information:

- (a) The name and address of the claimant;
- (b) The name and address of the debtor;
- (c) The date of commencement of performance for which the lien is claimed;
- (d) A description of the labor services, materials, or supplies furnished;
- (e) A description of the crop and its location to be charged with the lien sufficient for identification; and
- (f) The signature of the claimant.

(3) ~~The ((department of licensing may by rule prescribe standard filing forms, fees, and uniform procedures for filing with, and obtaining information from, filing officers, including provisions for filing crop liens together with financing statements filed pursuant to RCW 62A.9-401 so that one request will reveal all filed crop liens and security interests:~~

~~— (4) Any landlord claiming a lien under this chapter for rent shall file a statement evidencing the lien)) statement need not be filed with the department of licensing.~~

(4) A lien for rent claimed by a landlord pursuant to this chapter shall be effective during the term of the lease for a period of up to five years. A financing statement for a landlord lien covering a lease term longer than five years may be ~~((refiled))~~ continued in accordance with RCW ~~((60.11.050(5)))~~ 62A.9A-515(d). A landlord who has a right to a share of the crop may place suppliers on notice by filing ~~((evidence of such interest))~~ a financing statement in the same manner as provided for filing a financing statement for a landlord's lien.

**Sec. 9A-828.** RCW 60.11.050 and 1991 c 286 s 5 are each amended to read as follows:

**PRIORITIES OF LIENS AND SECURITY INTERESTS.** (1) Except as provided in subsections (2), (3), (4), and (5) of this section, conflicting liens and security interests in crops and their proceeds shall rank in accordance with the time of filing.

(2) The lien created in RCW 60.11.020(2) in favor of any person who furnishes any work or labor upon the land of the grower or landowner shall be preferred and prior to any other lien or security interest upon the crops to which

they attach including the liens described in subsections (3), (4), and (5) of this section.

(3) The lien created in RCW 60.11.020(3) in favor of handlers is preferred and prior to a lien or security interest described in subsection (4) or (5) of this section and to any other lien or security interest upon the orchard crops to which they attach except the liens in favor of a person who furnishes work or labor upon the land of the grower or landlord. Whenever more than one handler holds a handler's lien created by RCW 60.11.020(3) in the same orchard crop, unless the affected parties otherwise agree in writing, the later of the liens to attach has priority over all previously attached handlers' liens created by RCW 60.11.020(3).

(4) A lien or security interest in crops otherwise entitled to priority pursuant to subsection (1) of this section shall be subordinate to a later ~~((filed))~~ perfected lien or security interest incurred to produce the crop to the extent that obligations secured by such earlier ~~((filed))~~ perfected security interest or lien were not incurred to produce such crops.

(5) A lien or security interest in crops otherwise entitled to priority pursuant to subsection (1) of this section shall be subordinate to a properly ~~((filed))~~ perfected landlord's lien. ~~((A landlord's lien shall retain its priority if refiled within six months prior to its expiration.))~~

**Sec. 9A-829.** RCW 60.11.060 and 1991 c 33 s 4 are each amended to read as follows:

**FORECLOSURE AND ENFORCEMENT OF CROP LIEN.** Any lien ~~((subject to))~~ created by this chapter ~~((, excluded by RCW 62A.9-104 from the provisions of the Uniform Commercial Code, Title 62A RCW,))~~ may be foreclosed or enforced by: (1) An action in the district court having jurisdiction in the district in which the real property on which the crop in question was grown is situated in accordance with RCW 60.11.070, if the value of the claim does not exceed the jurisdictional limit of the district court provided in RCW 3.66.020; or (2) an action in the superior court having jurisdiction in the county in which the real property on which the crop in question was grown is situated in accordance with RCW 60.11.070, if the value of the claim exceeds the jurisdictional limit of the district court provided in RCW 3.66.020; or (3) summary procedure as provided in RCW 60.11.080; or (4) procedures in Part 6 of Article 9A of the Uniform Commercial Code.

**Sec. 9A-830.** RCW 60.11.070 and 1986 c 242 s 7 are each amended to read as follows:

**JUDICIAL FORECLOSURE.** The lien holder may proceed upon his or her lien; and if there is a separate obligation in writing to pay the same, secured by the lien, he or she may bring suit upon such separate promise. When he or she proceeds on the promise, if there is a specific agreement therein contained, for the payment of a certain sum or there is a separate obligation for the sum in addition to a decree of sale of lien property, judgment shall be rendered for the amount due upon the promise or other instrument, the payment of which is thereby secured; the

decree shall direct the sale of the lien property and if the proceeds of the sale are insufficient under the execution, the sheriff is authorized to levy upon and sell other property of the lien debtor, not exempt from execution, for the sum remaining unsatisfied. In a judicial foreclosure, the court shall allow reasonable attorneys' fees and disbursements for establishing a lien.

**Sec. 9A-831.** RCW 60.11.100 and 1986 c 242 s 10 are each amended to read as follows:

~~REDEMPTION. ((At any time before the lien holder has disposed of collateral or entered into a contract for its disposition under RCW 60.11.060, the lien debtor or any other secured party may redeem the collateral by tendering fulfillment of all obligations secured by the collateral as well as the expenses reasonably incurred by the lien holder in holding and preparing the collateral for disposition and in arranging for the sale and his or her reasonable attorneys' fees and legal expenses.))~~ The right of the lien debtor and others to redeem collateral shall be as provided in RCW 62A.9A-623.

**Sec. 9A-832.** RCW 60.11.120 and 1986 c 242 s 12 are each amended to read as follows:

~~"COMMERCIALLY REASONABLE." ((The fact that a better price could have been obtained by a sale at a different time or in a different method from that selected by the lien holder is not in itself sufficient to establish that the sale was not made in a commercially reasonable manner. If the lien holder either sells the collateral in the usual manner in any recognized market therefor or if he or she sells at the price current in such market at the time of the sale or if he or she has otherwise sold in conformity with reasonable commercial practices among dealers in the type of property sold he or she has sold in a commercially reasonable manner. A disposition which has been approved in any judicial proceeding or by any bona fide creditors' committee or representative of creditors shall conclusively be deemed to be commercially reasonable, but this does not mean that approval must be obtained in any case nor does it mean that any disposition not so approved is not commercially reasonable.))~~

For purposes of this chapter, "commercially reasonable" has the meaning given and shall be construed in a manner consistent with ~~((this section))~~ RCW 62A.9A-627.

**Sec. 9A-833.** RCW 60.11.130 and 1986 c 242 s 13 are each amended to read as follows:

**LIMITATION OF ACTION TO FORECLOSE.** Judicial foreclosure or summary procedure as provided in RCW 60.11.060 shall be brought within twenty-four calendar months after filing the ~~((claim))~~ financing statement for the lien, except: (1) In the case of a landlord lien which shall be twenty-four calendar months from the date of default on the lease, and (2) in the case of a handler's lien on a given orchard crop which shall be twenty-four calendar months from the date of default on payment of the charges described in RCW 60.11.020(3) attributable to that orchard crop. Upon expiration of such time, the claimed lien shall expire.



~~((In a judicial foreclosure, the court shall allow reasonable attorneys' fees and disbursement for establishing a lien.))~~

**Sec. 9A-834.** RCW 60.11.140 and 1991 c 286 s 6 are each amended to read as follows:

**TERMINATION STATEMENT.** ~~((+))~~ Whenever the total amount of the lien has been fully paid and as otherwise provided in RCW 62A.9A-513 (c) and (d), within twenty days following receipt of an authenticated demand following such full payment of the lien, the lien holder filing a lien shall ~~((, within fifteen days following receipt of full payment, file its lien))~~ send to the lien debtor or file with the department of licensing a termination statement ~~((with the department of licensing))~~ for the financing statement. Failure to file a ~~((lien))~~ termination statement by the lien holder or the assignee of the lien holder shall cause the lien holder or its assignee to be liable to the debtor for the attorneys' fees and costs incurred by the debtor to have the lien terminated together with damages incurred by the debtor due to the failure of the lien holder to terminate the lien.

~~((2) There shall be no charge by the department of licensing for entering the lien termination statement and indexing the same and returning a copy of the lien termination statement stamped as "filed" with the filing date thereon.~~

~~((3) The department of licensing may enter the lien termination statement on microfilm or other photographic record and destroy all originals of the lien and lien satisfaction filed with him or her.))~~

**NEW SECTION. Sec. 9A-835.** A new section is added to chapter 60.11 RCW, to be codified as RCW 60.11.904, to read as follows:

**TRANSITION RULE FOR EXISTING FILINGS.** All statements filed with the department of licensing under this chapter prior to July 1, 2001, shall satisfy the requirements of RCW 62A.9A-310 and 60.11.030 for filing a financing statement for up to five years from the date they were originally filed if and so long as they are found and reported in a search of financing statements performed by the department of licensing.

**Sec. 9A-836.** RCW 65.20.030 and 1989 c 343 s 3 are each amended to read as follows:

**CLARIFICATION OF TYPE OF PROPERTY AND PERFECTION OF SECURITY INTERESTS.** When a manufactured home is sold or transferred on or after March 1, 1990, and when all ownership in the manufactured home is transferred through the sale or other transfer of the manufactured home to new owners, the manufactured home shall be real property when the new owners eliminate the title pursuant to this chapter. The manufactured home shall not be real property in any form, including fixture law, unless the title is eliminated under this chapter. Where any person who owned a used manufactured home on March 1, 1990, continues to own the manufactured home on or after March 1, 1990, the interests and rights of owners, secured parties, lienholders, and others in the manufactured home shall be based on the law prior to March 1, 1990, except where the owner voluntarily eliminates the title to the manufactured home by complying

with this chapter. If the title to the manufactured home is eliminated under this chapter, the manufactured home shall be treated the same as a site-built structure and ownership shall be based on ownership of the real property through real property law. If the title to the manufactured home has not been eliminated under this chapter, ownership shall be based on chapter 46.12 RCW.

For purposes of perfecting and realizing upon security interests, manufactured homes shall always be treated as follows: (1) If the title has not been eliminated under this chapter, security interests in the manufactured home shall be perfected only under chapter 62A.9A RCW in the case of a manufactured home held as inventory by a manufacturer or dealer or chapter 46.12 RCW in all other cases, and the lien shall be treated as securing personal property for purposes of realizing upon the security interest(~~(—If the manufactured home is attached to land owned by the homeowner and the secured party seeks to remove the home pursuant to a contract, the secured party is liable for damage to the land to the extent the secured party would be liable if the manufactured home was a fixture under chapter 62A.9 RCW)~~); or (2) if the title has been eliminated under this chapter, a separate security interest in the manufactured home shall not exist, and the manufactured home shall only be secured as part of the real property through a mortgage, deed of trust, or real estate contract.

#### PART 9

#### REPEALER; LEGISLATIVE DIRECTIVE

NEW SECTION. Sec. 9A-901. The following acts or parts of acts are each repealed:

- (1) RCW 62A.9-101 (Short title) and 1965 ex.s. c 157 s 9-101;
- (2) RCW 62A.9-102 (Policy and subject matter of Article) and 1981 c 41 s 6 & 1965 ex.s. c 157 s 9-102;
- (3) RCW 62A.9-103 (Perfection of security interest in multiple state transactions) and 1997 c 56 s 21, 1995 c 48 s 58, 1986 c 35 s 45, 1981 c 41 s 7, & 1965 ex.s. c 157 s 9-103;
- (4) RCW 62A.9-104 (Transactions excluded from Article) and 1997 c 56 s 22, 1985 c 412 s 11, 1983 c 305 s 75, 1981 c 41 s 8, & 1965 ex.s. c 157 s 9-104;
- (5) RCW 62A.9-105 (Definitions and index of definitions) and 1997 c 56 s 23, 1995 c 48 s 59, 1986 c 35 s 46, 1981 c 41 s 9, & 1965 ex.s. c 157 s 9-105;
- (6) RCW 62A.9-106 (Definitions: "Account"; "general intangibles") and 1997 c 56 s 24, 1995 c 48 s 60, 1981 c 41 s 10, & 1965 ex.s. c 157 s 9-106;
- (7) RCW 62A.9-107 (Definitions: "Purchase money security interest") and 1965 ex.s. c 157 s 9-107;
- (8) RCW 62A.9-108 (When after-acquired collateral not security for antecedent debt) and 1965 ex.s. c 157 s 9-108;
- (9) RCW 62A.9-109 (Classification of goods; "consumer goods"; "equipment"; "farm products"; "inventory") and 1965 ex.s. c 157 s 9-109;
- (10) RCW 62A.9-110 (Sufficiency of description) and 1965 ex.s. c 157 s 9-110;

- (11) RCW 62A.9-112 (Where collateral is not owned by debtor) and 1965 ex.s. c 157 s 9-112;
- (12) RCW 62A.9-113 (Security interests arising under Article on sales or leases) and 1993 c 230 s 2A-603 & 1965 ex.s. c 157 s 9-113;
- (13) RCW 62A.9-114 (Consignment) and 1981 c 41 s 11;
- (14) RCW 62A.9-115 (Investment property) and 1995 c 48 s 61;
- (15) RCW 62A.9-116 (Security interest arising in purchase or delivery of financial asset) and 1995 c 48 s 62;
- (16) RCW 62A.9-201 (General validity of security agreement) and 1965 ex.s. c 157 s 9-201;
- (17) RCW 62A.9-202 (Title to collateral immaterial) and 1965 ex.s. c 157 s 9-202;
- (18) RCW 62A.9-203 (Attachment and enforceability of security interest; proceeds; formal requisites) and 1996 c 77 s 4, 1995 c 48 s 63, 1986 c 35 s 47, 1985 c 412 s 12, 1982 c 186 s 1, 1981 c 41 s 12, & 1965 ex.s. c 157 s 9-203;
- (19) RCW 62A.9-204 (After-acquired property; future advances; livestock or meat products) and 1986 c 178 s 16, 1981 c 41 s 13, 1974 ex.s. c 102 s 1, & 1965 ex.s. c 157 s 9-204;
- (20) RCW 62A.9-205 (Use or disposition of collateral without accounting permissible) and 1981 c 41 s 14 & 1965 ex.s. c 157 s 9-205;
- (21) RCW 62A.9-206 (Agreement not to assert defenses against assignee; modification of sales warranties where security agreement exists) and 1996 c 77 s 5 & 1965 ex.s. c 157 s 9-206;
- (22) RCW 62A.9-207 (Rights and duties when collateral is in secured party's possession) and 1965 ex.s. c 157 s 9-207;
- (23) RCW 62A.9-208 (Request for statement of account or list of collateral) and 1965 ex.s. c 157 s 9-208;
- (24) RCW 62A.9-301 (Persons who take priority over unperfected security interests; rights of "lien creditor") and 1995 c 48 s 64, 1982 c 186 s 2, 1981 c 41 s 15, & 1965 ex.s. c 157 s 9-301;
- (25) RCW 62A.9-302 (When filing is required to perfect security interest; security interests to which filing provisions of this Article do not apply) and 1996 c 77 s 6 & 1995 c 48 s 65;
- (26) RCW 62A.9-303 (When security interest is perfected; continuity of perfection) and 1965 ex.s. c 157 s 9-303;
- (27) RCW 62A.9-304 (Perfection of security interest in instruments, documents, and goods covered by documents; perfection by permissive filing; temporary perfection without filing or transfer of possession) and 1997 c 56 s 25, 1995 c 48 s 66, 1986 c 35 s 49, 1981 c 41 s 17, & 1965 ex.s. c 157 s 9-304;
- (28) RCW 62A.9-305 (When possession by secured party perfects security interest without filing) and 1997 c 56 s 26, 1995 c 48 s 67, 1986 c 35 s 50, 1981 c 41 s 18, & 1965 ex.s. c 157 s 9-305;

(29) RCW 62A.9-306 ("Proceeds"; secured party's rights on disposition of collateral) and 1995 c 48 s 68, 1981 c 41 s 19, & 1965 ex.s. c 157 s 9-306;

(30) RCW 62A.9-307 (Protection of buyers of goods) and 1987 c 393 s 15, 1985 c 412 s 13, 1981 c 41 s 20, & 1965 ex.s. c 157 s 9-307;

(31) RCW 62A.9-308 (Purchase of chattel paper and instruments) and 1981 c 41 s 21 & 1965 ex.s. c 157 s 9-308;

(32) RCW 62A.9-309 (Protection of purchasers of instruments, documents, and securities) and 1995 c 48 s 69, 1986 c 35 s 51, & 1965 ex.s. c 157 s 9-309;

(33) RCW 62A.9-310 (Priority of certain liens arising by operation of law) and 1991 c 286 s 7, 1986 c 242 s 16, 1985 c 412 s 10, 1983 c 305 s 76, & 1965 ex.s. c 157 s 9-310;

(34) RCW 62A.9-311 (Alienability of debtor's rights: Judicial process) and 1965 ex.s. c 157 s 9-311;

(35) RCW 62A.9-312 (Priorities among conflicting security interests in the same collateral) and 1996 c 77 s 7, 1995 c 48 s 70, 1989 c 251 s 1, 1986 c 35 s 52, 1982 c 186 s 3, 1981 c 41 s 22, & 1965 ex.s. c 157 s 9-312;

(36) RCW 62A.9-313 (Priority of security interests in fixtures) and 1982 c 186 s 4, 1981 c 41 s 23, & 1965 ex.s. c 157 s 9-313;

(37) RCW 62A.9-314 (Accessions) and 1965 ex.s. c 157 s 9-314;

(38) RCW 62A.9-315 (Priority when goods are commingled or processed) and 1965 ex.s. c 157 s 9-315;

(39) RCW 62A.9-316 (Priority subject to subordination) and 1965 ex.s. c 157 s 9-316;

(40) RCW 62A.9-317 (Secured party not obligated on contract of debtor) and 1965 ex.s. c 157 s 9-317;

(41) RCW 62A.9-318 (Defenses against assignee; modification of contract after notification of assignment; term prohibiting assignment ineffective; identification and proof of assignment) and 1981 c 41 s 24 & 1965 ex.s. c 157 s 9-318;

(42) RCW 62A.9-401 (Place of filing; erroneous filing; removal of collateral) and 1981 c 41 s 25, 1979 c 158 s 211, 1977 ex.s. c 117 s 7, & 1965 ex.s. c 157 s 9-401;

(43) RCW 62A.9-402 (Formal requisites of financing statement; amendments; mortgage as financing statement) and 1989 c 251 s 2, 1982 c 186 s 5, 1981 c 41 s 26, & 1965 ex.s. c 157 s 9-402;

(44) RCW 62A.9-403 (What constitutes filing; duration of filing; effect of lapsed filing; duties of filing officer) and 1987 c 189 s 2, 1982 c 186 s 6, 1981 c 41 s 27, 1979 c 158 s 212, 1977 ex.s. c 117 s 8, 1967 c 114 s 5, & 1965 ex.s. c 157 s 9-403;

(45) RCW 62A.9-404 (Termination statement) and 1982 c 186 s 7, 1981 c 41 s 28, 1979 c 158 s 213, 1977 ex.s. c 117 s 9, 1967 c 114 s 6, & 1965 ex.s. c 157 s 9-404;

(46) RCW 62A.9-405 (Assignment of security interest; duties of filing officer) and 1987 c 189 s 3, 1982 c 186 s 8, 1981 c 41 s 29, 1979 c 158 s 214, 1977 ex.s. c 117 s 10, 1967 c 114 s 7, & 1965 ex.s. c 157 s 9-405;

(47) RCW 62A.9-406 (Release of collateral; duties of filing officer) and 1987 c 189 s 4, 1982 c 186 s 9, 1981 c 41 s 30, 1979 c 158 s 215, 1977 ex.s. c 117 s 11, 1967 c 114 s 9, & 1965 ex.s. c 157 s 9-406;

(48) RCW 62A.9-407 (Information from filing officer) and 1987 c 189 s 5, 1982 c 186 s 10, 1981 c 41 s 31, 1967 c 114 s 10, & 1965 ex.s. c 157 s 9-407;

(49) RCW 62A.9-408 (Financing statements covering consigned or leased goods) and 1981 c 41 s 32;

(50) RCW 62A.9-409 (Standard filing forms, fees, and uniform procedures; acceptance for filing of financial statements on and after June 12, 1967; laws governing; fees) and 1993 c 51 s 1, 1987 c 189 s 6, 1979 c 158 s 216, 1977 ex.s. c 117 s 12, & 1967 c 114 s 12;

(51) RCW 62A.9-420 (Presigning of security agreements and financing statements; pre-filing of financing statements) and 1967 c 114 s 11;

(52) RCW 62A.9-501 (Default; procedure when security agreement covers both real and personal property) and 1997 c 138 s 1, 1981 c 41 s 34, & 1965 ex.s. c 157 s 9-501;

(53) RCW 62A.9-502 (Collection rights of secured party) and 1981 c 41 s 35 & 1965 ex.s. c 157 s 9-502;

(54) RCW 62A.9-503 (Secured party's right to take possession after default) and 1965 ex.s. c 157 s 9-503;

(55) RCW 62A.9-504 (Secured party's right to dispose of collateral after default; effect of disposition) and 1981 c 41 s 36 & 1965 ex.s. c 157 s 9-504;

(56) RCW 62A.9-505 (Compulsory disposition of collateral; acceptance of the collateral as discharge of obligation) and 1981 c 41 s 37 & 1965 ex.s. c 157 s 9-505;

(57) RCW 62A.9-506 (Debtor's right to redeem collateral) and 1965 ex.s. c 157 s 9-506; and

(58) RCW 62A.9-507 (Secured party's liability for failure to comply with this part) and 1965 ex.s. c 157 s 9-507.

**NEW SECTION. Sec. 902.** Sections 9A-101 through 9A-708 of this act constitute a new Article in Title 62A RCW.

Passed the Senate February 8, 2000.

Passed the House February 29, 2000.

Approved by the Governor March 31, 2000.

Filed in Office of Secretary of State March 31, 2000.

## CHAPTER 251

[Engrossed Substitute Senate Bill 6277]

## COST-REIMBURSEMENT AGREEMENTS

AN ACT Relating to authorizing cost-reimbursement agreements for leases and environmental permits; adding a new section to chapter 43.21A RCW; adding a new section to chapter 43.30 RCW; adding a new section to chapter 43.70 RCW; adding a new section to chapter 43.300 RCW; adding a new section to chapter 70.94 RCW; adding a new section to chapter 90.03 RCW; creating new sections; 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 allow applicants for environmental permits for complex projects to compensate permitting agencies for providing environmental review through the voluntary negotiation of cost-reimbursement agreements with the permitting agency. It is the further intent of the legislature that cost-reimbursement agreements for complex projects free permitting agency resources to focus on the review of small projects permits.

NEW SECTION. **Sec. 2.** A new section is added to chapter 43.21A RCW to read as follows:

**COST-REIMBURSEMENT AGREEMENT BY THE DEPARTMENT OF ECOLOGY.** (1) The department may enter into a written cost-reimbursement agreement with a permit applicant for a complex project to recover from the applicant the reasonable costs incurred by the department in carrying out the requirements of this chapter, as well as the requirements of other relevant laws, as they relate to permit coordination, environmental review, application review, technical studies, and permit processing. The cost-reimbursement agreement shall identify the specific tasks, costs, and schedule for work to be conducted under the agreement. For purposes of this section, a complex project is a project for which an environmental impact statement is required under chapter 43.21C RCW.

(2) The written cost-reimbursement agreement shall be negotiated with the permit applicant. Under the provisions of a cost-reimbursement agreement, funds from the applicant shall be used by the department to contract with an independent consultant to carry out the work covered by the cost-reimbursement agreement. The department may also use funds provided under a cost-reimbursement agreement to assign current staff to review the work of the consultant, to provide necessary technical assistance when an independent consultant with comparable technical skills is unavailable, and to recover reasonable and necessary direct and indirect costs that arise from processing the permit. The department shall, in developing the agreement, ensure that final decisions that involve policy matters are made by the agency and not by the consultant. The department shall make an estimate of the number of permanent staff hours to process the permits, and shall contract with consultants to replace the time and functions committed by these permanent staff to the project. The billing process shall provide for accurate time and cost accounting and may include a billing cycle that provides for progress payments. Use of cost-reimbursement agreements shall not reduce the current

level of staff available to work on permits not covered by cost-reimbursement agreements. The department may not use any funds under a cost-reimbursement agreement to replace or supplant existing funding. The restrictions of chapter 42.52 RCW apply to any cost-reimbursement agreement, and to any person hired as a result of a cost-reimbursement agreement.

(3) The department may not enter into any new cost-reimbursement agreements on or after July 1, 2005. The department may continue to administer any cost-reimbursement agreement which was entered into before July 1, 2005, until the project is completed.

NEW SECTION. Sec. 3. A new section is added to chapter 43.30 RCW to read as follows:

**COST-REIMBURSEMENT AGREEMENT BY THE DEPARTMENT OF NATURAL RESOURCES.** (1) The department may enter into a written cost-reimbursement agreement with a permit or lease applicant for a complex project to recover from the applicant the reasonable costs incurred by the department in carrying out the requirements of this chapter, as well as the requirements of other relevant laws, as they relate to permit coordination, environmental review, application review, technical studies, and permit or lease processing. The cost-reimbursement agreement shall identify the specific tasks, costs, and schedule for work to be conducted under the agreement. For purposes of this section, a complex project is a project for which an environmental impact statement is required under chapter 43.21C RCW. An applicant for a lease issued under chapter 79.90 RCW may not enter into a cost-reimbursement agreement under this section for projects conducted under the lease.

(2) The written cost-reimbursement agreement shall be negotiated with the permit or lease applicant. Under the provisions of a cost-reimbursement agreement, funds from the applicant shall be used by the department to contract with an independent consultant to carry out the work covered by the cost-reimbursement agreement. The department may also use funds provided under a cost-reimbursement agreement to assign current staff to review the work of the consultant, to provide necessary technical assistance when an independent consultant with comparable technical skills is unavailable, and to recover reasonable and necessary direct and indirect costs that arise from processing the permit or lease. The department shall, in developing the agreement, ensure that final decisions that involve policy matters are made by the agency and not by the consultant. The department shall make an estimate of the number of permanent staff hours to process the permits or leases, and shall contract with consultants to replace the time and functions committed by these permanent staff to the project. The billing process shall provide for accurate time and cost accounting and may include a billing cycle that provides for progress payments. Use of cost-reimbursement agreements shall not reduce the current level of staff available to work on permits or leases not covered by cost-reimbursement agreements. The department may not use any funds under a cost-reimbursement agreement to

replace or supplant existing funding. The restrictions of chapter 42.52 RCW apply to any cost-reimbursement agreement, and to any person hired as a result of a cost-reimbursement agreement.

(3) The department may not enter into any new cost-reimbursement agreements on or after July 1, 2005. The department may continue to administer any cost-reimbursement agreement which was entered into before July 1, 2005, until the project is completed.

NEW SECTION. **Sec. 4.** A new section is added to chapter 43.70 RCW to read as follows:

**COST-REIMBURSEMENT AGREEMENT BY THE DEPARTMENT OF HEALTH.** (1) The department may enter into a written cost-reimbursement agreement with a permit applicant for a complex project to recover from the applicant the reasonable costs incurred by the department in carrying out the requirements of this chapter, as well as the requirements of other relevant laws, as they relate to permit coordination, environmental review, application review, technical studies, and permit processing.

The cost-reimbursement agreement shall identify the specific tasks, costs, and schedule for work to be conducted under the agreement. For purposes of this section, a complex project is a project for which an environmental impact statement is required under chapter 43.21C RCW.

(2) The written cost-reimbursement agreement shall be negotiated with the permit applicant. Under the provisions of a cost-reimbursement agreement, funds from the applicant shall be used by the department to contract with an independent consultant to carry out the work covered by the cost-reimbursement agreement. The department may also use funds provided under a cost-reimbursement agreement to assign current staff to review the work of the consultant, to provide necessary technical assistance when an independent consultant with comparable technical skills is unavailable, and to recover reasonable and necessary direct and indirect costs that arise from processing the permit. The department shall, in developing the agreement, ensure that final decisions that involve policy matters are made by the agency and not by the consultant. The department shall make an estimate of the number of permanent staff hours to process the permits, and shall contract with consultants to replace the time and functions committed by these permanent staff to the project. The billing process shall provide for accurate time and cost accounting and may include a billing cycle that provides for progress payments. Use of cost-reimbursement agreements shall not reduce the current level of staff available to work on permits not covered by cost-reimbursement agreements. The department may not use any funds under a cost-reimbursement agreement to replace or supplant existing funding. The restrictions of chapter 42.52 RCW apply to any cost-reimbursement agreement, and to any person hired as a result of a cost-reimbursement agreement.

(3) The department may not enter into any new cost-reimbursement agreements on or after July 1, 2005. The department may continue to administer



any cost-reimbursement agreement which was entered into before July 1, 2005, until the project is completed.

NEW SECTION. Sec. 5. A new section is added to chapter 43.300 RCW to read as follows:

**COST-REIMBURSEMENT AGREEMENT BY THE DEPARTMENT OF FISH AND WILDLIFE.** (1) The department may enter into a written cost-reimbursement agreement with a permit applicant for a complex project to recover from the applicant the reasonable costs incurred by the department in carrying out the requirements of this chapter, as well as the requirements of other relevant laws, as they relate to permit coordination, environmental review, application review, technical studies, and permit processing. The cost-reimbursement agreement shall identify the specific tasks, costs, and schedule for work to be conducted under the agreement. For purposes of this section, a complex project is a project for which an environmental impact statement is required under chapter 43.21C RCW.

(2) The written cost-reimbursement agreement shall be negotiated with the permit applicant. Under the provisions of a cost-reimbursement agreement, funds from the applicant shall be used by the department to contract with an independent consultant to carry out the work covered by the cost-reimbursement agreement. The department may also use funds provided under a cost-reimbursement agreement to assign current staff to review the work of the consultant, to provide necessary technical assistance when an independent consultant with comparable technical skills is unavailable, and to recover reasonable and necessary direct and indirect costs that arise from processing the permit. The department shall, in developing the agreement, ensure that final decisions that involve policy matters are made by the agency and not by the consultant. The department shall make an estimate of the number of permanent staff hours to process the permits, and shall contract with consultants to replace the time and functions committed by these permanent staff to the project. The billing process shall provide for accurate time and cost accounting and may include a billing cycle that provides for progress payments. Use of cost-reimbursement agreements shall not reduce the current level of staff available to work on permits not covered by cost-reimbursement agreements. The department may not use any funds under a cost-reimbursement agreement to replace or supplant existing funding. The restrictions of chapter 42.52 RCW apply to any cost-reimbursement agreement, and to any person hired as a result of a cost-reimbursement agreement.

(3) The department may not enter into any new cost-reimbursement agreements on or after July 1, 2005. The department may continue to administer any cost-reimbursement agreement which was entered into before July 1, 2005, until the project is completed.

NEW SECTION. Sec. 6. A new section is added to chapter 70.94 RCW to read as follows:

**COST-REIMBURSEMENT AGREEMENT BY AN AIR POLLUTION CONTROL AUTHORITY.** (1) An authority may enter into a written cost-

reimbursement agreement with a permit applicant for a complex project to recover from the applicant the reasonable costs incurred by the authority in carrying out the requirements of this chapter, as well as the requirements of other relevant laws, as they relate to permit coordination, environmental review, application review, technical studies, and permit processing. The cost-reimbursement agreement shall identify the specific tasks, costs, and schedule for work to be conducted under the agreement. For purposes of this section, a complex project is a project for which an environmental impact statement is required under chapter 43.21C RCW.

(2) The written cost-reimbursement agreement shall be negotiated with the permit applicant. Under the provisions of a cost-reimbursement agreement, funds from the applicant shall be used by the air pollution control authority to contract with an independent consultant to carry out the work covered by the cost-reimbursement agreement. The air pollution control authority may also use funds provided under a cost-reimbursement agreement to assign current staff to review the work of the consultant, to provide necessary technical assistance when an independent consultant with comparable technical skills is unavailable, and to recover reasonable and necessary direct and indirect costs that arise from processing the permit. The air pollution control authority shall, in developing the agreement, ensure that final decisions that involve policy matters are made by the agency and not by the consultant. The air pollution control authority shall make an estimate of the number of permanent staff hours to process the permits, and shall contract with consultants to replace the time and functions committed by these permanent staff to the project. The billing process shall provide for accurate time and cost accounting and may include a billing cycle that provides for progress payments. Use of cost-reimbursement agreements shall not reduce the current level of staff available to work on permits not covered by cost-reimbursement agreements. The air pollution control authority may not use any funds under a cost-reimbursement agreement to replace or supplant existing funding. The provisions of chapter 42.52 RCW apply to any cost-reimbursement agreement, and to any person hired as a result of a cost-reimbursement agreement. Members of the air pollution control authority's board of directors shall be considered as state officers, and employees of the air pollution control authority shall be considered as state employees, for the sole purpose of applying the restrictions of chapter 42.52 RCW to this section.

(3) An air pollution control authority may not enter into any new cost-reimbursement agreements on or after July 1, 2005. The department may continue to administer any cost-reimbursement agreement which was entered into before July 1, 2005, until the project is completed.

NEW SECTION. Sec. 7. A new section is added to chapter 90.03 RCW to read as follows:

Any applicant for a new withdrawal or a change, transfer, or amendment of a water right pending before the department, may initiate a cost-reimbursement agreement with the department to provide expedited review of the application. A

cost-reimbursement agreement may only be initiated under this section if the applicant agrees to pay for, or as part of a cooperative effort agrees to pay for, the cost of processing his or her application and all other applications from the same source of supply which must be acted upon before the applicant's request because they were filed prior to the date of when the applicant filed. The department shall use the process established under section 2 of this act for entering into cost-reimbursement agreements, except that it is not necessary for an environmental impact statement to be filed as a prerequisite for entering into a cost-reimbursement agreement under this section.

**NEW SECTION. Sec. 8.** Captions used in this act are not any part of the law.

**NEW SECTION. Sec. 9.** 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 takes effect immediately.

Passed the Senate March 9, 2000.

Passed the House March 8, 2000.

Approved by the Governor March 31, 2000.

Filed in Office of Secretary of State March 31, 2000.

## CHAPTER 252

[Substitute Senate Bill 6450]  
WILDLIFE PUBLICATIONS

AN ACT Relating to wildlife publications; adding a new section to chapter 77.12 RCW; and repealing RCW 77.12.185 and 75.08.235.

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

**NEW SECTION. Sec. 1.** A new section is added to chapter 77.12 RCW to read as follows:

(1) The department shall deposit all moneys received from the following activities into the state wildlife fund:

(a) The sale of interpretive, recreational, historical, educational, and informational literature and materials;

(b) The sale of advertisements in regulation pamphlets and other appropriate mediums; and

(c) Enrollment fees in department-sponsored educational training events.

(2) Moneys collected under subsection (1) of this section shall be spent primarily for producing regulation booklets for users and for the development, production, reprinting, and distribution of informational and educational materials. The department may also spend these moneys for necessary expenses associated with training activities, and other activities as determined by the director.

(3) Regulation pamphlets may be subsidized through appropriate advertising, but must be made available free of charge to the users.

(4) The director may enter into joint ventures with other agencies and organizations to generate revenue for providing public information and education on wildlife and hunting and fishing rules.

NEW SECTION. **Sec. 2.** RCW 77.12.185 (Publications—Authority to recover costs—Disposition of moneys) and 1987 c 506 s 26, 1980 c 78 s 66, & 1979 c 56 s 2 are each repealed.

NEW SECTION. **Sec. 3.** RCW 75.08.235 (Informational materials—Fee-Disposition of money collected) and 1992 c 13 s 12 are each repealed.

Passed the Senate March 6, 2000.

Passed the House March 2, 2000.

Approved by the Governor March 31, 2000.

Filed in Office of Secretary of State March 31, 2000.

---

**CHAPTER 253**

[Engrossed Substitute Senate Bill 6455]

**GEOLOGISTS**

AN ACT Relating to the regulation of geologists; adding a new chapter to Title 18 RCW; prescribing penalties; providing an effective date; and providing for submission of a certain section of this act to a vote of the people.

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

NEW SECTION. **Sec. 1.** The legislature finds it is in the public interest to regulate the practice of geology to safeguard life, health, and property and to promote the public welfare.

NEW SECTION. **Sec. 2.** (1) It is unlawful for any person to practice, or offer to practice, geology for others in this state, or to use in connection with his or her name or otherwise assume or advertise any title or description tending to convey the impression that he or she is a licensed geologist, or other licensed specialty geologist title, unless the person has been licensed under the provisions of this chapter.

(2) A person shall be construed to practice or offer to practice geology, within the meaning and intent of this chapter, if the person:

- (a) Practices any branch of the profession of geology;
- (b) By verbal claim, sign, advertisement, letterhead, card, or in any other way represents himself or herself to be a geologist;
- (c) Through the use of some other title implies that he or she is a geologist or that he or she is licensed under this chapter; or
- (d) Holds himself or herself out as able to perform or does perform any geological services or work recognized by the board as the practice of geology for others.

NEW SECTION. **Sec. 3.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Board" means the geologist licensing board.

(2) "Department" means the department of licensing.

(3) "Director" means the director of the department of licensing.

(4) "Engineering geologist" means a geologist who, by reason of his or her knowledge of engineering geology, acquired by education and practical experience, is qualified to engage in the practice of engineering geology, has met the qualifications in engineering geology established under this chapter, and has been issued a license in engineering geology by the board.

(5) "Engineering geology" means a specialty of geology affecting the planning, design, operation, and maintenance of engineering works and other human activities where geological factors and conditions impact the public welfare or the safeguarding of life, health, property, and the environment.

(6) "Geologist" means a person who, by reason of his or her knowledge of geology, mathematics, the environment, and the supporting physical and life sciences, acquired by education and practical experience, has met the qualifications established under this chapter, and has been issued a certificate of licensing as a geologist by the board.

(7) "Geology" means the science that includes: Treatment of the earth and its origin and history, in general; the investigation of the earth's constituent rocks, minerals, solids, fluids, including surface and underground waters, gases, and other materials; and the study of the natural agents, forces, and processes that cause changes in the earth.

(8) "Hydrogeology" means a science that involves the study of the waters of the earth, including the study of the occurrence, circulation, distribution, chemistry, remediation, or quality of water or its role as a natural agent that causes changes in the earth, and the investigation and collection of data concerning waters in the atmosphere or on the surface or in the interior of the earth, including data regarding the interaction of water with other gases, solids, or fluids.

(9) "Licensed specialty geologist" means a licensed geologist who has met the qualifications in a specialty of geology established under this chapter and has been issued a license in that specialty by the board.

(10) "Practice of engineering geology" means performance of geological service or work including but not limited to consultation, investigation, evaluation, planning, geological mapping, and inspection of geological work, and the responsible supervision thereof, the performance of which is related to public welfare or the safeguarding of life, health, property, and the environment, except as otherwise specifically provided by this chapter, and includes but is not limited to the commonly recognized geological practices of construction geology, environmental geology, and urban geology.

(11) "Practice of geology" means performance of geological service or work including but not limited to collection of geological data, consultation, investigation, evaluation, interpreting, planning, geological mapping, or inspection relating to a service or work that applies to geology, and the responsible

supervision thereof, the performance of which is related to public welfare or the safeguarding of life, health, property, and the environment, except as otherwise specifically provided by this chapter.

(12) "Practice of geology for others" includes, but is not limited to:

(a) The preparation of geologic reports, documents, or exhibits by any commission, board, department, district, or division of the state or any political subdivision thereof or of any county, city, or other public body, or by the employees or staff members of the commission, board, department, district, or division of the state or any political subdivision thereof or of any county, city, or other public body when the reports, documents, or exhibits are disseminated or made available to the public in such a manner that the public may reasonably be expected to rely thereon or be affected thereby; and

(b) The performance of geological services by any individual, firm, partnership, corporation, or other association or by the employees or staff members thereof, whether or not the principal business of the organization is the practice of geology, which the geological reports, documents, or exhibits constituting the practice of geology are disseminated or made available to the public or any individual or organization in such a manner that the public or individual or combination of individuals may reasonably be expected to rely thereon or be affected thereby.

However, geological reports, documents, or exhibits that are prepared by the employees or staff members of any individual, firm, partnership, corporation, or other association or commission, board, department, district, or division of the state or any political subdivision thereof or any county, city, or other public body that are for use solely within such organizations are considered in-house reports, documents, or exhibits and are not the practice of geology for others unless or until the reports are disseminated or made available as set forth in (a) or (b) of this subsection.

(13) "Practice of hydrogeology" means the performance of or offer to perform any hydrogeologic service or work in which the public welfare or the safeguarding of life, health, environment, or property is concerned or involved. This includes the collection of geological data, and consultation, investigation, evaluation, interpretation, planning, or inspection relating to a service or work that applies hydrogeology.

(14) "Responsible charge" means the exercise of fully independent control and direction of geological work or the supervision of such work, and being fully responsible, answerable, accountable, or liable for the results.

(15) "Specialty" means a branch of geology that has been recognized under this chapter for the purposes of licensure. Engineering geology is considered to be a specialty of geology.

(16) "Subordinate" means any person who assists in the practice of geology by a licensed geologist or an exempt person, without assuming the responsible charge of the work.

**NEW SECTION. Sec. 4.** The state geologist licensing board is created. The board consists of seven members, six of whom shall be appointed by the director, who shall advise the director concerning the administration of this chapter. Of the initial appointments to the board, five shall be actively engaged in the practice of geology for at least ten years, five of which shall have been immediately prior to their appointment to the board. Subsequent to the initial appointments, five members of the board must be geologists licensed under this chapter, two of whom shall be licensed in a specialty of geology recognized under this chapter. Insofar as possible, the composition of the appointed geologists serving on the board shall be generally representative of the occupational distribution of geologists licensed under this chapter. One member of the board must be a member of the general public with no family or business connection with the practice of geology. The supervisor of geology of the department of natural resources is an ex officio member of the board. Members of the board shall be appointed for terms of four years. Terms shall be staggered so that not more than two appointments are scheduled to be made in any calendar year. Members shall hold office until the expiration of the terms for which they were appointed and until their successors have been appointed and have qualified. A board member may be removed for just cause. The director may appoint a new member to fill a vacancy on the board for the remainder of the unexpired term.

Each board member shall be entitled to compensation for each day spent conducting official business and to reimbursement for travel expenses in accordance with RCW 43.03.240, 43.03.050, and 43.03.060.

**NEW SECTION. Sec. 5.** The director has the following authority in administering this chapter:

- (1) To adopt, amend, and rescind rules approved by the board as deemed necessary to carry out this chapter;
- (2) To adopt fees as provided in RCW 43.24.086;
- (3) To administer licensing examinations approved by the board and to adopt or recognize examinations prepared by other organizations as approved by the board;
- (4) To issue subpoenas and administer oaths in connection with an investigation, hearing, or proceeding held under this chapter;
- (5) To take or cause depositions to be taken and use other discovery procedures as needed in an investigation, hearing, or proceeding held under this chapter;
- (6) To compel attendance of witnesses at hearings;
- (7) In the course of investigating a complaint or report of unprofessional conduct, to direct the board to conduct practice reviews and disciplinary hearings;
- (8) To take emergency action ordering summary suspension of a license, or restrict or limit a licensee's practice pending further proceedings by the director;
- (9) To use the board or, at the request of the board, the office of administrative hearings, as authorized in chapter 34.12 RCW, to conduct hearings. However, the

director or the director's designee shall make the final decision as to disposition of the charges;

(10) To enter into contracts for professional services determined to be necessary for adequate enforcement of this chapter;

(11) To adopt standards of professional conduct and practice as approved by the board;

(12) In the event of a finding of unprofessional conduct by an applicant or license holder, to impose sanctions against a license applicant or license holder as provided by this chapter;

(13) To enter into an assurance of discontinuance in lieu of issuing a statement of charges or conducting a hearing. The assurance shall consist of a statement of the law in question and an agreement to not violate the stated provision. Violation of an assurance under this subsection is grounds for disciplinary action;

(14) To designate individuals authorized to sign subpoenas and statement of charges; and

(15) To employ investigative, administrative, and clerical staff as necessary for the enforcement of this chapter.

**NEW SECTION. Sec. 6.** The board has the following authority in administering this chapter:

(1) To establish rules, including board organization and assignment of terms, and meeting frequency and timing, for adoption by the director;

(2) To establish the minimum qualifications for applicants for licensure as provided by this chapter;

(3) To approve the method of administration for examinations required by this chapter or by rule as established by the director. To approve the adoption or recognition of examinations prepared by other organizations for adoption by the director. To set the time and place of examinations with the approval of the director;

(4) To establish and review standards of professional conduct and practice for adoption by the director. Rules of professional conduct will be consistent with those outlined for engineers and land surveyors;

(5) To designate specialties of geology to be licensed under this chapter;

(6) To conduct disciplinary hearings; and

(7) To conduct practice reviews.

**NEW SECTION. Sec. 7.** In order to become a licensed geologist, an applicant must meet the following requirements:

(1) The applicant shall be of good moral and ethical character as attested to by letters of reference submitted by the applicant or as otherwise determined by the board;

(2) The applicant shall have graduated from a course of study in geology satisfactory to the board or satisfy educational equivalents determined by the board;



(3) The applicant shall have a documented record of a minimum of five years of experience in geology or a specialty of geology, obtained subsequent to completion of the academic requirements specified in this section, in geological work of a character satisfactory to the board, demonstrating that the applicant is qualified to assume responsible charge of such work upon licensing as a geologist. The board shall require that three years of the experience be gained under the supervision of a geologist licensed in this or any other state, or under the supervision of others who, in the opinion of the board, are qualified to have responsible charge of geological work;

(4) The applicant shall have passed an examination covering the fundamentals and practice of geology prescribed or accepted by the board;

(5) The applicant shall meet other general or individual requirements established by the board pursuant to its authority under this chapter;

(6) For licensing in any geological specialty recognized under this chapter, an applicant must first be a licensed geologist under this chapter, and then meet the following requirements:

(a) In addition to the educational requirements for licensing as a geologist defined in subsection (2) of this section, an applicant for licensing in any specialty of geology established by the board shall have successfully completed advanced study pertinent to their specialty, or equivalent seminars or on-the-job training acceptable to the board;

(b) The applicant's experience shall include a documented record of five years of experience, after completion of the academic requirements specified in this subsection, in geological work in the applicable specialty of a character satisfactory to the board, and demonstrating that the applicant is qualified to assume responsible charge of the specialty work upon licensing in that specialty of geology. The board shall require that three years of the experience be gained under the supervision of a geologist licensed in the specialty in this or any other state, or under the supervision of others who, in the opinion of the board, are qualified to have responsible charge of geological work in the specialty; and

(c) The applicant must pass an examination in the applicable specialty prescribed or accepted by the board;

(7) The following standards are applicable to experience in the practice of geology or a specialty required under subsections (3) and (6) of this section:

(a) Each year of professional practice of a character acceptable to the board, carried out under the direct supervision of a geologist who (i) is licensed in this state or is licensed in another state with licensing standards substantially similar to those under this chapter; or (ii) meets the educational and experience requirements for licensing, but who is not required to be licensed under the limitations of this chapter, qualifies as one year of professional experience in geology;

(b) Each year of professional specialty practice of a character acceptable to the board, carried out under the direct supervision of a (i) geologist who is licensed in a specialty under this chapter, or who is licensed as a specialty geologist in another

state that has licensing requirements that are substantially similar to this chapter; or (ii) specialty geologist who meets the educational and experience requirements for licensing, but who is not required to be licensed under the limitations of this chapter, qualifies as one year of practice in the applicable specialty of geology; and

(c) Experience in professional practice, of a character acceptable to the board and acquired prior to one year after the effective date of this section, qualifies if the experience (i) was acquired under the direct supervision of a geologist who meets the educational and experience requirements for licensing under this chapter, or who is licensed in another state that has licensing requirements that are substantially similar to this chapter; or (ii) would constitute responsible charge of professional geological work, as determined by the board;

(8) Each year of full-time graduate study in the geological sciences or in a specialty of geology shall qualify as one year of professional experience in geology or the applicable specialty of geology, up to a maximum of two years. The board may accept geological research, teaching of geology, or a geological specialty at the college or university level as qualifying experience, provided that such research or teaching, in the judgment of the board, is comparable to experience obtained in the practice of geology or a specialty thereof;

(9) An applicant who applies for licensing within one year after this section becomes effective shall be considered to be qualified for licensing, without further written examination, if the applicant possesses the following qualifications:

(a)(i) A specific record of graduation with a bachelor of science or bachelor of arts or higher degree, with a major in geology granted by an approved institution of higher education acceptable to the board; or

(ii) Graduation from an approved institution of higher education in a four-year academic degree program other than geology, but with the required number of course hours as defined by the board to qualify as a geologist or engineering geologist; and

(b) Experience consisting of a minimum of five years of professional practice in geology or a specialty thereof as required under subsections (3) and (7) of this section, of a character acceptable to the board;

(10) An applicant who applies for licensing in a specialty within one year after recognition of the specialty under this chapter shall be considered qualified for licensing in that specialty, without further written examination, if the applicant:

(a) Is qualified for licensing as a geologist in this state; and

(b) Has experience consisting of a minimum five years of professional practice in the applicable specialty of geology as required under subsections (3) and (7) of this section, of a character acceptable to the board; and

(11) The geologists initially appointed to the board under section 4 of this act shall be qualified for licensing under subsections (7) and (8) of this section.

**NEW SECTION. Sec. 8.** An application for licensing shall be filed with the director on a form provided by the director and must contain statements made under oath demonstrating the applicant's education and practical experience. The

director may require any information and documentation that reasonably relates to the need to determine whether the applicant meets the criteria for licensing. The application fee for initial licensing shall be determined by the director as provided in RCW 43.24.086. The application, together with the fee, must be submitted to the department prior to the application deadline established by the director. Fees for initial licensing shall include the examination and issuance of a certificate. If the director finds an applicant ineligible for licensing, the fee shall be retained as an application fee.

**NEW SECTION. Sec. 9.** Examinations of applicants for licensing, when required, shall be held at such times and places as determined by the board with the director's approval. The scope of the examination shall be directed to an applicant's ability to practice geology or any approved specialty of geology in a manner to ensure the safety of life, health, and property. A candidate failing an examination may apply for reexamination. Subsequent examinations will be granted upon payment of a fee to be determined by the director as provided in RCW 43.24.086.

**NEW SECTION. Sec. 10.** The director shall issue a certificate of licensing to any applicant who has satisfactorily met all of the requirements of this chapter for licensing as a geologist or an approved specialty geologist. The certificate shall show the full name of the license holder, shall have a certificate number, and shall be signed by the director and an officer of the board. The issuance by the director of a certificate of licensing to an individual shall be prima facie evidence that the person is entitled to all the rights and privileges of a licensed geologist or specialty geologist while the certificate remains unrevoked or unexpired.

Each license holder shall obtain a seal of the design authorized by the director, bearing the licensee's name, certificate number, and the legend "licensed geologist" together with any specialty in which the individual may be authorized. Geological reports, plans, and other technical documents prepared by or under the responsible charge of the license holder shall be signed, dated, and stamped with the seal or facsimile thereof. Each signature and stamping constitutes a certification by the license holder that the document was prepared by or under his or her responsible charge and that to his or her knowledge and belief the document was prepared in accordance with the requirements of this chapter.

**NEW SECTION. Sec. 11.** The director may, upon application and payment of a fee determined by the director as provided in RCW 43.24.086, issue a license and certificate without further examination as a geologist or specialty geologist to any person who holds a license or certificate of qualification issued by proper authority of any state, territory, or possession of the United States, District of Columbia, or any foreign country, if the applicant's qualifications, as evaluated by the board, meet the requirements of this chapter and the rules adopted by the director.

**NEW SECTION. Sec. 12.** Licenses issued in conformance with this chapter shall be renewed periodically on a date to be set by the director in conformance

with RCW 43.24.140. A license holder who fails to pay the prescribed fee within ninety days following the date of expiration shall pay a renewal fee equal to the current fee plus an amount equal to one year's renewal fee. Any license that has been expired for five years or more may be reinstated in conformance with rules adopted by the director. Reinstatement conditions may include demonstration of continued practice or competency in the practice of geology or an approved specialty of geology.

**NEW SECTION. Sec. 13.** (1) All fees and fines collected under the provisions of this chapter shall be paid into the geologists' account, created in subsection (2) of this section.

(2) The geologists' account is created in the custody of the state treasurer. All receipts from fines and fees collected under this chapter must be deposited into the account. Expenditures from the account may be used only to carry out the duties required for the operation and enforcement of this chapter. Only the director of licensing or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

**NEW SECTION. Sec. 14.** The following acts are prohibited and constitute grounds for disciplinary action or denial, suspension, or revocation of any license under this chapter:

(1) Knowingly violating any of the provisions of this chapter or the rules adopted under this chapter;

(2) Knowingly making a material misstatement or omission in the application for or renewal of a license;

(3) Not meeting the qualifications for licensing set forth by this chapter;

(4) Incompetency, misconduct, fraud, gross negligence, or repeated incidents of negligence in or related to the practice of geology;

(5) Conviction of a gross misdemeanor or felony or the commission of any act involving moral turpitude, dishonesty, or corruption whether or not the act constitutes a crime. If the act constitutes a crime, conviction in a criminal proceeding is not a condition precedent to disciplinary action. Upon such conviction, however, the judgment and sentence is conclusive evidence at the ensuing disciplinary hearing of the guilt of the license holder or applicant of the crime described in the indictment or information, and of the person's violation of the statute on which it was based. For the purposes of this section, conviction includes all instances in which a plea of guilty or nolo contendere is the basis for the conviction and all proceedings in which the sentence has been deferred or suspended. Nothing in this section abrogates rights guaranteed under chapter 9.96A RCW;

(6) Advertising that is false, fraudulent, or misleading;

(7) Suspension, revocation, or restriction of the individual's license to practice the profession by competent authority in any state, federal, or foreign jurisdiction,

a certified copy of the order, stipulation, or agreement being conclusive evidence of the revocation, suspension, or restriction;

(8) Aiding or abetting an unlicensed person to practice if a license is required;

(9) Failure to adequately supervise subordinates to the extent that the public health or safety is at risk;

(10) Failure to cooperate with the director by:

(a) Not furnishing any necessary papers or documents requested by the director for purposes of conducting an investigation for disciplinary action, denial, suspension, or revocation of a license under this chapter;

(b) Not furnishing in writing a full and complete explanation covering the matter contained in a complaint filed with the department; or

(c) Not responding to subpoenas issued by the director, whether or not the recipient of the subpoena is the accused in the proceeding;

(11) Failure to comply with an order issued by the director or an assurance of discontinuance entered into with the director;

(12) Interference with an investigation or disciplinary proceeding by willful misrepresentation of facts before the director or the director's authorized representative, or by use of threats or harassment against any client or witness to prevent them from providing evidence in a disciplinary proceeding or any other legal action; or

(13) Committing any other act, or failing to act, which act or failure are customarily regarded as being contrary to the accepted professional conduct or standard generally expected of those practicing geology.

NEW SECTION. **Sec. 15.** The procedures governing adjudicative proceedings before agencies under chapter 34.05 RCW govern all hearings before the director or his or her designee. Upon a finding that a license holder or applicant has committed unprofessional conduct, the director may issue an order providing for one or any combination of the following:

(1) Revocation of the license;

(2) Suspension of the license for a fixed or indefinite term;

(3) Restriction or limitation of the practice;

(4) Issuance of a civil fine not to exceed five thousand dollars for each violation;

(5) Requiring satisfactory completion of a specific program of remedial education or treatment;

(6) Monitoring of the practice by a peer approved by the director;

(7) Reprimand or censure;

(8) Compliance with conditions of probation for a designated period of time;

(9) Withholding of a license request;

(10) Refund of fees billed to and collected from the consumer; or

(11) Other corrective action.

Any of the actions under this section may be totally or partly stayed by the director. All costs associated with compliance with orders issued under this section are the obligation of the license holder or applicant.

**NEW SECTION. Sec. 16.** A person, including but not limited to consumers, licensees, corporations, organizations, and state and local governments or agencies, may submit a written complaint to the department charging a license holder or applicant with unprofessional conduct and specifying the grounds for the charge. If the director determines that the complaint merits investigation, or if the director has reason to believe, without a formal complaint, that a license holder or applicant may have engaged in unprofessional conduct, the director shall investigate to determine if there has been unprofessional conduct. A person who files a complaint under this section in good faith is immune from suit in any civil action related to the filing or contents of the complaint. The director, individuals acting on the director's behalf, and members of the board are immune from suit in any action, civil or criminal, based on disciplinary proceedings or other official acts performed in the course of their duties in the administration and enforcement of this chapter.

**NEW SECTION. Sec. 17.** The board shall immediately suspend the license or practice permit of a person who has been certified pursuant to RCW 74.20A.320 by the department of social and health services as a person who is not in compliance with a child support order. If the person has continued to meet all other requirements for a license under this chapter during the suspension, reissuance of the license shall be automatic upon the board's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the child support order. The procedure in RCW 74.20A.320 is the exclusive administrative remedy for contesting the establishment of noncompliance with a child support order, and suspension of a license under this subsection, and satisfies the requirements of RCW 34.05.422.

**NEW SECTION. Sec. 18.** The following acts are prohibited and any person committing any of the following acts is guilty of a class 1 civil infraction under chapter 7.80 RCW:

- (1) The practice or offer to practice geology or geological specialty without being licensed in accordance with the provisions of this chapter;
- (2) Presenting or attempting to use as his or her own the certificate of licensing or seal of another;
- (3) Giving any false or forged evidence of any kind to the director or his or her authorized representative in obtaining a license;
- (4) Falsely impersonating any other licensee; or
- (5) Attempting to use the expired or revoked certificate of licensing.

All fees, fines, and penalties collected or assessed by a court because of a violation of this section shall be remitted to the department to be deposited into the geologists' account created in section 13 of this act.

**NEW SECTION.** Sec. 19. The director is authorized to apply for relief by injunction without bond, to restrain a person from the commission of any act that is prohibited under this chapter. In such proceedings, it is not necessary to allege or prove either that an adequate remedy at law does not exist, or that substantial or irreparable damage would result from continued violation. The director, individuals acting on the director's behalf and members of the board are immune from suit in any action, civil or criminal, based on disciplinary proceedings or other official acts performed in the course of their duties in the administration and enforcement of this chapter.

**NEW SECTION.** Sec. 20. The following activities do not require a certificate of licensing under this chapter:

(1) Geological work performed by an employee or a subordinate of a geologist or specialty geologist licensed under this chapter, provided that the work does not include responsible charge of geological work as covered by this section, and is performed under the direct supervision of a geologist licensed under this chapter, who shall be and remains responsible for such work;

(2) Geological work performed by officers and employees of the United States practicing solely as such officers and employees;

(3) Geological work performed exclusively in the exploration for energy and mineral resources, insofar as such work has no substantial impact upon the public health, safety, and welfare as determined by regulations issued by the director;

(4) Geological research conducted through academic institutions, agencies of the federal or state governments, nonprofit research institutions, or for-profit organizations, including submission of reports of research to public agencies;

(5) Teaching geology or related physical or natural sciences;

(6) The practice of engineering or other licensed professions: (a) The acquisition of engineering data involving soil, rock, ground water, and other earth materials; evaluation of the physical and chemical properties of soil, rock, ground water, and other earth materials; and the utilization of these data in analysis, design, and construction by professional engineers appropriately registered or licensed in this state; and (b) similar work performed by persons or organizations licensed or registered in any other profession or occupation related to geology, provided that such work is permitted under the applicable licensing or registration law, and is incidental to the practice or the profession or occupation for which licensing or registration is required. Nothing in this section shall be construed to permit the use of the title geologist or engineering geologist, or any other specialty as defined by the director, by an engineer or other licensed professional except as licensed under this chapter;

(7) General scientific work customarily performed by such physical or natural scientists as chemists, archaeologists, geographers, hydrologists, oceanographers, pedologists, and soil scientists, providing such work does not include the design and execution of geological investigations, being in responsible charge of

geological or specialty geological work, or the drawing of geological conclusions and recommendations in a way that affects the public health, safety, or welfare; or

(8) The giving of testimony, or preparation and presentation of exhibits or documents for the sole purpose of being placed in evidence before any administrative or judicial tribunal or hearing, providing such testimony, exhibits, or documents do not imply that the person is registered under the provisions of this chapter.

**NEW SECTION. Sec. 21.** 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. 22.** Sections 1 through 21 of this act constitute a new chapter in Title 18 RCW.

**NEW SECTION. Sec. 23.** Sections 1 through 21 of this act take effect July 1, 2001.

**NEW SECTION. Sec. 24.** The secretary of state shall submit section 5 of this act to the people for their adoption and ratification, or rejection, at the next general election to be held in this state, in accordance with RCW 43.135.090 (section 2, chapter 1, Laws of 2000, Initiative Measure No. 695). The suggested ballot title for this act is: "Shall the state department of licensing be authorized to levy fees on geologists sufficient to pay for their licensure?"

Passed the Senate March 7, 2000.

Passed the House March 3, 2000.

Approved by the Governor March 31, 2000.

Filed in Office of Secretary of State March 31, 2000.

## CHAPTER 254

[Substitute Senate Bill 6644]

### FIRE PROTECTION—TECHNICAL CORRECTIONS

AN ACT Relating to technical corrections to fire protection laws; amending RCW 48.50.050 and 48.50.070; reenacting RCW 48.50.020 and 48.50.040; and adding a new section to chapter 48.50 RCW.

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

**Sec. 1.** RCW 48.50.020 and 1995 c 369 s 36 and 1995 c 285 s 21 are each reenacted to read as follows:

As used in this chapter the following terms have the meanings indicated unless the context clearly requires otherwise.

(1) "Authorized agency" means a public agency or its official representative having legal authority to investigate criminal activity or the cause of a fire or to initiate criminal proceedings, including the following persons and agencies:

(a) The chief of the Washington state patrol and the director of fire protection;



- (b) The prosecuting attorney of the county where the criminal activity occurred;
  - (c) State, county, and local law enforcement agencies;
  - (d) The state attorney general;
  - (e) The Federal Bureau of Investigation, or any other federal law enforcement agency;
  - (f) The United States attorney's office; and
  - (g) The office of the insurance commissioner.
- (2) "Insurer" means any insurer, as defined in RCW 48.01.050 and any self-insurer.
- (3) "Relevant information" means information having any tendency to make the existence of any fact that is of consequence to the investigation or determination of criminal activity or the cause of any fire more probable or less probable than it would be without the information.

**Sec. 2.** RCW 48.50.040 and 1995 c 369 s 37 and 1995 c 285 s 23 are each reenacted to read as follows:

(1) When an insurer has reason to believe that a fire loss reported to the insurer may be of other than accidental cause, the insurer shall notify the chief of the Washington state patrol, through the director of fire protection, in the manner prescribed under RCW 48.05.320 concerning the circumstances of the fire loss, including any and all relevant material developed from the insurer's inquiry into the fire loss.

(2) Notification of the chief of the Washington state patrol, through the director of fire protection, under subsection (1) of this section does not relieve the insurer of the duty to respond to a request for information from any other authorized agency and does not bar an insurer from other reporting under RCW 48.50.030(2).

**Sec. 3.** RCW 48.50.050 and 1979 ex.s. c 80 s 5 are each amended to read as follows:

An authorized agency receiving information under RCW 48.50.030 (~~or~~), 48.50.040, or section 4 of this act may release or provide such information to any other authorized agencies.

**NEW SECTION. Sec. 4.** A new section is added to chapter 48.50 RCW to read as follows:

An insurer providing information to an authorized agency or agencies under RCW 48.50.030 or 48.50.040 may request that an authorized agency furnish to the insurer any or all relevant information possessed by the agency relating to the particular fire loss. At their discretion, and unless prohibited by any other provision of law, the agency or agencies may release or provide information to the requesting insurer.

**Sec. 5.** RCW 48.50.070 and 1980 c 102 s 9 are each amended to read as follows:

Any licensed insurance agent, any licensed insurance broker, or any insurer or person acting in the insurer's behalf or any authorized agency which releases information, whether oral or written, under RCW 48.50.030, 48.50.040, 48.50.050, or ~~((48.50.060 shall be))~~ section 4 of this act is immune from liability in any civil or criminal action, suit, or prosecution arising from the release of the information, unless actual malice on the part of the agent, broker, insurer, or authorized agency against the insured is shown.

Passed the Senate February 10, 2000.

Passed the House March 1, 2000.

Approved by the Governor March 31, 2000.

Filed in Office of Secretary of State March 31, 2000.

---

## CHAPTER 255

[Substitute Senate Bill 6663]

### FEDERALLY ASSISTED HOUSING

AN ACT Relating to preserving federally assisted housing and minimizing the involuntary displacement of tenants residing in such housing; amending RCW 59.28.020, 59.28.030, 59.28.040, 59.28.060, 59.28.080, 59.28.100, and 43.185A.010; adding new sections to chapter 59.28 RCW; creating a new section; and declaring an emergency.

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

**Sec. 1.** RCW 59.28.020 and 1989 c 188 s 2 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Federally assisted housing" means any multifamily housing that is insured, financed, assisted, or held by the secretary of housing and urban development or the secretary of agriculture under:

(a) Section 8 of the United States housing act of 1937, as amended (42 U.S.C. Sec. 1437f);

(b) Section 101 of the housing and urban development act of 1965, as amended (12 U.S.C. Sec. 1701s);

(c) The following sections of the national housing act:

(i) Section 202 (12 U.S.C. Sec. 1701q);

(ii) Section 213 (12 U.S.C. Sec. 1715e);

(iii) Section 221(d) (3) and (4) (12 U.S.C. Sec. 17151(d) (3) and (4));

(iv) Section 223(f) (12 U.S.C. Sec. 1715n(f));

(v) Section 231 (12 U.S.C. Sec. 1715v); or

(vi) Section 236 (12 U.S.C. Sec. 1715z-1); and

(d) The following sections of the housing act of 1949, as amended:

(i) Section 514 (42 U.S.C. Sec. 1484);

(ii) Section 515 (42 U.S.C. Sec. 1485);

(iii) Section 516 (42 U.S.C. Sec. 1486);

(iv) Section 521(a)(1)(B) (42 U.S.C. Sec. 1490a(a)(1)); or

(v) Section 521(a)(2) (42 U.S.C. Sec. 1490a(a)(2)).

(2) "Rental agreement" means any agreement that establishes or modifies the terms, conditions, rules, regulations, or any other provision concerning the use and occupancy of a federally assisted housing unit.

(3) "Owner" means the current or subsequent owner or owners of federally assisted housing.

(4) "Low-income use restrictions" means any federal, state, or local statute, rule, regulation, ordinance, or contract which, as a condition of receipt of any federal, state, or local financial assistance, establishes maximum limitations on tenant income as a condition of eligibility for occupancy of the units within a development, imposes any restrictions on the maximum rents that could be charged for any of the units within a development, or requires that rent for any of the units within a development be reviewed by any governmental body or agency before the rents are implemented.

(5) "Prepayment" means the payment in full or refinancing of the federally insured or federally held mortgage or loan prior to its original maturity date, or the voluntary cancellation of mortgage insurance, if that would have the effect of terminating any low-income use restrictions.

(6) "Public housing agency" means any state or local agency or nonprofit entity that is authorized to administer tenant-based rental assistance under federal, state, or local law.

Sec. 2. RCW 59.28.030 and 1989 c 188 s 3 are each amended to read as follows:

(1) This chapter shall not apply to the expiration or termination of a housing assistance contract between a public housing agency and an owner of existing housing participating in either the section 8 certificate or voucher program (42 U.S.C. Sec. 1437f).

(2) An owner of federally assisted housing shall not be required to give notice of a prepayment under this chapter, if the owner has: (a) Entered into an agreement with a federal, state, or local agency continuing existing, or imposing new, low-income use restrictions for at least twenty years that ensure that the tenants residing in the development at the time of prepayment are not involuntarily displaced except for good cause and that the housing will continue to serve very low and low-income families and persons in need of affordable housing; and (b) served notice of the agreement on the clerk of the city, or county if in an unincorporated area, in which the property is located, on any public housing agency that would be responsible for administering tenant-based rental assistance to persons who would otherwise be displaced from this housing, and on the department of community, trade, and economic development by regular and certified mail and posted a copy of the agreement in a conspicuous place at the development where it is likely to be seen by the tenants. The posted agreement shall be maintained intact and in legible form for the life of the agreement.

(3) An owner of federally assisted housing is not required to give notice that a rental assistance contract is expiring if: (a) The owner has entered into an agreement with the United States department of housing and urban development or other federal, state, or local agency to renew the rental assistance contract for a minimum of five years subject to the availability of adequate appropriations; (b) the agreement itself does not expire in less than twelve months; and (c) the owner has served written notice of the agreement on the clerk of the city, or county if in an unincorporated area, in which the property is located, on any public housing agency that would be responsible for administering tenant-based rental assistance to persons who would otherwise be displaced from this housing, and on the department of community, trade, and economic development, by regular and certified mail and posted these notices in a conspicuous place at the development where they are likely to be seen by the tenants. The posted notices shall be maintained intact and in legible form for the life of the agreement to renew the rental assistance contract.

**Sec. 3.** RCW 59.28.040 and 1995 c 399 s 160 are each amended to read as follows:

Except as provided in RCW 59.28.030, all owners of federally assisted housing shall, at least twelve months before the expiration of the rental assistance contract or prepayment of a mortgage or loan, serve a written notice of the anticipated expiration or prepayment date on each tenant household residing in the housing, on the clerk of the city, or county if in an unincorporated area, in which the property is located, on any public housing agency that would be responsible for administering tenant-based rental assistance to persons who would otherwise be displaced from this housing, and on the department of community, trade, and economic development, by regular and certified mail. All owners of federally assisted housing shall also serve written notice of the anticipated expiration or prepayment date on each tenant household that moves into the housing after the initial notice has been given but before the expiration of the rental assistance contract or prepayment of the mortgage or loan. This notice shall be given before a new tenant is asked to execute a rental agreement or required to pay any deposits.

**Sec. 4.** RCW 59.28.060 and 1995 c 399 s 162 are each amended to read as follows:

(1) The notice to tenants required by RCW 59.28.040 shall state ((the date of expiration or prepayment and the effect, if any, that the expiration or prepayment will have upon the tenants' rent and other terms of their rental agreement.)):

(a) Whether the owner (i) intends to prepay the mortgage or loan or allow the rental assistance contract to expire in order to operate the housing without any low-income use restrictions, (ii) plans on renewing the rental assistance contract subject to the availability of adequate appropriations, or (iii) is seeking additional financial incentives or higher rents as a condition of remaining in the federal program; (b) the reason the owner plans on taking this action; (c) the owner's plans for the project, including any timetables or deadlines for actions to be taken by the owner

and any specific federal, state, or local agency approvals that the owner is required to obtain; (d) the anticipated date of the prepayment of the mortgage or loan or expiration of the rental assistance contract; (e) the effect, if any, that prepayment of the mortgage or loan or expiration of the rental assistance contract will have upon the tenants' rent and other terms of their rental agreement; and (f) that additional information will be served on the city or county, on the local public housing agency, and on the department of community, trade, and economic development and will be posted at the development. The owner shall also include with the notice written information, prepared by the department of community, trade, and economic development under section 7(1) of this act, concerning the legal rights, responsibilities, and options of owners and tenants when an owner intends to prepay a mortgage or loan or terminate a rental assistance contract.

(2) The notice to the city or county clerk and to the department of community, trade, and economic development required by RCW 59.28.040 shall state: ~~((+))~~ (a) The name, location, and project number of the federally assisted housing and the type of assistance received from the federal government; ~~((2))~~ (b) the number and size of units; ~~((3))~~ (c) the age, race, family size, and estimated incomes of the tenants who will be affected by the prepayment of the loan or mortgage or expiration of the federal assistance contract; ~~((4)the)~~ (d) the current rents and projected rent increases for each affected tenant~~(; and (5) the anticipated date of prepayment of the loan or mortgage or expiration of the federal assistance contract.)~~ after the prepayment of the mortgage or loan or expiration of the rental assistance contract without disclosing the identities of the affected tenants; (e) the availability and type, if any, of rental assistance after the prepayment of the mortgage or loan or expiration of the rental assistance contract; and (f) the age, race, family size, and estimated incomes of any applicants on the project's waiting list without disclosing the identities of the applicants. The owner shall attach to this notice a copy of the notice the owner sends to the tenants under this chapter.

(3) All owners of federally assisted housing shall immediately post a copy of any notices they send the city or county clerk, any public housing agency, and the department of community, trade, and economic development, under RCW 59.28.040, in a conspicuous place at the development where they are likely to be seen by current and prospective tenants. The notices shall be maintained intact and in legible form for twelve months from the date they are posted.

All owners of federally assisted housing shall, upon request of any state or local agency, provide the agency with a copy of any rent comparability study, market analysis, or projected budget that they submit to the United States department of housing and urban development or other federal agency in conjunction with the prepayment of their mortgage or loan or in anticipation of the expiration of their rental assistance contract, together with any physical inspection reports or capital needs assessments completed by the owner or federal agency within the last three years.

**Sec. 5.** RCW 59.28.080 and 1989 c 188 s 8 are each amended to read as follows:

From the date of service of the notice under RCW 59.28.040 until either twelve months have elapsed or expiration or prepayment of the rental assistance contract, mortgage, or loan, whichever is later, no owner of federally assisted housing may increase the rent of a federally assisted housing unit, or the share of the rent paid by the tenant, above the amount authorized by the federal assistance program applicable to the project prior to expiration or prepayment of the rental assistance contract or mortgage or loan.

**Sec. 6.** RCW 59.28.100 and 1989 c 188 s 10 are each amended to read as follows:

Any party who is entitled to receive notice under this chapter may bring a civil action to enjoin or recover actual damages for any violation of this chapter, together with the costs of the suit including reasonable attorneys' fees. Any tenant who is entitled to receive notice under this chapter shall also recover statutory damages of fifty dollars.

**NEW SECTION. Sec. 7.** A new section is added to chapter 59.28 RCW to read as follows:

The department of community, trade, and economic development shall within ninety days after the effective date of this act, consult with all interested stakeholders and develop and provide to owners and tenants of federally assisted housing, state and local agencies, and other interested persons all of the following:

(1) Written information concerning the legal rights, responsibilities, and options of owners and tenants when an owner intends to prepay a mortgage or loan or terminate a rental assistance contract. This information shall include the name and telephone number of any qualified legal aid program that provides civil legal services to indigent persons and of any other state, regional, or local organization that can be contacted to request additional information about an owner's responsibilities and the rights and options of an affected tenant;

(2) Written information sufficient to enable an owner of federally assisted housing to comply with the notification requirements of this chapter, including the name and address of any public housing agency that would be responsible for administering tenant-based rental assistance to persons who would otherwise be displaced from federally assisted housing; and

(3) Any other information or technical assistance the department determines will further the purposes of this chapter.

**NEW SECTION. Sec. 8.** A new section is added to chapter 59.28 RCW to read as follows:

An owner of federally assisted housing who prepays the mortgage or loan or whose rental assistance contract expires and who continues to operate the property as residential housing within the scope of this chapter shall not evict a tenant residing in the dwelling unit when the mortgage or loan is prepaid or the rental assistance contract expires, except as authorized by the federal assistance program

applicable to the project prior to prepayment of the mortgage or loan, or expiration of the rental assistance contract.

**Sec. 9.** RCW 43.185A.010 and 1995 c 399 s 102 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Affordable housing" means residential housing for rental (~~or private individual ownership~~) occupancy which, as long as the same is occupied by low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than thirty percent of the family's income. The department shall adopt policies for residential homeownership housing, occupied by low-income households, which specify the percentage of family income that may be spent on monthly housing costs, including utilities other than telephone, to qualify as affordable housing.

(2) "Department" means the department of community, trade, and economic development.

(3) "Director" means the director of the department of community, trade, and economic development.

(4) "First-time home buyer" means an individual or his or her spouse who have not owned a home during the three-year period prior to purchase of a home.

(5) "Low-income household" means a single person, family or unrelated persons living together whose adjusted income is less than eighty percent of the median family income, adjusted for household size, for the county where the project is located.

**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.** 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 takes effect immediately.

Passed the Senate March 7, 2000.

Passed the House March 3, 2000.

Approved by the Governor March 31, 2000.

Filed in Office of Secretary of State March 31, 2000.

---

## CHAPTER 256

[Engrossed Substitute Senate Bill 6732]  
TOURISM-RELATED FACILITIES

AN ACT Relating to tourism-related facilities; and creating a new section.

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

NEW SECTION. Sec. 1. Nothing in chapter 452, Laws of 1997, or chapter 35, Laws of 1998, is intended to disallow any use or purpose permitted under section 1, chapter 290, Laws of 1994 as long as the use or purpose was proposed by the local government, but not implemented by May 20, 1997.

Passed the Senate February 10, 2000.

Passed the House March 2, 2000.

Approved by the Governor March 31, 2000.

Filed in Office of Secretary of State March 31, 2000.

---



# **WASHINGTON LAWS**

**2000 FIRST SPECIAL SESSION**



**CHAPTER 1**

[Senate Bill 6865]

**LICENSE TAB FEES**

AN ACT Relating to replacing motor vehicle, travel trailer, and camper excise taxes with a thirty dollar fee; adding a new section to chapter 46.16 RCW; creating a new section; repealing RCW 46.16.060, 46.16.061, 46.16.650, 82.44.020, 82.44.030, 82.50.400, 82.50.405, and 82.50.410; 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 46.16 RCW to read as follows:

(1) License tab fees shall be thirty dollars per year for motor vehicles, regardless of year, value, make, or model, beginning January 1, 2000.

(2) For the purposes of this section, "license tab fees" are defined as the general fees paid annually for licensing motor vehicles, including cars, sport utility vehicles, motorcycles, and motor homes.

**NEW SECTION. Sec. 2.** The following acts or parts of acts are each repealed:

(1) RCW 46.16.060 (License fee, general—Distribution of proceeds—House-moving dollies) and 1992 c 216 s 4, 1987 1st ex.s. c 9 s 3, 1985 c 380 s 13, 1981 c 342 s 8, 1975 1st ex.s. c 118 s 3, 1969 ex.s. c 170 s 3, 1969 c 99 s 5, 1965 c 25 s 1, 1961 ex.s. c 7 s 9, & 1961 c 12 s 46.16.060;

(2) RCW 46.16.061 (Additional fees to help defray costs of studies) and 1985 c 380 s 14, 1984 c 7 s 49, & 1963 ex.s. c 3 s 40;

(3) RCW 46.16.650 (License plates—Additional fee) and 1997 c 291 s 12 & 1987 c 178 s 1;

(4) RCW 82.44.020 (Basic and clean air excise tax imposed—Exceptions—Liability of residents for out-of-state licensing) and 1998 c 321 s 3, 1993 sp.s. c 23 s 61, 1993 c 123 s 2, 1991 c 199 s 220, 1990 c 42 s 302, & 1988 c 191 s 1;

(5) RCW 82.44.030 (Tax on motor vehicle dealers) and 1971 ex.s. c 299 s 51 & 1961 c 15 s 82.44.030;

(6) RCW 82.50.400 (Tax imposed—Collection—Transfer of ownership—Out-of-state registration to avoid tax, liability—Penalties) and 1999 c 277 s 9, 1993 c 238 s 7, 1992 c 154 s 5, 1990 c 42 s 320, 1979 c 123 s 1, 1975 1st ex.s. c 118 s 15, & 1971 ex.s. c 299 s 55;

(7) RCW 82.50.405 (Additional annual clean air excise tax) and 1991 c 199 s 226; and

(8) RCW 82.50.410 (Rate—Minimum payable—Dealer tax) and 1998 c 321 s 23, 1991 c 199 s 225, 1990 c 42 s 321, 1979 c 123 s 2, 1975 1st ex.s. c 118 s 16, 1972 ex.s. c 144 s 2, & 1971 ex.s. c 299 s 56.

**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 takes effect immediately.

**Ch. 1                    WASHINGTON LAWS, 2000 1st Sp. Sess.**

**NEW SECTION. Sec. 4.** This act applies retroactively to January 1, 2000.

Passed the Senate March 17, 2000.

Passed the House March 22, 2000.

Approved by the Governor March 31, 2000.

Filed in Office of Secretary of State March 31, 2000.

---

# **WASHINGTON LAWS**

**2000 SECOND SPECIAL SESSION**



CHAPTER 1

[Engrossed House Bill 2487]

FISCAL MATTERS

AN ACT Relating to fiscal matters; amending RCW 41.45.060, 41.26.080, 43.08.250, 70.105D.070, 43.72.902, 72.11.040, 76.12.110, and 69.50.520; amending RCW 50.22.— (2000 c 2 s 7); amending 1999 c 309 ss 101, 102, 103, 108, 110, 112, 113, 114, 115, 116, 117, 120, 123, 124, 127, 129, 131, 136, 137, 142, 143, 145, 148, 149, 151, 154, 125, 140, 144, 201, 202, 203, 205, 206, 208, 209, 211, 212, 213, 214, 215, 217, 218, 220, 222, 224, 225, 302, 303, 306, 307, 308, 309, 401, 402, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 512, 513, 511, 514, 515, 516, 517, 519, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 613, 614, 615, 617, 618, 612, 701, 702, 703, 705, 710, 711, 713, 714, 718, 719, 720, 723, 727, 801, 907, and 908 (uncodified); amending 1999 c 379 ss 947, 106, 107, 108, 110, 928, 215, 240, 252, 293, 301, 303, 305, 306, 308, 331, 335, 337, 348, 361, 373, 383, 384, 388, 390, 931, 502, 603, 604, 605, 613, 615, 634, 641, 642, 686, 794, and 905 (uncodified); amending 1999 c 376 s 3 (uncodified); amending 1999 c 392 s 2 (uncodified); amending 1999 sp.s. c 12 s 4 (uncodified); amending 1999 sp.s. c 13 s 21 (uncodified); reenacting and amending RCW 41.45.060; adding new sections to chapter 41.45 RCW; adding a new section to chapter 41.05 RCW; adding a new section to chapter 43.79 RCW; adding new sections to 1999 c 309 (uncodified); adding new sections to 1999 c 379 (uncodified); creating new sections; repealing 1999 sp.s. c 10 s 1 (uncodified); repealing 1999 c 379 ss 610 and 611 (uncodified); making appropriations; authorizing expenditures for capital improvements; and declaring an emergency.

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

PART I

GENERAL GOVERNMENT

Sec. 101. 1999 c 309 s 101 (uncodified) is amended to read as follows:

FOR THE HOUSE OF REPRESENTATIVES

General Fund—State Appropriation (FY 2000) . . . \$	((24,853,000))
	<u>24,841,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((26,061,000))
	<u>26,148,000</u>
Department of Retirement Systems Expense	
Account—State Appropriation . . . . . \$	((25,000))
	<u>45,000</u>
TOTAL APPROPRIATION . . . . . \$	((50,939,000))
	<u>51,034,000</u>

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

(1) \$25,000 of the general fund—state appropriation ((for fiscal year 2000)) is provided solely for allocation to Project Citizen, a program of the national conference of state legislatures to promote student civic involvement.

(2) \$394,000 of the general fund—state appropriation is provided to support the legislature's participation in the redistricting process in conjunction with the redistricting commission.

(3) The task force on funding of fairs and youth shows is created. The task force shall be composed of the following members:

(a) One member of the office of financial management appointed by the governor;

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

(b) Two members of the house of representatives, one from each major caucus, appointed by the co-speakers of the house of representatives;

(c) Two members of the senate, one from each major caucus, appointed by the president of the senate;

(d) One representative of the department of agriculture, appointed by the director;

(e) One representative of the horse racing commission, appointed by the chair of the horse racing commission;

(f) Three representatives of fairs, appointed by the president of the state fairs association, representing community fairs, large county and area fairs, and small county and area fairs;

(g) Two representatives of youth shows, one representing 4-H youth programs appointed by the dean of the college of agriculture at Washington State University; the other representing future farmers of America programs appointed by the agricultural teachers association;

(h) One representative of the horse racing industry appointed by agreement of the co-speakers of the house of representatives and president of the senate; and

(i) One representative of county governments, appointed by the Washington association of counties.

Members shall be appointed by June 1, 2000. Staff support for the task force shall be provided by legislative committee staff.

The task force shall develop recommendations on the amount and source or sources of funding needed to encourage fairs and youth shows and any legislative proposals needed to implement the task force recommendations. The task force shall provide these recommendations to the appropriate fiscal committees of the legislature by November 15, 2000.

(4) \$75,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for expert consultation on legal and policy issues related to options for caring for persons with developmental disabilities who need involuntary commitment. The 1999-2001 biennial appropriations act provides more than \$14,000,000 to the department of social and health services to improve services to this program.

Sec. 102. 1999 c 309 s 102 (uncodified) is amended to read as follows:

**FOR THE SENATE**

General Fund—State Appropriation (FY 2000) . . . \$	((19,749,000))
	<u>19,736,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((21,525,000))
	<u>21,623,000</u>
Department of Retirement Systems Expense	
Account—State Appropriation . . . . . \$	((25,000))
	<u>45,000</u>
TOTAL APPROPRIATION . . . . . \$	((41,299,000))
	<u>41,404,000</u>



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

(1) \$50,000 from the general fund—state appropriation for fiscal year 2000 is provided to contract for a study of policies and practices for setting information services rates paid by state agencies. The study shall include an analysis of the effect of current and alternative depreciation policies and schedules on rates and revolving fund balances.

(2) \$25,000 of the general fund—state appropriation (~~for fiscal year 2000~~) is provided solely for allocation to Project Citizen, a program of the national conference of state legislatures to promote student civic involvement.

(3) \$394,000 of the general fund—state appropriation is provided to support the legislature's participation in the redistricting process in conjunction with the redistricting commission.

(4) \$75,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for expert consultation on legal and policy issues related to options for caring for persons with developmental disabilities who need involuntary commitment. The 1999-2001 biennial appropriations act provides more than \$14,000,000 to the department of social and health services to improve services to this program.

(5) From funds appropriated in this section, the health and long-term care committee of the senate shall study the state's health care system to determine the extent to which it meets the needs of rural residents. Using available health indicators, the committee shall examine the relationship between community health status and the availability of local health services, including inpatient, outpatient, and community and public health programs. The committee shall identify possible legislative action to address shortcomings in the ability of the state's health care system to meet the needs of rural residents.

(6) The task force on funding of fairs and youth shows is created. The task force shall be composed of the following members:

(a) One member of the office of financial management appointed by the governor;

(b) Two members of the house of representatives, one from each major caucus, appointed by the co-speakers of the house of representatives;

(c) Two members of the senate, one from each major caucus, appointed by the president of the senate;

(d) One representative of the department of agriculture, appointed by the director;

(e) One representative of the horse racing commission, appointed by the chair of the horse racing commission;

(f) Three representatives of fairs, appointed by the president of the state fairs association, representing community fairs, large county and area fairs, and small county and area fairs;

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

(g) Two representatives of youth shows, one representing 4-H youth programs appointed by the dean of the college of agriculture at Washington State University; the other representing future farmers of America programs appointed by the agricultural teachers association;

(h) One representative of the horse racing industry appointed by agreement of the co-speakers of the house of representatives and president of the senate; and

(i) One representative of county governments, appointed by the Washington association of counties.

Members shall be appointed by June 1, 2000. Staff support for the task force shall be provided by legislative committee staff.

The task force shall develop recommendations on the amount and source or sources of funding needed to encourage fairs and youth shows and any legislative proposals needed to implement the task force recommendations. The task force shall provide these recommendations to the appropriate fiscal committees of the legislature by November 15, 2000.

\*Sec. 103. 1999 c 309 s 103 (uncodified) is amended to read as follows:

<b>FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE</b>	
General Fund—State Appropriation (FY 2000) . . . \$	((1,604,000))
	<u>1,634,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((1,661,000))
	<u>1,876,000</u>
TOTAL APPROPRIATION . . . . . \$	((3,265,000))
	<u>3,510,000</u>

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

(1) \$280,000 of the general fund—state appropriation is provided for conducting a study of the mental health system. The study shall include, but not be limited to:

((1)) (a) An analysis of the roles and responsibilities of the division of mental health in the department of social and health services, with regard to regional support networks (RSNs) and community mental health providers;

((2)) (b) An analysis of the funding of the RSNs through contracts let by the division of mental health, including the basis for per capita payment rates paid to the regional support networks and any federal requirements related to the federal medicaid waiver under which the current mental health system operates;

((3)) (c) An analysis of actual and contractual service levels, outcomes, and costs for RSNs, including the types and hours of services provided, costs of services provided, trends in per client service expenditures, and client outcomes;

((4)) (d) An analysis of RSN and subcontractor service and administrative costs, fund balances, contracting practices, client demographics, and outcomes over time;

((5)) (e) An analysis of contracts between RSNs and community mental health providers, with emphasis on costs, services, performance, and client

outcomes, including any accountability standards, performance measures, data requirements, and sanctions and incentives currently in the contract between the regional support networks and the mental health division; and

~~((6))~~ (f) Recommendations for modifying the basis on which RSNs and community mental health providers are funded, including a funding formula that will result in a greater relationship of the funding distribution formula to the prevalence of mental illness in each RSN service area, to efficiency as demonstrated by performance measures and to effectiveness as demonstrated by patient outcome.

The joint legislative audit and review committee may contract for consulting services in conducting the study.

The study shall be submitted to the fiscal committees of the legislature by December 1, 2000.

(2) \$135,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for a study of bilingual education.

(a) The committee shall require the office of the superintendent of public instruction to prepare a follow-up report on how it has implemented the recommendations contained in the legislative budget committee report number 92-3, "K-12 transitional bilingual instruction program." This follow-up report shall also include updated information on the length of stay in bilingual programs, testing methods for entry into and exit from the program, descriptions of program variations, and the relationship between length of stay and student achievement. The committee shall review and assess the superintendent's report and present its findings to the fiscal committees of the house of representatives and the senate by December 15, 2000.

(b) In addition, the committee shall review and, if appropriate, make recommendations for changes to the funding allocation methods for transitional bilingual programs, and present its findings to the fiscal committees of the house of representatives and senate by December 14, 2001.

(3) \$30,000 of the general fund—state appropriation for fiscal year 2000 and \$80,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for a study of the K-12 special education program. The study shall focus on the following issues: A review of the findings of the special education program audit summary reports prepared by the state auditor in 1999 and 2000; the adequacy of the excess cost definition for the special education program adopted by the superintendent of public instruction; the ability to determine individual school districts' safety net funding need in light of differing accounting methods in use by school districts; the ability to uniformly determine individual school districts' safety net funding need in light of differing service delivery practices. The final report shall be submitted to the legislature no later than June 30, 2002. Interim findings shall be submitted by November 20, 2000, and November 20, 2001.

\*Sec. 103 was partially vetoed. See message at end of chapter.

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

NEW SECTION. Sec. 104. A new section is added to 1999 c 309 (uncodified) to read as follows:

**LEGISLATIVE AGENCIES.** In order 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.

Sec. 105. 1999 c 309 s 108 (uncodified) is amended to read as follows:

**FOR THE SUPREME COURT**

General Fund—State Appropriation (FY 2000) . . . \$	((4,837,000))
	<u>4,980,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((5,027,000))
	<u>5,114,000</u>
TOTAL APPROPRIATION . . . . . \$	((9,864,000))
	<u>10,094,000</u>

Sec. 106. 1999 c 309 s 110 (uncodified) is amended to read as follows:

**FOR THE COURT OF APPEALS**

General Fund—State Appropriation (FY 2000) . . . \$	((10,946,000))
	<u>11,088,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((11,415,000))
	<u>11,691,000</u>
TOTAL APPROPRIATION . . . . . \$	((22,361,000))
	<u>22,779,000</u>

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

(1) \$338,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for the implementation of Senate Bill No. 5037 (Pierce county court of appeals). If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

(2) \$150,000 of the general fund—state appropriation for fiscal year 2000 and ~~(\$150,000)~~ \$180,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for providing compensation adjustments to nonjudicial staff of the court of appeals. Within the funds provided in this subsection, the court of appeals shall determine the specific positions to receive compensation adjustments based on recruitment and retention difficulties, new duties or responsibilities assigned, and salary inversion or compression within the court of appeals.

Sec. 107. 1999 c 309 s 112 (uncodified) is amended to read as follows:

**FOR THE ADMINISTRATOR FOR THE COURTS**

General Fund—State Appropriation (FY 2000) . . . \$	((12,114,000))
	<u>13,144,000</u>

WASHINGTON LAWS, 2000 2nd Sp. Sess.

Ch. 1

General Fund—State Appropriation (FY 2001) . . . \$	((12,280,000))
	<u>14,569,000</u>
Public Safety and Education Account—State Appropriation . . . . . \$	((24,981,000))
	<u>25,085,000</u>
Judicial Information Systems Account—State Appropriation . . . . . \$	((17,617,000))
	<u>19,016,000</u>
TOTAL APPROPRIATION . . . . . \$	((66,992,000))
	<u>71,814,000</u>

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

(1) Funding provided in the judicial information systems account appropriation shall be used for the operations and maintenance of technology systems that improve services provided by the supreme court, the court of appeals, the office of public defense, and the administrator for the courts.

(2) No moneys appropriated in this section may be expended by the administrator for the courts for payments in excess of fifty percent of the employer contribution on behalf of superior court judges for insurance and health care plans and federal social security and medicare and medical aid benefits. Consistent with Article IV, section 13 of the state Constitution and 1996 Attorney General's Opinion No. 2, it is the intent of the legislature that the costs of these employer contributions shall be shared equally between the state and county or counties in which the judges serve. The administrator for the courts shall continue to implement procedures for the collection and disbursement of these employer contributions.

(3) \$223,000 of the public safety and education account appropriation is provided solely for the gender and justice commission.

(4) \$308,000 of the public safety and education account appropriation is provided solely for the minority and justice commission.

(5) \$278,000 of the general fund—state appropriation for fiscal year 2000, \$285,000 of the general fund—state appropriation for fiscal year 2001, and \$263,000 of the public safety and education account appropriation are provided solely for the workload associated with tax warrants and other state cases filed in Thurston county.

(6) \$200,000 of the public safety and education account appropriation is provided solely for a unified family court pilot program. Of this amount, \$150,000 is provided for the costs of establishing the program and \$50,000 is provided for costs associated with evaluating the efficacy of the program. The pilot program grant is limited to the 1999-01 biennium. After this time, it is assumed that funding for continuation of the unified family court or expansion to other counties would be provided by local jurisdictions based on the results of the evaluation of the program.

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

(7) \$130,000 of the general fund—state appropriation for fiscal year 2000 and \$130,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the new judicial positions authorized by Engrossed Senate Bill No. 5036 (superior court judges).

(8) \$132,000 of the general fund—state appropriation for fiscal year 2000 and \$136,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the state's portion of increased costs in the superior court mandatory arbitration program.

(9) \$750,000 of the general fund—state appropriation for fiscal year 2001 is provided solely to increase the number of children served by court-appointed special advocates in dependency matters. The office of the administrator for the courts, after consulting with the Washington association of juvenile court administrators and the Washington association of court-appointed special advocate/guardian ad litem programs, shall distribute the funds to volunteer court-appointed special advocate/guardian ad litem programs. The distribution of funding shall be based on the number of children who need volunteer court-appointed special advocate representation and shall be equally accessible to all volunteer court-appointed special advocate/guardian ad litem programs. The administrator for the courts shall not retain more than six percent of total funding to cover administrative or any other agency costs.

(10) \$30,000 of the public safety and education account—state appropriation is provided solely for the office of the administrator for the courts to convene a task force to review whether there are revisions to existing statutes and court rules which, if implemented, would decrease the likelihood of an inappropriate imposition of the death penalty.

**Sec. 108.** 1999 c 309 s 113 (uncodified) is amended to read as follows:

**FOR THE OFFICE OF PUBLIC DEFENSE**

General Fund—State Appropriation (FY 2001) . . .	\$	<u>500,000</u>
Public Safety and Education Account—State		
Appropriation . . . . .	\$	((12,440,000))
		<u>12,490,000</u>
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$</b>	<b>12,990,000</b>

The appropriations in this section ((is)) are subject to the following conditions and limitations:

(1) \$558,000 of the public safety and education account appropriation is provided solely to increase the reimbursement for private attorneys providing constitutionally mandated indigent defense in nondeath penalty cases.

(2) \$51,000 of the public safety and education account appropriation is provided solely for the implementation of House Bill No. 1599 (court funding). If the bill is not enacted by June 30, 1999, the amount provided in this subsection shall lapse.

(3) Amounts provided from the public safety and education account appropriation in this section include funding for investigative services in death penalty personal restraint petitions.

(4) The entire general fund—state appropriation is provided solely for a dependency and termination legal representation funding pilot program.

(a) The goal of the pilot program shall be to enhance the quality of legal representation in dependency and termination hearings, thereby reducing the number of continuances requested by contract attorneys, including those based on the unavailability of defense counsel. To meet the goal, the pilot shall include the following components:

(i) A maximum caseload requirement of 90 dependency and termination cases per full-time attorney;

(ii) Implementation of enhanced defense attorney practice standards, including but not limited to those related to reasonable case preparation and the delivery of adequate client advice, as developed by Washington state public defense attorneys and included in the office of public defense December 1999 report *Costs of Defense and Children's Representation in Dependency and Termination Hearings*;

(iii) Use of investigative and expert services in appropriate cases; and

(iv) Effective implementation of indigency screening of all dependency and termination parents, guardians, and legal custodians represented by appointed counsel.

(b) The pilot program shall be established in one eastern and one western Washington juvenile court.

(c) The director shall contract for an independent evaluation of the pilot program benefits and costs. An interim evaluation shall be submitted to the governor and fiscal committees of the legislature no later than January 1, 2001. A final evaluation shall be submitted to the governor and the fiscal committees of the legislature no later than ninety days following the close of the 1999-01 fiscal biennium.

(5) \$50,000 of the public safety and education account—state appropriation is provided solely for the implementation of Substitute House Bill No. 2491 (DNA testing of offenders). If the bill is not enacted by June 30, 2000, the amount provided in this subsection shall lapse.

\*Sec. 109. 1999 c 309 s 114 (uncodified) is amended to read as follows:

<b>FOR THE OFFICE OF THE GOVERNOR</b>	
General Fund—State Appropriation (FY 2000) . . . \$	5,762,000
General Fund—State Appropriation (FY 2001) . . \$	<del>((5,720,000))</del>
	<u>5,644,000</u>
General Fund—Federal Appropriation . . . . . \$	<del>((674,000))</del>
	<u>209,000</u>
Water Quality Account—State Appropriation . . . \$	700,000
TOTAL APPROPRIATION . . . . . \$	<del>((+2,856,000))</del>
	<u>12,315,000</u>

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

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

(1) ~~\$1,612,000 of the general fund—state appropriation for fiscal year 2000, ((\$1,588,000)) \$1,509,000 of the general fund—state appropriation for fiscal year 2001, \$700,000 of the water quality account appropriation, and \$209,000 of the general fund—federal appropriation are provided solely for the implementation of the Puget Sound work plan and agency action items PSAT-01 through PSAT-05.~~

~~(2) ((\$465,000 of the general fund—federal appropriation and \$200,000 of the general fund—state appropriation are provided solely for the salmon recovery office to meet its responsibilities for the state-wide salmon recovery strategy. Of this amount: (a) \$200,000 of the general fund—state appropriation is provided for the operation of the independent science panel; and (b) \$465,000 of the general fund—federal appropriation is provided for the salmon recovery office staff to support local salmon recovery planning efforts. \$232,500 of the general fund—federal appropriation in this subsection may be expended in each fiscal year of the biennium only if the state receives greater than \$25,000,000 from the federal government for salmon recovery activities in that fiscal year. Funds authorized for expenditure in fiscal year 2000 may be expended in fiscal year 2001.~~

~~(3)) \$100,000 of the general fund—state appropriation for fiscal year 2000 and \$100,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the salmon recovery office to support the efforts of the independent science panel.~~

(3) \$62,000 of the fiscal year 2000 general fund—state appropriation and \$63,000 of the fiscal year 2001 general fund—state appropriation are provided solely to implement Second Substitute Senate Bill No. 5595 or Engrossed Substitute House Bill No. 2079, establishing the salmon recovery funding board in the office of the governor. If legislation establishing the board is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

(4) \$3,000 of the general fund—state appropriation for fiscal year 2001 is provided solely to implement Senate Bill No. 5408 (state medal of valor).

\*Sec. 109 was partially vetoed. See message at end of chapter.

Sec. 110. 1999 c 309 s 115 (uncodified) is amended to read as follows:

**FOR THE LIEUTENANT GOVERNOR**

General Fund—State Appropriation (FY 2000) . . . \$	((333,000))
	<u>338,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((333,000))
	<u>348,000</u>
General Fund—Federal Appropriation . . . . . \$	160,000
TOTAL APPROPRIATION . . . . . \$	((825,000))
	<u>846,000</u>

Sec. 111. 1999 c 309 s 116 (uncodified) is amended to read as follows:

**FOR THE PUBLIC DISCLOSURE COMMISSION**



WASHINGTON LAWS, 2000 2nd Sp. Sess.

Ch. 1

General Fund—State Appropriation (FY 2000) . . . \$	<del>((1,724,000))</del> <u>1,751,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((1,496,000))</del> <u>2,170,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((3,220,000))</del> <u>3,921,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$328,000 of the general fund—state appropriation for fiscal year 2000 and ~~(\$86,000)~~ \$760,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5931 (electronic filing and public access). If the bill is not enacted by June 30, 1999, the amounts provided shall lapse.

Sec. 112. 1999 c 309 s 117 (uncodified) is amended to read as follows:

**FOR THE SECRETARY OF STATE**

General Fund—State Appropriation (FY 2000) . . . \$	<del>((14,063,000))</del> <u>14,043,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((8,371,000))</del> <u>8,399,000</u>
General Fund—Private/Local Appropriation . . . . . \$	120,000
Archives and Records Management Account—State Appropriation . . . . . \$	<del>((5,401,000))</del> <u>5,489,000</u>
Archives and Records Management Account—Private/ Local Appropriation . . . . . \$	<del>((2,581,000))</del> <u>4,123,000</u>
Department of Personnel Service Account—State Appropriation . . . . . \$	681,000
TOTAL APPROPRIATION . . . . . \$	<del>((31,217,000))</del> <u>32,855,000</u>

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

(1) \$2,355,000 of the general fund—state appropriation for fiscal year 2000 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) \$3,780,000 of the general fund—state appropriation for fiscal year 2000 is provided solely to reimburse counties for the state's share of presidential preference primary election costs.

(3) \$2,106,000 of the general fund—state appropriation for fiscal year 2000 and \$2,663,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the verification of initiative and referendum petitions, maintenance of related voter registration records, and the publication and distribution of the voters and candidates pamphlet.

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

(4) \$125,000 of the general fund—state appropriation for fiscal year 2000 and \$125,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for legal advertising of state measures under RCW 29.27.072.

(5)(a) \$1,870,350 of the general fund—state appropriation for fiscal year 2000 and \$1,907,757 of the general fund—state appropriation for fiscal year 2001 are provided solely for continuing the contract with a nonprofit organization to produce gavel-to-gavel television coverage of state government deliberations and other events of state-wide significance during the 1999-2001 biennium.

(b) The funding level for each year of the contract shall be based on the amount provided in this subsection and adjusted to reflect the implicit price deflator for the previous year. The nonprofit organization shall be required to raise contributions or commitments to make contributions, in cash or in kind, in an amount equal to forty percent of the state contribution. The office of the secretary of state may make full or partial payment once all criteria in (a) and (b) of this subsection have been satisfactorily documented.

(c) The nonprofit organization shall prepare an annual independent audit, an annual financial statement, and an annual report, including benchmarks that measure the success of the nonprofit organization in meeting the intent of the program.

(d) No portion of any amounts disbursed pursuant to this subsection may be used, directly or indirectly, for any of the following purposes:

(i) Attempting to influence the passage or defeat of any legislation by the legislature of the state of Washington, by any county, city, town, or other political subdivision of the state of Washington, or by the congress, or the adoption or rejection of any rule, standard, rate, or other legislative enactment of any state agency;

(ii) Making contributions reportable under chapter 42.17 RCW; or

(iii) Providing any: (A) Gift; (B) honoraria; or (C) travel, lodging, meals, or entertainment to a public officer or employee.

(6) \$867,000 of the archives and records management account—state appropriation is provided solely for operation of the central microfilming bureau under RCW 40.14.020(8).

(7) \$120,000 of the general fund—private/local appropriation is provided solely for the Washington quality awards council.

(8) \$20,000 of the general fund—state appropriation for fiscal year ~~((2000))~~ 2001 is provided solely for the operations of the task force on archaeology and historic preservation. The task force shall develop a single recommendation for consideration by the legislature and the governor on the issue of the location of the office of archaeology and historic preservation within state government. The recommended location shall maximize the office of archaeology and historic preservation's stature, visibility, accessibility, and delivery of service state-wide in the context of its critical role as an important link among downtown and neighborhood revitalization efforts, the cultural tourism movement, rural economic development initiatives, and the preservation of the structures and sites that still

remain as the legacy of Washington's rich and diverse heritage. The task force shall consider and include in its recommendation how best both to realize the potential of the office of archaeology and historic preservation to generate revenue from services it could provide in international, national, state, local, and private venues and also how best to achieve adequate funding from all funding sources to assure that the office of archaeology and historic preservation can provide the best possible service to the citizens of the state. There shall be eleven members of the task force as follows: One member shall be the state historic preservation officer or his or her designee; two members shall be representatives of state agencies; two members shall be representatives of local governments; there shall be one representative each from the Washington state historical society, the eastern Washington state historical society, the Washington trust for historic preservation, and Indian tribes; and two members shall be representatives of the private sector who have experience in preservation of historic buildings or archaeological sites or who have particular interest in the issue of preservation of historic buildings and archaeological sites. The state historic preservation officer shall be the chair of the task force. The task force shall report to appropriate committees of the legislature and the governor by January 1, ~~((2000))~~ 2001.

(9) \$8,000 of the fiscal year 2001 general fund—state appropriation is provided solely to implement Senate Bill No. 5408 (state medal of valor).

Sec. 113. 1999 c 309 s 120 (uncodified) is amended to read as follows:

**FOR THE STATE TREASURER**

State Treasurer's Service Account—State

Appropriation . . . . .	\$	<del>((13,487,000))</del>
		<u>14,244,000</u>

The appropriation in this section is subject to the following conditions and limitations: \$757,000 of the state treasurer's service account appropriation is provided to address on-going compliance with federal tax codes. Of this amount, up to \$400,000 is provided for a contract to conduct a compliance review of the state treasurer's debt management program. The state finance committee shall define the scope of the compliance review and oversee the contract.

Sec. 114. 1999 c 309 s 123 (uncodified) is amended to read as follows:

**FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS**

General Fund—State Appropriation (FY 2000) . . .	\$	<del>((32,000))</del>
		<u>67,000</u>
General Fund—State Appropriation (FY 2001) . . .	\$	<del>((18,000))</del>
		<u>128,000</u>
TOTAL APPROPRIATION . . . . .	\$	<del>((150,000))</del>
		<u>195,000</u>

The appropriations in this section are subject to the following conditions and limitations and are sufficient for the commission to: (1) Carry out statutorily

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

required public hearings; (2) enter into an agreement with the department of personnel to provide data sharing, research support, and training for commission members and staff; (3) employ part-time staff in fiscal year 2000 to respond to requests for information; and (4) begin full-time staffing in September 2000 to allow for orientation and training for commission members prior to the next salary setting cycle. ~~((The commission shall work with the department of general administration to reduce its operating costs by colocating with another state agency, and shall report back to the fiscal committees of the legislature by December 15, 1999.))~~ \$25,000 of the general fund—state appropriation for fiscal year 2000 and \$10,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for office rent for the remainder of the biennium, increased AFRS and consolidated mail costs, general administration consulting services, and unexpected commission meeting costs related to litigation. Future funding for lease costs beyond the current biennium shall be contingent upon the agency's colocation with another agency.

Sec. 115. 1999 c 309 s 124 (uncodified) is amended to read as follows:

**FOR THE ATTORNEY GENERAL**

General Fund—State Appropriation (FY 2000) . . . \$	((3,906,000))
	<u>4,079,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((3,889,000))
	<u>4,557,000</u>
General Fund—Federal Appropriation . . . . . \$	((2,291,000))
	<u>2,526,000</u>
Public Safety and Education Account—State	
Appropriation . . . . . \$	1,338,000
New Motor Vehicle Arbitration Account—State	
Appropriation . . . . . \$	1,109,000
Legal Services Revolving Account—State	
Appropriation . . . . . \$	((17,287,000))
	<u>118,390,000</u>
TOTAL APPROPRIATION . . . . . \$	((129,820,000))
	<u>131,999,000</u>

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 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 and the office of financial management shall modify the attorney general billing system to meet the needs of user agencies for greater predictability, timeliness, and explanation of how legal services are being used by the agency. The attorney general shall provide the following information each

month to agencies receiving legal services: (a) The full-time equivalent attorney services provided for the month; (b) the full-time equivalent investigator services provided for the month; (c) the full-time equivalent paralegal services provided for the month; and (d) direct legal costs, such as filing and docket fees, charged to the agency for the month.

(3) \$154,000 of the fiscal year 2000 general fund—state appropriation and \$308,000 of the fiscal year 2001 general fund—state appropriation are provided solely for the costs associated with the legal defense of Initiative Measure No. 695.

(4) \$486,000 of the legal services revolving account appropriation is provided solely to support activities related to vulnerable adults. Such activities include providing technical assistance for guardianships, financial exploitation cases, protection orders, and providing assistance to police and prosecutors addressing vulnerable adults.

(5) \$200,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for costs associated with enforcing state authority on taxation of liquor with respect to Resolution T-022-00, or any other tax or regulatory ordinances regarding liquor, adopted by the Confederated Tribes and Bands of the Yakama Nation.

**Sec. 116.** 1999 c 309 s 127 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**

General Fund—State Appropriation (FY 2000) . . . \$	<del>((72,469,000))</del> <u>73,462,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((71,387,000))</del> <u>71,980,000</u>
General Fund—Federal Appropriation . . . . . \$	<del>((153,575,000))</del> <u>171,275,000</u>
General Fund—Private/Local Appropriation . . . . . \$	6,918,000
Public Safety and Education Account—State Appropriation . . . . . \$	<del>((8,793,000))</del> <u>9,093,000</u>
Public Works Assistance Account—State Appropriation . . . . . \$	2,344,000
Building Code Council Account—State Appropriation . . . . . \$	<del>((1,375,000))</del> <u>1,325,000</u>
Administrative Contingency Account—State Appropriation . . . . . \$	1,776,000
Low-Income Weatherization Assistance Account—State Appropriation . . . . . \$	3,289,000
Violence Reduction and Drug Enforcement Account— State Appropriation . . . . . \$	6,051,000
Manufactured Home Installation Training Account—	

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

State Appropriation .....	\$	252,000
Washington Housing Trust Account—State		
Appropriation .....	\$	((4,685,000))
		<u>4,770,000</u>
Public Facility Construction Loan Revolving		
Account—State Appropriation .....	\$	522,000
Film and Video Promotion Account—State		
Appropriation .....	\$	40,000
TOTAL APPROPRIATION .....	\$	((333,436,000))
		<u>353,097,000</u>

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

(1) It is the intent of the legislature that the department of community, trade, and economic development receive separate programmatic appropriations for the community development program and the trade and economic development program for fiscal year 2001 and thereafter.

(a) \$53,171,000 of the general fund—state appropriation for fiscal year 2001 is provided for the community development program.

(b) \$17,794,000 of the general fund—state appropriation for fiscal year 2001 is provided for the trade and economic development program.

(c) \$422,000 of the general fund—state appropriation for fiscal year 2001 is provided for administration of the department and shall be allocated to the community development program and the trade and economic development program subject to allotment approval by the office of financial management.

(d) The remaining general fund—state appropriation for fiscal year 2001 and the fiscal year 2001 allotments for all other budgeted funds within the department of community, trade, and economic development shall be allocated to the community development program and the trade and economic development program subject to allotment approval by the office of financial management.

(2) \$2,962,500 of the general fund—state appropriation for fiscal year 2000 and \$3,602,500 of the general fund—state appropriation for fiscal year 2001 are provided solely for a contract with the Washington technology center. For work essential to the mission of the Washington technology center and conducted in partnership with universities, the center shall not pay any increased indirect rate nor increases in other indirect charges above the absolute amount paid during the 1995-97 biennium.

~~((2))~~ (3) \$61,000 of the general fund—state appropriation for fiscal year 2000 and \$62,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the implementation of the Puget Sound work plan and agency action item DCTED-01.

~~((3))~~ (4) \$11,893,320 of the general fund—federal appropriation is provided solely for the drug control and system improvement formula grant program, to be distributed in state fiscal year 2000 as follows:

(a) \$3,603,250 to local units of government to continue multijurisdictional narcotics task forces;

(b) \$620,000 to the department to continue the drug prosecution assistance program in support of multijurisdictional narcotics task forces;

(c) \$1,552,800 to the Washington state patrol for coordination, investigative, and supervisory support to the multijurisdictional narcotics task forces and for methamphetamine education and response;

(d) \$240,000 to the department for grants to support tribal law enforcement needs;

(e) \$991,000 to the department of social and health services, division of alcohol and substance abuse, for drug courts in eastern and western Washington for the implementation of sections 7 through 10 of Engrossed Second Substitute House Bill No. 1006 (drug offender sentencing);

(f) \$312,551 to the department for training and technical assistance of public defenders representing clients with special needs;

(g) \$200,000 to the department to continue a substance-abuse treatment in jails program, to test the effect of treatment on future criminal behavior;

(h) \$667,075 to the department to continue domestic violence legal advocacy;

(i) \$903,000 to the department of social and health services, juvenile rehabilitation administration, to continue youth violence prevention and intervention projects;

(j) \$91,000 to the department to continue the governor's council on substance abuse;

(k) \$99,000 to the department to continue evaluation of Byrne formula grant programs;

(l) \$1,519,244 to the office of financial management for criminal history records improvement;

(m) \$804,400 to the department for required grant administration, monitoring, and reporting on Byrne formula grant programs;

(n) \$290,000 to the Washington state patrol solely for costs associated with the supervision, coordination, and reimbursement for local law enforcement officers' participation in the task force on missing and exploited children established by Second Substitute Senate Bill No. 5108 (missing/exploited children). If the bill is not enacted by June 30, 1999, the amount provided in this subsection shall lapse.

These amounts represent the maximum Byrne grant expenditure authority for each program. No program may expend Byrne grant funds in excess of the amounts provided in this subsection. If moneys in excess of those appropriated in this subsection become available, whether from prior or current fiscal year Byrne grant distributions, the department shall hold these moneys in reserve and may not expend them without specific appropriation. These moneys shall be carried forward and applied to the pool of moneys available for appropriation for programs and projects in the succeeding fiscal year. As part of its budget request for the

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

succeeding year, the department shall estimate and request authority to spend any funds remaining in reserve as a result of this subsection.

((4)) (5) \$11,120,816 of the general fund—federal appropriation is provided solely for the drug control and system improvement formula grant program, to be distributed in state fiscal year 2001 as follows:

(a) \$3,603,250 to local units of government to continue multijurisdictional narcotics task forces;

(b) \$620,000 to the department to continue the drug prosecution assistance program in support of multijurisdictional narcotics task forces;

(c) \$1,363,000 to the Washington state patrol for coordination, investigative, and supervisory support to the multijurisdictional narcotics task forces and for methamphetamine education and response;

(d) \$240,000 to the department for grants to support tribal law enforcement needs;

(e) \$991,000 to the department of social and health services, division of alcohol and substance abuse, for drug courts in eastern and western Washington;

(f) \$302,551 to the department for training and technical assistance of public defenders representing clients with special needs;

(g) \$200,000 to the department to continue a substance abuse treatment in jails program, to test the effect of treatment on future criminal behavior;

(h) \$667,094 to the department to continue domestic violence legal advocacy;

(i) \$903,000 to the department of social and health services, juvenile rehabilitation administration, to continue youth violence prevention and intervention projects;

(j) \$90,000 to the Washington association of sheriffs and police chiefs to complete the state and local components of the national incident based reporting system;

(k) \$30,000 to the department to expand integrated domestic violence training of law enforcement, prosecutors, and domestic violence advocates;

(l) \$17,559 to the department to initiate the planning for a state-wide drug and violent crime threat assessment to be conducted in conjunction with the Northwest high intensity drug trafficking area and the department of social and health services, division of alcohol and substance abuse;

(m) \$91,000 to the department to continue the governor's council on substance abuse;

(n) \$99,000 to the department to continue evaluation of Byrne formula grant programs;

(o) \$1,014,419 to the office of financial management for criminal history records improvement;

(p) \$825,100 to the department for required grant administration, monitoring, and reporting on Byrne formula grant programs;

(q) \$45,000 to the department to expand the number of prosecutors participating in the drug prosecution assistance program in support of multijurisdictional narcotics task forces; and



(r) \$18,862 to the department to develop a domestic violence legal advocacy process and training manual.

These amounts represent the maximum Byrne grant expenditure authority for each program. No program may expend Byrne grant funds in excess of the amounts provided in this subsection. If moneys in excess of those appropriated in this subsection become available, whether from prior or current fiscal year Byrne grant distributions, the department shall hold these moneys in reserve and may not expend them without specific appropriation. These moneys shall be carried forward and applied to the pool of moneys available for appropriation for programs and projects in the succeeding fiscal year. As part of its budget request for the succeeding year, the department shall estimate and request authority to spend any funds remaining in reserve as a result of this subsection.

~~(6)~~ (6) \$500,000 of the general fund—state appropriation for fiscal year 2000 and \$500,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the tourism office to increase rural tourism development, consumer marketing, and international marketing.

~~((5))~~ (7) \$500,000 of the general fund—state appropriation for fiscal year 2000 and \$500,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for a grant program to help communities design and carry out rural economic development projects.

~~((6))~~ (8) \$1,250,000 of the general fund—state appropriation for fiscal year 2000, and \$1,250,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for grants to operate, repair, and staff shelters for homeless families with children.

~~((7))~~ (9) \$2,500,000 of the general fund—state appropriation for fiscal year 2000 and \$2,500,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for grants to operate transitional housing for homeless families with children. The grants may also be used to make partial payments for rental assistance.

~~((8))~~ (10) \$1,250,000 of the general fund—state appropriation for fiscal year 2000 and \$1,250,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for consolidated emergency assistance to homeless families with children.

~~((9))~~ (11) \$50,000 of the general fund—state appropriation for fiscal year 2000 is provided solely to develop a plan for a system for collecting reliable and accurate data on homeless persons. The plan shall provide at least two approaches based on a range of possible budgets. The plan shall be provided to the governor's office and the legislative fiscal committees no later than November 1, 1999.

~~((10))~~ (12) \$50,000 of the general fund—state appropriation for fiscal year 2000 and \$50,000 of the general fund—state appropriation for fiscal year 2001 are provided to the department solely for providing technical assistance to developers of housing for farmworkers.

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

~~((11))~~ (13) \$160,000 of the public works assistance account appropriation is solely for providing technical assistance to local communities that are developing the infrastructure needed to support the development of housing for farmworkers.

~~((12))~~ (14) \$205,000 of the general fund—state appropriation for fiscal year 2000 and \$205,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for grants to Washington Columbia river gorge counties to implement their responsibilities under the national scenic area management plan. Of this amount, \$390,000 is provided for Skamania county, and \$20,000 is provided for Clark county.

~~((13))~~ (15) \$500,000 of the general fund—state fiscal year 2000 appropriation and \$500,000 of the general fund—state fiscal year 2001 appropriation are provided solely for grants to Grays Harbor county as lead agency to support local coastal erosion activities and partnership with state and federal agencies in the southwest Washington coastal erosion study.

~~((14))~~ (16) \$1,000,000 of the general fund—state appropriation for fiscal year 2000 and \$1,000,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for grants to food banks and food distribution centers. At least \$65,000 of the amount provided in each fiscal year shall be utilized for a contract with a food distribution program for communities in the southwestern portion of the state and for workers impacted by timber and salmon fishing closures and reductions. The department may not charge administrative overhead or expenses to the funds provided in this subsection.

~~((15))~~ (17) \$50,000 of the general fund—state appropriation for fiscal year 2000 and \$50,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the establishment of state trade office activity in South Korea.

~~((16))~~ (18) \$698,000 of the general fund—state appropriation for fiscal year 2000, \$698,000 of the general fund—state appropriation for fiscal year 2001, and \$1,101,000 of the administrative contingency account appropriation are provided solely for contracting with associate development organizations.

~~((17-\$220,000))~~ (19) \$185,000 of the general fund—state appropriation for fiscal year 2000 and ~~((90,000))~~ \$409,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the implementation of Substitute Senate Bill No. 5693 (developmental disabilities endowment). If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

~~((18))~~ (20) \$970,000 of the general fund—state appropriation for fiscal year 2000 is provided solely as a grant to the Washington council on international trade as partial support for the 1999 world trade organization meeting.

~~((19))~~ (21) \$500,000 of the general fund—state appropriation for fiscal year 2000 is provided solely for a grant to Pierce county to construct a joint state/county recreation facility on state property in the South Hill area near Puyallup. The grant provided in this subsection is contingent upon an agreement that the county will assume full maintenance and operation of the facility.

~~((20))~~ (22) \$22,000 of the general fund—state appropriation for fiscal year 2000 and \$22,000 of the general fund—state appropriation for fiscal year 2001 are

provided solely for the department's role in implementing Engrossed Second Substitute House Bill No. 1493 (homeless children and families). If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

~~((21))~~ (23) \$250,000 of the general fund—state appropriation for fiscal year 2000 is provided solely to support the spirit 2000 millennium celebration project.

~~((22))~~ (24) \$20,000 of the general fund—state appropriation for fiscal year 2000 is provided solely to assist the Tri-Cities cultural arts center to develop a plan to bring the arts to eastern Washington.

~~((23))~~ (25) \$125,000 of the general fund—state appropriation for fiscal year 2000 and \$125,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to increase the number of trained volunteer long-term care ombudsmen available to serve elderly or disabled residents living in licensed boarding homes and adult family homes.

~~((24))~~ (26) \$150,000 of the general fund—state appropriation for fiscal year 2000 is provided solely as a grant to preserve the Mukai farm and garden.

~~((25))~~ (27) \$21,000 of the general fund—state appropriation for fiscal year 2000 is provided solely as a matching grant to support the Washington state senior games. State funding shall be matched with at least an equal amount of private or local government funds.

~~((26))~~ (28) \$500,000 of the general fund—state appropriation for fiscal year 2000 ~~((and \$500,000 of the general fund—state appropriation for fiscal year 2001 are))~~ is provided solely to increase the number of children served by a court-appointed special volunteer advocate guardian ad litem in dependency proceedings. The funds shall be distributed by the department to local and state court-appointed special advocate programs based on the number of children without volunteer court-appointed special advocate representation. \$200,000 of the general fund—state fiscal year 2001 appropriation is provided solely to contract with a private nonprofit corporation to provide state-wide technical support, development, and enhancement of court-appointed special advocate programs.

~~((27))~~ (29) \$1,125,000 of the general fund—state appropriation for fiscal year 2000 and \$1,125,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for King county for the purpose of local public health. The amounts in this subsection shall be deposited into the county public health account.

~~((28))~~ (30) \$1,157,000 of the general fund—state appropriation for fiscal year 2000 and \$1,723,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the Spokane intercollegiate research and technology institute.

(31) \$425,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for the Spokane intercollegiate research and technology institute (SIRTI). This amount is contingent on the completion of a joint plan developed with Washington State University that identifies:

(a) How SIRTI and the university will work collaboratively to fulfill the current SIRTI goals and mission, including research, commercialization of digital, environmental, and biotechnologies, and development of venture capital;

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

(b) SIRTl governance, and the maintenance of a local board that will provide guidance and oversight for commercialization and technology transfer initiatives;

(c) Moving appropriate university research programs to Spokane;

(d) Strategies for strengthening higher education collaboration in Spokane;

(e) Resource development strategies to secure funds from nonstate sources to provide adequate support for commercialization and technology transfer efforts;

(f) The full and efficient use of resources, including space and budget, consistent with the goals and mission of SIRTl;

(g) Performance measures for impacts on the economy of Spokane and eastern Washington resulting from SIRTl activities such as:

(i) The amount of new research that SIRTl attracts to Spokane;

(ii) The number of new products incubated through SIRTl in the Spokane area;

(iii) The number of new products capitalized in the Spokane area through SIRTl;

(iv) The number of jobs produced by start-ups through SIRTl; and

(h) Strategies for reducing the need for state funding for SIRTl administrative, operating, and program management costs over time.

By May 15, 2000, SIRTl and the university will provide the office of financial management and the legislature with an operational plan that identifies the actions to be taken to meet their agreed-upon goals. Funds will be released only after receipt of a plan that meets these requirements, subject to a determination by the director of financial management in consultation and agreement with the higher education coordinating board, Spokane area baccalaureate institutions and the department of community, trade, and economic development.

(32) \$250,000 of the general fund—state fiscal year 2001 appropriation is provided to support development of a proposal to site a spaceport facility in the Moses Lake area for the Lockheed Martin venture star project. In the event that Lockheed Martin does not proceed with a request for proposal process for the venture star project, the amounts provided in this subsection shall lapse.

(33) \$300,000 of the public safety and education account appropriation is provided solely for sexual assault prevention and treatment programs.

(34) \$85,000 of the Washington housing trust account appropriation is provided solely to implement House Bill No. 3105 or Senate Bill No. 6805 (apportioning a sales and use tax for zoos, aquariums, wildlife preserves, and regional parks). If neither bill is enacted by June 30, 2000, the amount provided in this subsection shall lapse.

(35) \$100,000 of the general fund—state appropriation for fiscal year 2001 is provided solely as pass-through funding to currently licensed overnight youth shelters.

(36) \$112,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for the office of archeology and historic preservation. The office is to remain in current leased space pending the results of the study regarding the future organizational status of the office.

(37) \$50,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for pilot projects that provide voice mail services to homeless families and individuals for the purposes of employment and housing searches.

(38) \$953,000 of the general fund—state appropriation for fiscal year 2000 is provided solely for deposit into the state building construction account for the purpose of expanding grants to currently approved and prioritized projects in the community services facilities grant program.

(39) \$5,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for the Washington state millennium project as designated by the national endowment for the arts.

(40) \$62,000 of the general fund—state appropriation for fiscal year 2001 is provided solely to implement Substitute House Bill No. 2460 (community empowerment zones). If the bill is not enacted by June 30, 2000, the amount provided in this subsection shall lapse.

(41) \$25,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for the department of community, trade, and economic development to provide administrative and professional support, including the hiring of an independent facilitator, to a joint legislative task force charged with reviewing current energy siting statutes and reporting its recommendations to the legislature and the governor by December 1, 2000. The task force, which shall consist of eight voting legislative members and eight nonvoting members representing interested stakeholder groups, shall review and make recommendations regarding the following issues: (a) Jurisdiction and membership of the state siting authority; (b) its procedures; (c) the scope of preemption of proprietary and regulatory functions of local governments and other state agencies; (d) local government participation; (e) the standards and processes for determining the need for proposed projects; (f) the role of a counsel for the environment; (g) funding and related costs of participating in the state siting process; (h) monitoring and oversight of certified facilities; and (i) the siting of facilities on public lands.

(42) \$75,000 of the general fund—state appropriation for fiscal year 2001 is provided solely as a grant to the southwest Seattle historical society for support of the loghouse museum.

(43) \$50,000 of the general fund—state appropriation for fiscal year 2001 is provided solely to implement an industry cluster-based approach to economic development as outlined in Substitute Senate Bill No. 6618.

(44) The department shall, within existing resources, provide program development and service delivery to the eastern region of the state.

Sec. 117. 1999 c 309 s 129 (uncodified) is amended to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT**

General Fund—State Appropriation (FY 2000) . . . \$	<del>((12,791,000))</del>
	<u>12,600,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((1,855,000))</del>
	<u>13,208,000</u>

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

General Fund—Federal Appropriation . . . . .	\$	23,340,000
General Fund—Private/Local Appropriation . . . . .	\$	500,000
TOTAL APPROPRIATION . . . . .	\$	((48,486,000))
		<u>49,648,000</u>

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

(1) \$50,000 of the general fund—state appropriation for fiscal year 2000 is provided solely to evaluate and promote the use by state and local agencies of the training facilities at the Hanford reservation.

(2) Funding in this section provides for a feasibility study to collect Washington enrollment data on distance learning programs sponsored by in-state and out-of-state private institutions in cooperation with the higher education coordinating board and the state board for community and technical colleges. Findings shall be submitted to the appropriate committees of the legislature by January 2000.

(3) \$75,000 of the fiscal year 2000 general fund—state appropriation and \$75,000 of the fiscal year 2001 general fund—state appropriation are provided solely to track and administer state and federal funding for salmon recovery allocated by the salmon recovery funding board established under Second Substitute Senate Bill No. 5595 or Engrossed Substitute House Bill No. 2079.

(4) The office of financial management, in collaboration with the institutions of higher education, the higher education coordinating board, and the state board for community and technical colleges, shall modify state information systems in order to provide consistent data on students engaged in distance learning. Higher education institutions shall provide enrollment information in support of this effort. Reporting on the numbers and categories of students enrolled in distance learning by class level and institutions shall begin by fall term, 2000. Washington independent institutions of higher education are encouraged to participate in this process and to provide distance learner enrollment data.

(5) \$1,000,000 of the general fund—state appropriation and \$500,000 of the general fund—private/local appropriation are provided solely for the commission on early learning. One-half of the amount provided from the general fund—state shall not be expended unless matched by an equal amount from private sources.

(6) \$329,000 of the general fund—state appropriation for fiscal 2001 is provided solely to develop a centralized database of social service contract information as recommended by the task force on agency contracting services.

(7) \$689,000 of the general fund—state appropriation is provided solely for information systems improvements at the department of fish and wildlife, including a network upgrade, purchase of personal computers, and support for agency information systems.

(8) \$795,000 of the general fund—state appropriation is provided solely for improvements in the basic business practices at the department of fish and wildlife.

including budget monitoring, cost accounting, time accounting and payroll systems, and license revenue forecasting.

(9) \$75,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for the task force on health care reinsurance established by Second Substitute Senate Bill No. 6067 (health insurance coverage). If the bill is not enacted by June 30, 2000, the amount provided in this subsection shall lapse.

(10) \$285,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for the office of financial management to adopt and publish uniform guidelines for the effective and efficient management of personal service contracts and client service contracts by all state agencies, conduct training on these guidelines for agency personnel, and conduct risk-based audits of personal service and client service contracts, as generally described in Second Substitute House Bill No. 2738 (state agency personal service contract practices).

(a) The guidelines shall, at a minimum, include: (i) Accounting methods, systems, measures, and principles to be used by agencies and contractors; (ii) precontract procedures for selecting potential contractors based on their qualifications and ability to perform; (iii) incorporation of performance measures and measurable benchmarks in contracts, and the use of performance audits; (iv) uniform contract terms to ensure contract performance and compliance with state and federal standards; (v) proper payment and reimbursement methods to ensure that the state receives full value for taxpayer moneys, including cost settlements and cost allowance; (vi) post-contract procedures, including methods for recovering improperly spent or overspent moneys for disallowance and adjustment; (vii) adequate contract remedies and sanctions to ensure compliance; (viii) monitoring, fund tracking, risk assessment, and auditing procedures and requirements; (ix) financial reporting, record retention, and record access procedures and requirements; (x) procedures and criteria for terminating contracts for cause or otherwise; and (xi) other subjects related to effective and efficient contract management.

(b) The office of financial management shall provide a training course for agency personnel responsible for executing and managing personal service contracts and client service contracts. The course must contain training on effective and efficient contract management under the guidelines established under this subsection.

(c) The office of financial management shall conduct risk-based audits of the contracting practices associated with individual personal service and client service contracts from multiple state agencies to ensure compliance with the guidelines established in this subsection. The office of financial management shall forward the results of the audits conducted under this subsection to the governor, the appropriate standing committees of the legislature, and the joint legislative audit and review committee.

(11) \$30,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for a review of K-12 regional cost differences. The office of financial management shall conduct research, including a review of existing

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

methods of determining regional cost differences. Regional cost differences shall include, but not be limited to, the cost of renting, leasing, or purchasing housing. The office of financial management shall report findings on cost differences on a regional basis and make recommendations on options for mitigating these differences to the appropriate committees of the house of representatives and senate by December 15, 2000.

(12) \$243,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for an audit of the state ferry capital program. The audit of ferry capital operations shall determine the following: Whether the ferry system is acquiring, protecting, and using its resources economically and efficiently; the causes of inefficiencies or uneconomical practices; and whether the ferry system has complied with laws and regulations governing economy and efficiency. This audit shall build on audits performed by, or under the direction of, the joint legislative audit and review committee on ferry capital operations. In establishing the scope of this audit, the director of financial management shall solicit public comments from interested parties and benchmark the state ferry capital operations to other public and private ferry capital operations. To address the intent of this subsection, the director may contract for specialized expertise. The audit report shall be delivered on or before January 1, 2001, to the governor and to the fiscal committees of the state legislature.

\*Sec. 118. 1999 c 309 s 131 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF PERSONNEL**

Department of Personnel Service Account—State

Appropriation . . . . . \$ 16,999,000

Higher Education Personnel Services Account—State

Appropriation . . . . . \$ 1,640,000

TOTAL APPROPRIATION . . . . . \$ 18,639,000

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

(1) The department shall reduce its charge for personnel services to the lowest rate possible.

(2) The department of personnel service account appropriation contains sufficient funds to continue the employee exchange program with the Hyogo prefecture in Japan.

(3) \$515,000 of the department of personnel service account appropriation is provided solely for the development and implementation of a new employment application processing system to: Provide for electronic applications via the internet, provide continuous application acceptance, provide increased public access to job openings, allow for single applications for multiple jobs, and provide for scanning of larger applicant databases as job openings arise.

(4) \$190,000 of the department of personnel service account appropriation is provided solely for the expansion of the executive fellowship program.



(5) \$108,000 of the department of personnel service account appropriation is provided solely for increased funding of the administrative expenses of the combined fund drive.

(6) \$52,000 of the department of personnel service account appropriation is provided solely to implement House Bill No. 5432 (retiree charitable deductions). If the bill is not enacted by June 30, 1999, the amount provided in this subsection shall lapse.

(7) The department of personnel has the authority to charge agencies for expenses associated with converting its payroll/personnel computer system to accommodate the year 2000 date change. Funding to cover these expenses shall be realized from the agency FICA savings associated with the pretax benefits contributions plan.

(8) The department shall prepare a plan, in cooperation with the citizens' commission on salaries for elected officials, for providing office space for the commission in a department office building pursuant to an interagency agreement. The plan: (a) Shall provide for a separate, secured office for the 2001-03 biennium; (b) may provide for support services upon the mutual agreement of the department and commission; and (c) shall reflect both the commission's independent status and the need to provide for the most cost-effective structure for commission operations. The plan shall be submitted to the office of financial management and the appropriate fiscal committees of the house of representatives and senate by November 1, 2000.

\*Sec. 118 was partially vetoed. See message at end of chapter.

\*Sec. 119. 1999 c 309 s 136 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF RETIREMENT SYSTEMS—OPERATIONS**

Dependent Care Administrative Account—State

Appropriation . . . . .	\$	361,000
-------------------------	----	---------

Department of Retirement Systems Expense Account—

State Appropriation . . . . .	\$	((41,182,000))
		44,608,000

TOTAL APPROPRIATION . . . . .	\$	((41,543,000))
		44,969,000

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

(1) \$92,000 of the department of retirement systems expense account appropriation is provided solely to implement Substitute Senate Bill No. 5030 (Washington state patrol surviving spouse retirement). If the bill is not enacted by June 30, 1999, the amount provided in this subsection shall lapse.

(2) \$259,000 of the department of retirement systems expense account appropriation is provided solely to implement Substitute House Bill No. 1024 (retirement system option). If the bill is not enacted by June 30, 1999, the amount provided in this subsection shall lapse.

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

(3) \$55,000 of the department of retirement systems expense account appropriation is provided solely to implement Substitute Senate Bill No. 6012 (investment board fund values). If the bill is not enacted by June 30, 1999, the amount provided in this subsection shall lapse.

(4) \$22,000 of the department of retirement systems expense account appropriation is provided solely to implement Senate Bill No. 5432 (PERS retiree charitable deductions). If the bill is not enacted by June 30, 1999, the amount provided in this subsection shall lapse.

(5) \$50,000 of the department of retirement systems expense account appropriation is provided solely for the department to prepare and distribute to state employees information about options under the federal tax code for tax-advantaged retirement savings.

(6) \$3,731,000 of the department of retirement systems expense account appropriation is provided solely for the information systems project known as the electronic document image management system. Authority to expend this amount is conditioned on compliance with section 902 of this act.

(7) The department shall adjust the retirement systems administrative rate during the 1999-2001 biennium as necessary to provide for law enforcement officers' and fire fighters' retirement system employer funding for a study of LEOFF plan 1 medical liabilities by the office of the state actuary.

(8) \$293,000 of the department of retirement systems expense account appropriation is provided solely to implement Substitute House Bill No. 2604 (survivor options). If the bill is not enacted by June 30, 2000, the amount provided in this subsection shall lapse.

(9) \$2,879,000 of the department of retirement systems expense account appropriation is provided solely to implement Engrossed Substitute Senate Bill No. 6530 (pension enhancements). If the bill is not enacted by June 30, 2000, the amount provided in this subsection shall lapse.

(10) \$480,000 of the department of retirement systems expense account appropriation is provided solely for increased charges for services provided by the department of information systems. The two departments shall submit a report on the causes of the increased charges to the office of financial management no later than September 1, 2000.

(11) The department shall implement changes to its rules and information systems regarding post-retirement employment to provide that the five-month limitation provided in RCW 41.32.802(2), 41.32.862(2), 41.35.060(2), and 41.40.037(2) shall be tracked by the number of hours of post-retirement employment.

\*Sec. 119 was partially vetoed. See message at end of chapter.

Sec. 120, 1999 c 309 s 137 (uncodified) is amended to read as follows:

**FOR THE STATE INVESTMENT BOARD**

State Investment Board Expense Account—State

Appropriation . . . . . \$ ((10,519,000))

11,137,000

Sec. 121. 1999 c 309 s 142 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

General Fund—State Appropriation (FY 2000) . . . \$	279,000
General Fund—State Appropriation (FY 2001) . . . \$	<del>((279,000))</del>
	<u>622,000</u>
General Fund—Federal Appropriation . . . . . \$	2,116,000
General Fund—Private/Local Appropriation . . . . . \$	417,000
<u>State Capitol Vehicle Parking Account—</u>	
<u>State Appropriation</u> . . . . . \$	<u>92,000</u>
Air Pollution Control Account—State	
Appropriation . . . . . \$	<del>((379,000))</del>
	<u>95,000</u>
General Administration Services Account—State	
Appropriation . . . . . \$	<del>((43,976,000))</del>
	<u>46,003,000</u>
Energy Efficiency Services Account—State	
Appropriation . . . . . \$	<del>((199,000))</del>
	<u>431,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((47,645,000))</del>
	<u>50,055,000</u>

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

(1) The department shall develop an allocation method for tort defense costs with the office of the attorney general and selected agency representatives. A report shall be submitted to the office of financial management and the fiscal committees of the house of representatives and the senate by June 30, 2000, on how the agencies will be billed for their tort defense services from the liability account. If Substitute House Bill No. 2111 (consolidates tort activities) is not enacted by June 30, 1999, this subsection shall lapse.

(2) \$92,000 of the state capitol vehicle parking account—state appropriation and \$27,000 of the general administration services account—state appropriation are provided solely for the continued operation of the state-wide commute trip reduction program.

(3) \$343,000 of the general fund—state appropriation for fiscal year 2001 is provided solely to conduct the capitol tour program.

Sec. 122. 1999 c 309 s 143 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF INFORMATION SERVICES**

Data Processing Revolving Account—State	
Appropriation . . . . . \$	3,605,000
K-20 Technology Account—State Appropriation . . \$	<del>((7,400,000))</del>
	<u>4,040,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((+1,005,000))</del>

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

7,645,000

The appropriations in this section are subject to the following conditions and limitations: ~~((\\$7,400,000))~~ \$4,040,000 of the K-20 technology account appropriation is provided solely for the completion of the K-20 network development plan through phase 2.

**Sec. 123.** 1999 c 309 s 145 (uncodified) is amended to read as follows:

**FOR THE BOARD OF ACCOUNTANCY**

Certified Public Accountants' Account—State

Appropriation . . . . .	\$	<del>((+119,000))</del>
		<u>1,254,000</u>

**\*Sec. 124.** 1999 c 309 s 148 (uncodified) is amended to read as follows:

**FOR THE LIQUOR CONTROL BOARD**

General Fund—State Appropriation (FY 2000) . . .	\$	1,293,000
General Fund—State Appropriation (FY 2001) . . .	\$	1,284,000
Liquor Control Board Construction and Maintenance Account—State Appropriation . . . . .	\$	<del>((8,013,000))</del>
		<u>9,998,000</u>
Liquor Revolving Account—State Appropriation . .	\$	<del>((129,361,000))</del>
		<u>129,422,000</u>
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$</b>	<del>((139,951,000))</del>
		<u>141,997,000</u>

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

(1) \$2,804,000 of the liquor revolving account appropriation is provided solely for the agency information technology upgrade. This amount provided in this subsection is conditioned upon satisfying the requirements of section 902 of this act.

(2) \$105,000 of the liquor revolving account appropriation is provided solely for the implementation of Engrossed Substitute Senate Bill No. 5712 (motel liquor licenses). If the bill is not enacted by June 30, 1999, the amount provided in this subsection shall lapse.

(3) \$300,000 of the liquor revolving account appropriation is provided solely for the board to develop a business plan. The board shall provide copies of the plan to the office of financial management and the fiscal committees of the legislature by September 30, 1999.

(4) \$1,985,000 of the liquor control board construction and maintenance account appropriation is provided solely for the operation of the temporary distribution center.

(5) \$53,000 of the liquor revolving account appropriation is provided solely to train new enforcement agents. In cooperation with the board, the criminal justice training commission shall establish a training curriculum that is appropriate

for liquor enforcement officers. Nothing in this subsection makes liquor officers eligible for membership in the law enforcement and fire fighters' pension systems.

(6) \$8,000 of the liquor revolving account—state appropriation is provided solely for the creation of a liquor agencies advisory committee within the board, whose purpose is to foster communication between the legislature, the Washington state liquor control board, and the liquor agencies.

(a) The committee shall consist of two members of the Washington state liquor control board, two representatives of the liquor agencies nominated by a majority vote of all agencies, and two members from each of the senate and house of representatives fiscal committees. The liquor agencies advisory committee shall elect a chair from among its members, and shall meet at least twice a year, and may meet as often as is necessary.

(b) The advisory committee shall make recommendations when requested by the legislative fiscal committees, or on its own initiative, about revisions to fee and commission structures.

(c) The advisory committee shall prepare a comprehensive analysis and evaluation of the liquor agencies fees and commissions. The analysis and evaluation must consider, at a minimum, unique and significant financial, legislative, or other relevant developments that may impact fees and commissions. The advisory committee shall make recommendations for fee and commission revisions to the legislative fiscal committees by June 30, 2001.

\*Sec. 124 was partially vetoed. See message at end of chapter.

Sec. 125. 1999 c 309 s 149 (uncodified) is amended to read as follows:

**FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

Public Service Revolving Account—State

Appropriation . . . . .	\$	<del>((25,966,000))</del>
		<u>26,766,000</u>

Public Service Revolving Account—Federal

Appropriation . . . . .	\$	652,000
TOTAL APPROPRIATION . . . . .	\$	<del>((26,618,000))</del>
		<u>27,418,000</u>

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

(1) \$48,000 of the public service revolving account—state appropriation is provided solely for a study of costs incurred by electric, natural gas, telecommunications, and water utilities and railroads, except railroads owned and operated by the state and municipal corporations, for the placement of new and existing utilities facilities within railroad rights-of-way. The commission shall: ~~((+))~~ (a) Identify all expenses that are directly incurred by railroads to permit the safe construction and maintenance of utility facilities within the railroad right-of-way, including costs related to administering the issuance of a permit, inspecting construction, and flagging construction for safety; ~~((2))~~ (b) identify any extraordinary expenses which may be incurred by utilities and railroads as a result

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

of utility facilities being located within the railroad right-of-way, including costs related to emergency response; ~~((3))~~ (c) examine the amount and scope of insurance that may be necessary for utilities and railroads to cover risks associated with railroad property and utility facilities located within the railroad right-of-way; ~~((4))~~ (d) compare and analyze different methods used or that could be used, for the purposes of determining compensation paid by utilities, to value railroad right-of-way property on which utility facilities are located; ~~((5))~~ (e) compare and analyze how terms, conditions, and fees imposed by railroads upon utilities for placing utility facilities within the railroad right-of-way have changed over time; and ~~((6))~~ (f) make any recommendations it deems pertinent based upon its findings. The commission shall consult with the chairs and ranking minority members of the senate energy, technology, and telecommunications committee and the house or representatives technology, telecommunications, and energy committee throughout the course of study and shall submit its report to the legislature and the governor by December 1, 1999.

(2) \$800,000 of the public service revolving fund appropriation is provided solely to implement Engrossed Second Substitute House Bill No. 2420 (pipeline safety). To the extent that federal funds are available for this purpose, the amount provided in this subsection shall lapse on a dollar-for-dollar basis.

**Sec. 126.** 1999 c 309 s 151 (uncodified) is amended to read as follows:

**FOR THE MILITARY DEPARTMENT**

General Fund—State Appropriation (FY 2000) . . . \$	<del>((18,568,000))</del>
	<u>10,889,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((8,264,000))</del>
	<u>8,344,000</u>
General Fund—Federal Appropriation . . . . . \$	22,148,000
General Fund—Private/Local Appropriation . . . . . \$	238,000
Enhanced 911 Account—State Appropriation . . . . . \$	<del>((16,491,000))</del>
	<u>19,507,000</u>
Disaster Response Account—State Appropriation . \$	<del>((18,970,000))</del>
	<u>10,157,000</u>
Disaster Response Account—Federal Appropriation \$	<del>((94,733,000))</del>
	<u>46,699,000</u>
Worker and Community Right to Know Fund—State Appropriation . . . . . \$	285,000
TOTAL APPROPRIATION . . . . . \$	<del>((179,697,000))</del>
	<u>118,267,000</u>

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

(1) ~~((10,174,000))~~ \$2,470,000 of the general fund—state appropriation for fiscal year 2000 is provided solely for deposit in the disaster response account to cover costs pursuant to section 402(9) of this act and subsection (2) of this section.

(2) (~~(\$18,970,000)~~) \$9,855,000 of the disaster response account—state appropriation is provided solely for the state share of response and recovery costs associated with federal emergency management agency (FEMA) disaster 1079 (November/December 1995 storms), FEMA disaster 1100 (February 1996 floods), FEMA disaster 1152 (November 1996 ice storm), FEMA disaster 1159 (December 1996 holiday storm), FEMA disaster 1172 (March 1997 floods), FEMA disaster 1252 (1998 northeast counties floods), and FEMA disaster 1255 (Kelso landslide). The military department may, upon approval of the director of the office of financial management, use portions of the disaster response account—state appropriation to offset costs of new disasters occurring before June 30, 2001. The military department is to submit a report quarterly to the office of financial management and the fiscal committees of the house of representatives and senate detailing disaster costs, including: (a) Estimates of total costs; (b) incremental changes from the previous estimate; (c) actual expenditures; (d) estimates of total remaining costs to be paid; and (d) estimates of future payments by biennium. This information is to be displayed by individual disaster, by fund, and by type of assistance.

(3) (~~(\$75,000)~~) \$100,000 of the general fund—state fiscal year 2000 appropriation and (~~(\$75,000)~~) \$100,000 of the general fund—state fiscal year 2001 appropriation are provided solely for implementation of the conditional scholarship program pursuant to chapter 28B.103 RCW.

(4) \$35,000 of the general fund—state fiscal year 2000 appropriation and \$35,000 of the general fund—state fiscal year 2001 appropriation are provided solely for the north county emergency medical service.

(5) \$302,000 of the disaster response account—state appropriation is provided solely for the costs of activating the national guard during the world trade organization conference in Seattle.

Sec. 127. 1999 c 379 s 947 (uncodified) is amended to read as follows:

**FOR THE MILITARY DEPARTMENT**

General Fund—State Appropriation (FY 2000) . . . \$	<del>((3,000,000))</del>
	<u>2,000,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<u>1,000,000</u>
<b>TOTAL APPROPRIATION . . . . . \$</b>	<b><u>3,000,000</u></b>

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section ((is)) are provided for emergency services readiness centers in Bremerton, Yakima, and Spokane. The \$2,000,000 general fund—state appropriation for fiscal year 2000 is provided solely for the design and/or construction of the Bremerton and Spokane readiness centers. The \$1,000,000 general fund—state appropriation for fiscal year 2001 is provided solely for the design and/or construction of the Yakima armory.

Sec. 128. 1999 c 309 s 154 (uncodified) is amended to read as follows:

**FOR THE STATE CONVENTION AND TRADE CENTER**

State Convention and Trade Center Operating

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

Account—State Appropriation . . . . .	\$	29,963,000
<u>State Convention and Trade Center Account—State</u>		
<u>Appropriation</u> . . . . .	\$	<u>2,471,000</u>
<b>TOTAL APPROPRIATION</b> . . . . .	\$	<b><u>32,434,000</u></b>

**Sec. 129.** 1999 c 309 s 125 (uncodified) is amended to read as follows:

**FOR THE CASELOAD FORECAST COUNCIL**

General Fund—State Appropriation (FY 2000) . . .	\$	<del>((406,000))</del>
		<u>431,000</u>
General Fund—State Appropriation (FY 2001) . . .	\$	<del>((404,000))</del>
		<u>479,000</u>
<b>TOTAL APPROPRIATION</b> . . . . .	\$	<del>((810,000))</del>
		<u>910,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$25,000 of the general fund—state appropriation for fiscal year 2000 and \$75,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the implementation of House Bill No. 2344 (community supervision caseloads).

**Sec. 130.** 1999 c 309 s 140 (uncodified) is amended to read as follows:

**FOR THE MUNICIPAL RESEARCH COUNCIL**

General Fund—State Appropriation (FY 2000) . . .	\$	1,766,000
<del>((General Fund—State Appropriation (FY 2001) . . .</del>	<del>\$</del>	<del>1,822,000))</del>
<u>City and Town Research Services Account—</u>		
<u>State Appropriation</u> . . . . .	\$	<u>1,699,000</u>
County Research Services Account—State		
Appropriation . . . . .	\$	681,000
<b>TOTAL APPROPRIATION</b> . . . . .	\$	<del>((4,269,000))</del>
		<u>4,146,000</u>

**Sec. 131.** 1999 c 309 s 144 (uncodified) is amended to read as follows:

**FOR THE INSURANCE COMMISSIONER**

General Fund—Federal Appropriation . . . . .	\$	304,000
Insurance Commissioners Regulatory Account—State		
Appropriation . . . . .	\$	<del>((24,738,000))</del>
		<u>25,366,000</u>
<b>TOTAL APPROPRIATION</b> . . . . .	\$	<del>((25,042,000))</del>
		<u>25,670,000</u>

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

(1) \$500,000 of the insurance commissioner's regulatory account appropriation is provided solely for funding agreements with insurance companies, to counsel policyholders and administer the liquidation of insurance companies.



(2) \$730,000 of the insurance commissioner's regulatory account appropriation is provided solely for performing market conduct exams on life and annuity policies.

(3) \$306,000 of the insurance commissioner's regulatory account appropriation is provided solely to implement Substitute Senate Bill No. 5509 (Holocaust insurance enforcement). Expenditures from this amount shall not exceed regulatory revenues received under the bill. If the bill is not enacted by June 30, 1999, the amount provided in this subsection shall lapse.

(4) \$167,000 of the insurance commissioners regulatory account is provided solely to implement Second Substitute Senate Bill No. 6199 (patient bill of rights). If the bill is not enacted by June 30, 2000, the amount provided in this subsection shall lapse.

(5) \$320,000 of the insurance commissioner's regulatory account appropriation is provided solely to implement Engrossed Second Substitute Senate Bill No. 6067 (individual health insurance coverage).

(6) \$141,000 of the insurance commissioner's regulatory account appropriation is provided solely for ongoing actuarial support for life insurance financial examinations.

## PART II HUMAN SERVICES

**Sec. 201.** 1999 c 309 s 201 (uncodified) 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, except as expressly provided in subsection (3) of this section.

(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. 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.

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

(3)(a) The appropriations to the department of social and health services in this act shall be expended for the programs and in the amounts specified herein. However, after May 1, 2000, unless specifically prohibited by this act, the department may transfer general fund—state appropriations for fiscal year 2000 among programs after approval by the director of financial management. However, the department shall not transfer state moneys that are provided solely for a specified purpose except as expressly provided in subsection (3)(b) of this section.

(b) To the extent that transfers under subsection (3)(a) of this section are insufficient to fund actual expenditures in excess of fiscal year 2000 caseload forecasts and utilization assumptions in the medical assistance, long-term care, foster care, adoption support, voluntary placement, and child support programs, the department may transfer state moneys that are provided solely for a specified purpose after approval by the director of financial management.

(c) The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing prior to approving any allotment modifications.

Sec. 202. 1999 c 309 s 202 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—  
CHILDREN AND FAMILY SERVICES PROGRAM**

General Fund—State Appropriation (FY 2000) . . . \$	((207,273,000)) <u>196,694,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((223,208,000)) <u>214,000,000</u>
General Fund—Federal Appropriation . . . . . \$	((337,357,000)) <u>355,146,000</u>
General Fund—Private/Local Appropriation . . . . . \$	400,000
Violence Reduction and Drug Enforcement Account— State Appropriation . . . . . \$	4,194,000
<u>Public Safety and Education Account— State Appropriation . . . . . \$</u>	<u>457,000</u>
TOTAL APPROPRIATION . . . . . \$	((772,432,000)) <u>770,891,000</u>

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

(1) \$594,000 of the general fund—state appropriation for fiscal year 2000, \$1,964,000 of the general fund—state appropriation for fiscal year 2001, and \$195,000 of the general fund—federal appropriation are provided solely for the implementation of Engrossed Second Substitute House Bill No. 5557 (the HOPE act) or sections 10 through 29 of Engrossed Second Substitute House Bill No. 1493. If neither bill is enacted by June 30, 1999, the funds shall be provided for:

(a) The department to contract for 10 temporary residential placements, for up to 30 days, for youth by June 30, 2000, and for 29 temporary residential

placements for youth by June 30, 2001. These youth shall be sixteen to eighteen years old who are dependents of the state, and who live outdoors or in unsafe locations not intended for occupancy by a minor, and whose permanency plan of care does not include return to home or family reunification. The department shall contact the missing children's clearinghouse regarding these youth. The department may approve placements for fourteen and fifteen-year olds who also meet these criteria. Youth who receive these placements may receive one or more of the following services: Educational services, vocational training, job readiness assistance, job search assistance, chemical dependency treatment, and counseling; and

(b) For the department to contract for 10 residential placements for dependent youth by June 30, 2000, and for 29 residential placements for youth by June 30, 2001. These youth shall be aged sixteen through eighteen who live outdoors or in unsafe locations not intended for occupancy by a minor, and whose permanency plan does not include return to home or family reunification. These placements may be available to youth up to eighteen years of age. Youth who receive these placements shall receive training related to one or more of the following: Basic education, employment, money management and other skills that will assist the youth in developing independent living skills.

(2) (~~(\$2,745,000)~~) \$2,191,000 of the fiscal year 2000 general fund—state appropriation, (~~(\$2,745,000)~~) \$2,191,000 of the fiscal year 2001 general fund—state appropriation, and (~~(\$1,944,000)~~) \$1,540,000 of the general fund—federal appropriation are provided solely for the category of services titled "intensive family preservation services." The reduction in funds assumed in this section is intended to realign the appropriation with actual service levels and expenditures and is not intended to reduce the current level of intensive family preservation services across the state.

(3) \$670,925 of the general fund—state fiscal year 2000 appropriation and \$670,925 of the general fund—state fiscal year 2001 appropriation are provided to contract for the operation of one pediatric interim care facility. The facility shall provide residential care for up to thirteen 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 shall also 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.

(4) \$513,000 of the general fund—state fiscal year 2000 appropriation and \$513,000 of the general fund—state fiscal year 2001 appropriation are provided 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

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

children. In selecting nonfacility-based programs, preference shall be given to programs whose federal or private funding sources have expired or that have successfully performed under the existing pediatric interim care program.

~~(5) ((\$3,440,000 of the general fund—state appropriation for fiscal year 2000 and \$3,441,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for distribution to county juvenile court administrators to fund the costs of processing truancy, children in need of services, and at-risk youth petitions. The department shall not retain any portion of these funds to cover administrative or any other departmental costs. The department, in conjunction with the juvenile court administrators, shall develop an equitable funding distribution formula. The formula shall neither reward counties with higher than average per petition processing costs nor shall it penalize counties with lower than average per petition processing costs.~~

~~—(6) Each quarter during the 1999-01 fiscal biennium, each county shall report the number of petitions processed and the total costs of processing the petitions in each of the following categories: Truancy, children in need of services, and at-risk youth. Counties shall submit the reports to the department no later than 45 days after the end of the quarter. The department shall forward this information to the chair and ranking minority member of the house of representatives appropriations committee and the senate ways and means committee no later than 60 days after a quarter ends. These reports are deemed informational in nature and are not for the purpose of distributing funds.)~~ \$140,000 of the fiscal year 2001 state general fund appropriation is provided solely for the department to establish and maintain a toll-free telephone number and an electronic on-line system for communication of information regarding child day-care centers and family day-care providers. This number shall be available during standard business hours, and during nonbusiness hours callers shall be able to leave messages. The number shall be published in reasonably available printed and electronic media. The number shall be easily identifiable as a method that callers may use to determine whether a day-care provider is licensed, determine whether a day-care provider is in good standing regarding licensing requirements, determine the general nature of enforcement actions against the provider, obtain information on how to report suspected or observed noncompliance with licensing requirements, obtain information on how to report health, safety, and welfare concerns, receive follow-up assistance including information on the office of the family and children's ombudsman, and receive referral information on other agencies or entities that may be of further assistance to the caller. Upon request, the department shall disclose the receipt, general nature, current status and resolution of all complaints on record with the department after the effective date of this section against a child day-care center or family day-care provider that result in an enforcement action. The department shall make available to the public during business hours all inspection reports and notices of enforcement actions involving child day-care centers and family day-care providers consistent with chapter 42.17 RCW. The department shall include

in the inspection report a statement of the corrective measures taken by the center or provider.

~~((7))~~ (6) \$2,311,000 of the fiscal year 2000 general fund—state appropriation, \$2,370,000 of the fiscal year 2001 general fund—state appropriation, and \$4,182,000 of the violence reduction and drug enforcement account appropriation are provided solely for the family policy council and community public health and safety networks.

~~((8))~~ (7) \$90,000 of the general fund—state appropriation for fiscal year 2000, \$91,000 of the general fund—state appropriation for fiscal year 2001, and \$64,000 of the general fund—federal appropriation are provided solely to implement Substitute House Bill No. 1619 (foster parent reimbursements). If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

~~((9))~~ (8) \$121,000 of the general fund—state appropriation for fiscal year 2000, \$101,000 of the general fund—state appropriation for fiscal year 2001, and \$80,000 of the general fund—federal appropriation are provided solely for the implementation of Substitute House Bill No. 1668 (foster parent training). If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

~~((10))~~ (9) \$213,000 of the general fund—state appropriation for fiscal year 2000, \$93,000 of the general fund—state appropriation for fiscal year 2001, and \$78,000 of the general fund—federal appropriation are provided solely to implement Second Substitute House Bill No. 1692 or sections 1 through 7 of Senate Bill No. 5127 (child abuse investigations). If neither of these bills is enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

(10) \$348,000 of the general fund—federal appropriation is provided solely for the department to determine the character of persons who have unsupervised access to children in care, including exempt child care providers defined in RCW 74.15.020, through a conviction record and pending charges check at the Washington state patrol, in order to authorize payment for care. If a check through the Washington state patrol or the federal bureau of investigation has been completed within the preceding year of the department's request, the department may rely upon the previous check for persons who confirm no offenses have been committed within the last year. Further, the appropriation is provided to the department to implement a waiver process and administrative hearing review process for exempt child care providers whose background check may otherwise disqualify them. This subsection does not establish any obligation, duty, or cause of action.

(11) \$457,000 of the public safety and education account is provided to train service providers in serving and advocating for domestic violence victims with disabilities, monitor batterer treatment programs for compliance with certification standards, fund domestic violence services to underserved populations, and support the fatality review process.

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

(12) \$2,214,000 of the general fund—state appropriation for fiscal year 2001 and \$686,000 of the general fund—federal appropriation are provided solely for an increase in the combined adoption support and foster care caseloads. Of the amounts provided in this subsection, \$1,107,000 shall not be expended if the total expenditures for these programs or per capita expenditures for fiscal year 2000 or for the first quarter of fiscal year 2001 for any portion of these caseloads exceed the November 1999 expenditure forecast and the department does not provide a detailed report comparing the forecasted and actual expenditures per case by rate payment category and the reasons for each overexpenditure by December 1, 2000, to the appropriate policy and fiscal committees of the legislature.

(13) \$100,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for allocation, without deduction for administrative costs by the department, to the educational institute for rural families to ensure continued seasonal child care in region two of the department. These funds are not intended to supplant the contracted rate of reimbursement or the total reimbursement for the provision of seasonal child care by this provider.

(14) \$174,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for a foster parent retention pilot program. This program will be directed at foster parents caring for children who act out sexually, as described in House Bill No. 2709 (foster parent retention program).

(15) The amounts provided in this section are sufficient to implement Engrossed Second Substitute Senate Bill No. 6400 (domestic violence).

**Sec. 203. 1999 c 309 s 203 (uncodified) is amended to read as follows:  
FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—  
JUVENILE REHABILITATION PROGRAM**

<b>(1) COMMUNITY SERVICES</b>		
General Fund—State Appropriation (FY 2000) . . .	\$	((32,816,000))
		<u>35,379,000</u>
General Fund—State Appropriation (FY 2001) . . .	\$	((34,094,000))
		<u>38,283,000</u>
General Fund—Federal Appropriation . . . . .	\$	((8,072,000))
		<u>9,732,000</u>
General Fund—Private/Local Appropriation . . . . .	\$	380,000
Juvenile Accountability Incentive Account—Federal Appropriation . . . . .	\$	((5,427,000))
		<u>6,548,000</u>
<u>Public Safety and Education Account—State</u> <u>Appropriation . . . . .</u>	<u>\$</u>	<u>10,700,000</u>
Violence Reduction and Drug Enforcement Account— State Appropriation . . . . .	\$	((21,034,000))
		<u>20,977,000</u>
TOTAL APPROPRIATION . . . . .	\$	((401,823,000))
		<u>121,999,000</u>

The appropriations in this subsection are subject to the following conditions and limitations:

(a) \$666,000 of the violence reduction and drug enforcement account appropriation is provided solely for deposit in the county criminal justice assistance account for costs to the criminal justice system associated with the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county adult court costs associated with the implementation of chapter 338, Laws of 1997 and shall be distributed in accordance with RCW 82.14.310.

(b) \$5,742,000 of the violence reduction and drug enforcement account appropriation is provided solely for the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county impacts associated with the implementation of chapter 338, Laws of 1997 and shall be distributed to counties as prescribed in the current consolidated juvenile services (CJS) formula.

(c) \$1,161,000 of the general fund—state appropriation for fiscal year 2000, \$1,162,000 of the general fund—state appropriation for fiscal year 2001, \$5,000,000 of the violence reduction and drug enforcement account appropriation, and \$177,000 of the juvenile accountability incentive account—federal appropriation are provided solely to implement community juvenile accountability grants pursuant to chapter 338, Laws of 1997 (juvenile code revisions). Funds provided in this subsection may be used solely for community juvenile accountability grants, administration of the grants, and evaluations of programs funded by the grants.

(d) (~~(\$2,507,000)~~) \$2,419,000 of the violence reduction and drug enforcement account appropriation is provided solely to implement alcohol and substance abuse treatment programs for locally committed offenders. The juvenile rehabilitation administration shall award these moneys on a competitive basis to counties that submitted a plan for the provision of services approved by the division of alcohol and substance abuse. The juvenile rehabilitation administration shall develop criteria for evaluation of plans submitted and a timeline for awarding funding and shall assist counties in creating and submitting plans for evaluation.

(e) \$100,000 of the general fund—state appropriation for fiscal year 2000 and \$100,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for juvenile rehabilitation administration to contract with the institute for public policy for responsibilities assigned in chapter 338, Laws of 1997 (juvenile code revisions).

(f) The juvenile rehabilitation administration, in consultation with the juvenile court administrators, may agree on a formula to allow the transfer of funds among amounts appropriated for consolidated juvenile services, community juvenile accountability act grants, the chemically dependent disposition alternative, and the special sex offender disposition alternative.

**Ch. 1                    WASHINGTON LAWS, 2000 2nd Sp. Sess.**

(g) \$75,000 of the general fund—state appropriation for fiscal year 2000 ((is)) and \$100,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for a contract for expanded services of the teamchild project.

(h) \$75,000 of the general fund—state appropriation for fiscal year 2000 is provided solely for the Skagit county delinquency prevention project.

(i) \$350,000 of the general fund—state appropriation for fiscal year 2000, \$735,000 of the general fund—state appropriation for fiscal year 2001, \$229,000 of the general fund—federal appropriation, and \$673,000 of the violence reduction and drug enforcement account appropriation are provided solely to increase payment rates for contracted service providers. It is the legislature's intent that these amounts be used primarily to increase compensation for persons employed in direct, front-line service delivery.

(j) ~~(\$1,191,000 of the general fund—state appropriation for fiscal year 2000, \$1,191,000 of the general fund—state appropriation for fiscal year 2001 and \$356,000 of the general fund—federal appropriation are provided solely for parole services for lower risk youth.)~~ No later than January 1, 2001, the Washington state institute for public policy shall report to the legislature on the outcomes of low and moderate risk juvenile rehabilitation administration offenders who were released without supervision compared to those who were released with supervision. The study shall compare both the recidivism rates as well as the nature of any new criminal offenses each group commits. The legislature shall consider the results of this study in making any decision to continue or revise parole services for this group of offenders.

(k) \$16,000 of the general fund—state appropriation for fiscal year 2000 and \$16,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the implementation of Substitute Senate Bill No. 5214 (firearms on school property). If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse. The amounts provided in this subsection are intended to provide funding for county impacts associated with the implementation of Substitute Senate Bill No. 5214 and shall be distributed to counties as prescribed in the current consolidated juvenile services (CJS) formula.

(l) \$3,440,000 of the general fund—state appropriation for fiscal year 2000 and \$3,441,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for distribution to county juvenile court administrators to fund the costs of processing truancy, children in need of services, and at-risk youth petitions. The department shall not retain any portion of these funds to cover administrative or any other departmental costs. The department, in conjunction with the juvenile court administrators, shall develop an equitable funding distribution formula. The formula shall neither reward counties with higher than average per-petition processing costs nor shall it penalize counties with lower than average per-petition processing costs.

(m) \$6,000,000 of the public safety and education account—state appropriation is provided solely for distribution to county juvenile court administrators to fund the costs of processing truancy, children in need of services, and at-risk youth



petitions. To the extent that distributions made under (l) and (m) of this subsection and pursuant to section 801 of this act exceed actual costs of processing truancy, children in need of services, and at-risk youth petitions, the department, in consultation with the respective juvenile court administrator and the county, may approve expenditure of funds provided in this subsection on other costs of the civil or criminal justice system. When this occurs, the department shall notify the office of financial management and the legislative fiscal committees. The department shall not retain any portion of these funds to cover administrative or any other departmental costs. The department, in conjunction with the juvenile court administrators, shall develop an equitable funding distribution formula. The formula shall neither reward counties with higher than average per petition processing costs nor shall it penalize counties with lower than average per petition processing costs.

(n) \$4,700,000 of the public safety and education account appropriation is provided solely for distribution to counties pursuant to stipulation and agreed-to order of dismissal in Thurston county superior court case number 98-2-02458. The department shall not retain any portion of these funds to cover administrative or any other departmental costs.

(o) The distributions made under (l), (m), and (n) of this subsection and distributions from the county criminal justice assistance account made pursuant to section 801 of this act constitute appropriate reimbursement for costs for any new programs or increased level of service for purposes of RCW 43.135.060.

(p) Each quarter during the 1999-01 fiscal biennium, each county shall report the number of petitions processed and the total actual costs of processing the petitions in each of the following categories: Truancy, children in need of services, and at-risk youth. Counties shall submit the reports to the department no later than 45 days after the end of the quarter. The department shall forward this information to the chair and ranking minority member of the house of representatives appropriations committee and the senate ways and means committee no later than 60 days after a quarter ends. These reports are deemed informational in nature and are not for the purpose of distributing funds.

(q) \$31,000 of the violence reduction and drug enforcement account appropriation is provided solely for the evaluation of the juvenile offender co-occurring disorder pilot program implemented pursuant to section 204 of this 2000 act.

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2000) . . . \$	((47,599,000))
	<u>46,815,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((48,799,000))
	<u>48,061,000</u>
General Fund—Private/Local Appropriation . . . . . \$	740,000
Violence Reduction and Drug Enforcement Account— State Appropriation . . . . . \$	15,282,000

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

TOTAL APPROPRIATION . . . . . \$ ((12,420,000))  
110,898,000

The appropriations in this subsection are subject to the following conditions and limitations: \$37,000 of the general fund—state appropriation for fiscal year 2000 and \$74,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to increase payment rates for contracted service providers. It is the legislature's intent that these amounts be used primarily to increase compensation for persons employed in direct, front-line service delivery.

(3) PROGRAM SUPPORT

General Fund—State Appropriation (FY 2000) . . . \$	1,419,000
General Fund—State Appropriation (FY 2001) . . . \$	((1,418,000))
	<u>1,421,000</u>
General Fund—Federal Appropriation . . . . . \$	((320,000))
	<u>317,000</u>
Juvenile Accountability Incentive Account—Federal Appropriation . . . . . \$	1,100,000
Violence Reduction and Drug Enforcement Account— State Appropriation . . . . . \$	421,000
TOTAL APPROPRIATION . . . . . \$	4,678,000

NEW SECTION. Sec. 204. A new section is added to 1999 c 309 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—  
JUVENILE OFFENDER CO-OCCURRING DISORDER PILOT  
PROGRAM**

\$867,000 from the juvenile accountability incentive account—federal is appropriated to the department of social and health services, juvenile rehabilitation administration, community services program, solely to implement a pilot program to provide for postrelease planning and treatment of juvenile offenders with co-occurring disorders. The secretary shall select and contract with a private or nonprofit provider to provide a program of specialized access and integrated services to juvenile offenders who are identified as having co-occurring disorders and selected for participation in the pilot program prior to release from total confinement within the juvenile rehabilitation administration. The program shall enroll no more juvenile offenders than the number that can be accommodated within the appropriated funding level and shall seek to fill any vacancies that occur.

Juvenile offenders identified by the secretary and selected by the program as having co-occurring disorders and a high risk of reoffending are eligible for consideration for enrollment in the program.

(1) Criteria for admission into the program shall include a determination by the secretary that the offender:

(a) Has a mental disorder as defined in chapter 71.05 RCW, or is a severely emotionally disturbed child or a seriously disturbed person as defined in chapter 71.24 RCW and needs continued mental health treatment;

(b) Has a chemical abuse disorder, as determined by the secretary;

(c) Is less likely to reoffend if he or she receives integrated, highly individualized treatment;

(d) Is unable or unlikely to obtain appropriate treatment from other sources; and

(e) Will remain under the supervision of the secretary for at least four months following release from total confinement.

(2) The program enrollment shall, to the extent possible, reflect the demographics of juvenile offenders having co-occurring disorders and who are in total confinement under the jurisdiction of the secretary.

(3) The provider shall provide research-based, integrated, and highly individualized mental health and chemical abuse treatment to persons enrolled in the program. The services shall emphasize family and community involvement and shall be aimed at:

(a) Lowering the risk of reoffending;

(b) Improving the education level and vocational opportunities;

(c) Connecting the offenders with appropriate community services;

(d) Achieving abstinence from unlawful use of controlled substances and alcohol;

(e) Improving the mental health status and stability of the juvenile; and

(f) Increasing prosocial behavior.

(4) The services offered in the program shall:

(a) Include intensive, community-based case management and treatment with a client-to-staff ratio not to exceed seven offenders to each case manager;

(b) Be available at any time;

(c) Be based on a collaboration with the appropriate department employees during the preparation of a release plan for the offender, prior to discharge, and in on-going supervision of the offender by the secretary;

(d) Include all appropriate medications, including the full range of psychotropic medications, as well as monitoring and counseling to support offender understanding, acceptance, and compliance with medication regimens;

(e) Include a systematic effort to engage offenders and their families, where possible, to continuously involve themselves in current and long-term treatment and appropriate rehabilitative activities;

(f) Include classes appropriate to the clinical and living needs of the offender and to his or her level of understanding;

(g) Provide assistance in applying for all appropriate federal, state, and private support for which the offender or his or her family is eligible; and

(h) Include access to daily activities such as school, drop-in centers, prevocational and vocational training and jobs, and volunteer activities.

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

(5) The pilot program must begin providing services to selected juveniles no later than September 1, 2000.

**Sec. 205.** 1999 c 309 s 205 (uncodified) 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 (FY 2000) . . . \$	((166,271,000)) <u>165,723,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((174,541,000)) <u>179,190,000</u>
General Fund—Federal Appropriation . . . . . \$	((306,547,000)) <u>305,644,000</u>
General Fund—Local Appropriation . . . . . \$	1,827,000
<u>Health Services Account Appropriation . . . . . \$</u>	<u>1,225,000</u>
TOTAL APPROPRIATION . . . . . \$	((649,186,000)) <u>653,609,000</u>

The appropriations in this subsection are subject to the following conditions and limitations:

(a) 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.

(b) From the general fund—state appropriations in this subsection, the secretary of social and health services shall assure that regional support networks reimburse the aging and adult services program for the general fund—state cost of medicaid personal care services that enrolled regional support network consumers use because of their psychiatric disability.

(c) ((~~\$600,000~~)) \$711,000 of the general fund—state appropriation for fiscal year 2000 and ((~~\$616,000~~)) \$757,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to directly reimburse eligible providers for the medicaid share of mental health services provided to persons eligible for both medicaid and medicare.

(d) \$64,000 of the general fund—state appropriation for fiscal year 2000 and \$150,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for regional support networks to participate in prerelease treatment planning and to conduct involuntary commitment evaluations, as required by Substitute Senate Bill No. 5011 (mentally ill offenders). If the bill is not enacted by June 30, 1999, these amounts shall lapse.

(e) \$5,000 of the general fund—state appropriation for fiscal year 2000 and \$466,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for case management and other community support services, as authorized by Substitute Senate Bill No. 5011 (mentally ill offenders). If the bill is not enacted by June 30, 1999, these amounts shall lapse.

(f) Within funds appropriated in this subsection, the department shall contract with the Clark county regional support network for development and operation of a pilot project demonstrating new and collaborative methods for providing intensive mental health services in the school setting for severely emotionally disturbed children who are medicaid eligible. Project services are to be delivered by teachers and teaching assistants who qualify as, or who are under the supervision of, mental health professionals meeting the requirements of WAC 275-57. The department shall increase medicaid payments to the regional support network by the amount necessary to cover the necessary and allowable costs of the demonstration, not to exceed the upper payment limit specified for the regional support network in the department's medicaid waiver agreement with the federal government. The regional support network shall provide the department with (i) periodic reports on project service levels, methods, and outcomes; (ii) protocols, guidelines, and handbooks suitable for use by other school districts and regional support networks seeking to replicate the pilot project's approach; and (iii) intergovernmental transfer equal to the state share of the increased medicaid payment provided for operation of this project.

(g) \$47,000 of the general fund—state appropriation for fiscal year 2000 and \$47,000 of the general fund—state appropriation for fiscal year 2001 are provided for implementation of Substitute Senate Bill No. 5214 (firearms on school premises). If the bill is not enacted by June 30, 1999, the amounts provided shall lapse.

(h) The general fund—state appropriation for fiscal year 2001 includes \$1,891,000 to replace federal funding for outpatient services which is no longer available due to the reduction in the federal medical assistance percentage. The department shall distribute these additional state funds among the regional support networks according to each regional support network's capitation rate by eligibility category.

(i) The appropriations in this subsection include an increase in funding for medicaid outpatient services as a result of the forecasted increase in the number of persons eligible for medicaid over the number previously budgeted. The department shall distribute these additional appropriations among the regional support networks according to each regional support network's capitation rate by eligibility category.

(j) The health services account appropriation is provided solely for implementation of strategies which the department and the affected regional support networks conclude will best assure continued availability of community-based inpatient psychiatric services in all areas of the state. Such strategies may include, but are not limited to, emergency contracts for continued operation of inpatient facilities otherwise at risk of closure because of demonstrated, disproportionate uncompensated care; start-up grants for development of evaluation and treatment facilities; and increases in the rate paid for inpatient psychiatric services for medically indigent and/or general assistance for the unemployed patients. The funds provided in this subsection must be: (i)(A)

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

Prioritized for use in those areas of the state which are at greatest risk of lacking sufficient inpatient psychiatric treatment capacity; (B) prioritized for use by those hospitals which do not receive low-income disproportionate share hospital payments as of the date of application for funding; (C) matched on a one-quarter local, three-quarters state basis by funding from the regional support network or networks in the area in which the funds are expended; and (D) used to support strategies which can be sustained during the 2001-03 biennium at a state cost no more than 100 percent greater than the amount provided in this subsection. Payments from the amount provided in this subsection shall not be made to any provider that has not agreed: (ii)(A) That, except for prospective rate increases, the payment shall offset, on a dollar-for-dollar basis, any liability that may be established against the state for the rate of state reimbursement for inpatient psychiatric care; and (B) that the provider will maintain or enhance its inpatient psychiatric treatment capacity throughout the period ending June 30, 2001, or for the duration of the funding, whichever is later. The funds provided in this subsection shall not be considered "available resources" as defined in RCW 71.24.025 and are not subject to the distribution formula established pursuant to RCW 71.24.035.

(k) \$1,000,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for implementation of Substitute House Bill No. 2663 (atypical antipsychotic medications). If Substitute House Bill No. 2663 is not enacted by June 30, 2000, the amount provided in this subsection shall lapse. Prior to implementing the projects established in the bill, the department shall report to the appropriate policy and fiscal committees of the legislature on proposed medication delivery and monitoring systems and arrangements for obtaining manufacturer discounts or rebates. No more than \$175,000 of the funds provided in this subsection may be used for state and contractor start-up, evaluation, and administration of the projects, and no more than \$100,000 of that amount may be for ongoing costs which continue beyond fiscal year 2001. The department may transfer and allot the state component of such administrative costs to its mental health program support subprogram. The funds provided in this subsection shall not be considered "available resources" as defined in RCW 71.24.025 and are not subject to the distribution formula established pursuant to RCW 71.24.035.

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2000) . . . \$	((69,946,000)) 69,797,000
General Fund—State Appropriation (FY 2001) . . . \$	((69,932,000)) 72,279,000
General Fund—Federal Appropriation . . . . . \$	((138,825,000)) 141,129,000
General Fund—Private/Local Appropriation . . . . . \$	((29,456,000)) 29,809,000
TOTAL APPROPRIATION . . . . . \$	((308,159,000))

313,014,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) The state mental hospitals may use funds appropriated in this subsection to purchase goods and supplies through hospital group purchasing organizations when it is cost-effective to do so.

(b) The mental health program at Western state hospital shall continue to use labor provided by the Tacoma prerelease program of the department of corrections.

(c) The department shall use general fund—local appropriations in this subsection to establish a third-party revenue incentive pool, which shall be used for staff-initiated projects which will increase the quality of care at the state hospitals. For fiscal year 2000, the incentive pool shall be (i) the first \$200,000 by which revenues from third-party payers exceed ~~((27,800,000))~~ \$28,000,000; and (ii) fifty percent of any amounts beyond ~~((28,000,000))~~ \$28,200,000, up to a maximum of \$500,000. For fiscal year 2001, the incentive pool shall be (iii) the first \$350,000 by which third-party revenues exceed ~~((29,050,000))~~ \$28,480,000; and (iv) fifty percent of any amounts beyond ~~((29,400,000))~~ \$28,830,000, up to a maximum of \$700,000. For purposes of this subsection, "third-party revenues" does not include disproportionate share hospital payments or the federal share of salaries and benefit allocations. The department may establish separate incentive pools for each hospital. The department may also divide the annual revenue target into quarterly goals, and make funds available from the incentive pool on a quarterly basis.

(d) \$444,000 of the general fund—state appropriation for fiscal year 2000, \$1,866,000 of the general fund—state appropriation for fiscal year 2001, \$196,000 of the general fund—private/local appropriation, and \$157,000 of the general fund—federal appropriation are provided for improved, more specialized care for persons with developmental disabilities during their treatment for a psychiatric illness at the state hospitals.

(e) By March 1, 2001, the department shall modify the treatment approach on at least two state hospital wards to more cost-effective models of care. The models shall place greater emphasis upon community transition, or upon long-term support, than upon intensive psychiatric rehabilitation for residents for whom such an alternative model of care is determined appropriate by their treatment team. The alternative treatment approaches may include closure of a ward and use of hospital staff to provide transitional community services, in coordination with the regional support networks.

(3) CIVIL COMMITMENT

General Fund—State Appropriation (FY 2000) . . . \$	<del>((8,665,000))</del>
	<u>10,895,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((9,524,000))</del>
	<u>11,940,000</u>
<u>Violence Reduction and Drug Enforcement</u>	
<u>Account—State Appropriation . . . . . \$</u>	<u>14,000,000</u>

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

TOTAL APPROPRIATION . . . . . \$ ((18,189,000))  
36,835,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) The department shall report to the fiscal committees of the legislature by October 1, 1999, on plans for increasing the efficiency of staffing patterns at the civil commitment center sufficiently to operate within authorized staffing and expenditure levels.

(b) The violence reduction and drug enforcement account appropriation is provided solely for deposit into the state building and construction account for design and construction of a new special commitment center facility (capital project 00-2-001). These funds shall not be transferred for other purposes as otherwise provided in section 201(3)(b) of this act. The amount provided in this subsection is subject to the review and allotment procedures under sections 902 and 903 of chapter 379, Laws of 1999. In accordance with section 909 of chapter 379, Laws of 1999, the department of corrections is responsible for project management.

(4) SPECIAL PROJECTS

General Fund—State Appropriation (FY 2000) . . . \$ 444,000  
General Fund—State Appropriation (FY 2001) . . . \$ 443,000  
General Fund—Federal Appropriation . . . . . \$ 3,282,000  
TOTAL APPROPRIATION . . . . . \$ 4,169,000

(5) PROGRAM SUPPORT

General Fund—State Appropriation (FY 2000) . . . \$ 2,612,000  
General Fund—State Appropriation (FY 2001) . . . \$ 2,706,000  
General Fund—Federal Appropriation . . . . . \$ 3,227,000  
TOTAL APPROPRIATION . . . . . \$ 8,545,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) By December 1, 1999, the department shall provide the fiscal committees of the legislature with an independent assessment of options for increasing the efficiency and effectiveness of current systems and organizational structures for billing third-party payers for hospital services.

(b) \$100,000 of the general fund—state appropriation for fiscal year 2000, \$100,000 of the general fund—state appropriation for fiscal year 2001, and \$120,000 of the general fund federal appropriation are provided solely for the institute for public policy to evaluate the impacts of Substitute Senate Bill No. 5011 (mentally ill offenders), and of chapter 297, Laws of 1998 (commitment of mentally ill persons). If Substitute Senate Bill No. 5011 is not enacted by June 30, 1999, one-half of each of these amounts shall lapse.

Sec. 206. 1999 c 309 s 206 (uncodified) is amended to read as follows:



**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—  
DEVELOPMENTAL DISABILITIES PROGRAM**

**(1) COMMUNITY SERVICES**

General Fund—State Appropriation (FY 2000) . . . \$	(( <del>183,530,000</del> ))
	<u>185,473,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	(( <del>197,412,000</del> ))
	<u>205,593,000</u>
General Fund—Federal Appropriation . . . . . \$	(( <del>319,962,000</del> ))
	<u>325,535,000</u>
Health Services Account—State Appropriation . . . \$	262,000
<b>TOTAL APPROPRIATION . . . . . \$</b>	<b>((<del>701,166,000</del>))</b>
	<b><u>716,863,000</u></b>

The appropriations in this subsection are subject to the following conditions and limitations:

(a) The health services account appropriation and \$127,000 of the general fund—federal appropriation are provided solely for health care benefits for home care workers with family incomes below 200 percent of the federal poverty level who are employed through state contracts for twenty hours per week or more. Premium payments for individual provider home care workers shall be made only to the subsidized basic health plan. Home care agencies may obtain coverage either through the basic health plan or through an alternative plan with substantially equivalent benefits.

(b) \$3,100,000 of the general fund—state appropriation for fiscal year 2000, \$4,650,000 of the general fund—state appropriation for fiscal year 2001, and \$8,250,000 of the general fund—federal appropriation are provided solely to increase services and supports for people with developmental disabilities. These funds shall be expended in accordance with priorities established by the stakeholder advisory group established in accordance with chapter 216, Laws of 1998 (developmental disabilities), except that (i) at least ((60)) 50 percent of these amounts must be used to increase the number of people receiving residential, employment, family support, or other direct services; (ii) the services and supports must be designed and implemented such that the cost of continuing them in the 2001-03 biennium does not exceed \$19.2 million, of which no more than \$9.3 million is from state funds; and (iii) strong consideration shall be given to the need for increased wages for direct care workers in contracted residential programs.

(c) \$413,000 of the general fund—state appropriation for fiscal year 2000, \$1,172,000 of the general fund—state appropriation for fiscal year 2001, and \$694,000 of the general fund—federal appropriation are provided solely for employment, or other day activities and training programs, for young people who complete their high school curriculum in 1999 or 2000.

(d) \$1,919,000 of the general fund—state appropriation for fiscal year 2000, ((~~\$2,892,000 of the general fund—state appropriation for fiscal year 2001, and \$4,992,000 of the general fund—federal appropriation are provided solely for~~

~~alternatives for persons who would otherwise be at substantial risk of state psychiatric hospitalization. The department shall use these funds and other resources appropriated in this section and in section 205(1) of this act to assure that the average number of persons with developmental disabilities in the state hospitals does not exceed sixty-six per day during the first biennial quarter; sixty per day during the second; fifty-four per day during the third; and forty-eight per day during the final quarter of the 1999-2001 biennium. The developmental disabilities program shall transfer \$285 of the general fund—state appropriation to the mental health program for each bed-day by which these quarterly targets are exceeded.))~~ \$6,673,000 of the general fund—state appropriation for fiscal year 2001, and \$7,361,000 of the general fund—federal appropriation are provided solely to improve services for persons with developmental disabilities who would otherwise be at risk of needing involuntary commitment to or prolonged treatment at state psychiatric hospitals. The department shall use these funds to enhance the community crisis response system managed by regional support networks, improve crisis prevention and stabilization services through the developmental disabilities community services system, and expand community residential capacity for persons with developmental disabilities who are ready for discharge from state psychiatric hospitals. Funding for community residential capacity is sufficient to move a biennium total of 48 patients out of the state hospitals at a reasonable pace by June 30, 2001. The department shall manage the intensity of services provided so that the average cost per day does not exceed \$300 per person placed in this expanded community residential capacity. The department shall report to the appropriate committees of the legislature progress towards implementing this subsection after each calendar quarter. The legislature finds that, in addition to the appropriations in this subsection for improvements in services to persons with developmental disabilities who are committed to the custody of the secretary under chapter 71.05 RCW, it is necessary to study long-term treatment alternatives and their legal, fiscal, and policy implications. Therefore, the department shall provide a report to the ways and means committee of the senate and the appropriations committee of the house of representatives by December 1, 2000, containing options and recommendations for secure treatment programs. The report shall identify various treatment models that could be implemented and various types and locations of secure facilities, both state-owned and leased, in which programs could be sited, together with the department's recommendations. The report shall evaluate the potential for siting such programs on the grounds of existing state residential habilitation centers. The report shall also include analysis of advantages and disadvantages associated with contracting for some or all of the new program options identified. The report shall evaluate the options based on short-term and long-term costs, client and community security, efficiency of coordination with other service delivery systems, and how they address specific legal issues. In developing this report, the department shall invite participation by representatives of the Washington protection and advocacy system (WPAS), and shall include in the report WPAS' position on options and recommendations submitted by the

department and any additional recommendations made by WPAS. The legislature recognizes a need to improve long-term services provided to individuals with developmental disabilities who are undergoing involuntary treatment under chapter 71.05 RCW. The legislature is committed to providing resources necessary to address issues in the U.S. District Court case of *Allen v. Western State Hospital*.

(e) \$513,000 of the general fund—state appropriation for fiscal year 2000, \$1,421,000 of the general fund—state appropriation for fiscal year 2001, and \$2,033,000 of the general fund—federal appropriation are provided to develop and operate secure residential and day program placements for persons who seem likely to pose a significant risk to the public safety if their current residential arrangement were to continue.

(f) \$209,000 of the general fund—state appropriation for fiscal year 2000, \$664,000 of the general fund—state appropriation for fiscal year 2001, and \$939,000 of the general fund—federal appropriation are provided to increase wages as required by Initiative No. 688 (state minimum wage) for contracted adult family homes, adult residential care facilities, hourly and daily family support providers, and hourly attendant care providers.

(g) \$1,978,000 of the general fund—state appropriation for fiscal year 2000, \$4,475,000 of the general fund—state appropriation for fiscal year 2001, and \$6,989,000 of the general fund—federal appropriation are provided solely to increase compensation for individual and agency home care workers. Payments to individual providers are to be increased from \$6.18 per hour to \$6.68 per hour on July 1, 1999, and to \$7.18 per hour on July 1, 2000. Payments to agency providers are to be increased to \$11.97 per hour on July 1, 1999, and to \$12.62 per hour on July 1, 2000. All but 14 cents per hour of the July 1, 1999, increase to agency providers, and all but 15 cents per hour of the additional July 1, 2000, increase is to be used to increase wages for direct care workers. The appropriations in this subsection also include the funds needed for the employer share of unemployment and social security taxes on the amount of the increase.

(h) Within amounts appropriated in this subsection, the developmental disabilities program shall contract for a pilot program to test an alternative service delivery model for persons with autism. The department must use a competitive process to determine the site of the pilot. The pilot program must be time-limited and subject to an evaluation of client outcomes to determine the effectiveness and efficiency of the pilot program compared to the standard service model for persons with autism.

(i) \$500,000 of the general fund—state appropriation for fiscal year 2001 and \$160,000 of the general fund—federal appropriation are provided solely for increased family support services and related case management support.

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2000) . . . \$	66,076,000
General Fund—State Appropriation (FY 2001) . . . \$	((66,184,000))
	<u>67,478,000</u>

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

General Fund—Federal Appropriation . . . . .	\$	<del>((147,776,000))</del>
		<u>146,482,000</u>
General Fund—Private/Local Appropriation . . . . .	\$	10,227,000
TOTAL APPROPRIATION . . . . .	\$	290,263,000

**(3) PROGRAM SUPPORT**

General Fund—State Appropriation (FY 2000) . . .	\$	2,431,000
General Fund—State Appropriation (FY 2001) . . .	\$	2,435,000
General Fund—Federal Appropriation . . . . .	\$	2,080,000
TOTAL APPROPRIATION . . . . .	\$	6,946,000

**(4) SPECIAL PROJECTS**

General Fund—Federal Appropriation . . . . .	\$	12,007,000
--	----	------------

**Sec. 207.** 1999 c 376 s 3 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—AGING AND ADULT SERVICES PROGRAM**

General Fund—State Appropriation (FY 2000) . . .	\$	<del>((452,044,000))</del>
		<u>446,025,000</u>
General Fund—State Appropriation (FY 2001) . . .	\$	<del>((476,761,000))</del>
		<u>475,043,000</u>
General Fund—Federal Appropriation . . . . .	\$	<del>((1,001,629,000))</del>
		<u>979,301,000</u>
General Fund—Private/Local Appropriation . . . . .	\$	<del>((4,274,000))</del>
		<u>3,910,000</u>
Health Services Account—State Appropriation . . .	\$	2,104,000
TOTAL APPROPRIATION . . . . .	\$	<del>((1,936,812,000))</del>
		<u>1,906,383,000</u>

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

(1) The entire health services account appropriation, \$2,118,000 of the general fund—federal appropriation, \$923,000 of the general fund—state appropriation for fiscal year 2000, and \$958,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for health care benefits for home care workers who are employed through state contracts for at least twenty hours per week. Premium payments for individual provider home care workers shall be made only to the subsidized basic health plan. Home care agencies may obtain coverage either through the basic health plan or through an alternative plan with substantially equivalent benefits.

(2) \$1,640,000 of the general fund—state appropriation for fiscal year 2000 and \$1,640,000 of the general fund—state appropriation for fiscal year 2001, plus the associated vendor rate increase for each year, are provided solely for operation of the volunteer chore services program.

(3) For purposes of implementing Engrossed Second Substitute House Bill No. 1484 (nursing home payment rates), the weighted average nursing facility

payment rate for fiscal year 2000 shall be no more than (~~(\$10.36)~~) \$10.85 for the capital portion of the rate and no more than \$108.20 for the noncapital portion of the rate. For fiscal year 2001, the weighted average nursing facility payment rate shall be no more than (~~(\$10.57)~~) \$11.44 for the capital portion of the rate and no more than (~~(\$110.91)~~) \$111.21 for the noncapital portion of the rate. These rates include vendor rate increases, but exclude nurse's aide training.

(4) In addition to the rates set forth in subsection (3), ~~\$286,000 of the general fund—state appropriation for fiscal year 2000(, \$574,000 of the general fund—state appropriation for fiscal year 2001,) and (\$928,000)~~ \$310,000 of the general fund—federal appropriation are provided solely for supplemental rate adjustments for certain nursing facilities. In accordance with RCW 74.46.431, the department shall use these funds to apply an additional economic trends and conditions adjustment factor to the rate of any facility whose total rate allocation would otherwise be less than its April 1, 1999, total rate, adjusted for case-mix changes. This supplemental adjustment factor shall be the percentage by which the facility's April 1, 1999, rate would otherwise exceed the rate calculated in accordance with chapter 74.46 RCW and subsection (3) of this section, except that (a) no adjustment shall be provided for any amounts by which a facility's rate is lower due to a reduction in its facility-average medicaid case-mix score; and (b) the adjustment factor shall be reduced proportionately for all facilities by the percentage by which total supplemental payments would otherwise exceed the funds provided for such payments in this subsection. This subsection applies only to rates paid for services provided between July 1, 1999, and March 31, 2000.

(5) ~~\$50,000 of the general fund—state appropriation for fiscal year 2000 and \$50,000 of the general fund—state appropriation for fiscal year 2001~~ are provided solely for payments to any nursing facility licensed under chapter 18.51 RCW which meets all of the following criteria: (a) The nursing home entered into an arm's length agreement for a facility lease prior to January 1, 1980; (b) the lessee purchased the leased nursing home after January 1, 1980; and (c) the lessor defaulted on its loan or mortgage for the assets of the home after January 1, 1991, and prior to January 1, 1992. Payments provided pursuant to this subsection shall not be subject to the settlement, audit, or rate-setting requirements contained in chapter 74.46 RCW.

(6) (~~(\$6,264,000 of the general fund—state appropriation for fiscal year 2000, \$13,860,000 of the general fund—state appropriation for fiscal year 2001, and \$21,795,000 of the general fund—federal appropriation are provided solely)~~) Funds are appropriated in this section to increase compensation for individual and for agency home care providers. Payments to individual home care providers are to be increased from \$6.18 per hour to \$6.68 per hour on July 1, 1999, and to \$7.18 per hour on July 1, 2000. Payments to agency providers are to increase to \$11.97 per hour on July 1, 1999, and to \$12.62 per hour on July 1, 2000. All but 14 cents per hour of the July 1, 1999, increase to agency providers, and all but 15 cents per hour of the additional July 1, 2000, increase is to be used to increase wages for direct care workers. The appropriations in this subsection also include the funds

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

needed for the employer share of unemployment and social security taxes on the amount of the increase.

(7) \$200,000 of the general fund—state appropriation for fiscal year 2000, \$80,000 of the general fund—state appropriation for fiscal year 2001, and \$280,000 of the general fund—federal appropriation are provided solely for enhancement and integration of existing management information systems to (a) provide data at the local office level on service utilization, costs, and recipient characteristics; and (b) reduce the staff time devoted to data entry.

(8) The department of social and health services shall provide access and choice to consumers of adult day health services for the purposes of nursing services, physical therapy, occupational therapy, and psychosocial therapy. Adult day health services shall not be considered a duplication of services for persons receiving care in long-term care settings licensed under chapter 18.20, 72.36, or 70.128 RCW.

(9) \$1,452,000 of the general fund—state appropriation for fiscal year 2000, \$1,528,000 of the general fund—state appropriation for fiscal year 2001, and \$2,980,000 of the general fund—federal appropriation are provided solely for implementation of Second Substitute House Bill No. 1546 (in-home care services). If Second Substitute House Bill No. 1546 is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

(10) \$610,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for implementation of Substitute House Bill No. 2454 (caregiver support). If Substitute House Bill No. 2454 is not enacted by June 30, 2000, the amount provided in this subsection shall lapse.

(11) \$8,000 of the general fund—state appropriation for fiscal year 2000, \$131,000 of the general fund—state appropriation for fiscal year 2001, and \$139,000 of the general fund—federal appropriation are provided solely for implementation of Substitute House Bill No. 2637 (background checks). If the bill is not enacted by June 30, 2000, the amounts provided in this subsection shall lapse.

**Sec. 208.** 1999 c 309 s 208 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—  
 ECONOMIC SERVICES PROGRAM**

General Fund—State Appropriation (FY 2000) . . .	\$	((457,162,000))
		<u>427,742,000</u>
General Fund—State Appropriation (FY 2001) . . .	\$	((441,575,000))
		<u>410,913,000</u>
General Fund—Federal Appropriation . . . . .	\$	((1,220,874,000))
		<u>1,229,774,000</u>
General Fund—Private/Local Appropriation . . . . .	\$	((30,838,000))
		<u>30,807,000</u>
TOTAL APPROPRIATION . . . . .	\$	((2,150,449,000))
		<u>2,099,236,000</u>

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

(1) (~~(\$308,504,000)~~) \$284,083,000 of the general fund—state appropriation for fiscal year 2000, (~~(\$293,144,000)~~) \$268,114,000 of the general fund—state appropriation for fiscal year 2001, (~~(\$1,133,782,000)~~) \$1,140,342,000 of the general fund—federal appropriation, and (~~(\$28,402,000)~~) \$28,371,000 of the general fund—local appropriation are provided solely for the WorkFirst program and child support operations. WorkFirst expenditures include TANF grants, diversion services, subsidized child care, employment and training, other WorkFirst related services, allocated field services operating costs, and allocated economic services program administrative costs. Within the amounts provided in this subsection, the department shall:

(a) Continue to implement WorkFirst program improvements that are designed to achieve progress against outcome measures specified in RCW 74.08A.410. Valid outcome measures of job retention and wage progression shall be developed and reported quarterly to appropriate fiscal and policy committees of the legislature for families who leave assistance, measured after 12 months, 24 months, and 36 months. An increased attention to job retention and wage progression is necessary to emphasize the legislature's goal that the WorkFirst program succeed in helping recipients gain long-term economic independence and not cycle on and off public assistance. The wage progression measure shall report the median percentage increase in quarterly earnings and hourly wage after 12 months, 24 months, and 36 months. The wage progression report shall also report the percent with earnings above one hundred percent and two hundred percent of the federal poverty level. The report shall compare former WorkFirst participants with similar workers who did not participate in WorkFirst. The department shall also report percentage of families who have returned to temporary assistance for needy families after 12 months, 24 months, and 36 months.

(b) Develop informational materials that educate families about the difference between cash assistance and work support benefits. These materials must explain, among other facts, that the benefits are designed to support their employment, that there are no time limits on the receipts of work support benefits, and that immigration or residency status will not be affected by the receipt of benefits. These materials shall be posted in all community service offices and distributed to families. Materials must be available in multiple languages. When a family leaves the temporary assistance for needy families program, receives cash diversion assistance, or withdraws a temporary assistance for needy families application, the department of social and health services shall educate them about the difference between cash assistance and work support benefits and offering them the opportunity to begin or to continue receiving work support benefits, so long as they are eligible. The department shall provide this information through in-person interviews, over the telephone, and/or through the mail. Work support benefits include food stamps, medicaid for all family members, medicaid or state children's

Ch. 1                    WASHINGTON LAWS, 2000 2nd Sp. Sess.

health insurance program for children, and child care assistance. The department shall report annually to the legislature the number of families who have had exit interviews, been reached successfully by phone, and sent mail. The report shall also include the percentage of families who elect to continue each of the benefits and the percentage found ineligible by each substantive reason code. A substantive reason code shall not be "other." The report shall identify barriers to informing families about work support benefits and describe existing and future actions to overcome such barriers.

(c) Provide \$500,000 from the general fund—state appropriation for fiscal year 2000 and \$500,000 from the general fund—state appropriation for fiscal year 2001 for continuation of the WorkFirst evaluation conducted by the joint legislative audit and review committee.

~~((e))~~ (d) Report to the appropriate committees of the legislature, by December 1, ~~((1999))~~ 2000, how the new federal child support incentive system can be used to maximize federal incentive payments and to support the greatest achievement of WorkFirst program goals. In the event that the department earns federal child support incentive payments in excess of amounts budgeted, the department shall use one-half of those additional funds to offset general fund—state allotments and one-half of those additional funds to improve child support services. The department shall also work with the Washington state association of county clerks to identify ways to protect the confidentiality of social security numbers on court documents needed by the child support enforcement system while ensuring the reliability of this information without significantly increasing the cost to administer the child support system. The department shall report its recommendations for protecting the confidentiality of social security numbers to appropriate committees of the legislature by December 1, 2000.

(e) Provide up to \$500,000 of the general fund—federal appropriation to the office of financial management for a study of rate setting methods and policy for subsidized child care, the best method for coordinating and consolidating child care and early education programs currently funded by state government, and for a review of the various state programs for low-income families with children. The child care rate study shall analyze the effects of rate setting policy on the affordability and quality of the overall child care market. The child care and early education program study shall evaluate how current programs may be coordinated and consolidated to provide the most efficient level of administration, grant funding, and increased accessibility by families who are served by these programs. The study of state programs for low-income families shall compare and contrast eligibility and access to these programs and identify ways to coordinate or consolidate these programs to reduce administrative costs and improve access. The office shall submit a report to the department of social and health services and the appropriate committees of the legislature by December 1, 2000.

(f) Convene a working group that includes stakeholders and recipients of public assistance to establish basic customer service performance measures and goals. The customer service measures and goals will seek to make support for



working families a priority. Customer service measures and goals may include, but are not limited to: Hours of operation that allow working families to get services without missing work, reduced wait times, systems for answering and returning phone calls in a timely manner, access to benefits that support work, access to job training and education, and, access to services for families with limited literacy or English skills, and families with special needs. The department shall report to the legislature by January 2001 the establishment of customer service measures and goals, and the departmental actions to assure the goals are being met.

(g) Use existing flexibility in federal and state welfare laws and regulations to support, on a limited basis, longer education and training plans that have a strong likelihood to lead to long-term economic independence for recipient.

(h) Provide up to \$1,400,000 of the general fund—federal appropriation for after-school care for middle school youth through programs such as those described in House Bill No. 2530 (after-school care).

(i) Provide up to \$2,710,000 of the general fund—federal appropriation for training and technical assistance for child care providers seeking training to enable them to competently serve children with special needs as described in House Bill No. 2869 (child care provider training).

(j) Provide \$230,000, or as much thereof as may be necessary, to the department of health to expand the vasectomy project to temporary assistance for needy families clients and their partners until such time as a federal family planning waiver is granted that will cover these services.

(k) Ensure that funds provided in this subsection to implement policies that disregard or exempt a portion of recipients' income are designed to achieve stated WorkFirst program goals and outcomes. Income disregards are effective incentives to help WorkFirst families move towards economic independence. Income disregard policy shall not discriminate based on who the specific employer is.

(2) (~~(\$50,860,000)~~) \$43,408,000 of the general fund—state appropriation for fiscal year 2000 and (~~(\$50,825,000)~~) \$43,386,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for cash assistance and other services to recipients in the general assistance—unemployable program. Within these amounts, the department may expend funds for services that assist recipients to reduce their dependence on public assistance, provided that expenditures for these services and cash assistance do not exceed funds provided. The department shall, by July 1, 2000, begin using federal funds provided in subsection (1) of this section, as allowed by federal rules, for the costs of providing income assistance to children with court-appointed guardians or court-appointed custodians.

(3) (~~(\$8,752,000)~~) \$5,444,000 of the general fund—state appropriation for fiscal year 2000 and (~~(\$8,752,000)~~) \$5,632,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the food assistance program for legal immigrants. The level of benefits shall be equivalent to the benefits provided by the federal food stamp program.

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

(4) RCW 74.08A.280 permits the department to develop contracts for state-wide welfare-to-work services. Within amounts available in this section, the department shall provide progress reports on the use of such contracting to the fiscal committees of the legislature by January 1, 2001. Each of these reports shall describe the number of current contracts for temporary assistance for needy families (TANF) or WorkFirst services that the department has with community social service providers and a description of the services being provided through each of those contracts.

(5) The legislature finds that, since the passage of the federal personal responsibility and work opportunity act in 1997, Washington's public assistance population has declined dramatically, and that the currently appropriated level for the temporary assistance for needy families program is sufficient for the 1999-01 biennium. The legislature further finds that federal funding for the temporary assistance for needy families program may decrease after the current five-year block grant has expired. The legislature declares that at least \$60,000,000 of the year-end balance in the federal TANF grant shall be held in reserve by the office of financial management at the close of the 1999-01 biennium.

Sec. 209. 1999 c 309 s 209 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—  
ALCOHOL AND SUBSTANCE ABUSE PROGRAM**

General Fund—State Appropriation (FY 2000) . . . \$	((21,451,000))
	<u>21,338,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((21,858,000))
	<u>22,101,000</u>
General Fund—Federal Appropriation . . . . . \$	((90,800,000))
	<u>90,373,000</u>
General Fund—Private/Local Appropriation . . . . . \$	1,204,000
Public Safety and Education Account—State Appropriation . . . . . \$	((6,660,000))
	<u>7,102,000</u>
Violence Reduction and Drug Enforcement Account— State Appropriation . . . . . \$	77,150,000
TOTAL APPROPRIATION . . . . . \$	((219,123,000))
	<u>219,268,000</u>

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

(1) \$1,960,000 of the general fund—state appropriation for fiscal year 2000 and \$1,960,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for expansion of 50 drug and alcohol treatment beds for persons committed under RCW 70.96A.140. Patients meeting the commitment criteria of RCW 70.96A.140 but who voluntarily agree to treatment in lieu of commitment shall also be eligible for treatment in these additional treatment beds. The department shall develop specific placement criteria for these expanded treatment

beds to ensure that this new treatment capacity is prioritized for persons incapacitated as a result of chemical dependency and who are also high utilizers of hospital services.

(2) \$18,000 of the general fund—state appropriation for fiscal year 2000, \$88,000 of the general fund—state appropriation for fiscal year 2001, and \$116,000 of the general fund—federal appropriation are provided solely for activities related to chemical dependency services under subsection 202(1) of this act. If that subsection is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

(3) \$1,444,000 of the general fund—state appropriation for fiscal year 2000, \$1,484,000 of the general fund—state appropriation for fiscal year 2001, and \$330,000 of the general fund—federal appropriation are provided for implementation of Engrossed Substitute Senate Bill No. 5480 (drug-affected infants) or sections 1 through 17 of Second Substitute House Bill No. 1574. If legislation expanding services to prevent drug-affected infants is not enacted by June 30, 1999, the amounts provided in this subsection shall be provided solely for the development and implementation of comprehensive programs for alcohol and drug abusing mothers and their young children. The pilot programs shall be implemented in several locations, including at least one rural location. The pilot programs shall also be supported with TANF funds provided in section 208 of this act as a way to reduce prolonged dependency on public assistance for program participants.

(4) \$442,000 of the public safety and education account—state appropriation is provided solely for drug courts that have a net loss of federal grant funding from fiscal year 2000 to fiscal year 2001. The legislature finds that drug courts reduce criminal justice costs for both state and local governments. This appropriation is intended to cover approximately one-half of the lost federal funding. It is the intent of the legislature to provide state assistance to counties to cover a part of lost federal funding for drug courts for a maximum of three years.

Sec. 210. 1999 c 392 s 2 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—  
MEDICAL ASSISTANCE PROGRAM**

General Fund—State Appropriation (FY 2000) . . . \$	((722,863,000))
	<u>744,327,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((784,657,000))
	<u>834,864,000</u>
General Fund—Federal Appropriation . . . . . \$	((2,401,804,000))
	<u>2,542,652,000</u>
General Fund—Private/Local Appropriation . . . . . \$	((261,534,000))
	<u>258,616,000</u>
Emergency Medical Services and Trauma Care Systems	
Trust Account—State Appropriation . . . . . \$	9,200,000
Health Services Account—State Appropriation . . . \$	((391,582,000))

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

TOTAL APPROPRIATION . . . . . \$ 487,040,000  
((4,571,641,000))  
4,876,699,000

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

(1) The department shall continue to make use of the special eligibility category created for children through age 18 and in households with incomes below 200 percent of the federal poverty level made eligible for medicaid as of July 1, 1994.

(2) 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.

(3) 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.

(4) \$1,647,000 of the general fund—state appropriation for fiscal year 2000 and \$1,672,000 of the general fund—state appropriation for fiscal year 2001 are provided for treatment of low-income kidney dialysis patients.

(5) \$80,000 of the general fund—state appropriation for fiscal year 2000, \$80,000 of the general fund—state appropriation for fiscal year 2001, 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.

~~(6) ((The department shall adopt a new formula for distributing funds under the low-income disproportionate share hospital (LI-DSH) program. Under this new formula, (a) the state's Level I trauma center shall continue to receive the same amount of LI-DSH payments as in fiscal year 1999; and (b) a net profitability factor shall be included with other factors to determine LI-DSH payments. The net profitability factor shall inversely relate hospital percent net operating income to payment under the program.~~

~~(7))~~ (7) The department shall report to the fiscal committees of the legislature by September 15, 1999, and again by December 15, 1999, on (a) actions it has taken and proposes to take to increase the share of medicare part B premium payments upon which it is collecting medicaid matching funds; (b) the percentage of such premium payments for each month of service subsequent to June 1998 which have been paid with unmatched, state-only funds; and (c) why matching funds could not be collected on those payments.

~~((8))~~ (7) The department shall report to the fiscal committees of the legislature by December 1, 1999, and again by October 1, 2000, on the amount which has been recovered from third-party payers as a result of its efforts to improve coordination of benefits on behalf of "basic health plan-plus" enrollees.

~~((9))~~ (8) The department shall report to the health care and fiscal committees of the legislature by December 1, 1999, on options for controlling the growth in medicaid prescription drug expenditures through strategies such as but not limited

to volume purchasing, selective contracting, supplemental drug discounts, and improved care coordination for high utilizers.

~~((10))~~ (9) \$3,992,000 of the health services account appropriation and \$7,651,000 of the general fund—federal appropriation are provided solely for health insurance coverage for children with family incomes between 200 percent and 250 percent of the federal poverty level, as provided in Substitute Senate Bill No. 5416 (children's health insurance program). If the bill is not enacted by June 30, 1999, these amounts shall lapse.

~~((11))~~ ~~\$191,000 of the general fund—state appropriation for fiscal year 2000 and \$391,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for implementation of Substitute Senate Bill No. 5587 (patient bill of rights). If the bill is not enacted by June 30, 1999, these amounts shall lapse.~~

~~((12))~~ (10) Upon approval from the federal health care financing administration, the department shall implement the section 1115 family planning waiver to provide family planning services to persons with family incomes at or below two hundred percent of the federal poverty level.

~~((13))~~ ~~Except in the case of rural hospitals and Harborview medical center, weighted average payments under the ratio-of-cost-to-charges hospital payment system shall increase by no more than 175 percent of the DRI-HCFA hospital reimbursement market basket index.~~

~~((15))~~ (11) In accordance with Substitute Senate Bill No. 5968, ~~((25,978,000))~~ \$70,821,000 of the health services account appropriation for fiscal year 2000, ~~((26,069,000))~~ \$42,041,000 of the health services account appropriation for fiscal year 2001, and ~~((56,002,000))~~ \$120,278,000 of the general fund—federal appropriation, or so much thereof as may be expended without exceeding the medicare upper payment limit, are provided solely for supplemental payments to nursing homes operated by rural public hospital districts. Such payments shall be distributed among the participating rural public hospital districts proportional to the number of days of medicaid-funded nursing home care provided by each district during the preceding calendar year, relative to the total number of such days of care provided by all participating rural public hospital districts. Prior to making any supplemental payments, the department shall first obtain federal approval for such payments under the medicaid state plan. The payments shall further be conditioned upon (a) a contractual commitment by the association of public hospital districts and participating rural public hospital districts to make an intergovernmental transfer to the state treasurer, for deposit into the health services account, equal to at least ~~((82))~~ 87 percent of the total supplemental payment amounts received during the 1999-01 fiscal biennium; and (b) a contractual commitment by the participating districts to not allow expenditures covered by the supplemental payments to be used for medicaid nursing home rate-setting. The participating districts shall retain no more than a total of \$30,000,000 for the 1999-01 biennium.

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

(12) In determining financial eligibility for medicaid-funded services, the department is authorized to disregard recoveries by Holocaust survivors of insurance proceeds or other assets, as defined in RCW 48.104.030.

(13) \$1,529,000 of the general fund—state appropriation for fiscal year 2000, \$4,077,000 of the general fund—state appropriation for fiscal year 2001, and \$5,394,000 of the general fund—federal appropriation are provided solely for implementation of the settlement negotiated by the department and the attorney general in the case of *Allenmore et al. vs. DSHS*.

(14) From funds provided in this section, the department shall develop disease state management and therapeutic substitution programs which will substantially maintain or enhance the quality of the drug benefit for medical assistance recipients, while controlling overall health care costs. In designing the disease state management programs, the department shall research programs which have proven effective with similar populations in other states, and shall then work with concerned provider and consumer groups to adapt those strategies to Washington's service delivery system. The department shall work with its drug utilization and education council to develop a therapeutic substitution program for at least two classes of drugs. Under the therapeutic substitution program, the council shall analyze pharmacoeconomic research on the costs and benefits of all drugs within the class, and identify the most cost-effective drug or drugs within the class for placement on the formulary. Other drugs within the class shall be preauthorized when clinically indicated under criteria established by the council. The department shall report to appropriate committees of the legislature by December 1, 2000, prior to implementing its proposed strategies.

(15) \$14,848,000 of the health services account appropriation for fiscal year 2001 and \$15,269,000 of the general fund—federal appropriation are provided solely for additional disproportionate share hospital payments to public hospital districts. Such additional payments shall not be made prior to federal approval of a revision in the medicaid payment methodology for state teaching hospitals, and shall not exceed the increase in medicaid payments which results from that change. The payments shall further be conditioned upon a contractual commitment by the participating public hospital districts to make an intergovernmental transfer to the health services account equal to at least 77 percent of the additional disproportionate share payment. The participating districts shall retain no more than \$7,000,000 of the additional disproportionate share payment. At least 28 percent of the amounts retained by the participating hospital districts shall be allocated to the state teaching hospitals.

(16)(a) \$49,000 of the general fund—state appropriation for fiscal year 2001 and \$49,000 of the general fund—federal appropriation for fiscal year 2001 are provided solely for the medical assistance administration and the health care authority to jointly conduct a state-wide study to:

(i) Determine payment sources and rates paid for primary health care providers performing outpatient primary care services and primary care in hospital emergency rooms for the state's medical assistance programs, including healthy

options, and the basic health plan. To determine payment sources and rates paid, the agencies may seek information in relation to such factors as:

(A) The rates paid to primary care providers for their medical assistance programs, including healthy options, and basic health plan contracts; and

(B) How these rates compare with nonpublic pay clients for the same services.

The agencies are authorized to attain this information from health plans or providers. The agencies shall maintain the confidentiality of data collected for the purpose of the study:

(i) Determine which primary care providers serve a relatively high number of low-income clients, and how that affects their medical practice. For purposes of the study, "primary care providers" includes pediatricians, family practitioners, general practitioners, internists, physician assistants, and advanced registered nurse practitioners; and

(ii) Develop proposals to support these providers' medical practices. The agencies must determine what constitutes a relatively high percentage of low-income clients for individual primary care providers who contract for medical assistance administration programs, including healthy options, and the basic health plan, and recommend whether and at what point this disproportionately high percentage should result in additional compensation to the primary care provider. The agencies shall recommend a method to calculate a payment adjustment designed to help support medical practices, according to the study's findings.

(b) In conducting the study, the agencies shall determine which regions of the state to include in the study, based on factors the agencies determine will provide the most representative data state-wide. The agencies shall also consult with interested parties, including any organization or agency affected by this subsection, throughout the course of the study.

(c) The agencies shall report to the legislature by December 1, 2000, with the results of the primary health care provider study. The report shall include recommendations on: (i) What constitutes a disproportionately high percentage of low-income clients; (ii) possible payment adjustments for these providers; (iii) methods to implement such a rate adjustment; and (iv) what such a payment adjusted program will cost.

(17) From funds appropriated in this section, the medical assistance program shall assist the Washington state institute for public policy with the assessment of options for expanding medicaid eligibility required in section 607 of this 2000 act. Such assistance shall include analysis of medicaid enrollment and expenditure data needed for enrollment and cost projections; information and advice on state and federal medicaid requirements; and liaison with state and federal officials in other states undertaking similar expansions.

(18) \$290,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for implementation of the asset exemption provisions of House Bill No. 2686. If these provisions are not enacted by June 30, 2000, the amount provided in this subsection shall lapse.

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

**Sec. 211. 1999 c 309 s 211 (uncodified) is amended to read as follows:  
FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—  
VOCATIONAL REHABILITATION PROGRAM**

General Fund—State Appropriation (FY 2000) . . . \$	((8,960,000))
	<u>8,770,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((9,078,000))
	<u>8,635,000</u>
General Fund—Federal Appropriation . . . . . \$	81,906,000
General Fund—Private/Local Appropriation . . . . . \$	((2,904,000))
	<u>1,865,000</u>
<b>TOTAL APPROPRIATION . . . . . \$</b>	<b>((102,848,000))</b>
	<u>101,176,000</u>

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 state and local organizations to improve and expand employment opportunities for people with severe disabilities served by those organizations.

(2) \$190,000 of the general fund—state appropriation for fiscal year 2000, \$240,000 of the general fund—state appropriation for fiscal year 2001, and \$1,590,000 of the general fund—federal appropriation are provided solely for vocational rehabilitation services for individuals enrolled for services with the developmental disabilities program who complete their high school curriculum in 1999 or 2000.

**Sec. 212. 1999 c 309 s 212 (uncodified) is amended to read as follows:  
FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—  
ADMINISTRATION AND SUPPORTING SERVICES PROGRAM**

General Fund—State Appropriation (FY 2000) . . . \$	((25,695,000))
	<u>26,004,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((25,200,000))
	<u>20,119,000</u>
General Fund—Federal Appropriation . . . . . \$	((46,601,000))
	<u>43,227,000</u>
General Fund—Private/Local Appropriation . . . . . \$	720,000
<b>TOTAL APPROPRIATION . . . . . \$</b>	<b>((98,216,000))</b>
	<u>90,070,000</u>

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

(1) Funding is provided for the incremental cost of lease renewals and for the temporary increased costs for relocating staff out of state office building no. 2 (OB2) during the renovation of that building. Of this increase, \$2,400,000 is provided for relocating staff. This amount is recognized as one-time-only funding for the 1999-01 biennium. As part of the 2001-2003 budget request, the



department shall update the estimate of increased cost for relocating staff, including specifying what portion of that increase is due to providing more square footage per FTE in the new leased space compared to the space occupied previously.

(2) The department may transfer up to \$528,000 of the general fund—state appropriation for fiscal year 2000, \$1,057,000 of the general fund—state appropriation for fiscal year 2001, and \$812,000 of the general fund—federal appropriation to the administration and supporting services program from various other programs to implement administrative reductions.

(3) The department may transfer and allot up to \$5,560,000 of the general fund—state appropriation for fiscal year 2001 and \$3,518,000 of the general fund—federal appropriation to the administration and supporting services program from various other programs in the department to achieve fiscal reductions assumed in this section. In selecting reductions in the various other programs, the department shall place a higher priority on reductions in administrative support functions as opposed to direct client services. Reductions in positions providing direct client services shall be implemented only if those reductions can be justified by reduced workload or through reorganization or other efficiencies that do not result in a risk of failing to meet federal or state certification or licensing standards. In achieving the level of savings assumed in this subsection, the department shall not eliminate or reduce funding and/or staff that would shift or transfer filing or appeal workload to superior courts. By September 1, 2000, the department shall report its plan to implement the savings in this section to the fiscal committees of the legislature.

(4) \$187,000 of the general fund—state appropriation for fiscal year 2000, \$746,000 of the general fund—state appropriation for fiscal year 2001, and \$2,251,000 of the general fund—federal appropriation are provided to implement a new fraud and abuse detection system. By December 1, 2000, the department shall provide a report to the fiscal committees of the legislature that will include: The actual cost recovery in fiscal year 1999 and fiscal year 2000, prior to implementation of the new fraud and abuse detection system; actual cost avoidance in fiscal year 1999 and fiscal year 2000, prior to implementation of the new fraud and abuse detection system; actual cost recovery and actual cost avoidance achieved to date after implementation in fiscal year 2000 and 2001, compared to the savings included in sections 202, 205, 206, and 209 of this 2000 act; and the criteria and methodology used for determining cost recovery and cost avoidance.

Sec. 213. 1999 c 309 s 213 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—  
PAYMENTS TO OTHER AGENCIES PROGRAM**

General Fund—State Appropriation (FY 2000) . . . \$	((30,790,000)) 31,190,000
General Fund—State Appropriation (FY 2001) . . . \$	((30,719,000)) 31,225,000
General Fund—Federal Appropriation . . . . . \$	((22,747,000))

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

	<u>21,932,000</u>
TOTAL APPROPRIATION . . . . . \$	((84,256,000))
	<u>84,347,000</u>

Sec. 214. 1999 c 309 s 214 (uncodified) is amended to read as follows:

**FOR THE STATE HEALTH CARE AUTHORITY**

General Fund—State Appropriation (FY 2000) . . . \$	6,441,000
General Fund—State Appropriation (FY 2001) . . . \$	6,563,000
State Health Care Authority Administrative Account—State Appropriation . . . . . \$	((39,585,000))
	<u>16,705,000</u>
Health Services Account—State Appropriation . . . \$	((414,159,000))
	<u>415,293,000</u>
General Fund—Federal Appropriation . . . . . \$	4,501,000
TOTAL APPROPRIATION . . . . . \$	((471,249,000))
	<u>449,503,000</u>

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

(1) The general fund—state appropriations are provided solely for health care services provided through local community clinics.

(2) Within funds appropriated in this section and sections ((205)) 206 and ((206 of chapter 149, Laws of 1997)) 207 of this 2000 act, the health care authority shall continue to provide an enhanced basic health plan subsidy option for foster parents licensed under chapter 74.15 RCW and workers in state-funded home care programs. Under this enhanced subsidy option, foster parents and home care workers with family incomes below 200 percent of the federal poverty level shall be allowed to enroll in the basic health plan at a cost of ten dollars per covered worker per month.

(3) The health care authority shall require organizations and individuals which are paid to deliver basic health plan services and which choose to sponsor enrollment in the subsidized basic health plan to pay the following: (i) A minimum of fifteen dollars per enrollee per month for persons below 100 percent of the federal poverty level; and (ii) a minimum of twenty dollars per enrollee per month for persons whose family income is 100 percent to 125 percent of the federal poverty level.

(4) \$442,000 of the state health care authority administrative account appropriation is provided solely for the uniform medical plan to contract for the following services: (a) A provider profiling system; (b) a waste, fraud, and abuse monitoring and information system; (c) an optional case management program; and (d) hospital audits. The health care authority may not expend any funds under this subsection until the office of financial management has approved a detailed project plan for expenditure of these funds.

(5) ((572,000 of the health services account appropriation is provided solely to implement Substitute Senate Bill No. 5587 (patient bill of rights). If this bill is

not enacted by June 30, 1999, this amount shall lapse.)) \$33,000 of the health services account appropriation is provided solely for the study to be completed jointly with the department of social and health services, as required by section 210(16) of this 2000 act.

(6) \$111,000 of the state health care authority administrative account appropriation and \$164,000 of the health services account appropriation are provided solely for a study of the agency's insurance information systems.

(7) \$200,000 of the health services account appropriation is provided solely for administration and implementation of premium discounts for enrollees in the Washington state high-risk insurance pool, as authorized by Substitute Senate Bill No. 6067 (health care coverage). If the provisions of Substitute Senate Bill No. 6067 authorizing such premium discounts are not enacted by June 30, 2000, the amount provided in this subsection shall lapse.

(8) \$150,000 of the health services account appropriation is provided solely for the design and development of administrative systems which would be needed for the health care authority to offer the new plan of health care coverage established by Substitute Senate Bill No. 6067 (health care coverage). If the provisions of Substitute Senate Bill No. 6067 authorizing this new health coverage plan are not enacted by June 30, 2000, the amount provided in this subsection shall lapse.

Sec. 215. 1999 c 309 s 215 (uncodified) is amended to read as follows:

**FOR THE HUMAN RIGHTS COMMISSION**

General Fund—State Appropriation (FY 2000) . . . \$	((2,536,000))
	<u>2,567,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((2,550,000))
	<u>2,580,000</u>
General Fund—Federal Appropriation . . . . . \$	1,474,000
General Fund—Private/Local Appropriation . . . . . \$	100,000
TOTAL APPROPRIATION . . . . . \$	((6,660,000))
	<u>6,721,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$31,000 of the general fund—state appropriation for fiscal year 2000 and \$30,000 of the general fund—state appropriation for fiscal year 2001 are provided to: (1) Educate business owners with seven or fewer employees of the impacts on their business of the state supreme court decision *Roberts v. Dudley* (cause no. 67365-9, February 17, 2000), and (2) provide information on how to meet the requirements of the applicable laws, and how to obtain additional information to meet those requirements.

By July 30, 2000, the commission shall contract with the employment security department to mail information prepared by the commission to those employers identified by the employment security department as having between one and seven employees at the time of the mailing.

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

By June 30, 2000, the commission shall also establish a special location on its internet web site. The location shall provide information for small businesses on how they are affected by *Roberts v. Dudley* and the state's other laws against discrimination.

By December 1, 2000, the commission shall provide a report to the appropriate committees of the legislature that describes the implementation of this section.

**Sec. 216.** 1999 c 309 s 217 (uncodified) is amended to read as follows:

**FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

General Fund—Federal Appropriation . . . . .	\$	100,000
Death Investigations Account—State		
Appropriation . . . . .	\$	<del>((38,000))</del>
		<u>148,000</u>
Public Safety and Education Account—State		
Appropriation . . . . .	\$	<del>((17,469,000))</del>
		<u>17,632,000</u>
TOTAL APPROPRIATION . . . . .	\$	<del>((17,607,000))</del>
		<u>17,880,000</u>

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

(1) \$125,000 of the public safety and education account appropriation is provided solely for information technology upgrades and improvements for the criminal justice training commission.

(2) \$481,000 of the public safety and education account appropriation is provided solely for the implementation of provisions of chapter 351, Laws of 1997 (criminal justice training) dealing with supervisory and management training of law enforcement personnel. Within the funds provided in this subsection, the criminal justice training commission shall provide the required training in the least disruptive manner to local law enforcement agencies and may include, but is not limited to, regional on-site training, interactive training, and credit for training given by the home department.

(3) ~~((2,092,000))~~ \$1,990,000 of the public safety and education account appropriation is provided solely for expanding the basic law enforcement academy (BLEA) from 469 hours to 720 hours. The funds provided in this subsection are assumed sufficient for the criminal justice training commission to provide expanded BLEA training to 330 attendees in fiscal year 2000 and 660 attendees in fiscal year 2001.

(4) \$180,000 of the public safety and education account appropriation is provided solely for the implementation of Second Substitute House Bill No. 1176 (sexually violent offender records). If the bill is not enacted by June 30, 1999, the amount provided in this subsection shall lapse.

(5) \$276,000 of the public safety and education account appropriation is provided solely for the implementation of Second Substitute House Bill No. 1692

or sections I through 7 of Senate Bill No. 5127 (child abuse investigations). If neither of these bills is enacted by June 30, 1999, the amount provided in this subsection shall lapse.

(6) \$50,000 of the public safety and education account appropriation is provided solely for additional domestic violence training courses for 911 operators.

(7) \$215,000 of the public safety and education account appropriation is provided solely for the Washington association of sheriffs and police chiefs to conduct a study of law enforcement services and expenditures for both counties and cities within the county for counties with populations over one hundred fifty thousand. The study shall begin no later than July 1, 2000, and shall be completed by June 30, 2001. The final report shall be distributed by the Washington association of sheriffs and police chiefs to the appropriate standing committees of the legislature. The study shall:

(a) Make recommendations to improve the efficiency of delivering law enforcement services. The recommendations may be made to law enforcement jurisdictions, Washington association of sheriffs and police chiefs, units of local government, and the legislature;

(b) Research, compile, and analyze data sufficient to provide a comprehensive analysis of the costs and total expenditures for law enforcement. These costs include but are not limited to special services, defined as but not limited to: SWAT teams, bomb disposal units, air support, marine units, hostage negotiation teams, homicide investigation units, drug units, canine units, arson investigation teams, computer fraud and forensics units, domestic violence and special assault units, and gang and youth violence units. The study shall identify duplications and inefficiencies in current service delivery;

(c) Obtain data from all local governments on the types of costs identified in (b) of this subsection. This data will be compiled and analyzed by the agency or organization that conducts the study for each county; and

(d) Obtain data from those counties and law enforcement agencies where master interlocal agreements, joint specialty service units, and other cooperative arrangements have been developed between law enforcement agencies to improve the effectiveness, efficiency, and ensured quality of specialty law enforcement services.

Sec. 217. 1999 c 309 s 218 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF LABOR AND INDUSTRIES**

General Fund—State Appropriation (FY 2000) . . .	\$	7,268,000
General Fund—State Appropriation (FY 2001) . . .	\$	7,240,000
Public Safety and Education Account—State		
Appropriation . . . . .	\$	((16,091,000))
		<u>18,756,000</u>
Public Safety and Education Account—Federal		
Appropriation . . . . .	\$	5,950,000
Public Safety and Education Account—Private/Local		

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

Appropriation .....	\$	3,057,000
Electrical License Account—State		
Appropriation .....	\$	((24,055,000))
		<u>24,402,000</u>
Farm Labor Revolving Account—Private/Local		
Appropriation .....	\$	28,000
Worker and Community Right-to-Know Account—State		
Appropriation .....	\$	2,211,000
Public Works Administration Account—State		
Appropriation .....	\$	2,996,000
Accident Account—State Appropriation .....	\$	((167,736,000))
		<u>167,092,000</u>
Accident Account—Federal Appropriation .....	\$	9,112,000
Medical Aid Account—State Appropriation .....	\$	((170,197,000))
		<u>169,172,000</u>
Medical Aid Account—Federal Appropriation ....	\$	1,592,000
Plumbing Certificate Account—State		
Appropriation .....	\$	971,000
Pressure Systems Safety Account—State		
Appropriation .....	\$	2,167,000
TOTAL APPROPRIATION .....	\$	((420,671,000))
		<u>422,014,000</u>

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

(1) Pursuant to RCW 7.68.015, the department shall operate the crime victims compensation program within the public safety and education account 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) coordinate with the department of social and health services to use the public safety and education account as matching funds for federal Title XIX reimbursement, to the extent this maximizes total funds available for services to crime victims. Cost containment measures shall not include holding invoices received in one fiscal period for payment from appropriations in subsequent fiscal periods.

(2) \$2,665,000 of the public safety and education account—state appropriation is provided solely for additional costs for client benefits in the crime victims compensation program, provided that no more than \$5,095,000 of the appropriations provided in subsection (1) of this section is expended for department administration of the crime victims compensation program.

(3) From within funds provided, the department shall improve customer service and satisfaction for injured workers by speeding up the process for reporting injuries, and shall enhance vocational rehabilitation services for injured workers.

~~((2) \$123,000 of the accident account state appropriation and \$22,000 of the medical aid account state appropriation are provided solely for the implementation of Engrossed Senate Bill No. 5597 (needle stick protection). If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.~~

~~(3) \$302,000 of the accident account state appropriation and \$302,000 of the medical aid account state appropriation are provided solely for the implementation of Engrossed Substitute Senate Bill No. 5439 (false claims). If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.~~

~~(4) \$709,000 of the accident account state appropriation and \$709,000 of the medical aid account state appropriation are provided solely for the implementation of Engrossed Senate Bill No. 5580 (payments during appeals). If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.~~

~~(5) \$481,000 of the medical aid account state appropriation is provided solely for the implementation of Engrossed Substitute Senate Bill No. 5470 (chemically related illnesses). If the bill is not enacted by June 30, 1999, the amount provided in this subsection shall lapse.)~~

**Sec. 218.** 1999 c 309 s 220 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF VETERANS AFFAIRS**

**(1) HEADQUARTERS**

General Fund—State Appropriation (FY 2000) . . . \$	((1,409,000))
	<u>1,640,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((1,428,000))
	<u>1,628,000</u>
General Fund—Federal Appropriation . . . . . \$	134,000
General Fund—Private/Local Appropriation . . . . . \$	78,000
Industrial Insurance Premium Refund Account—State Appropriation . . . . . \$	78,000
Charitable, Educational, Penal, and Reformatory Institutions Account—State Appropriation . . . . . \$	2,000
TOTAL APPROPRIATION . . . . . \$	((3,129,000))
	<u>3,560,000</u>

The appropriations in this subsection are subject to the following conditions and limitations:

(a) \$39,000 of the general fund—state appropriation is provided solely as an additional state contribution toward the cost of constructing a memorial on the state capitol grounds to the men and women who served in the nation's armed forces during the second world war.

(b) \$231,000 of the general fund—state appropriation for fiscal year 2000 is provided solely for disbursement to the national World War II memorial fund for

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

construction and maintenance of the national monument honoring the men and women from Washington and the other states who served in the nation's armed forces during the second world war.

(c) \$200,000 of the general fund—state appropriation for fiscal year 2001 is provided solely to conduct a predesign study for replacement of aging skilled nursing facilities. The predesign study shall comply with the requirements of sections 902 and 903, chapter 379, Laws of 1999.

(2) FIELD SERVICES

General Fund—State Appropriation (FY 2000) . . . \$	2,466,000
General Fund—State Appropriation (FY 2001) . . . \$	2,494,000
General Fund—Federal Appropriation . . . . . \$	26,000
General Fund—Private/Local Appropriation . . . . . \$	1,495,000
TOTAL APPROPRIATION . . . . . \$	6,481,000

(3) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2000) . . . \$	<del>((6,155,000))</del> 5,346,000
General Fund—State Appropriation (FY 2001) . . . \$	<del>((5,337,000))</del> 4,790,000
General Fund—Federal Appropriation . . . . . \$	<del>((20,949,000))</del> 23,002,000
General Fund—Private/Local Appropriation . . . . . \$	<del>((14,682,000))</del> 16,527,000
TOTAL APPROPRIATION . . . . . \$	<del>((47,123,000))</del> 49,665,000

Sec. 219. 1999 sp.s. c 12 s 4 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF HEALTH**

General Fund—State Appropriation (FY 2000) . . . \$	<del>((65,437,000))</del> 62,840,000
General Fund—State Appropriation (FY 2001) . . . \$	<del>((66,135,000))</del> 64,284,000
General Fund—Federal Appropriation . . . . . \$	<del>((268,710,000))</del> 268,032,000
General Fund—Private/Local Appropriation . . . . . \$	68,648,000
Hospital Commission Account—State Appropriation . . . . . \$	<del>((3,128,000))</del> 2,378,000
Health Professions Account—State Appropriation . . . . . \$	37,529,000
Emergency Medical Services and Trauma Care Systems Trust Account—State Appropriation . . . . . \$	14,856,000
State Drinking Water Account—State Appropriation . . . . . \$	2,531,000
Drinking Water Assistance Account—Federal	



WASHINGTON LAWS, 2000 2nd Sp. Sess.

Ch. 1

Appropriation . . . . .	\$	5,456,000
Waterworks Operator Certification—State		
Appropriation . . . . .	\$	593,000
Water Quality Account—State Appropriation . . . .	\$	3,124,000
Accident Account—State Appropriation . . . . .	\$	258,000
Medical Aid Account—State Appropriation . . . . .	\$	45,000
State Toxics Control Account—State		
Appropriation . . . . .	\$	2,614,000
Health Services Account Appropriation . . . . .	\$	((7,000,000))
		<u>12,992,000</u>
Medical Test Site Licensure Account—State		
Appropriation . . . . .	\$	1,651,000
Youth Tobacco Prevention Account—State		
Appropriation . . . . .	\$	1,804,000
Tobacco Prevention and Control Account—State		
Appropriation . . . . .	\$	((620,000))
		<u>15,620,000</u>
TOTAL APPROPRIATION . . . . .	\$	((550,139,000))
		<u>565,255,000</u>

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

(1) \$2,434,000 of the health professions account appropriation is provided solely for the development and implementation of a licensing and disciplinary management system. Expenditures are conditioned upon compliance with section 902 of this act. These funds shall not be expended without appropriate project approval by the department of information systems.

(2) The department or any successor agency is authorized to raise existing fees charged to the nursing assistants, podiatrists, and osteopaths; for certificate of need; for temporary worker housing; for state institution inspection; for residential care facilities and for transient accommodations, in excess of the fiscal growth factor established by Initiative Measure No. 601, if necessary, to meet the actual costs of conducting business and the appropriation levels in this section.

(3) \$339,000 of the general fund—state appropriation for fiscal year 2000, \$339,000 of the general fund—state appropriation for fiscal year 2001, and \$678,000 of the general fund—federal appropriation are provided solely for technical assistance to local governments and special districts on water conservation and reuse. \$339,000 of the general fund—federal amount may be expended in each fiscal year of the biennium, only if the state receives greater than \$25,000,000 from the federal government for salmon recovery activities in that fiscal year. Funds authorized for expenditure in fiscal year 2000 may be expended in fiscal year 2001.

(4) \$1,685,000 of the general fund—state fiscal year 2000 appropriation and \$1,686,000 of the general fund—state fiscal year 2001 appropriation are provided

solely for the implementation of the Puget Sound water work plan and agency action items, DOH-01, DOH-02, DOH-03, and DOH-04.

(5) 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. 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.

(6) \$620,000 of the tobacco prevention and control account appropriation and \$209,000 of the general fund—federal appropriation are provided solely for implementation of Engrossed Substitute Senate Bill No. 5516 or, if the bill is not enacted, for the development of a sustainable, long-term, comprehensive tobacco control program. The plan shall identify a specific set of outcome measures that shall be used to track long range progress in reducing the use of tobacco. Nationally accepted measures that can be used to compare progress with other states shall be included. The plan shall emphasize programs that have demonstrated effectiveness in achieving progress towards the specified outcome measures. Components of the plan that do not have a record of success may be included, provided that the plan also includes the means of evaluating those components. The plan shall also include an inventory of existing publically funded programs that seek to prevent the use of tobacco, alcohol, or other drugs by children and youth and recommendations to coordinate and consolidate these programs in order to achieve greatest positive outcomes within total available resources. A preliminary plan shall be submitted to the appropriate committees of the legislature by December 1, 1999(~~with the final plan submitted by September 1, 2000~~).

(7) \$2,075,000 of fiscal year 2000 general fund—state appropriation and \$2,075,000 of fiscal year 2001 general fund—state appropriation are provided for the Washington poison center. The department shall require the center to develop a long range financing plan that identifies options for diversifying funding for center operations, including, but not limited to, federal grants, private sector grants and sponsorships, and multistate or regional operating agreements. The plan shall be submitted to the appropriate committees of the legislature by December 1, 2000.

(8) \$50,000 of fiscal year 2000 general fund—state appropriation and \$50,000 of fiscal year 2001 general fund—state appropriation are provided solely for fund raising and other activities for the development of early hearing loss clinics. The

development plan for these clinics shall not assume ongoing general fund—state appropriations.

(9) \$15,000,000 of the tobacco prevention and control account appropriation is provided solely for the implementation of a sustainable, long-term tobacco control program. The integrated components of the program may include: Community-based programs, cessation, public awareness and education, youth access, and assessment and evaluation. A final plan will define the sustainable implementation of the long-term program given the remaining available balance in the tobacco prevention and control account. This plan shall be submitted to the appropriate committees of the legislature by September 1, 2000.

(10) \$24,000 of the fiscal year 2000 general fund—state appropriation and \$117,000 of the fiscal year 2001 general fund—state appropriation are provided solely to implement Second Substitute Senate Bill No. 6199 (patient bill of rights). If the bill is not enacted by June 30, 2000, the amounts provided in this subsection shall lapse.

**Sec. 220.** 1999 c 309 s 222 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF CORRECTIONS**

The appropriations to the department of corrections in chapter 309, Laws of 1999, as amended, shall be expended for the programs and in the amounts specified therein. However, after April 1, 2000, unless specifically prohibited by this act, the department may transfer general fund—state appropriations for fiscal year 2000 between the correctional operations and community supervision programs 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 deviations from appropriation levels.

(1) ADMINISTRATION AND SUPPORT SERVICES

General Fund—State Appropriation (FY 2000) . . . \$	((29,449,000))
	<u>26,064,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((28,169,000))
	<u>28,022,000</u>
Public Safety and Education Account—State Appropriation . . . . . \$	((5,216,000))
	<u>2,962,000</u>
<u>Violence Reduction and Drug Enforcement</u>	
<u>Account Appropriation . . . . . \$</u>	<u>2,000,000</u>
<u>Cost of Supervision Fund Appropriation . . . . . \$</u>	<u>2,254,000</u>
TOTAL APPROPRIATION . . . . . \$	((62,834,000))
	<u>61,302,000</u>

The appropriations in this subsection are subject to the following conditions and limitations:

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

(a) (~~(\$2,072,000)~~) \$72,000 of the general fund—state appropriation for fiscal year 2000, \$212,000 of the general fund—state appropriation for fiscal year 2001, (~~and \$5,216,000~~) \$2,962,000 of the public safety and education account appropriation, \$2,000,000 of the violence reduction drug enforcement account appropriation, and \$2,254,000 of the cost of supervision fund appropriation are provided solely for replacement of the department's offender-based tracking system. These amounts are subject to section 902 of this act.

(b) \$462,000 of the general fund—state appropriation for fiscal year 2000 and \$538,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5421 (offender accountability). If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

**(2) CORRECTIONAL OPERATIONS**

General Fund—State Appropriation (FY 2000) . . . \$	( <del>363,411,000</del> )
	<u>360,685,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	( <del>364,857,000</del> )
	<u>364,386,000</u>
General Fund—Federal Appropriation . . . . . \$	( <del>34,393,000</del> )
	<u>35,577,000</u>
<b>Violence Reduction and Drug Enforcement Account—</b>	
State Appropriation . . . . . \$	1,614,000
<u>Public Health Services Account Appropriation</u> . . . \$	<u>1,884,000</u>
<b><u>Institutional Welfare Betterment Account</u></b>	
<u>Appropriation</u> . . . . . \$	<u>2,570,000</u>
TOTAL APPROPRIATION . . . . . \$	( <del>764,275,000</del> )
	<u>766,716,000</u>

The appropriations in this subsection are subject to the following conditions and limitations:

(a) Not more than \$3,000,000 may be expended to provide financial assistance to counties for monitoring and treatment services provided to felony offenders involved in drug court programs pursuant to sections 7 through 12 of Engrossed Second Substitute House Bill No. 1006 (drug offender sentencing). The secretary may negotiate terms, conditions, and amounts of assistance with counties or groups of counties operating drug courts, and may review charging and other documents to verify eligibility for payment. The secretary may contract with the division of alcohol and substance abuse, department of social and health services, for monitoring and treatment services provided pursuant to this subsection.

(b) The department may expend funds generated by contractual agreements entered into for mitigation of severe overcrowding in local jails. If any funds are generated in excess of actual costs, they shall be deposited in the state general fund. Expenditures shall not exceed revenue generated by such agreements and shall be treated as recovery of costs.

(c) The department shall provide funding for the pet partnership program at the Washington corrections center for women at a level at least equal to that provided in the 1995-97 biennium.

(d) The department of corrections shall accomplish personnel reductions with the least possible impact on correctional custody staff, community custody staff, and correctional industries. For the purposes of this subsection, correctional custody staff means employees responsible for the direct supervision of offenders.

(e) \$583,000 of the general fund—state appropriation for fiscal year 2000 and \$1,178,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to increase payment rates for contracted education providers and contracted work release facilities. It is the legislature's intent that these amounts be used primarily to increase compensation for persons employed in direct, front-line service delivery.

(f) \$151,000 of the general fund—state appropriation for fiscal year 2000 and \$57,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5421 (offender accountability). If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

(g) \$18,000 of the general fund—state appropriation for fiscal year 2000 and \$334,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the implementation of Senate Bill No. 5538 (sentencing) or section 3 of House Bill No. 1544 (sentencing corrections). If neither bill is enacted by June 30, 1999, the amount provided in this subsection shall lapse.

(h) \$171,000 of the general fund—state appropriation for fiscal year 2000 and \$1,094,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the implementation of Engrossed Second Substitute House Bill No. 1006 (drug offender sentencing). If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

(i) The department of corrections shall submit to the appropriate policy and fiscal committees of the senate and house of representatives, by December 15, 1999, a report on how the department plans to manage hepatitis C in the inmate population. In developing the plan, the department shall work with recognized experts in the field and shall take notice of the current national institutes of health hepatitis C guidelines and hepatitis C protocols observed in other correctional settings. Included in the plan shall be offender education about the disease, how and when offenders would be tested, how the disease would be managed if an inmate is determined to have hepatitis C, and an estimate of the number of inmates in the Washington prison system with hepatitis C. The proposed plan must also include recommendations to the legislature on ways to improve hepatitis C disease management and what level of funding would be necessary to appropriately test for and treat the disease.

(j) For the acquisition of properties and facilities, the department of corrections is authorized to enter into financial contracts, paid for from operating resources, for the purposes indicated and in not more than the principal amounts

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

indicated, plus financing expenses and required reserves pursuant to chapter 39.94 RCW. This authority applies to the following:

(A) Enter into a long-term ground lease or a long-term lease with purchase option for development of a Tacoma prerelease facility for approximately \$360,000 per year. Prior to entering into any lease, the department of corrections shall obtain written confirmation from the city of Tacoma and Pierce county that the prerelease facility planned for the site meets all land use, environmental protection, and community notification requirements.

(B) Enter into a financing contract in the amount of \$21,350,000 to acquire, construct, or remodel a 400-bed, expandable to 600-bed, Tacoma prerelease facility.

(C) Lease-develop with the option to purchase or lease-purchase approximately 100 work release beds in facilities throughout the state for \$7,000,000.

(k) \$1,884,000 of the public health services account appropriation is provided solely for costs associated with the testing, treatment, and other activities related to managing hepatitis C in the inmate population.

(l) \$117,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for the implementation of Second Substitute Senate Bill No. 6255 (anhydrous ammonia). If the bill is not enacted by June 30, 2000, the amount provided in this subsection shall lapse.

(m) \$2,570,000 of the institutional welfare betterment account appropriation is provided solely for deposit in the public health services account.

(n) During the 1999-01 biennium, when contracts are established or renewed for offender pay phone and other telephone services provided to inmates, the department shall select the contractor or contractors primarily based on the following factors: (i) The lowest rate charged to both the inmate and the person paying for the telephone call; and (ii) the lowest commission rates paid to the department, while providing reasonable compensation to cover the costs of the department to provide the telephone services to inmates and provide sufficient revenues for the activities funded from the institutional welfare betterment account as of January 1, 2000.

<b>(3) COMMUNITY SUPERVISION</b>		
General Fund—State Appropriation (FY 2000) . . . \$		((54,371,000))
		48,451,000
General Fund—State Appropriation (FY 2001) . . . \$		((61,321,000))
		53,787,000
<u>Public Safety and Education</u>		
Account—State Appropriation . . . . . \$		9,861,000
TOTAL APPROPRIATION . . . . . \$		((+15,692,000))
		112,099,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) The department of corrections shall accomplish personnel reductions with the least possible impact on correctional custody staff, community custody staff, and correctional industries. For the purposes of this subsection, correctional custody staff means employees responsible for the direct supervision of offenders.

(b) ~~(((\$445,000 of the general fund—state appropriation for fiscal year 2000 and \$6,662,000 of the general fund—state appropriation for fiscal year 2001 are provided solely))~~ Amounts provided in this subsection are sufficient for the implementation of Engrossed Second Substitute Senate Bill No. 5421 (offender accountability). ~~((If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.))~~

(c) \$109,000 of the general fund—state appropriation for fiscal year 2000 and \$126,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the implementation of Substitute Senate Bill No. 5011 (dangerous mentally ill offenders). If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

(d) \$219,000 of the general fund—state appropriation for fiscal year 2000 and \$75,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the department of corrections to contract with the institute for public policy for responsibilities assigned in Engrossed Second Substitute Senate Bill No. 5421 (offender accountability act) and sections 7 through 12 of Engrossed Second Substitute House Bill No. 1006 (drug offender sentencing).

(4) CORRECTIONAL INDUSTRIES

General Fund—State Appropriation (FY 2000) . . . \$	817,000
General Fund—State Appropriation (FY 2001) . . . \$	((3,654,000))
	<u>3,523,000</u>
<u>Institutional Welfare Betterment Account</u>	
<u>Appropriation</u> . . . . . \$	<u>3,509,000</u>
TOTAL APPROPRIATION . . . . . \$	((4,471,000))
	<u>7,849,000</u>

The appropriations in this subsection are subject to the following conditions and limitations:

(a) \$100,000 of the general fund—state appropriation for fiscal year 2000 and \$100,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for transfer to the jail industries board. The board shall use the amounts provided only for administrative expenses, equipment purchases, and technical assistance associated with advising cities and counties in developing, promoting, and implementing consistent, safe, and efficient offender work programs.

(b) \$50,000 of the general fund—state appropriation for fiscal year 2000 and \$50,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the correctional industries board of directors to hire one staff person, responsible directly to the board, to assist the board in fulfilling its duties.

(5) INTERAGENCY PAYMENTS

General Fund—State Appropriation (FY 2000) . . . \$	((12,823,000))
---	----------------

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

	<u>12,898,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((11,908,000))</del>
	<u>11,983,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((24,731,000))</del>
	<u>24,881,000</u>

Sec. 221. 1999 c 309 s 224 (uncodified) is amended to read as follows:

**FOR THE SENTENCING GUIDELINES COMMISSION**

General Fund—State Appropriation (FY 2000) . . . \$	803,000
General Fund—State Appropriation (FY 2001) . . . \$	<del>((746,000))</del>
	<u>838,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((1,549,000))</del>
	<u>1,641,000</u>

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

(1) \$63,000 of the general fund—state appropriation for fiscal year 2000 is provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5421 (offender accountability). If the bill is not enacted by June 30, 1999, the amount provided in this subsection shall lapse.

(2) \$80,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for the sentencing guidelines commission to conduct a comprehensive review and evaluation of state sentencing policy. The review and evaluation shall include an analysis of whether current sentencing ranges and standards, as well as existing mandatory minimum sentences, existing sentence enhancements, and special sentencing alternatives, are consistent with the purposes of the sentencing reform act as set out in RCW 9.94A.010, including the intent of the legislature to emphasize confinement for the violent offender and alternatives to confinement for the nonviolent offender. The review and evaluation shall also examine whether current sentencing ranges and standards are consistent with existing corrections capacity.

The review and evaluation shall consider studies on the cost-effectiveness of sentencing alternatives, as well as the fiscal impact of sentencing policies on state and local government. In conducting the review and evaluation, the commission shall consult with the superior court judges' association, the Washington association of prosecuting attorneys, the Washington defenders' association, the Washington association of criminal defense lawyers, the Washington association of sheriffs and police chiefs, organizations representing crime victims, and other organizations and individuals with expertise and interest in sentencing policy.

Not later than December 1, 2001, the commission shall present to the appropriate standing committees of the legislature the report of its comprehensive review and evaluation, together with any recommendations for revisions and modifications to state sentencing policy, including sentencing ranges and standards, mandatory minimum sentences, and sentence enhancements. If implementation of the recommendations of the commission would result in



exceeding the capacity of correctional facilities, the commission shall at the same time present to the legislature a list of revised standard sentence ranges which are consistent with currently authorized rated and operational corrections capacity, and consistent with the purposes of the sentencing reform act.

\*Sec. 222. 1999 c 309 s 225 (uncodified) is amended to read as follows:

**FOR THE EMPLOYMENT SECURITY DEPARTMENT**

General Fund—State Appropriation (FY 2000) . . . \$	1,263,000
General Fund—State Appropriation (FY 2001) . . . \$	1,259,000
General Fund—Federal Appropriation . . . . . \$	209,498,000
General Fund—Private/Local Appropriation . . . . . \$	29,135,000
Unemployment Compensation Administration Account— Federal Appropriation . . . . . \$	((174,343,000))
	<u>169,985,000</u>
Administrative Contingency Account—State Appropriation . . . . . \$	9,443,000
Employment Service Administrative Account—State Appropriation . . . . . \$	((16,890,000))
	<u>19,457,000</u>
TOTAL APPROPRIATION . . . . . \$	((441,831,000))
	<u>440,040,000</u>

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

(1) Expenditures of funds appropriated in this section for the information systems project to improve the agency's labor exchange system are conditioned upon compliance with section 902 of this act.

(2) \$327,000 of the unemployment compensation administration account—federal appropriation is provided consistent with section 903(c)(2) of the federal social security act to address deficiencies in the tax and wage information system (TAXIS) and to improve the quality and timeliness of employer tax information and employee wage records.

(3) \$2,567,000 of the employment service administrative account—state appropriation is provided solely for implementation of Substitute House Bill No. 3077 (unemployment insurance). If the bill is not enacted by June 30, 2000, the amounts provided in this subsection shall lapse.

(4) To the extent allowable under federal regulations, \$5,000,000 of the general fund—federal appropriation is provided for contracts with community-based organizations for family development or similar services. If allowed, the department shall contract with community-based organizations for family

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

*development services or similar services that provide a community-based comprehensive approach to helping families become self-sufficient.*

\*Sec. 222 was partially vetoed. See message at end of chapter.

PART III  
NATURAL RESOURCES

Sec. 301. 1999 c 309 s 302 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ECOLOGY**

General Fund—State Appropriation (FY 2000) . . . \$	<del>((33,558,000))</del>
	<u>36,462,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((33,539,000))</del>
	<u>42,225,000</u>
General Fund—Federal Appropriation . . . . . \$	<del>((48,981,000))</del>
	<u>55,141,000</u>
General Fund—Private/Local Appropriation . . . . . \$	4,234,000
Special Grass Seed Burning Research Account—	
State Appropriation . . . . . \$	14,000
Reclamation Revolving Account—State	
Appropriation . . . . . \$	1,735,000
Flood Control Assistance Account— State	
Appropriation . . . . . \$	3,989,000
Public Safety and Education Account—	
State Appropriation . . . . . \$	<u>749,000</u>
State Emergency Water Projects Revolving Account—	
State Appropriation . . . . . \$	317,000
Waste Reduction/Recycling/Litter Control Account—	
State Appropriation . . . . . \$	<del>((13,192,000))</del>
	<u>13,193,000</u>
State Drought Preparedness Account—State	
Appropriation . . . . . \$	<u>675,000</u>
Salmon Recovery Account—State	
Appropriation . . . . . \$	1,120,000
State and Local Improvements Revolving Account	
(Water Supply Facilities)—State	
Appropriation . . . . . \$	557,000
Water Quality Account—State Appropriation . . . . \$	<del>((3,879,000))</del>
	<u>3,881,000</u>
Wood Stove Education and Enforcement Account—	
State Appropriation . . . . . \$	<del>((351,000))</del>
	<u>551,000</u>
Worker and Community Right-to-Know Account—	
State Appropriation . . . . . \$	3,155,000
State Toxics Control Account—State	
Appropriation . . . . . \$	<del>((46,838,000))</del>

WASHINGTON LAWS, 2000 2nd Sp. Sess.

Ch. 1

	<u>48,369,000</u>
State Toxics Control Account—Private/Local	
Appropriation . . . . . \$	377,000
Local Toxics Control Account—State	
Appropriation . . . . . \$	((4,586,000))
	<u>4,587,000</u>
Water Quality Permit Account—State	
Appropriation . . . . . \$	((21,003,000))
	<u>21,763,000</u>
Underground Storage Tank Account—State	
Appropriation . . . . . \$	2,475,000
Environmental Excellence Account—State	
Appropriation . . . . . \$	20,000
Biosolids Permit Account—State Appropriation . . . \$	572,000
Hazardous Waste Assistance Account—State	
Appropriation . . . . . \$	((3,942,000))
	<u>3,943,000</u>
Air Pollution Control Account—State	
Appropriation . . . . . \$	((15,844,000))
	<u>4,576,000</u>
Oil Spill Administration Account—State	
Appropriation . . . . . \$	((7,521,000))
	<u>9,172,000</u>
Air Operating Permit Account—State	
Appropriation . . . . . \$	((3,548,000))
	<u>3,549,000</u>
Freshwater Aquatic Weeds Account—State	
Appropriation . . . . . \$	1,430,000
Oil Spill Response Account—State	
Appropriation . . . . . \$	7,078,000
Metals Mining Account—State Appropriation . . . . \$	43,000
Water Pollution Control Revolving Account—	
State Appropriation . . . . . \$	439,000
Water Pollution Control Revolving Account—	
Federal Appropriation . . . . . \$	2,200,000
TOTAL APPROPRIATION . . . . . \$	((266,537,000))
	<u>278,591,000</u>

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

(1) \$3,432,000 of the general fund—state appropriation for fiscal year 2000, \$3,438,000 of the general fund—state appropriation for fiscal year 2001, \$394,000 of the general fund—federal appropriation, \$2,070,000 of the oil spill administration account—state appropriation, \$819,000 of the state toxics control

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

account—state appropriation, and \$3,686,000 of the water quality permit account—state appropriation are provided solely for the implementation of the Puget Sound work plan and agency action items DOE-01, DOE-02, DOE-03, DOE-05, DOE-06, DOE-07, DOE-08, and DOE-09.

(2) \$170,000 of the oil spill administration account appropriation is provided solely for implementation of the Puget Sound work plan action item UW-02 through a contract with the University of Washington's sea grant program to develop an educational program targeted to small spills from commercial fishing vessels, ferries, cruise ships, ports, and marinas.

(3) \$374,000 of the general fund—state appropriation for fiscal year 2000 and \$283,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the department to digitize water rights documents and to provide this information to watershed planning groups.

~~(4) (\$500,000 of the general fund—federal appropriation is provided solely for the department to update its water rights tracking system. \$250,000 of this amount may be expended in each fiscal year of the biennium only if the state receives greater than \$25,000,000 from the federal government for salmon recovery activities in that fiscal year. Funds authorized for expenditure in fiscal year 2000 may be expended in fiscal year 2001.~~

~~(5))~~ \$1,566,000 of the general fund—federal appropriation, \$1,033,000 of the general fund—private/local appropriation, and \$919,000 of the water quality account appropriation are provided to employ residents of the state between eighteen and twenty-five years of age in activities to enhance Washington's natural, historic, environmental, and recreational resources.

~~((6))~~ (5) \$250,000 of the general fund—state appropriation for fiscal year 2000 is provided solely for study of the impacts of gravel removal on the hydrology of Maury Island. The study shall consider impacts to the nearshore environment and aquifer recharge, and assess the potential for groundwater or marine sediment contamination. The department shall contract for the study, which shall be completed by June 30, 2000.

~~((7))~~ (6) \$250,000 of the general fund—state appropriation for fiscal year 2000 is provided solely for a study of the impacts of gravel deposit on the Highline aquifer. The study shall consider impacts to instream flow and sedimentation of Des Moines, Miller, and Walker creeks. The department shall contract for the study, which shall be completed by June 30, 2000.

~~((8))~~ (7) The entire freshwater aquatic weeds account appropriation shall be distributed according to the provisions of RCW 43.21A.660. Funding may be provided for chemical control of Eurasian watermilfoil.

~~((9))~~ (8) \$15,000 of the general fund—state appropriation for fiscal year 2000 and \$15,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to monitor and address, in coordination with the marine operations division of the department of transportation, odor problems in Fauntleroy Cove.

~~((10))~~ (9) \$144,000 of the general fund—state appropriation for fiscal year 2000 ~~(;)~~ and \$133,000 of the general fund—state appropriation for fiscal year

2001(~~(, and \$277,000 of the general fund—federal appropriation))~~ are provided solely for water quality activities related to forest practices. ~~(((\$138,500 of the general fund—federal amount may be expended in each fiscal year of the biennium only if the state receives greater than \$25,000,000 from the federal government for salmon recovery activities in that fiscal year. Funds authorized for expenditure in fiscal year 2000 may be expended in fiscal year 2001.~~

~~—((+1))~~ (10) \$100,000 of the general fund—state appropriation for fiscal year 2000 is provided solely for the department to form an advisory committee for the purpose of updating the department's storm water management plan and the Puget Sound storm water management manual. The advisory committee shall be appointed no later than September 1, 1999, and it shall provide its recommendations on storm water management to the legislature by December 31, 2000.

~~(((+2)))~~ (11) \$383,000 of the general fund—state appropriation for fiscal year 2000 and \$384,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for an agency permit assistance center, including four regional permit assistance offices.

~~(((+3)))~~ (12) \$438,000 of the general fund—state appropriation for fiscal year 2000, \$1,025,000 of the general fund—state appropriation for fiscal year 2001, and \$1,870,000 of the general fund—federal appropriation are provided solely ~~((to implement Substitute Senate Bill No. 5670 (noxious weed herbicide)))~~ for the establishment of total maximum daily loads for water bodies across the state ~~((: \$433,000 of the general fund—state appropriation is to implement the Puget Sound work plan and agency action item DOE-2. If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse)), and for pilot projects to evaluate the ability of existing voluntary and regulatory programs to improve water quality in water quality limited segments listed pursuant to section 303(d) of the federal clean water act. In areas with a ground water management area, total maximum daily loads that include a ground water element will be done in cooperation with the ground water management area process. Pilot projects shall include the following allocations from the general fund—state amounts provided in this subsection: \$100,000 shall be provided to a conservation district in the Palouse region; \$100,000 shall be provided to the Lake Whatcom management committee through the city of Bellingham; and \$250,000 shall be provided to the Roza-Sunnyside irrigation district joint board of control. Each pilot project sponsor shall provide a report to the legislature by January 1, 2001, describing the water quality goals of the project, how the goals relate to meeting state water quality standards, the strategies to accomplish those goals, and the method of evaluating project effectiveness. The pilot project sponsors shall also submit final reports to the legislature at project completion.~~

~~(((+4)))~~ (13) \$591,000 of the general fund—state appropriation for fiscal year 2000 and \$1,131,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to process water rights applications.

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

~~((15))~~ (14) \$414,000 of the general fund—state appropriation for fiscal year 2000~~(;)~~ and \$383,000 of the general fund—state appropriation for fiscal year 2001~~(, and \$797,000 of the general fund—federal appropriation)~~ are provided solely for technical assistance and project review for water conservation and reuse projects. ~~(\$398,000 of the general fund—federal appropriation may be expended in each fiscal year of the biennium only if the state receives greater than \$25,000,000 from the federal government for salmon recovery activities in that fiscal year. Funds authorized for expenditure in fiscal year 2000 may be expended in fiscal year 2001.~~

~~(16))~~ (15) The entire salmon recovery account appropriation is provided to increase compliance with existing water quality and water resources laws.

~~((17) \$4,500,000)~~ (16) \$4,250,000 of the general fund—state appropriation for fiscal year 2000~~(, \$4,500,000)~~ and \$4,750,000 of the general fund—state appropriation for fiscal year 2001~~(, and \$1,500,000 of the general fund—federal appropriation)~~ are provided solely for grants to local governments to conduct watershed planning. ~~(\$750,000 of the general fund—federal amount may be expended in each fiscal year of the biennium only if the state receives greater than \$25,000,000 from the federal government for salmon recovery activities in that fiscal year. Funds authorized for expenditure in fiscal year 2000 may be expended in fiscal year 2001.)~~ Of the general fund—state amounts provided in this subsection: (a) \$500,000 is provided solely for a grant to the Methow river planning unit to develop baseline hydrological data for the Methow river; and (b) \$85,000 is provided for the lower Yakima/Naches/upper Yakima planning unit contingent upon recommendations of the governor's fact finder that a dual watershed assessment process is necessary. If such a recommendation is not provided, this amount is available for the purposes of this subsection.

~~((18))~~ (17) \$100,000 of the general fund—state appropriation for fiscal year 2000~~(;)~~ and \$82,000 of the general fund—state appropriation for fiscal year 2001~~(, and \$181,000 of the general fund—federal appropriation)~~ are provided solely for the department, in cooperation with the department of fish and wildlife, to establish fish and habitat index monitoring sites to measure the effectiveness of salmon recovery activities. ~~(\$90,500 of the general fund—federal amount may be expended in each fiscal year of the biennium only if the state receives greater than \$25,000,000 from the federal government for salmon recovery activities in that fiscal year. Funds authorized for expenditure in fiscal year 2000 may be expended in fiscal year 2001.~~

~~(19))~~ (18) \$276,000 of the general fund—state appropriation for fiscal year 2000 and \$207,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to implement Senate Bill No. 5424 (aquatic plant management). If the bill is not enacted by June 30, 1999, the amount provided in this subsection shall lapse.

~~((20))~~ (19) \$500,000 of the general fund—state appropriation for fiscal year 2000 and \$500,000 of the general fund—state appropriation for fiscal year 2001 are

provided solely for the continuation of the southwest Washington coastal erosion study.

~~((21))~~ (20) \$638,000 of the oil spill administration account appropriation is provided solely to implement Substitute House Bill No. 2247 (oil spill response tax). Of this amount: (a) \$120,000 is provided solely for spill response equipment; (b) \$307,000 is provided solely to develop an oil spill risk management plan; and (c) \$211,000 is provided solely for spills information management improvements. If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

~~((23))~~ (21) \$145,000 of the general fund—state fiscal year 2000 appropriation and \$145,000 of the general fund—state fiscal year 2001 appropriation are provided solely for training and technical assistance to support the activities of county water conservancy boards.

(22) \$3,154,000 of the general fund—state appropriation for fiscal year 2000 and \$6,649,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to maintain the state's air quality program. Within the funds provided in this subsection, the department shall maintain funding for local air pollution control authorities at no less than ninety percent of the level of grants provided prior to January 1, 2000.

(23) \$749,000 of the public safety and education account appropriation for fiscal year 2001 is provided solely for methamphetamine lab clean up activities.

(24) \$300,000 of the state drought preparedness account—state appropriation for fiscal year 2001 is provided solely for a preconstruction and feasibility analysis of the Roza irrigation district off-stream storage project at Washout canyon. Moneys may be expended from the amount provided in this subsection only to the extent that matching funds in cash and in-kind contributions are provided by the Roza irrigation district. If this match is not provided by the district, the amount provided in this subsection shall lapse.

(25) \$1,500,000 of the state toxics control account appropriation is provided solely for cleanup actions related to the Everett smelter site in the city of Everett. The department shall seek recovery of the funds expended for this purpose from the liable parties by way of a settlement agreement or court action under the authority of chapter 70.105D RCW, the model toxics control act. Moneys collected as a result of a cost recovery action at the Everett smelter site shall be used first to reimburse the local toxics control account for the total amount of this appropriation. This appropriation is the result of a one-time loan from the local toxics control account and does not imply that the legislature will use this loan source or the state toxics control account for future cleanup of the Everett smelter site.

(26) \$375,000 of the state drought preparedness account—state appropriation is provided solely for an environmental impact statement of the Pine Hollow reservoir project to be conducted in conjunction with the local irrigation district.

(27) \$150,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for creating the task force on water storage. The purpose of the

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

task force is to examine the role of increased water storage in providing water supplies to meet the needs of fish, population growth, and economic development, and to enhance the protection of people's lives and their property and the protection of aquatic habitat through flood control facilities. For this purpose, increased storage may be in the form of surface storage including off-stream storage, underground storage, or the enlargement or enhancement of existing structures. The task force shall also examine means of providing funding for increased water storage.

The department of ecology shall provide staff support for the task force and the director of the department of ecology shall convene the first meeting of the task force not less than thirty days after the effective date of this section.

No member of the task force shall receive compensation, per diem, or reimbursement of expenses from the task force or the department of ecology for his or her activities as a member of the task force. However, each may receive such compensation, per diem, and/or reimbursement as is authorized by the entity he or she is employed by, is appointed from, or represents on the task force.

Following its examination, the task force shall report its recommendations to the appropriate committees of the legislature by December 31, 2000.

(28) Within the funds appropriated in this section, the department shall develop for review by the legislature a proposed long-term strategy to address persistent, bio-accumulative and toxic chemicals in the environment. The department shall submit its proposal to the appropriate legislative committees by December 30, 2000.

(29) \$1,650,000 of the general fund—state appropriation for fiscal year 2001 is provided solely to the oil spill administration account to be used for a rescue tug. By December 1, 2000, the department shall report to the appropriate fiscal committees of the legislature on the activities of the dedicated rescue tug. The report shall include information on rescues, assists, or responses performed by the tug. The report shall also indicate the class of vessels involved and the nature of the rescue, assist, or response.

Sec. 302. 1999 c 309 s 303 (uncodified) is amended to read as follows:

**FOR THE STATE PARKS AND RECREATION COMMISSION**

General Fund—State Appropriation (FY 2000) . . .	\$	<del>((27,498,000))</del>
		<u>27,522,000</u>
General Fund—State Appropriation (FY 2001) . . .	\$	<del>((28,073,000))</del>
		<u>28,227,000</u>
General Fund—Federal Appropriation . . . . .	\$	2,113,000
General Fund—Private/Local Appropriation . . . . .	\$	59,000
Winter Recreation Program Account—State		
Appropriation . . . . .	\$	763,000
Off Road Vehicle Account—State Appropriation . .	\$	264,000
Snowmobile Account—State Appropriation . . . . .	\$	3,653,000
Aquatic Lands Enhancement Account—State		



WASHINGTON LAWS, 2000 2nd Sp. Sess.

Ch. 1

Appropriation . . . . .	\$	325,000
Public Safety and Education Account—State		
Appropriation . . . . .	\$	48,000
Water Trail Program Account—State		
Appropriation . . . . .	\$	14,000
Parks Renewal and Stewardship Account—		
State Appropriation . . . . .	\$	25,907,000
TOTAL APPROPRIATION . . . . .	\$	<del>((88,717,000))</del>
		<u>88,895,000</u>

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

(1) \$189,000 of the aquatic lands enhancement account appropriation is provided solely for the implementation of the Puget Sound work plan agency action items P&RC-01 and P&RC-03.

(2) ~~(\$105,000)~~ \$65,000 of the general fund—state appropriation for fiscal year 2000 and ~~(\$31,000)~~ \$71,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the state parks and recreation commission to meet its responsibilities under the Native American graves protection and repatriation act (P.L. 101-601).

(3) \$2,000,000 of the parks renewal and stewardship account appropriation is dependent upon the parks and recreation commission generating revenue to the account in excess of \$26,000,000 for the biennium. These funds shall be used for deferred maintenance and visitor and ranger safety activities.

(4) \$772,000 of the general fund—state appropriation for fiscal year 2000 and \$849,000 of the general fund—state appropriation for fiscal year 2001 are provided to employ residents of the state between eighteen and twenty-five years of age in activities to enhance Washington's natural, historic, environmental, and recreational resources.

(5) Fees approved by the state parks and recreation commission in 1998 for camping, group camping, extra vehicles, and the sno-park daily permit are authorized to exceed the fiscal growth factor under RCW 43.135.055.

(6) ~~(\$40,000)~~ \$79,000 of the general fund—state appropriation for fiscal year 2000 and ~~(\$40,000)~~ \$79,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for a grant for the operation of the Northwest avalanche center.

(7) The state parks and recreation commission may increase fees adopted prior to January 1, 2000, for implementation on or after July 1, 2000, in excess of the fiscal growth factor under RCW 43.135.055.

(8) \$25,000 of the general fund—state appropriation for fiscal year 2000 and \$75,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for a study on existing and future recreational needs and opportunities on the west slope of the Cascade foothills. The study shall include an inventory of existing land and facilities, an assessment of projected demand, and

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

recommendations for regional coordination among public and private outdoor recreation providers to promote expanded recreation opportunities within the Cascade foothills. The study shall be submitted to the governor and the appropriate committees of the legislature by June 30, 2001.

Sec. 303. 1999 sp.s. c 13 s 21 (uncodified) is amended to read as follows:  
**FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION**

General Fund—State Appropriation (FY 2000) . . . . .	\$	137,000
General Fund—State Appropriation (FY 2001) . . . . .	\$	138,000
<u>General Fund—Federal Appropriation . . . . .</u>	<u>\$</u>	<u>3,332,000</u>
Firearms Range Account—State Appropriation . . . . .	\$	34,000
Recreation Resources Account—State Appropriation . . . . .	\$	2,370,000
Recreation Resources Account—Federal Appropriation . . . . .	\$	11,000
NOVA Program Account—State Appropriation . . . . .	\$	604,000
TOTAL APPROPRIATION . . . . .	\$	<del>((3,294,000))</del> <u>6,626,000</u>

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

(1) \$137,000 of the fiscal year 2000 general fund—state appropriation and \$138,000 of the fiscal year 2001 general fund—state appropriation are provided solely to implement Second Substitute Senate Bill No. 5595 or Engrossed Substitute House Bill No. 2079 (salmon recovery). If legislation establishing the board is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

(2) \$3,332,000 of the general fund—federal appropriation is provided for the development of guidelines for hatchery management, and for actions to use hatcheries to directly support fisheries, assist with the recovery of natural stocks, and minimize the potentially negative effects of hatchery programs on naturally spawning populations.

\*Sec. 304. 1999 c 309 s 306 (uncodified) is amended to read as follows:  
**FOR THE CONSERVATION COMMISSION**

General Fund—State Appropriation (FY 2000) . . . . .	\$	2,630,000
<i>General Fund—State Appropriation (FY 2001) . . . . .</i>	<i>\$</i>	<i>((2,634,000))</i>
		<u>2,601,000</u>
<del>((General Fund—Federal Appropriation . . . . .</del>	<del>\$</del>	<del>1,800,000))</del>
Salmon Recovery Account—State Appropriation . . . . .	\$	3,618,000
Water Quality Account—State Appropriation . . . . .	\$	444,000
TOTAL APPROPRIATION . . . . .	\$	<del>((11,126,000))</del> <u>9,293,000</u>

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

(1) \$182,000 of the general fund—state appropriation for fiscal year 2000, \$182,000 of the general fund—state appropriation for fiscal year 2001, and \$130,000 of the water quality account appropriation are provided solely for the implementation of the Puget Sound work plan agency action item CC-01.

(2) \$550,000 of the general fund—state appropriation for fiscal year 2000 and \$550,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for grants to conservation districts to reduce nitrate contamination in the Columbia Basin ground water management area.

(3) \$1,968,000 of the salmon recovery account appropriation is provided solely for conducting limiting factors analysis for salmon species.

*(4) \$167,000 of the general fund—state appropriation for fiscal year 2001 and \$250,000 of the salmon recovery account appropriation ((is)) are provided solely for the agriculture, fish, and water negotiation process, including a facilitated review of the field office technical guides of the federal natural resource conservation service to ensure the guides meet the requirements of the federal endangered species act and clean water act.*

*(5) \$50,000 of the general fund—state appropriation for fiscal year 2000 and \$50,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the agricultural and environmental communities for costs associated with participating in the agriculture, fish, and water negotiation process.*

~~((5))~~ (6) \$500,000 of the salmon recovery account appropriation ~~((and \$1,500,000 of the general fund—federal appropriation are))~~ is provided solely for a volunteer salmon recovery initiative. ~~((The salmon recovery account))~~ This appropriation is provided for volunteer coordination through regional fisheries enhancement groups. ~~(((\$750,000 of the general fund—federal amount may be expended in each fiscal year only if the state receives greater than \$25,000,000 from the federal government for salmon recovery activities in that fiscal year. Funds authorized for expenditure in fiscal year 2000 may be expended in fiscal year 2001.~~

~~(6))~~ (7) \$900,000 of the salmon recovery account appropriation ~~((and \$300,000 of the general fund—federal appropriation are))~~ is provided solely for local salmon recovery technical assistance. Technical assistance shall be coordinated among all state agencies including the conservation commission, department of fish and wildlife, department of ecology, department of health, department of agriculture, department of transportation, state parks and recreation, interagency committee for outdoor recreation, governor's salmon recovery office, Puget Sound water quality action team, department of community, trade, and economic development, and department of natural resources. ~~(((\$150,000 of the general fund—federal amount may be expended in each fiscal year of the biennium only if the state receives greater than \$25,000,000 from the federal government for salmon recovery activities in that fiscal year. Funds authorized for expenditure in fiscal year 2000 may be expended in fiscal year 2001.))~~

\*Sec. 304 was partially vetoed. See message at end of chapter.

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

**Sec. 305.** 1999 c 309 s 307 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF FISH AND WILDLIFE**

General Fund—State Appropriation (FY 2000) . . . \$	((42,896,000))
	<u>42,616,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((42,443,000))
	<u>44,567,000</u>
General Fund—Federal Appropriation . . . . . \$	((42,755,000))
	<u>37,380,000</u>
General Fund—Private/Local Appropriation . . . . . \$	((14,416,000))
	<u>16,800,000</u>
Off Road Vehicle Account—State	
Appropriation . . . . . \$	490,000
Aquatic Lands Enhancement Account—State	
Appropriation . . . . . \$	((6,432,000))
	<u>5,992,000</u>
Public Safety and Education Account—State	
Appropriation . . . . . \$	586,000
Recreational Fisheries Enhancement Account—	
State Appropriation . . . . . \$	3,596,000
Salmon Recovery Account—State	
Appropriation . . . . . \$	((9,316,000))
	<u>10,105,000</u>
Warm Water Game Fish Account—State	
Appropriation . . . . . \$	((2,419,000))
	<u>2,499,000</u>
Eastern Washington Pheasant Enhancement Account—	
State Appropriation . . . . . \$	((551,000))
	<u>851,000</u>
Wildlife Account—State Appropriation . . . . . \$	((40,293,000))
	<u>41,133,000</u>
Wildlife Account—Federal Appropriation . . . . . \$	((40,040,000))
	<u>38,040,000</u>
Wildlife Account—Private/Local	
Appropriation . . . . . \$	((13,072,000))
	<u>15,072,000</u>
Game Special Wildlife Account—State	
Appropriation . . . . . \$	1,939,000
Game Special Wildlife Account—Federal	
Appropriation . . . . . \$	9,603,000
Game Special Wildlife Account—Private/Local	
Appropriation . . . . . \$	350,000
Environmental Excellence Account—State	
Appropriation . . . . . \$	15,000

Regional Fisheries Salmonid Recovery Account—		
Federal Appropriation . . . . .	\$	((750,000))
		<u>1,750,000</u>
Oil Spill Administration Account—State		
Appropriation . . . . .	\$	969,000
TOTAL APPROPRIATION . . . . .	\$	((272,931,000))
		<u>274,353,000</u>

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

(1) \$1,252,000 of the general fund—state appropriation for fiscal year 2000 and \$1,244,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the implementation of the Puget Sound work plan agency action items DFW-01, DFW-02, DFW-03, DFW-04, and DFW-05.

(2) \$776,000 of the salmon recovery account appropriation ((and \$775,000 of the general fund—federal appropriation are)) is provided solely for the department's review of forest practices applications and related hydraulic permit applications. ((Up to \$387,500 of the general fund—federal amount may be expended in each fiscal year of the biennium only if the state receives greater than \$25,000,000 from the federal government for salmon recovery activities in that fiscal year. Funds authorized for expenditure in fiscal year 2000 may be expended in fiscal year 2001.))

(3) \$1,500,000 of the salmon recovery account appropriation ((and \$1,500,000 of the general fund—federal appropriation are)) is provided solely for the department to update the salmon and steelhead stock inventory and, in cooperation with the department of ecology, to establish fish and habitat index monitoring sites to measure the effectiveness of salmon recovery activities. ((Up to \$750,000 of the general fund—federal amount may be expended in each fiscal year of the biennium only if the state receives greater than \$25,000,000 from the federal government for salmon recovery activities in that fiscal year. Funds authorized for expenditure in fiscal year 2000 may be expended in fiscal year 2001.))

(4) \$232,000 of the general fund—state appropriation for fiscal year 2000 and \$232,000 of the general fund—state appropriation for fiscal year 2001 are provided for the control of European green crab (*Carcinus maenas*). The department shall submit a report to the governor and the appropriate legislative committees by September 1, 2000, evaluating the effectiveness of various control strategies and providing recommendations on long-term control strategies. \$248,000 of this amount is for implementation of Puget Sound work plan and agency action item DFW-23.

(5) \$191,000 of the general fund—state appropriation for fiscal year 2000 and \$191,000 of the general fund—state appropriation for fiscal year 2001 are provided for noxious weed control and survey activities on department lands. Of this amount, \$48,000 is provided for the biological control of yellowstar thistle.

**Ch. 1                    WASHINGTON LAWS, 2000 2nd Sp. Sess.**

(6) All salmon habitat restoration and protection projects proposed for funding by regional fisheries enhancement groups shall be submitted by January 1st or July 1st of each year for review to the salmon recovery funding board.

(7) \$2,340,000 of the salmon recovery account appropriation and \$7,000,000 of the general fund—federal appropriation are provided solely to implement a license buy-back program for commercial fishing licenses.

(8) \$511,000 of the general fund—state appropriation for fiscal year 2000 and \$488,000 of the general fund—state appropriation for fiscal year 2001 are provided to employ residents of the state between eighteen and twenty-five years of age in activities to enhance Washington's natural, historic, environmental, and recreational resources.

(9) Any indirect cost reimbursement received by the department from federal grants must be spent on agency administrative activities and cannot be redirected to direct program activities.

(10) \$43,000 of the general fund—state appropriation for fiscal year 2000 and \$42,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for staffing and operation of the Tennant Lake interpretive center.

(11) \$32,000 of the general fund—state appropriation for fiscal year 2000 and \$33,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to support the activities of the aquatic nuisance species coordination committee to foster state, federal, tribal, and private cooperation on aquatic nuisance species issues. The committee shall strive to prevent the introduction of nonnative aquatic species and to minimize the spread of species that are introduced.

(12) (~~(\$50,000 of the general fund—state appropriation for fiscal year 2000 and \$50,000)~~) \$100,000 of the general fund—state appropriation for fiscal year 2001 (~~(are)~~) is provided solely to implement Senate Bill No. 5508 (crab catch record cards). If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

(13) \$6,440,000 of the general fund—state appropriation for fiscal year 2000, \$5,796,000 of the general fund—state appropriation for fiscal year 2001, \$12,260,000 of the wildlife account—state appropriation, \$710,000 of the aquatic lands enhancement account appropriation, \$500,000 of the public safety and education account appropriation are provided solely for operation of the enforcement division. Within these funds, the department shall emphasize enforcement of laws related to protection of fish habitat and the illegal harvest of salmon and steelhead. Within these funds, the department shall provide support to the department of health to enforce state shellfish harvest laws.

(14) \$500,000 of the salmon recovery account, \$624,000 of the general fund—state appropriation for fiscal year 2000, and \$624,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the department to implement a hatchery endangered species act response. The strategy shall include emergency hatchery responses and retrofitting of hatcheries for salmon recovery.

(15) \$45,000 of the general fund—state appropriation for fiscal year 2000 and \$46,000 of the general fund—state appropriation for fiscal year 2001 are provided

solely for operation of the Rod Meseberg (ringold) warm water fish hatchery to implement House Bill No. 1716 (warm water fish culture). If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

(16) \$2,500,000 of the salmon recovery account appropriation is provided solely for grants to lead entities established in accordance with RCW 75.46.060.

(17) \$200,000 of the salmon recovery account appropriation (~~and \$600,000 of the general fund—federal appropriation are~~) is provided solely for salmon and steelhead predation control~~(,)~~ and bycatch monitoring~~(, and selective harvest strategies. \$300,000 of the general fund—federal amount may be expended in each fiscal year of the biennium only if the state receives greater than \$25,000,000 from the federal government for salmon recovery activities in that fiscal year. Funds authorized for expenditure in fiscal year 2000 may be expended in fiscal year 2001)~~ strategies.

(18) \$50,000 of the general fund—state appropriation for fiscal year 2000 ~~((and)), \$50,000 of the general fund—state appropriation for fiscal year 2001, and \$200,000 of the wildlife account—state appropriation~~ are provided solely for ~~((additional field surveys of the Olympic Peninsula, North Rainier, and Packwood/South Rainier))~~ field surveys and harvest management for Washington elk herds.

(19) ~~(\$425,000)~~ \$155,000 of the general fund—state appropriation for fiscal year 2000 and ~~(\$75,000)~~ \$345,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to purchase and implement the automated recreational license data base system.

(20) \$1,400,000 of the general fund—state appropriation for fiscal year 2000 and \$1,400,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for fish passage barrier and screening technical assistance, engineering services, and construction assistance for local governments, state agencies, volunteer groups, and regional fisheries enhancement groups.

(21) \$1,500,000 of the salmon recovery account appropriation (~~and \$500,000 of the general fund—federal appropriation are~~) is provided solely for local salmon recovery technical assistance. Technical assistance shall be coordinated among all state agencies including the conservation commission, department of fish and wildlife, department of ecology, department of health, department of agriculture, department of transportation, state parks and recreation, interagency committee for outdoor recreation, governor's salmon recovery office, Puget Sound water quality action team, department of community, trade, and economic development, and department of natural resources. ~~(\$250,000 of the general fund—federal amount may be expended in each fiscal year of the biennium, only if the state receives greater than \$25,000,000 from the federal government for salmon recovery activities in that fiscal year. Funds authorized for expenditure in fiscal year 2000 may be expended in fiscal year 2001.)~~

(22) \$400,000 of the wildlife account appropriation is provided solely to implement House Bill No. 1681 (trout purchase by state). The fish and wildlife commission may authorize expenditure of these funds only if the costs of the program will be recovered by the increase in license sales directly attributable to

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

the planting of privately grown trout. If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

~~(23) ((\$50,000 of the general fund—state appropriation for fiscal year 2000 and \$50,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to implement Senate Bill No. 5508 (crab fishery catch records). If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.~~

~~—(24))~~ \$2,000,000 of the aquatic lands enhancement account appropriation is provided for cooperative volunteer projects.

(24) \$245,000 of the state wildlife account appropriation is provided solely for winter feeding of deer and winter range rehabilitation on the Chiliwist wildlife area.

(25) Within the appropriation from the wildlife account the department shall, at a minimum, operate Reiter Pond at fiscal year 2000 production levels.

(26) Within the appropriations in this section the department shall, at a minimum, operate the Colville hatchery at fiscal year 2000 production levels.

(27) \$384,000 of the general fund—private/local appropriation is provided solely to implement Senate Bill No. 6277 (authorizing cost reimbursement agreements). If the bill is not enacted by June 30, 2000, the amount provided in this subsection shall lapse.

(28) \$400,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for the implementation of the Puget Sound work plan agency action items DFW-10 and DFW-18, implementing a comprehensive Puget Sound ground fish and forage fish recovery plan.

(29) \$203,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for data collection and analysis related to Lake Washington sockeye.

(30) \$800,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for additional enforcement staff to respond and take appropriate action in response to public complaints regarding bear and cougar.

(31) \$500,000 of the general fund—state appropriation for fiscal year 2001 and \$200,000 of the wildlife account—state appropriation are provided solely to implement an endangered species act strategy for state hatchery operations, including fish passage improvements, screen compliance, rearing strategies, and restoration of production.

(32) \$789,000 of the salmon recovery account appropriation is provided solely for screening of irrigation diversions and projects to improve instream flows in the Methow river basin.

\*Sec. 306. 1999 c 309 s 308 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF NATURAL RESOURCES**

General Fund—State Appropriation (FY 2000) . . . \$	25,784,000
General Fund—State Appropriation (FY 2001) . . . \$	((25,641,000))
	<u>28,576,000</u>



WASHINGTON LAWS, 2000 2nd Sp. Sess.

Ch. 1

General Fund—Federal Appropriation . . . . .	\$	((12,656,000))
		<u>2,865,000</u>
General Fund—Private/Local Appropriation . . . . .	\$	((420,000))
		<u>1,604,000</u>
Forest Development Account—State Appropriation . . . . .	\$	((46,029,000))
		<u>48,086,000</u>
Off Road Vehicle Account—State Appropriation . . . . .	\$	3,668,000
Surveys and Maps Account—State Appropriation . . . . .	\$	2,221,000
Aquatic Lands Enhancement Account—State Appropriation . . . . .	\$	((2,656,000))
		<u>2,356,000</u>
Resources Management Cost Account—State Appropriation . . . . .	\$	((77,016,000))
		<u>79,097,000</u>
Surface Mining Reclamation Account—State Appropriation . . . . .	\$	1,435,000
Disaster Response Account—State Appropriation . . . . .	\$	<u>2,651,000</u>
Salmon Recovery Account—State Appropriation . . . . .	\$	3,483,000
Aquatic Land Dredged Material Disposal Site Account—State Appropriation . . . . .	\$	((764,000))
		<u>1,014,000</u>
Natural Resource Conservation Areas Stewardship Account Appropriation . . . . .	\$	1,100,000
Air Pollution Control Account—State Appropriation . . . . .	\$	((864,000))
		<u>687,000</u>
Metals Mining Account—State Appropriation . . . . .	\$	63,000
Agricultural College Trust Management Account Appropriation . . . . .	\$	1,736,000
TOTAL APPROPRIATION . . . . .	\$	((205,536,000))
		<u>206,426,000</u>

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

*(1) \$18,000 of the general fund—state appropriation for fiscal year 2000, \$18,000 of the general fund—state appropriation for fiscal year 2001, and ((\$1,058,000)) \$958,000 of the aquatic lands enhancement account appropriation are provided solely for the implementation of the Puget Sound work plan and agency action items DNR-01, DNR-02, and DNR-04.*

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

(2) \$7,304,000 of the general fund—state appropriation for fiscal year 2000 ~~((and)), \$7,304,000 of the general fund—state appropriation for fiscal year 2001,~~ and \$2,651,000 of the disaster response account—state appropriation are provided solely for emergency fire suppression.

(3) \$331,000 of the general fund—state appropriation for fiscal year 2000 and \$339,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for geologic studies to evaluate ground stability in high growth areas and to provide geologic expertise to small communities.

(4) \$663,000 of the general fund—state appropriation for fiscal year 2000 and \$689,000 of the general fund—state appropriation for fiscal year 2001 are provided to employ residents of the state between eighteen and twenty-five years of age in activities to enhance Washington's natural, historic, environmental, and recreational resources.

(5) \$3,483,000 of the salmon recovery account appropriation ~~((and \$10,991,000 of the general fund—federal appropriation are provided for the department to implement changes in forest practice rules for the protection of salmon. \$5,495,500 of the general fund—federal appropriation may be expended in each fiscal year of the biennium only if the state receives greater than \$25,000,000 from the federal government for salmon recovery activities in that fiscal year. Funds authorized for expenditure in fiscal year 2000 may be expended in fiscal year 2001.))~~ and \$3,000,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for implementation of chapter 4, Laws of 1999 sp. sess.

(a) Of the salmon recovery account appropriation in this subsection:

(i) \$2,580,000 is provided solely for costs associated with adopting and implementing new forest rules for protection of riparian habitat and water quality; road maintenance and abandonment planning; fish and water quality compliance staff; geographic information systems improvements for forest roads and hydrography; and updating the forest practices permit application system; and

(ii) \$903,000 is provided solely to implement sections 501 through 505 of chapter 4, Laws of 1999 sp. sess., including:

(A) The establishment of a small landowner office;

(B) Administration of the forestry riparian easement program;

(C) Contracting with private consultants to perform timber cruises;

(D) Development of small landowner options through alternate management plans;

(E) Evaluation of cumulative impacts of alternate plans;

(F) Establishment of a small landowners advisory committee;

(G) Development of criteria for determining compensation for qualifying timber; and

(H) Collection and reporting of the statistical information on small landowners as directed in section 503 of chapter 4, Laws of 1999 sp. sess.

(b) Of the general fund—state appropriation in this subsection:

(i) \$2,128,000 is provided solely for cooperative monitoring, evaluation, and research projects; hazard zonation; adopting and implementing new forest rules to protect riparian habitat and water quality; and geographic information systems improvements for forest roads and hydrography; and

(ii) \$872,000 is provided solely for the department to implement sections 501 through 505 of chapter 4, laws of 1999 sp. sess., including providing technical assistance for small forest landowners for the following:

(A) Determining streamside buffers;

(B) Preparation of road management plans;

(C) Participation in watershed analysis and adaptive management;

(D) Determining culvert replacement needs; and

(E) Developing alternative plans to comply with forest and fish rules.

(6) \$44,000 of the resource management cost account appropriation is provided solely for maintenance and safety improvements at the Gull Harbor marine station. The department shall develop a plan for use or disposal of the marine station by December 1, 1999.

(7) \$582,000 of the resource management cost account appropriation is provided solely to expand geoduck resource management activities.

(8) \$172,000 of the resource management cost account appropriation is provided solely to convert aquatic land maps and records to an electronic format.

(9) \$100,000 of the general fund—state appropriation for fiscal year 2000, \$100,000 of the general fund—state appropriation for fiscal year 2001, and \$400,000 of the aquatic lands enhancement account appropriation are provided solely for spartina control. Within these amounts, the department shall continue support for a field study of biological control methods.

(10) \$2,000,000 of the general fund—state appropriation for fiscal year 2000 and \$2,000,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for fire protection activities.

(11) \$450,000 of the resource management cost account appropriation is provided solely for the control and eradication of class B designate weeds on state lands.

(12) \$1,100,000 of the natural resources conservation areas stewardship account is provided solely to the department for planning, management, and stewardship of natural area preserves and natural resources conservation areas.

(13) \$384,000 of the general fund—private/local appropriation is provided solely to implement Senate Bill No. 6277 (authorizing cost reimbursement agreements). If the bill is not enacted by June 30, 2000, the amount provided in this subsection shall lapse.

(14) \$1,918,000 of the general fund—state appropriation for fiscal year 2001, \$2,574,000 of the forest development account appropriation, and \$4,625,000 of the resource management cost account appropriation are provided solely for agency administration and support for fiscal year 2001. Of these amounts, \$90,000 of the general fund—state appropriation, \$75,000 of the forest development account appropriation, and \$135,000 of the resource management

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

cost account appropriation are provided solely for independent staff to support the board of natural resources. The office of financial management shall assist the board with initial staff hiring.

(15) \$2,000,000 of the forest development account appropriation is provided solely for immediate road decommissioning, maintenance, and repair in the Lake Whatcom watershed.

(16) The department shall submit a report of the uses of the access road revolving fund to the legislature and the office of financial management no later than December 1, 2000. The report shall include the following:

- (a) Distribution of funds from fiscal year 1996 through fiscal year 2000;
- (b) Types of activities funded;
- (c) Method for prioritizing road projects, state-wide and by region; and
- (d) Proposed plan for road maintenance and repair in the 2001-2003 biennium.

\*Sec. 306 was partially vetoed. See message at end of chapter.

Sec. 307. 1999 c 309 s 309 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF AGRICULTURE**

General Fund—State Appropriation (FY 2000) . . . \$	((7,476,000))
	<u>7,876,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((7,316,000))
	<u>7,516,000</u>
General Fund—Federal Appropriation . . . . . \$	4,440,000
General fund—Private/Local Appropriation . . . . . \$	410,000
Aquatic Lands Enhancement Account—State	
Appropriation . . . . . \$	818,000
State Toxics Control Account—State	
Appropriation . . . . . \$	1,365,000
Local Toxics Control Account—State	
Appropriation . . . . . \$	241,000
TOTAL APPROPRIATION . . . . . \$	((22,066,000))
	<u>22,666,000</u>

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

- (1) \$36,000 of the general fund—state appropriation for fiscal year 2000 and \$37,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for technical assistance on pesticide management, including the implementation of the Puget Sound work plan and agency action item DOA-01.
- (2) \$241,000 of the local toxics control account appropriation is provided solely to implement chapter 36, Laws of 1998 (fertilizer regulation). The amount provided in this subsection shall be used to conduct a comprehensive study of plant uptake of metals and to implement new fertilizer registration requirements.
- (3) \$133,000 of the general fund—state appropriation for fiscal year 2000 and \$127,000 of the general fund—state appropriation for fiscal year 2001 are provided

solely for technical assistance to local watershed and salmon recovery planning efforts.

(4) \$400,000 of the general fund—state appropriation for fiscal year 2000 and \$200,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for activities to control and eradicate infestations of the asian gypsy moth.

**PART IV  
TRANSPORTATION**

**Sec. 401.** 1999 c 309 s 401 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF LICENSING**

General Fund—State Appropriation (FY 2000) . . . \$	((5,519,000))
	<u>5,630,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((4,947,000))
	<u>4,871,000</u>
Architects' License Account—State	
Appropriation . . . . . \$	((754,000))
	<u>678,000</u>
Cemetery Account—State Appropriation . . . . . \$	((203,000))
	<u>205,000</u>
Profession Engineers' Account—State	
Appropriation . . . . . \$	((2,828,000))
	<u>2,703,000</u>
Real Estate Commission—State Appropriation . . . \$	((7,114,000))
	<u>6,824,000</u>
Master License Account—State Appropriation . . . \$	((7,423,000))
	<u>7,317,000</u>
Uniform Commercial Code Account—State	
Appropriation . . . . . \$	((3,472,000))
	<u>3,448,000</u>
Real Estate Education Account—State	
Appropriation . . . . . \$	((606,000))
	<u>630,000</u>
Funeral Directors and Embalmers Account—State	
Appropriation . . . . . \$	((457,000))
	<u>472,000</u>
Washington Real Estate Research Account	
Appropriation . . . . . \$	((368,000))
	<u>313,000</u>
<b>TOTAL APPROPRIATION . . . . . \$</b>	<b>((33,691,000))</b>
	<b><u>33,091,000</u></b>

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

(1) \$150,000 of the general fund—state appropriation for fiscal year 2000, \$25,000 of the general fund—state appropriation for fiscal year 2001, and \$100,000

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

of the professional engineers' account appropriation are provided solely for Second Substitute Senate Bill No. 5821 (on-site wastewater treatment). If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

(2) (~~(\$368,000)~~) \$313,000 of the Washington real estate research account appropriation is provided solely for the implementation of Engrossed Senate Bill No. 5720 (real estate research). If the bill is not enacted by June 30, 1999, the amount provided in this subsection shall lapse.

**Sec. 402.** 1999 c 309 s 402 (uncodified) is amended to read as follows:

**FOR THE STATE PATROL**

General Fund—State Appropriation (FY 2000) . . . \$	<del>((22,129,000))</del>
	<u>21,496,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((20,858,000))</del>
	<u>20,826,000</u>
General Fund—Federal Appropriation . . . . . \$	3,999,000
General Fund—Private/Local Appropriation . . . . . \$	344,000
Death Investigations Account—State	
Appropriation . . . . . \$	<del>((2,816,000))</del>
	<u>3,689,000</u>
Public Safety and Education Account—State	
Appropriation . . . . . \$	<del>((6,867,000))</del>
	<u>9,611,000</u>
County Criminal Justice Assistance Account—State	
Appropriation . . . . . \$	<del>((4,641,000))</del>
	<u>2,887,000</u>
Municipal Criminal Justice Assistance Account—	
State Appropriation . . . . . \$	<del>((1,831,000))</del>
	<u>1,118,000</u>
Fire Service Trust Account—State	
Appropriation . . . . . \$	125,000
<u>Disaster Response Account—State</u>	
<u>Appropriation</u> . . . . . \$	<u>1,386,000</u>
Fire Service Training Account—State	
Appropriation . . . . . \$	6,730,000
State Toxics Control Account—State	
Appropriation . . . . . \$	442,000
Violence Reduction and Drug Enforcement Account—	
State Appropriation . . . . . \$	260,000
Fingerprint Identification Account—State	
Appropriation . . . . . \$	<del>((2,392,000))</del>
	<u>2,958,000</u>
<b>TOTAL APPROPRIATION . . . . . \$</b>	<del><b>((73,434,000))</b></del>
	<u><b>75,871,000</b></u>

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

(1) \$255,000 of the general fund—state appropriation for fiscal year 2000 and \$95,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for replacement of fire training equipment at the fire service training academy.

(2) (~~(\$430,000)~~) \$604,000 of the public safety and education account appropriation is provided solely for implementation of Second Substitute Senate Bill No. 5108 (missing/exploited children). If the bill is not enacted by June 30, 1999, the amount provided in this subsection shall lapse.

(3) \$2,816,000 of the death investigation account appropriation is provided solely for the implementation of Substitute House Bill No. 1560 (forensic lab services). If the bill is not enacted by June 30, 1999, the amount provided in this subsection shall lapse.

(4) \$2,900,000 of the fire service training account appropriation is provided solely for the implementation of Second Substitute Senate Bill No. 5102 (fire fighter training). If the bill is not enacted by June 30, 1999, the amount provided in this subsection shall lapse. In providing the fire fighter one training program required by the bill, the state patrol shall, to the extent possible, utilize existing public and private fire fighting training facilities in southeastern Washington.

(5) \$354,000 of the public safety and education account appropriation is provided solely for additional law enforcement and security coverage on the west capitol campus.

(6) \$66,000 of the general fund—state appropriation for fiscal year 2000 and \$58,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for activities of the missing children's clearinghouse as related to services performed under subsection 202(1) of this act. If that subsection is not enacted, the amount provided in this subsection shall lapse.

(7) When a program within the agency is supported by more than one fund and one of the funds is the state general fund, the agency shall charge its expenditures in such a manner as to ensure that each fund is charged in proportion to its support of the program. The agency may adopt guidelines for the implementation of this subsection. The guidelines may account for federal matching requirements, budget provisos, or other requirements to spend other moneys in a particular manner.

(8) \$300,000 of the death investigations account—state appropriation is provided solely for the operation of the state toxicology laboratory. If House Bill No. 2330 (liquor disbursements) is not enacted by June 30, 2000, the amount provided in this subsection shall lapse.

(9) \$1,386,000 of the disaster response account—state appropriation is provided solely for costs associated with the state patrol's participation in support of the world trade organization conference.

(10) \$125,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for the implementation of Engrossed Second Substitute Senate Bill

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

No. 2420 (oil/gas pipeline safety). If the bill is not enacted by June 30, 2000, the amount provided in this subsection shall lapse.

**PART V  
EDUCATION**

**Sec. 501.** 1999 c 309 s 501 (uncodified) is amended to read as follows:  
**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR STATE ADMINISTRATION**

General Fund—State Appropriation (FY 2000) . . . \$	((27,800,000))
	<u>34,844,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((26,535,000))
	<u>42,315,000</u>
General Fund—Federal Appropriation . . . . . \$	((78,121,000))
	<u>83,099,000</u>
<del>((Public Safety and Education Account—</del>	
<del>State Appropriation . . . . . \$</del>	<del>6,602,000</del>
<del>Health Services Account Appropriation . . . . . \$</del>	<del>5,242,000</del>
<del>Violence Reduction and Drug Enforcement Account</del>	
<del>Appropriation . . . . . \$</del>	<del>3,671,000))</del>
TOTAL APPROPRIATION . . . . . \$	((147,971,000))
	<u>160,258,000</u>

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

(1) AGENCY OPERATIONS

(a) \$404,000 of the general fund—state appropriation for fiscal year 2000 and \$403,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities.

(b) \$348,000 of the ~~((public safety and education account))~~ general fund—state appropriation is provided 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.

(c) \$128,000 of the general fund—state appropriation is provided solely for increased costs of providing a norm-referenced test to all third grade students and retests of certain third grade students and other costs in accordance with chapter 319, Laws of 1998 (student achievement).

(d) \$145,000 of the general fund—state appropriation is provided for an institutional education program director.

(2) STATE-WIDE PROGRAMS

(a) \$2,524,000 of the general fund—state appropriation is provided for in-service training and educational programs conducted by the Pacific Science Center. Of this amount, \$350,000 is provided to add a math van.



(b) \$63,000 of the general fund—state appropriation is provided for operation of the Cispus environmental learning center.

(c) \$2,754,000 of the general fund—state appropriation is provided for educational centers, including state support activities. \$100,000 of this amount is provided to help stabilize funding through distribution among existing education centers that are currently funded by the state at an amount less than \$100,000 a biennium.

(d) \$100,000 of the general fund—state appropriation is provided for an organization in southwest Washington that received funding from the Spokane educational center in the 1995-97 biennium and provides educational services to students who have dropped out of school.

(e) ~~(( \$3,671,000 of the violence reduction and drug enforcement account appropriation and \$2,252,000 of the public safety education account appropriation are))~~ \$5,923,000 of the general fund—state appropriation is provided solely for matching grants to enhance security in 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 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.

(f) \$5,649,000 of the general fund—state appropriation for FY 2001 is provided for school safety allocations to school districts. The amount provided in this subsection (2)(f) is subject to the following conditions and limitations:

(i) School districts may use funds allocated under this subsection (2)(f) for school safety purposes for the 2000-01 school year, including but not limited to the following: Planning; training; equipment; before, during, and after-school safety; and minor building renovations.

(ii) Allocations to school districts shall be made beginning on July 1, 2000, at a maximum rate of \$10.00 multiplied by the full-time equivalent enrollment of the district. A district's allocation shall be reduced by any amount awarded to that district for security and safety grants under section 501 (2)(e) of this act and under sections 1 (2) and 2 of chapter 12, Laws of 1999 sp. sess. For purposes of this subsection "full-time equivalent enrollment" means the average K-12 full-time equivalent enrollment from September 1, 1999, to May 31, 2000, or 150 full-time equivalent students, whichever is greater.

(g) \$200,000 of the general fund—state appropriation for fiscal year 2000, \$200,000 of the general fund—state appropriation for fiscal year 2001, and \$400,000 of the general fund—federal appropriation transferred from the department of health are provided solely for a program that provides grants to school districts for media campaigns promoting sexual abstinence and addressing

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

the importance of delaying sexual activity, pregnancy, and childbearing until individuals are ready to nurture and support their children. Grants to the school districts shall be for projects that are substantially designed and produced by students. The grants shall require a local private sector match equal to one-half of the state grant, which may include in-kind contribution of technical or other assistance from consultants or firms involved in public relations, advertising, broadcasting, and graphics or video production or other related fields.

~~((g))~~ (h) \$1,500,000 of the general fund—state appropriation for fiscal year 2000 and \$1,500,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for school district petitions to juvenile court for truant students as provided in RCW 28A.225.030 and 28A.225.035. Allocation of this money to school districts shall be based on the number of petitions filed.

~~((h))~~ (i) A maximum of \$300,000 of the general fund—state appropriation is provided for alcohol and drug prevention programs pursuant to RCW 66.08.180.

~~((i))~~ (j) \$5,702,000 of the general fund—state appropriation is provided solely for shared infrastructure costs, data equipment maintenance, and depreciation costs for operation of the K-20 telecommunications network.

~~((j))~~ (k) \$4,000,000 of the general fund—state appropriation is provided solely for a K-20 telecommunications network technical support system in the K-12 sector to prevent system failures and avoid interruptions in school utilization of the data processing and video-conferencing capabilities of the network. These funds may be used to purchase engineering and advanced technical support for the network. A maximum of \$650,000 may be expended for state-level administration and staff training on the K-20 network.

~~((k))~~ (l) \$50,000 of the general fund—state appropriation for fiscal year 2000 and \$50,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for allocation to the primary coordinators of the state geographic alliance to improve the teaching of geography in schools.

~~((l))~~ (m) \$2,000,000 of the ~~((public safety and education account))~~ general fund—state appropriation is provided for start-up grants for alternative programs and services that improve instruction and learning for at-risk students. Grants shall be awarded to applicants showing the greatest potential for improved student learning for at-risk students including:

- (i) Students who are disruptive or have been suspended, expelled, or subject to other disciplinary actions;
- (ii) Students with unexcused absences who need intervention;
- (iii) Students who have left school; and
- (iv) Students involved with the court system.

~~((m))~~ (n) \$1,600,000 of the general fund—state appropriation is provided for grants for magnet schools.

~~((n))~~ (o) \$4,300,000 of the general fund—state appropriation is provided for complex need grants. Grants shall be provided according to amounts shown in LEAP Document 30C as developed on April 27, 1997, at 03:00 hours.

~~((e)) \$262,000 of the general fund—state appropriation for fiscal year 2000 and \$235,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to implement Substitute Senate Bill No. 5593 (professional educator standards board). If Substitute Senate Bill No. 5593 is not enacted by June 30, 1999, the amount provided in this subsection shall lapse.~~

~~—(p) \$200,000 of the general fund—state appropriation is provided solely for the purposes of Substitute Senate Bill No. 5413 (teacher assessment/certification). If Substitute Senate Bill No. 5413 is not enacted by June 30, 1999, the amount provided in this subsection shall lapse.~~

~~—(q)) (p) \$431,000 of the general fund—state appropriation is provided solely to implement Engrossed House Bill No. 2760 (educator quality). If the bill is not enacted by June 30, 2000, the amount provided in this subsection shall lapse.~~

(q) \$500,000 of the general fund—state appropriation for fiscal year 2000 and \$500,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for grants to schools and school districts to establish school safety plans.

(r) \$5,242,000 of the ~~((health services account appropriation))~~ general fund—state is provided solely for a corps of nurses located at educational service districts, as determined by the superintendent of public instruction, to be dispatched to the most needy schools to provide direct care to students, health education, and training for school staff.

(s) \$50,000 of the general fund—state appropriation is provided as matching funds for district contributions to provide analysis of the efficiency of school district business practices.

(t) \$750,000 of the general fund—state appropriation is provided solely for computer system programming and upgrades to benefit the office of the superintendent of public instruction, schools, and school districts.

(u) \$21,000 of the general fund—state appropriation for fiscal year 2000 appropriation and \$21,000 of the general fund—state appropriation for fiscal year 2001 appropriation are provided solely for the increased costs resulting from Engrossed Second Substitute House Bill No. 1477 (school district organization). If the bill is not enacted by June 30, 1999, the amounts in this subsection shall lapse.

(v) \$1,500,000 of the general fund—state appropriation is provided solely for the excellence in mathematics training program as specified in Substitute House Bill No. 1569 (excellence in mathematics). If the bill is not enacted by June 30, 1999, the amount in this subsection shall lapse.

(w) \$2,000,000 of the ~~((public safety and education account))~~ general fund—state appropriation is provided solely for teacher institutes during the summer of 2000, programs, and administration costs, as provided for in Engrossed Second Substitute House Bill No. 2085 (disruptive students). If the bill is not enacted by June 30, 1999, the amount in this subsection shall lapse.

(x) ~~(((\$100,000))~~ \$200,000 of the general fund—state appropriation is provided solely for support for vocational student leadership organizations.

**Ch. 1                    WASHINGTON LAWS, 2000 2nd Sp. Sess.**

(y) \$1,100,000 of the general fund—state appropriation is provided for an equal matching grant to the Northeast vocational area cooperative to establish high-technology learning centers to provide college-level technology curriculum for high school students leading to an information technology certificate or degree. Only the following sources may be used as matching for the state funds: Private sector contributions; operating levy revenues; capital levy revenues; technology levy revenues; or other local funds not from federal or state sources.

(z) \$75,000 of the general fund—state appropriation is provided for speech pathology grants to charitable organizations as qualified under the internal revenue code and incorporated under the laws of the state of Washington. These grants shall be used for the purpose of providing childhood speech pathology by nationally certified speech pathologists to children who have demonstrated a lack of verbal communication skills and who would benefit from such a program. Speech pathology services shall be provided at no cost to the child receiving the benefits or to the parents or guardians of the child.

(aa) \$500,000 of the general fund—state appropriation is provided solely for competitive grants to school districts to obtain curriculum or programs that allow high school students to have access to internet-based curriculum that leads directly to higher education credits or provides preparation for tests that lead to higher education credit in subjects including but not limited to mathematics, languages, and science.

(bb) \$1,000,000 of the general fund—state appropriation for fiscal year 2000 and (~~(\$1,000,000)~~) \$1,800,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for grants to school districts for programs to prepare high school students to achieve information technology industry skills certifications. The funds may be expended to provide or improve internet access; purchase and install networking or computer equipment; train faculty; or acquire curriculum materials. A match of cash or in-kind contributions from nonstate sources equal to at least half of the cash amount of the grant is required. To assure continuity of the curriculum with higher education institutions, the grant program will be designed and implemented by an interagency team comprised of representatives from the office of the superintendent of public instruction, the state board for community and technical colleges, the higher education coordinating board, and the office of financial management. School districts may apply for grants in cooperation with other school districts or community or technical colleges and must demonstrate in the grant application a cooperative relationship with a community or technical college in information technology programs. Preference for grants shall be made to districts with sound technology plans, which offer student access to computers outside of school hours, which demonstrate involvement of the private sector in information technology programs, and which serve the needs of low-income communities.

(cc) \$150,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for the Washington civil liberties education program pursuant to Engrossed Second Substitute House Bill No. 1572 (civil liberties education). If the

bill is not enacted by June 30, 2000, the amount provided in this subsection shall lapse.

(dd) \$150,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for the World War II oral history project pursuant to Substitute House Bill No. 2418 (WWII oral history project). If the bill is not enacted by June 30, 2000, the amount provided in this subsection shall lapse.

(ee) \$431,000 of the general fund—state appropriation is provided solely for the purchase of filtering servers necessary for districts to implement a computer technology filtering system for schools. Priority shall be given to districts that do not have any filtering systems in place. Funding shall be provided only at the request of that district's school board.

(ff) \$297,000 of the general fund—state appropriation is provided solely for training in oral medications administration. If Substitute Senate Bill No. 6328 (oral medications training) is enacted, the funds are provided to implement the provisions of the bill. If the bill is not enacted by June 30, 2000, the superintendent shall provide training in administration of oral medications using the model program developed by the office of the superintendent of public instruction.

Sec. 502. 1999 c 309 s 502 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR  
GENERAL APPORTIONMENT (~~((BASIC EDUCATION))~~)**

General Fund—State Appropriation (FY 2000) . . . \$	<del>((3,545,737,000))</del>
	<u>3,507,296,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((3,551,100,000))</del>
	<u>3,480,701,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((7,096,837,000))</del>
	<u>6,987,997,000</u>

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

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

(2) Allocations for certificated staff salaries for the 1999-00 and 2000-01 school years shall be determined using formula-generated staff units calculated pursuant to this subsection. Staff allocations for small school enrollments in (d) through (f) of this subsection shall be reduced for vocational full-time equivalent enrollments. 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 per thousand full-time equivalent students in grades K-12;

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

(ii) 49 certificated instructional staff units per thousand full-time equivalent students in grades K-3;

(iii) An additional 4.2 certificated instructional staff units for grades K-3 and an additional 7.2 certificated instructional staff units for grade 4. Any funds allocated for these additional certificated units shall not be considered as basic education funding;

(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 53.2 certificated instructional staff per thousand full-time equivalent students in grades K-4. For any school district documenting a lower certificated instructional staff ratio, the allocation shall be based on the district's actual grades K-4 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-4 may dedicate up to 1.3 of the 53.2 funding ratio to employ additional classified instructional assistants assigned to basic education classrooms in grades K-4. 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 53.2 certificated instructional staff per thousand full-time equivalent students in grades K-4 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 5-6. 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 per thousand full-time equivalent students in grades 4-12;

(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)(i) On the basis of full-time equivalent enrollment in:

(A) Vocational education programs approved by the superintendent of public instruction, a maximum of 0.92 certificated instructional staff units and 0.08

certificated administrative staff units for each 19.5 full-time equivalent vocational students for the 1999-00 school year and the 2000-01 school year. Districts documenting staffing ratios of less than 1 certificated staff per 19.5 students shall be allocated the greater of the total ratio in subsections (2)(a)(i) and (iv) of this section or the actual documented ratio; and

(B) Skills center programs meeting the standards for skill center funding recommended by the superintendent of public instruction, January 1999, 0.92 certificated instructional staff units and 0.08 certificated administrative units for each 16.67 full-time equivalent vocational students;

(ii) Indirect cost charges, as defined by the superintendent of public instruction, to vocational-secondary programs shall not exceed 10 percent; and

(iii) Vocational full-time equivalent enrollment shall be reported on the same monthly basis as the enrollment for students eligible for basic support, and payments shall be adjusted for reported vocational enrollments on the same monthly basis as those adjustments for enrollment for students eligible for basic support.

(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 7 and 8, 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 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; and

(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 1999-00 and 2000-01 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 full-time equivalent enrollments, one classified staff unit for each sixty average annual full-time equivalent students; and

(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 ~~((16.97))~~ 16.49 percent in the 1999-00 school year and 15.62 percent in the 2000-01 school year~~((s))~~ for certificated salary allocations provided under subsection (2) of this section, and a rate of ~~((15.75))~~ 15.56 percent in the 1999-00 school year and 15.82 percent in the 2000-01 school year~~((s))~~ for classified salary allocations provided under subsection (3) of this section.

(5) Insurance benefit allocations shall be calculated at the maintenance rate specified in section 504(2) of this act, based on the number of benefit units determined as follows:



(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 \$8,117 per certificated staff unit in the 1999-00 school year and a maximum of (~~(\$8,274)~~) \$8,239 per certificated staff unit in the 2000-01 school year.

(b) For nonemployee-related costs associated with each vocational certificated staff unit allocated under subsection (2)(c)(i)(A) of this section, there shall be provided a maximum of \$19,933 per certificated staff unit in the 1999-00 school year and a maximum of (~~(\$20,312)~~) \$20,232 per certificated staff unit in the 2000-01 school year.

(c) For nonemployee-related costs associated with each vocational certificated staff unit allocated under subsection (2)(c)(i)(B) of this section, there shall be provided a maximum of \$15,467 per certificated staff unit in the 1999-00 school year and a maximum of (~~(\$15,764)~~) \$15,699 per certificated staff unit in the 2000-01 school year.

(7) Allocations for substitute costs for classroom teachers shall be distributed at a maintenance rate of \$365.28 for the 1999-00 school year and \$479.94 for the 2000-01 school year per allocated classroom teachers exclusive of salary increase amounts provided in section 504 of this act. 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 1998-99 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 (~~(\$6,444,000)~~) \$10,598,000 outside the basic education formula during fiscal years 2000 and 2001 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

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

\$457,000 may be expended in fiscal year 2000 and a maximum of ~~(((\$466,000))~~ \$464,000 may be expended in fiscal year 2001;

(b) For summer vocational programs at skills centers, a maximum of \$2,098,000 may be expended each fiscal year;

(c) A maximum of ~~(((\$325,000))~~ \$585,000 may be expended for school district emergencies provided that up to \$260,000 shall be for the Toutle Lake school district emergency; ~~((and))~~

(d) A maximum of \$500,000 per fiscal year may be expended for programs providing skills training for secondary students who are enrolled in extended day school-to-work programs, as approved by the superintendent of public instruction. The funds shall be allocated at a rate not to exceed \$500 per full-time equivalent student enrolled in those programs~~((:));~~ and

(e) A maximum of \$3,117,000 of the general fund—state appropriation for fiscal year 2000 and \$779,000 of the general fund—state appropriation for fiscal year 2001 are provided for the 1999-00 school year for districts which experience an enrollment decline in the 1999-00 school year from the 1998-99 school year of more than 4.5 percent in full-time equivalent enrollment or more than 300 full-time equivalent students. The superintendent shall allocate funds to eligible school districts for up to one-half of the enrollment loss at the basic education unenhanced rate for the district. School districts receiving small school factor bonus funds shall not be eligible for enrollment decline funds to the extent that the district has no state apportionment loss as a result of the enrollment decline.

(10) For purposes of RCW 84.52.0531, the increase per full-time equivalent student in state basic education appropriations provided under chapter 309, Laws of 1999, including appropriations for salary and benefits increases, is 4.0 percent from the 1998-99 school to the 1999-00 school year, and 3.0 percent from the 1999-00 school year to the 2000-01 school year. This subsection supersedes section 1, chapter 10, Laws of 1999 sp. sess.

(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.

**Sec. 503.** 1999 c 309 s 503 (uncodified) is amended to read as follows:

**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 total base salary shown on LEAP Document 12E for the appropriate year, by the district's average staff mix factor for basic education and special education certificated instructional staff in that school year, computed using LEAP Document 1S; and

(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 12E for the appropriate year.

(2) For the purposes of this section:

(a) "Basic education certificated instructional staff" is defined as provided in RCW 28A.150.100 and "special education certificated staff" means staff assigned to the state-supported special education program pursuant to chapter 28A.155 RCW in positions requiring a certificate;

(b) "LEAP Document 1S" means the computerized tabulation establishing staff mix factors for certificated instructional staff according to education and years of experience, as developed by the legislative evaluation and accountability program committee on March 25, 1999, at 16:55 hours; and

(c) "LEAP Document 12E" means the computerized tabulation of 1999-00 and 2000-01 school year salary allocations for certificated administrative staff and classified staff and derived and total base salaries for certificated instructional staff as developed by the legislative evaluation and accountability program committee on March 25, 1999, at 18:53 hours.

(3) Incremental fringe benefit factors shall be applied to salary adjustments at a rate of ~~((+6.33))~~ 15.85 percent for school year 1999-00 and 14.98 percent for school year 2000-01 for certificated staff and ~~((+2.25))~~ 12.06 percent for school year 1999-00 and 12.32 percent for school year 2000-01 for classified staff ~~((for both years of the biennium))~~.

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

1999-00 K-12 Salary Schedule for Certificated Instructional Staff

Years of Service	BA	BA+15	BA+30	BA+45	BA+90
0	25,716	26,410	27,130	27,850	30,165
1	26,062	26,765	27,494	28,248	30,586
2	26,649	27,367	28,111	28,930	31,284
3	27,527	28,267	29,033	29,895	32,291
4	28,146	28,927	29,705	30,605	33,040

**Ch. 1                    WASHINGTON LAWS, 2000 2nd Sp. Sess.**

5	28,790	29,581	30,375	31,334	33,785
6	29,161	29,935	30,756	31,765	34,203
7	30,113	30,906	31,747	32,820	35,319
8	31,079	31,915	32,776	33,938	36,471
9		32,960	33,863	35,067	37,659
10			34,964	36,255	38,881
11				37,477	40,161
12				38,660	41,474
13					42,820
14					44,173
15					45,322
16 or more					46,228

Years of Service	BA+135	MA	MA+45	MA+90 or PHD
0	31,656	30,831	33,146	34,637
1	32,068	31,174	33,511	34,994
2	32,797	31,827	34,181	35,694
3	33,871	32,794	35,189	36,769
4	34,647	33,476	35,910	37,518
5	35,440	34,176	36,627	38,282
6	35,866	34,551	36,989	38,653
7	37,047	35,607	38,105	39,833
8	38,261	36,724	39,257	41,048
9	39,511	37,853	40,446	42,297
10	40,795	39,042	41,668	43,581
11	42,112	40,264	42,948	44,899
12	43,485	41,534	44,261	46,271
13	44,890	42,848	45,607	47,677
14	46,349	44,202	47,047	49,136
15	47,554	45,351	48,270	50,413
16 or more	48,505	46,258	49,236	51,421

**2000-01 K-12 Salary Schedule for Certificated Instructional Staff**

Years of Service	BA	BA+15	BA+30	BA+45	BA+90
0	26,487	27,203	27,943	28,686	31,070
1	26,843	27,568	28,319	29,095	31,503
2	27,448	28,189	28,954	29,798	32,223
3	28,352	29,115	29,904	30,792	33,260
4	28,991	29,794	30,596	31,524	34,031
5	29,653	30,469	31,286	32,274	34,798
6	30,036	30,833	31,679	32,718	35,229
7	31,017	31,833	32,699	33,805	36,378

8	32,011	32,873	33,759	34,956	37,565
9		33,949	34,879	36,119	38,789
10			36,013	37,343	40,048
11				38,601	41,366
12				39,820	42,718
13					44,105
14					45,498
15					46,681
16 or more					47,615

Years of Service	BA+135	MA	MA+45	MA+90 or PHD
0	32,605	31,756	34,140	35,676
1	33,030	32,109	34,517	36,044
2	33,781	32,782	35,207	36,765
3	34,887	33,778	36,245	37,872
4	35,687	34,480	36,988	38,643
5	36,503	35,202	37,726	39,431
6	36,942	35,588	38,099	39,813
7	38,158	36,675	39,249	41,028
8	39,409	37,826	40,435	42,279
9	40,696	38,989	41,659	43,566
10	42,018	40,213	42,918	44,889
11	43,375	41,471	44,236	46,246
12	44,789	42,780	45,589	47,659
13	46,237	44,134	46,975	49,107
14	47,739	45,528	48,459	50,610
15	48,981	46,711	49,719	51,926
16 or more	49,960	47,645	50,713	52,964

(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.

(5) 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 adopted by the superintendent of public instruction.

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

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

(6) 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.

(7) The certificated instructional staff base salary specified for each district in LEAP Document 12E and the salary schedules in subsection (4)(a) of this section include a 1.67 percent increase for three learning improvement days added in the 1999-00 school year and maintained in the 2000-01 school year. A school district is eligible for the learning improvement day funds for school years 1999-00 and 2000-01, only if three days have been added to the base contract in effect for the 1998-99 school year. If fewer than three days are added, the additional learning improvement allocation shall be adjusted accordingly. The additional days shall be for activities related to improving student learning consistent with education reform implementation. The length of a learning improvement day shall not be less than the length of a full day under the base contract. The superintendent of public instruction shall ensure that school districts adhere to the intent and purposes of this subsection.

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

Sec. 504. 1999 c 309 s 504 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS**

General Fund—State Appropriation (FY 2000) . . . \$	((187,659,000))
	<u>186,314,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((348,636,000))
	<u>344,013,000</u>
TOTAL APPROPRIATION . . . . . \$	((536,295,000))
	<u>530,327,000</u>

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

(1) ((~~\$412,995,000~~)) \$406,511,000 is provided for a cost of living adjustment of 3.0 percent effective September 1, 1999, and another 3.0 percent effective September 1, 2000, for state formula staff units. The appropriations include associated incremental fringe benefit allocations at rates of ((~~+6.33~~)) 15.85 percent for school year 1999-00 and 14.98 percent for school year 2000-01 for certificated staff and ((~~+2.25~~)) 12.06 percent for school year 1999-00 and 12.32 percent for school year 2000-01 for classified staff. The appropriation also includes 1.67 percent effective September 1, 1999, for three learning improvement days pursuant

to section 503(7) of this act and the salary allocation schedule adjustments for beginning and senior certificated instructional staff.

(a) The appropriations in this section include the increased portion of salaries and incremental fringe benefits for all relevant state-funded school programs in part V of this act. Salary adjustments for state employees in the office of superintendent of public instruction and the education reform program are provided in part VII of this act. Increases for general apportionment (basic education) are based on the salary allocation schedules and methodology in section 502 of this act. Increases for special education result from increases in each district's basic education allocation per student. Increases for educational service districts and institutional education programs are determined by the superintendent of public instruction using the methodology for general apportionment salaries and benefits in section 502 of this act.

(b) The appropriations in this section provide cost-of-living, learning improvement days for certificated instructional staff, and incremental fringe benefit allocations based on formula adjustments as follows:

(i) For pupil transportation, an increase of \$0.60 per weighted pupil-mile for the 1999-00 school year and \$1.23 per weighted pupil-mile for the 2000-01 school year;

(ii) For education of highly capable students, an increase of \$14.04 per formula student for the 1999-00 school year and ~~(\$21.28)~~ \$21.09 per formula student for the 2000-01 school year; and

(iii) For transitional bilingual education, an increase of ~~(\$36.18)~~ \$36.19 per eligible bilingual student for the 1999-00 school year and ~~(\$54.99)~~ \$54.51 per eligible student for the 2000-01 school year; and

(iv) For learning assistance, an increase of ~~(\$13.98)~~ \$13.97 per entitlement unit for the 1999-00 school year and ~~(\$23.16)~~ \$23.04 per entitlement unit for the 2000-01 school year.

(c) The appropriations in this section include ~~(\$420,000)~~ \$417,000 for fiscal year 2000 and ~~(\$962,000)~~ \$1,214,000 for fiscal year 2001 for salary increase adjustments for substitute teachers.

(2) ~~(\$123,300,000)~~ \$123,816,000 is provided for adjustments to insurance benefit allocations. The maintenance rate for insurance benefit allocations is \$335.75 per month for the 1999-00 and 2000-01 school years. The appropriations in this section provide for a rate increase to \$388.02 per month for the 1999-00 school year and ~~(\$423.57)~~ \$425.89 per month for the 2000-01 school year at the following rates:

(a) For pupil transportation, an increase of \$0.48 per weighted pupil-mile for the 1999-00 school year and ~~(\$0.80)~~ \$0.82 for the 2000-01 school year;

(b) For education of highly capable students, an increase of ~~(\$3.30)~~ \$3.32 per formula student for the 1999-00 school year and ~~(\$5.58)~~ \$5.72 for the 2000-01 school year;

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

(c) For transitional bilingual education, an increase of ~~((\\$8.45))~~ \$8.46 per eligible bilingual student for the 1999-00 school year and ~~((\\$14.22))~~ \$14.59 for the 2000-01 school year; and

(d) For learning assistance, an increase of \$6.65 per funded unit for the 1999-00 school year and ~~((\\$11.17))~~ \$11.47 for the 2000-01 school year.

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

**Sec. 505.** 1999 c 309 s 505 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PUPIL TRANSPORTATION**

General Fund—State Appropriation (FY 2000) . . . \$	<del>((179,802,000))</del> <u>181,204,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((180,925,000))</del> <u>181,061,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((360,727,000))</del> <u>362,265,000</u>

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

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

(2) A maximum of ~~((\\$1,475,000))~~ \$1,473,000 may be expended for regional transportation coordinators and related activities. The transportation coordinators shall ensure that data submitted by school districts for state transportation funding shall, to the greatest extent practical, reflect the actual transportation activity of each district.

(3) \$10,000 of the fiscal year 2000 appropriation and \$10,000 of the fiscal year 2001 appropriation are 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.

(4) Allocations for transportation of students shall be based on reimbursement rates of ~~((\\$34.99))~~ \$34.96 per weighted mile in the 1999-00 school year and ~~((\\$35.20))~~ \$35.17 per weighted mile in the 2000-01 school year exclusive of salary and benefit adjustments provided in section 504 of this act. Allocations for transportation of students transported more than one radius mile shall be based on weighted miles as determined by superintendent of public instruction multiplied by the per mile reimbursement rates for the school year pursuant to the formulas adopted by the superintendent of public instruction. Allocations for transportation of students living within one radius mile shall be based on the number of enrolled students in grades kindergarten through five living within one radius mile of their assigned school multiplied by the per mile reimbursement rate for the school year multiplied by 1.29.

**Sec. 506.** 1999 c 309 s 506 (uncodified) is amended to read as follows:



**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SCHOOL FOOD SERVICE PROGRAMS**

General Fund—State Appropriation (FY 2000) . . . \$	3,100,000
General Fund—State Appropriation (FY 2001) . . . \$	3,100,000
General Fund—Federal Appropriation . . . . . \$	<del>((194,483,000))</del>
	<u>227,204,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((200,683,000))</del>
	<u>233,404,000</u>

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

- (1) \$6,000,000 of the general fund—state appropriations are provided for state matching money for federal child nutrition programs.
- (2) \$175,000 of the general fund—state appropriations are provided for summer food programs for children in low-income areas.

Sec. 507. 1999 c 309 s 507 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SPECIAL EDUCATION PROGRAMS**

General Fund—State Appropriation (FY 2000) . . . \$	<del>((392,036,000))</del>
	<u>387,011,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((393,461,000))</del>
	<u>385,482,000</u>
General Fund—Federal Appropriation . . . . . \$	<del>((148,159,000))</del>
	<u>171,667,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((933,656,000))</del>
	<u>944,160,000</u>

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

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

(2) Each general fund—state fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

~~((2))~~ (3) The superintendent of public instruction shall distribute state funds to school districts based on two categories: The optional birth through age two program for special education eligible developmentally delayed infants and toddlers, and the mandatory special education program for special education eligible students ages three to twenty-one. A "special education eligible student"

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

means a student receiving specially designed instruction in accordance with a properly formulated individualized education program.

~~((3))~~ (4) For the 1999-00 and 2000-01 school years, the superintendent shall distribute state funds to each district based on the sum of:

(a) A district's annual average headcount enrollment of developmentally delayed infants and toddlers ages birth through two, multiplied by the district's average basic education allocation per full-time equivalent student, multiplied by 1.15; and

(b) A district's annual average full-time equivalent basic education enrollment multiplied by the funded enrollment percent determined pursuant to subsection ~~((4)(e))~~ (5)(c) of this section, multiplied by the district's average basic education allocation per full-time equivalent student multiplied by 0.9309.

~~((4))~~ (5) The definitions in this subsection apply throughout this section.

(a) "Average basic education allocation per full-time equivalent student" for a district shall be based on the staffing ratios required by RCW 28A.150.260 and shall not include enhancements, secondary vocational education, or small schools.

(b) "Annual average full-time equivalent basic education enrollment" means the resident enrollment including students enrolled through choice (RCW 28A.225.225) and students from nonhigh districts (RCW 28A.225.210) and excluding students residing in another district enrolled as part of an interdistrict cooperative program (RCW 28A.225.250).

(c) "Enrollment percent" means the district's resident special education annual average enrollment including those students counted under the special education demonstration projects, excluding the birth through age two enrollment, as a percent of the district's annual average full-time equivalent basic education enrollment. For the 1999-00 and the 2000-01 school years, each district's funded enrollment percent shall be the lesser of the district's actual enrollment percent for the school year for which the allocation is being determined or 12.7 percent.

~~((5))~~ (6) At the request of any interdistrict cooperative of at least 15 districts in which all excess cost services for special education students of the districts are provided by the cooperative, the maximum enrollment percent shall be 12.7, and shall be calculated in the aggregate rather than individual district units. For purposes of this subsection, the average basic education allocation per full-time equivalent student shall be calculated in the aggregate rather than individual district units.

~~((6))~~ (7) A maximum of \$12,000,000 of the general fund—state appropriation for fiscal year 2000 and a maximum of \$12,000,000 of the general fund—state appropriation for fiscal year 2001 are provided as safety net funding for districts with demonstrated needs for state special education funding beyond the amounts provided in subsection ~~((3))~~ (4) of this section. Safety net funding shall be awarded by the state safety net oversight committee.

(a) The safety net oversight committee shall first consider the needs of districts adversely affected by the 1995 change in the special education funding formula. Awards shall be based on the amount required to maintain the 1994-95 state special

education excess cost allocation to the school district in aggregate or on a dollar per funded student basis.

(b) The committee shall then consider unusual needs of districts due to a special education population which differs significantly from the assumptions of the state funding formula. Awards shall be made to districts that convincingly demonstrate need due to the concentration and/or severity of disabilities in the district. Differences in program costs attributable to district philosophy or service delivery style are not a basis for safety net awards.

(c) The maximum allowable indirect cost for calculating safety net eligibility may not exceed the federal restricted indirect cost rate for the district plus one percent.

(d) Safety net awards shall be adjusted based on the percent of potential medicaid eligible students billed as calculated by the superintendent in accordance with Substitute Senate Bill No. 5626 (medicaid payments to schools).

(e) Safety net awards must be adjusted for any audit findings or exceptions related to special education funding.

(f) The superintendent may expend up to \$100,000 per year of the amounts provided in this subsection to provide staff assistance to the committee in analyzing applications for safety net funds received by the committee.

~~((7))~~ (8) The superintendent of public instruction may adopt such rules and procedures as are necessary to administer the special education funding and safety net award process. Prior to revising any standards, procedures, or rules, the superintendent shall consult with the office of financial management and the fiscal committees of the legislature.

~~((8))~~ (9) The safety net oversight committee appointed by the superintendent of public instruction shall consist of:

- (a) Staff of the office of superintendent of public instruction;
- (b) Staff of the office of the state auditor;
- (c) Staff of the office of the financial management; and

(d) One or more representatives from school districts or educational service districts knowledgeable of special education programs and funding.

~~((9) A maximum of)~~ (10) To the extent necessary, \$5,500,000 of the general fund—federal appropriation shall be expended for safety net funding to meet the extraordinary needs of one or more individual special education students. If safety net awards to meet the extraordinary needs of one or more individual special education students exceed \$5,500,000 of the general fund—federal appropriation, the superintendent shall expend all available federal discretionary funds necessary to meet this need. General fund—state funds shall not be expended for this purpose.

~~((10))~~ (11) A maximum of \$678,000 may be expended from the general fund—state appropriations 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 special education program.

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

~~((11))~~ (12) A maximum of \$1,000,000 of the general fund—federal appropriation is provided for projects to provide special education 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.

~~((12))~~ (13) A school district may carry over from one year to the next year up to 10 percent of general fund—state funds allocated under this program; however, carry over funds shall be expended in the special education program.

~~((13))~~ (14) The superintendent shall maintain the percentage of federal flow-through to school districts at 85 percent. In addition to other purposes, school districts may use increased federal funds for high-cost students, for purchasing regional special education services from educational service districts, and for staff development activities particularly relating to inclusion issues.

~~((14))~~ (15) A maximum of \$1,200,000 of the general fund—federal appropriation may be expended by the superintendent for projects related to use of inclusion strategies by school districts for provision of special education services. The superintendent shall prepare an information database on laws, best practices, examples of programs, and recommended resources. The information may be disseminated in a variety of ways, including workshops and other staff development activities.

Sec. 508. 1999 c 309 s 508 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR TRAFFIC SAFETY EDUCATION PROGRAMS**

~~((Public Safety and Education Account—State~~

<del>Appropriation . . . . .</del>	<del>\$</del>	<del>16,276,000))</del>
<u>General Fund—State Appropriation (FY 2000) . . .</u>	<u>\$</u>	<u>7,738,000</u>
<u>General Fund—State Appropriation (FY 2001) . . .</u>	<u>\$</u>	<u>7,771,000</u>
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$</b>	<b>15,509,000</b>

The appropriations in this section ~~((is))~~ are subject to the following conditions and limitations:

- (1) The appropriations include~~((s))~~ such funds as are necessary to complete the school year ending in each fiscal year and for prior fiscal year adjustments.
- (2) A maximum of \$507,000 may be expended for regional traffic safety education coordinators.
- (3) The maximum basic state allocation per student completing the program shall be \$137.16 in the 1999-00 and 2000-01 school years.
- (4) Additional allocations to provide tuition assistance for students from low-income families who complete the program shall be a maximum of \$66.81 per eligible student in the 1999-00 and 2000-01 school years.

Sec. 509. 1999 c 309 s 509 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR EDUCATIONAL SERVICE DISTRICTS**

General Fund—State Appropriation (FY 2000) . . . \$ ~~((4,547,000))~~

	<u>4,537,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((4,547,000))
	<u>4,530,000</u>
TOTAL APPROPRIATION . . . . . \$	((9,094,000))
	<u>9,067,000</u>

The appropriations in this section are 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 for fiscal year 2000 and \$250,000 of the general fund appropriation for fiscal year 2001 are provided solely for student teaching centers as provided in RCW 28A.415.100.

(3) A maximum of \$500,000 is provided for centers for the improvement of teaching pursuant to RCW 28A.415.010.

Sec. 5I0. 1999 c 309 s 510 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR LOCAL EFFORT ASSISTANCE**

General Fund—State Appropriation (FY 2000) . . . \$	((98,315,000))
	<u>102,563,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((107,973,000))
	<u>122,114,000</u>
TOTAL APPROPRIATION . . . . . \$	((206,288,000))
	<u>224,677,000</u>

Sec. 5I1. 1999 c 309 s 512 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR INSTITUTIONAL EDUCATION PROGRAMS**

General Fund—State Appropriation (FY 2000) . . . \$	((20,201,000))
	<u>19,296,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((21,542,000))
	<u>19,469,000</u>
General Fund—Federal Appropriation . . . . . \$	8,548,000
TOTAL APPROPRIATION . . . . . \$	((50,291,000))
	<u>47,313,000</u>

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

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

(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

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

shall monitor school district expenditure plans for institutional education programs to ensure that districts plan for a full-time summer program.

(3) State funding for each institutional education program shall be based on the institution's annual average full-time equivalent student enrollment. Staffing ratios for each category of institution shall remain the same as those funded in the 1995-97 biennium.

(4) The funded staffing ratios for education programs for juveniles age 18 or less in department of corrections facilities shall be the same as those provided in the 1997-99 biennium.

(5) \$92,000 of the general fund—state appropriation for fiscal year 2000 and \$143,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to maintain at least one certificated instructional staff and related support services at an institution whenever the K-12 enrollment is not sufficient to support one full-time equivalent certificated instructional staff to furnish the educational program. The following types of institutions are included: Residential programs under the department of social and health services for developmentally disabled juveniles, programs for juveniles under the department of corrections, and programs for juveniles under the juvenile rehabilitation administration.

(6) Ten percent of the funds allocated for each institution may be carried over from one year to the next.

Sec. 512. 1999 c 309 s 513 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS**

General Fund—State Appropriation (FY 2000) . . . \$	<del>((6,226,000))</del> <u>6,164,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((6,220,000))</del> <u>6,105,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((12,446,000))</del> <u>12,269,000</u>

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

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

(2) Allocations for school district programs for highly capable students shall be distributed at a maximum rate of ~~((\$313.27))~~ \$312.19 per funded student for the 1999-00 school year and ~~((\$313.39))~~ \$310.43 per funded student for the 2000-01 school year, exclusive of salary and benefit adjustments pursuant to section 504 of this act. The number of funded students shall be a maximum of two percent of each district's full-time equivalent basic education enrollment.

(3) \$350,000 of the appropriation is for the centrum program at Fort Worden state park.

(4) \$186,000 of the appropriation is for the ~~((odyssey of the mind))~~ Washington imagination network and future problem-solving programs.

**Sec. 513.** 1999 c 309 s 511 (uncodified) is amended to read as follows:  
**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE  
 ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT**  
 General Fund—Federal Appropriation . . . . . \$ ~~((264,388,000))~~  
285,193,000

**Sec. 514.** 1999 c 309 s 514 (uncodified) is amended to read as follows:  
**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—  
 EDUCATION REFORM PROGRAMS**  
 General Fund—State Appropriation (FY 2000) . . . \$ ~~((35,144,000))~~  
33,234,000  
 General Fund—State Appropriation (FY 2001) . . . \$ ~~((34,355,000))~~  
36,300,000  
 TOTAL APPROPRIATION . . . . . \$ ~~((69,499,000))~~  
69,534,000

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

(1) ~~((143,000))~~ \$268,000 of the general fund—state appropriation for fiscal year 2000 and ~~((197,000))~~ \$322,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the commission established under PART 1 of Substitute Senate Bill No. 5418 or Second Substitute House Bill No. 1462. If neither bill is enacted by June 30, 1999, the amount provided in this subsection shall be used for implementation of education reform and an accountability system by the office of the superintendent of public instruction.

(2) ~~((11,343,000))~~ \$9,307,000 of the general fund—state appropriation for fiscal year 2000 and ~~((10,414,000))~~ \$11,329,000 of the general fund—state appropriation for fiscal year 2001 are provided for development and implementation of the Washington assessments of student learning. Up to \$689,000 of the appropriation may be expended for data analysis and data management of test results.

(3) \$2,190,000 is provided solely for training of paraprofessional classroom assistants and certificated staff who work with classroom assistants as provided in RCW 28A.415.310.

(4) \$6,818,000 is provided for mentor teacher assistance, including state support activities, under RCW 28A.415.250 and 28A.415.260. Funds for the teacher assistance program shall be allocated to school districts based on the number of beginning teachers. The 1999 teacher preparation and development report from the Washington institute for public policy found that (a) there are no state-wide standards for what teacher assistance programs are intended to accomplish and (b) the program has not been changed to reflect increased expectations for improved student learning under education reform. By November 15, 2001, the office of the superintendent of public instruction shall submit a report

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

to the education and fiscal committees of the house of representatives and the senate documenting the outcomes of program changes implemented in response to the study.

(5) \$4,050,000 is provided for improving technology infrastructure, monitoring and reporting on school district technology development, promoting standards for school district technology, promoting statewide coordination and planning for technology development, and providing regional educational technology support centers, including state support activities, under chapter 28A.650 RCW.

(6) \$7,200,000 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 RCW 70.190.040.

(7) \$5,000,000 is provided solely for the meals for kids program under RCW 28A.235.145 through 28A.235.155.

(8) \$1,260,000 is provided for technical assistance related to education reform through the office of the superintendent of public instruction, in consultation with the commission on student learning or its successor, as specified in RCW 28A.300.130 (center for the improvement of student learning).

(9) (~~(\$1,598,000)~~) \$2,208,000 is provided solely for the leadership internship program for superintendents, principals, and program administrators.

(10) \$1,000,000 of the general fund—state appropriation for fiscal year 2000 and \$1,000,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to establish a mathematics helping corps subject to the following conditions and limitations:

(a) In order to increase the availability and quality of technical mathematics assistance state-wide, the superintendent of public instruction, shall employ regional school improvement coordinators and mathematics school improvement specialists to provide assistance to schools and districts. The regional coordinators and specialists shall be hired by and work under the direction of a state-wide school improvement coordinator. The mathematics improvement specialists shall serve on a rotating basis from one to three years and shall not be permanent employees of the superintendent of public instruction.

(b) The school improvement coordinators and specialists shall provide the following:

(i) Assistance to schools to disaggregate student performance data and develop improvement plans based on those data;

(ii) Consultation with schools and districts concerning their performance on the Washington assessment of student learning and other assessments emphasizing the performance on the mathematics assessments;



(iii) Consultation concerning curricula that aligns with the essential academic learning requirements emphasizing the academic learning requirements for mathematics, the Washington assessment of student learning, and meets the needs of diverse learners;

(iv) Assistance in the identification and implementation of research-based instructional practices in mathematics;

(v) Staff training that emphasizes effective instructional strategies and classroom-based assessment for mathematics;

(vi) Assistance in developing and implementing family and community involvement programs emphasizing mathematics; and

(vii) Other assistance to schools and school districts intended to improve student mathematics learning.

(11) A maximum of \$1,000,000 of the general fund—state appropriation is provided to expand the number of summer accountability institutes offered by the superintendent of public instruction and the commission on student learning or its successor. The institutes shall provide school district staff with training in the analysis of student assessment data, information regarding successful district and school teaching models, research on curriculum and instruction, and planning tools for districts to improve instruction in reading, mathematics, language arts, and guidance and counseling but placing an emphasis on mathematics.

(12) \$8,000,000 of the general fund—state appropriation for fiscal year 2000 and \$8,000,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the Washington reading corps subject to the following conditions and limitations:

(a) Grants shall be allocated to schools and school districts to implement proven, research-based mentoring and tutoring programs in reading for low-performing students in grades K-6. If the grant is made to a school district, the principals of schools enrolling targeted students shall be consulted concerning design and implementation of the program.

(b) The programs may be implemented before, after, or during the regular school day, or on Saturdays, summer, intercessions, or other vacation periods.

(c) Two or more schools may combine their Washington reading corps programs.

(d) A program is eligible for a grant if it meets one of the following conditions:

(i) The program is recommended either by the education commission of the states or the Northwest regional educational laboratory; or

(ii) The program is developed by schools or school districts and is approved by the office of the superintendent of public instruction based on the following criteria:

(A) The program employs methods of teaching and student learning based on reliable reading/literacy research and effective practices;

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

(B) The program design is comprehensive and includes instruction, on-going student assessment, professional development, parental/community involvement, and program management aligned with the school's reading curriculum;

(C) It provides quality professional development and training for teachers, staff, and volunteer mentors and tutors;

(D) It has measurable goals for student reading aligned with the essential academic learning requirements; and

(E) It contains an evaluation component to determine the effectiveness of the program.

(e) Funding priority shall be given to low-performing schools.

(f) Beginning, interim, and end-of-program testing data shall be available to determine the effectiveness of funded programs and practices. Common evaluative criteria across programs, such as grade-level improvements shall be available for each reading corps program. The superintendent of public instruction shall provide program evaluations to the governor and the appropriate committees of the legislature. Administrative and evaluation costs may be assessed from the annual appropriation for the program.

(g) Grants provided under this section may be used by schools and school districts for expenditures from July 1, 1999, through August 31, 2001.

(13) ~~(\$100,000)~~ \$120,000 of the general fund—state appropriation for fiscal year 2000 and ~~(\$227,000)~~ \$272,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for ((a) salary bonuses for teachers who attain certification by the national board for professional teaching standards.

(a) During the 1999-00 school year, teachers who have attained certification by the national board will receive a one-time 15 percent salary bonus ((for teachers who have attained certification by the national board for professional teaching standards)). The bonus is provided in recognition of their outstanding performance. The bonuses shall be provided subject to the following conditions and limitations:

~~((a))~~ (i) For teachers achieving certification prior to September 1, 1999, the bonus shall begin on September 1, 1999.

~~((b))~~ (ii) Teachers enrolled in the program prior to September 1, 1999, achieving certification during the 1999-2000 school year shall be eligible for the bonus for the number of months during the school year that the individual has achieved certification.

~~((c))~~ The superintendent shall establish a competitive selection process for teachers desiring to enroll in the program after September 1, 1999, to become eligible for the national certification bonus. Funds are provided for a maximum of 45 bonuses for the 2000-2001 school year. The superintendent shall approve a limited number of the most qualified applicants for potential bonus eligibility to ensure that the number of bonuses does not exceed available funds. The Washington state professional standards board, if created by law, or an advisory committee established by the superintendent of public instruction in consultation with the state board of education if a professional standards board is not created,

~~shall review the national board certification standards to determine whether additional requirements to the national standards are needed to align the national requirements with Washington state standards for teachers and students under education reform)~~ (b) During the 2000-01 school year, teachers who have attained certification by the national board during the 2000-01 school year or in prior school years will receive an annual bonus of \$3,500. The annual bonus will be paid in a lump sum amount. The annual bonus provided under this subsection shall not be included in the definition of "earnable compensation" under RCW 41.32.010(10).

(c) It is the intent of the legislature that teachers achieving certification by the national board of professional teaching standards will receive no more than two bonus payments under this subsection.

(14) \$125,000 of the general fund—state appropriation for fiscal year 2001 is provided for a principal support program. The office of the superintendent of public instruction may contract with an independent organization to administer the program. The program shall include: (a) Development of an individualized professional growth plan for a new principal or principal candidate; and (b) participation of a mentor principal who works over a period of between one and three years with the new principal or principal candidate to help him or her build the skills identified as critical to the success of the professional growth plan.

(15) \$35,000 of the general fund—state appropriation for fiscal year 2000 and \$71,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the second grade reading test. The funds shall be expended for assessment training for new second grade teachers and replacement of assessment materials.

Sec. 515. 1999 c 309 s 515 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR TRANSITIONAL BILINGUAL PROGRAMS**

General Fund—State Appropriation (FY 2000) . . . \$	<del>((35,136,000))</del> <u>35,876,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((36,608,000))</del> <u>37,605,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((71,744,000))</del> <u>73,481,000</u>

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

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

(2) The superintendent shall distribute a maximum of ~~((648.50))~~ \$646.06 per eligible bilingual student in the 1999-00 school year and \$641.64 in the 2000-01 school year(s), exclusive of salary and benefit adjustments provided in section 503 of this act.

Sec. 516. 1999 c 309 s 516 (uncodified) is amended to read as follows:

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE LEARNING ASSISTANCE PROGRAM**

General Fund—State Appropriation (FY 2000) . . . \$	<del>((71,205,000))</del> <u>68,936,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((75,045,000))</del> <u>69,470,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((146,250,000))</del> <u>138,406,000</u>

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

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

(2) Funding for school district learning assistance programs shall be allocated at maximum rates of ~~((382.95))~~ \$382.08 per funded unit for the 1999-00 school year and ~~((383.76))~~ \$381.90 per funded unit for the 2000-01 school year.

(3) A school district's funded units for the 1999-2000 and 2000-01 school years shall be the sum of the following:

(a) The district's full-time equivalent enrollment in grades K-6, multiplied by the 5-year average 4th grade test results as adjusted for funding purposes in the school years prior to 1999-2000, multiplied by 0.92. As the 3rd grade test becomes available, it shall be phased into the 5-year average on a 1-year lag; and

(b) The district's full-time equivalent enrollment in grades 7-9, multiplied by the 5-year average 8th grade test results as adjusted for funding purposes in the school years prior to 1999-2000, multiplied by 0.92. As the 6th grade test becomes available, it shall be phased into the 5-year average for these grades on a 1-year lag; and

(c) The district's full-time equivalent enrollment in grades 10-11 multiplied by the 5-year average 11th grade test results, multiplied by 0.92. As the 9th grade test becomes available, it shall be phased into the 5-year average for these grades on a 1-year lag; and

(d) If, in the prior school year, the district's percentage of October headcount enrollment in grades K-12 eligible for free and reduced price lunch exceeded the state average, subtract the state average percentage of students eligible for free and reduced price lunch from the district's percentage and multiply the result by the district's K-12 annual average full-time equivalent enrollment for the current school year multiplied by 22.3 percent.

(4) School districts may carry over from one year to the next up to 10 percent of funds allocated under this program; however, carryover funds shall be expended for the learning assistance program.

**Sec. 517.** 1999 c 309 s 517 (uncodified) is amended to read as follows:  
**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—LOCAL ENHANCEMENT FUNDS**

WASHINGTON LAWS, 2000 2nd Sp. Sess.

Ch. 1

General Fund—State Appropriation (FY 2000) . . . \$	<del>((33,095,000))</del> <u>32,981,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((27,265,000))</del> <u>27,315,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((60,720,000))</del> <u>60,296,000</u>

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

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

(2) Funds are provided for local education program enhancements to meet educational needs as identified by the school district, including alternative education programs.

(3) Allocations for the 1999-00 school year shall be at a maximum annual rate of \$28.81 per full-time equivalent student and \$28.81 per full-time equivalent student for the 2000-01 school year. Allocations shall be made on the monthly apportionment payment schedule provided in RCW 28A.510.250 and shall be based on school district annual average full-time equivalent enrollment in grades kindergarten through twelve: PROVIDED, That 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 sixty 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 twenty 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 sixty average annual full-time equivalent students in grades nine through twelve shall generate funding based on sixty full-time equivalent students.

(4) Funding provided pursuant to this section does not fall within the definition of basic education for purposes of Article IX of the state Constitution and the state's funding duty thereunder.

(5) The superintendent shall not allocate up to one-fourth of a district's funds under this section if:

(a) The district is not maximizing federal matching funds for medical services provided through special education programs, pursuant to RCW 74.09.5241 through 74.09.5256 (Title XIX funding); ~~((and))~~ or

(b) The district is not in compliance in filing truancy petitions as required under chapter 312, Laws of 1995 and RCW 28A.225.030.

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

**NEW SECTION. Sec. 518. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—BETTER SCHOOLS PROGRAM**

General Fund—State Appropriation (FY 2001) . . . \$ 57,500,000

Better schools program funds are appropriated to provide additional school improvement resources to help students meet the essential academic learning requirements and student assessment performance standards. It is the intent of the legislature that these funds will be appropriated on an ongoing basis in future biennia. Allocations received under this section shall be used for the following new and expanded educational enhancements as follows:

(1) \$37,389,000 of the appropriation shall be allocated for class size reduction and expanded learning opportunities as follows:

(a) For the 2000-01 school year, an additional 2.2 certificated instructional staff units for grades K-4 per thousand full-time equivalent students are provided to supplement the certificated staffing allocations under section 502 (2)(a) of this act. Funds allocated for these additional certificated units shall not be considered as basic education funding. The allocation may be used (i) for reducing class sizes in grades K-4 or (ii) to provide additional classroom contact hours for kindergarten, before-and-after-school programs, weekend school programs, summer school programs, and intercession opportunities to assist elementary school students in meeting the essential academic learning requirements and student assessment performance standards. For purposes of this subsection, additional classroom contact hours provided by teachers beyond the normal school day under a supplemental contract shall be converted to a certificated full-time equivalent by dividing the classroom contact hours by 900.

(b) Any district maintaining a ratio equal to or greater than 55.4 certificated instructional staff per thousand full-time equivalent students in grades K-4 may use allocations generated under this subsection to employ additional certificated instructional staff or classified instructional assistants in grades K-12 or to provide additional classroom opportunities under (a) of this subsection in grades K-12.

(c) Salary calculations, nonemployee related costs, and substitute teacher allocations shall be calculated in the same manner as provided under section 502 of this act. The allocation includes salary and benefit increases equivalent to those provided under section 503 of this act.

(2) \$20,111,000 of the appropriation shall be allocated for professional development and training as follows:

(a) For fiscal year 2001, the funds shall be used for additional professional development for certificated and classified staff, including additional paid time for curriculum and lesson redesign and development work and training to ensure that instruction is aligned with state standards and student needs.

(b) For fiscal year 2001, the superintendent shall allocate the funds to school districts at a rate of \$20.04 per student based on the October 1999 P-105 unduplicated headcount.

(c) School districts shall allocate the funds to schools and the expenditure of the funds shall be determined by the staff at each school site.

**Sec. 519.** 1999 c 309 s 519 (uncodified) is amended to read as follows:

**FOR THE STATE BOARD OF EDUCATION**

Education Savings Account—State Appropriation . . . . . \$	((72,000,000))
	<u>78,612,000</u>

Education Construction Account—State

<u>Appropriation</u> . . . . . \$	<u>35,000,000</u>
<b>TOTAL APPROPRIATION</b> . . . . . \$	<b><u>113,612,000</u></b>

The appropriation in this section is subject to the following conditions and limitations: ((\$36,000,000))

(1) \$42,612,000 in fiscal year 2000 and \$36,000,000 in fiscal year 2001 are appropriated to the common school construction account.

(2) The education construction account appropriation shall be deposited in the common school construction account.

NEW SECTION. Sec. 520. 1999 sp.s. c 10 s 1 (uncodified) is repealed.

**PART VI  
HIGHER EDUCATION**

**Sec. 601.** 1999 c 309 s 602 (uncodified) is amended to read as follows:

The appropriations in sections 603 through 609 of this act provide state general fund support or employment and training trust account support for full-time equivalent student enrollments at each institution of higher education. Listed below are the annual full-time equivalent student enrollments by institutions assumed in this act.

	1999-2000 <sup>1</sup> Annual Average	2000-2001 Annual Average
University of Washington		
Main campus	31,927	32,266
Bothell branch	993	1,136
Tacoma branch	1,143	((1,316))
		<u>1,286</u>
Washington State University		
Main campus	17,272	((17,649))
		<u>17,549</u>
Spokane branch	472	((604))
		<u>551</u>
Tri-Cities branch	754	((754))
		<u>616</u>
Vancouver branch	1,021	((1,121))
		<u>1,071</u>

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

Central Washington University	7,670	7,867
Eastern Washington University	7,739	((7,739))
		<u>7,839</u>
The Evergreen State College	3,638	3,713
Western Washington University	10,648	10,761
State Board for Community and Technical Colleges	120,529	((123,332))
		<u>123,362</u>
Higher Education Coordinating Board	50	((550))
		<u>600</u>

**Sec. 602.** 1999 c 309 s 603 (uncodified) is amended to read as follows:

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

General Fund—State Appropriation (FY 2000) . . . \$	((455,664,000))
	<u>456,291,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((486,387,000))
	<u>489,677,000</u>
General Fund—Federal Appropriation . . . . . \$	11,404,000
<u>Education Construction Account—State</u>	
<u>Appropriation</u> . . . . . \$	<u>1,000,000</u>
Employment and Training Trust Account—	
State Appropriation . . . . . \$	((1,474,000))
	<u>888,000</u>
<b>TOTAL APPROPRIATION . . . . . \$</b>	<b>((954,929,000))</b>
	<u>959,260,000</u>

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

(1) The technical colleges may increase tuition and fees in excess of the fiscal growth factor to conform with the percentage increase in community college operating fees.

(2)(a) \$5,000,000 of the general fund—state appropriation for fiscal year 2000 and \$5,000,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to increase salaries and related benefits for part-time faculty. The state board for community and technical colleges shall allocate these funds to college districts based on the headcount of part-time faculty under contract for the 1998-99 academic year. To earn these funds, a college district must match the state funds with local revenue, the amounts for which shall be determined by the state board. State fund allocations that go unclaimed by a college district shall lapse. The board may provide salary increases to part-time faculty in a total amount not to exceed \$10,000,000 from tuition revenues. The board shall report to the office of financial management and legislative fiscal committees on the distribution of



state funds, match requirements of each district, and the wage adjustments for part-time faculty by October 1 of each fiscal year.

(b) Each college district shall examine its current ratio of part-time to full-time faculty by discipline and report to the board a plan to reduce wage disparity and reliance on part-time faculty through salary improvements, conversion of positions to full-time status, and other remedies deemed appropriate given labor market conditions and educational programs offered in each community. The board shall set long-term performance targets for each district with respect to use of part-time faculty and monitor progress annually. The board shall report to the fiscal and higher education committees of the legislature on implementation of this subsection by no later than December 1, 1999, with recommendations for the ensuing biennium provided no later than December 1, 2000.

(3) \$1,155,000 of the general fund—state appropriation for fiscal year 2000 and \$2,345,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for faculty salary increments and associated benefits and may be used in combination with salary and benefit savings from faculty turnover to provide faculty salary increments and associated benefits. To the extent general salary increase funding is used to pay faculty increments, the general salary increase shall be reduced by the same amount.

(4) \$950,000 of the general fund—state appropriation for fiscal year 2000 and \$950,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to lower the part-time faculty retirement eligibility threshold to fifty percent of the full-time workload.

(5) \$332,000 of the general fund—state appropriation for fiscal year 2000 and \$3,153,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for Cascadia Community College start-up and enrollment costs.

(6) \$1,441,000 of the general fund—state appropriation for fiscal year 2000 and \$1,441,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for 500 FTE enrollment slots to implement RCW 28B.50.259 (timber-dependent communities).

(7) (~~(\$27,361,000)~~) \$27,775,000 of the general fund—state appropriation for fiscal year 2000, \$28,761,000 of the general fund—state appropriation for fiscal year 2001, and the entire employment and training trust account appropriation are provided solely as special funds for training and related support services, including financial aid, child care, and transportation, as specified in chapter 226, Laws of 1993 (employment and training for unemployed workers).

(a) Funding is provided to support up to 7,200 full-time equivalent students in each fiscal year.

(b) The state board for community and technical colleges shall submit a plan for allocation of the full-time equivalent students provided in this subsection to the workforce training and education coordinating board for review and approval.

(8) \$1,000,000 of the general fund—state appropriation for fiscal year 2000 and \$1,000,000 of the general fund—state appropriation for fiscal year 2001 are

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

provided solely for tuition support for students enrolled in work-based learning programs.

(9) \$567,000 of the general fund—state appropriation for fiscal year 2000 and \$568,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for administration and customized training contracts through the job skills program.

(10) \$750,000 of the general fund—state appropriation for fiscal year 2000 and \$750,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for grants to expand information technology and computer science programs. Successful grant applications from a college, partnerships of colleges, or partnerships of colleges and K-12 school districts must include a match of cash, in-kind, or donations equivalent to the grant amount. Grant applications shall receive priority that prepare students to meet industry standards, achieve industry skill certificates, or continue to upper division computer science or computer engineering studies. No college may receive more than \$300,000 from appropriations in this section. The state board for community and technical colleges shall report the implementation of this section to the governor and legislative fiscal committees by June 30, 2001, including plans of successful grant recipients for the continuation of programs funded by this section.

(11) \$1,000,000 of the general fund—state appropriation for fiscal year 2000 and \$1,000,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the Pierce College branch at Puyallup.

(12) \$50,000 of the general fund—state appropriation for fiscal year 2000 and \$50,000 of the general fund—state appropriation for fiscal year 2001 are solely for implementation of Substitute Senate Bill No. 5277 (higher education student child care matching grants). In no case shall funds provided in this subsection be used to construct or remodel facilities. If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

(13) Funding in this section provides for the collection and reporting of Washington enrollment data, and related activities, for the distance learning information project described in section 129 of this act.

(14) \$425,000 of the general fund—state appropriation is provided solely for allocation to Olympic college. Olympic college shall contract with accredited baccalaureate institution(s) to bring a program of upper-division courses, concentrating on but not limited to business, education, and human relations, to Bremerton. Moneys may be used by Olympic college during either fiscal year to equip and support a state-owned or state-leased facility in Bremerton where contracted courses are delivered.

(15) \$1,000,000 of the education construction account—state appropriation for fiscal year 2001 is provided to replace failing roofs at Columbia basin college.

(16) \$500,000 of the general fund—state appropriation for fiscal year 2001 is provided for assistance to students with disabilities.

(17) \$750,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for a student centered online delivery system to broaden access and increase use of college catalogs, schedules, and registration systems.

(18) \$658,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for maintenance and operations of Cascadia college phase 2, and for facilities previously authorized for construction with certificates of participation:

(a) Workforce training facility at Columbia basin college;

(b) Student services auditorium at Columbia basin college;

(c) Music building at Edmonds community college;

(d) Student center at South Puget Sound community college;

(e) Addition to the Lair student center at Spokane community college;

(f) Addition to the student union building at Yakima Valley community college; and

(g) Classroom and child care facility at Whatcom community college.

Sec. 603. 1999 c 309 s 604 (uncodified) is amended to read as follows:

**FOR UNIVERSITY OF WASHINGTON**

General Fund—State Appropriation (FY 2000) . . .	\$	((316,592,000))
		<u>316,379,000</u>
General Fund—State Appropriation (FY 2001) . . .	\$	((334,314,000))
		<u>335,568,000</u>
Death Investigations Account—State		
Appropriation . . . . .	\$	((221,000))
		<u>111,000</u>
Accident Account—State Appropriation . . . . .	\$	((5,773,000))
		<u>5,777,000</u>
Medical Aid Account—State Appropriation . . . . .	\$	((5,815,000))
		<u>5,818,000</u>
TOTAL APPROPRIATION . . . . .	\$	((662,715,000))
		<u>663,653,000</u>

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

(1) \$8,617,000 of the general fund—state appropriation for fiscal year 2000 and \$10,528,000 of the general fund—state appropriation for fiscal year 2001 are provided for upper division and graduate courses and other educational services offered at the Bothell branch campus. Of these amounts: The office of financial management shall hold and release funds to the university at the rate of \$9,636 per enrolled state FTE student at the Bothell branch campus in excess of fiscal year 2000 actual annualized enrollment as determined in the budget driver tracking report prepared by the office of financial management. Moneys not earned by the university for enrolling additional state students during the 2000-2001 academic year shall lapse to the education savings account at the close of the biennium.

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

(2) (~~(\$10,147,000)~~) \$9,934,000 of the general fund—state appropriation for fiscal year 2000 and (~~(\$11,438,000)~~) \$11,226,000 of the general fund—state appropriation for fiscal year 2001 are provided for upper division and graduate courses and other educational services offered at the Tacoma branch campus. Of these amounts: The office of financial management shall hold and release funds to the university at the rate of \$8,520 per enrolled state FTE student at the Tacoma branch campus in excess of fiscal year 2000 actual annualized enrollment as determined in the budget driver tracking report prepared by the office of financial management. Moneys not earned by the university for enrolling additional state students during the 2000-2001 academic year shall lapse to the education savings account at the close of the biennium.

(3) \$2,312,000 of the general fund—state appropriation for fiscal year 2000 and \$2,312,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for competitively offered recruitment and retention salary adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments. The university shall provide a report in their 2001-03 biennial operating budget request submittal on the effective expenditure of funds for the purposes of this section.

(4) \$1,975,000 of the general fund—state appropriation for fiscal year 2000 and \$1,975,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to extend the next-generation internet hub and related expertise.

(5) (~~(\$200,000)~~) \$90,000 of the death investigations account appropriation is provided solely for the forensic pathologist fellowship program.

(6) \$136,000 of the general fund—state appropriation for fiscal year 2000 and \$137,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the implementation of the Puget Sound work plan and agency action item UW-01.

(7) \$75,000 of the general fund—state appropriation for fiscal year 2000 and \$75,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the Olympic natural resource center.

(8) \$50,000 of the general fund—state appropriation for fiscal year 2000 and \$50,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the dental education in care of persons with disabilities program.

(9) \$904,000 of the accident account and medical aid account appropriations is provided (~~(solely for)~~) to establish a bio-contaminant laboratory and consultation service, create a demonstration project, and enhance laboratory and computing equipment in the department of environmental health.

(10) (~~For the 1999-01 biennium, five percent of tuition and fee revenue collected from law students may be used when privately matched dollar-for-dollar to provide public interest law scholarships to enrolled students at the university.~~)

—(~~11~~) \$958,000 of the general fund—state appropriation for fiscal year 2000 and \$958,000 of the general fund—state appropriation for fiscal year 2001 are provided for the mathematics, engineering, science achievement (MESA) program.

~~((12))~~ (11) \$1,250,000 of the general fund—state appropriation for fiscal year 2000 and \$1,250,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for research faculty clusters in the advanced technology initiative program.

(12) \$450,000 of the general fund—state appropriation for fiscal year 2001 is provided solely to enhance university expenditures for graduate student appointee health insurance. For fiscal year 2001, the university shall provide the remainder of funding necessary to maintain the benefits and terms of health insurance in effect for graduate student appointees as of the effective date of this section.

(13) \$375,000 of the general fund—state appropriation for fiscal year 2001 is provided solely to provide internet connectivity.

Sec. 604. 1999 c 309 s 605 (uncodified) is amended to read as follows:

**FOR WASHINGTON STATE UNIVERSITY**

General Fund—State Appropriation (FY 2000) . . . \$	<del>((183,551,000))</del>
	<u>183,051,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((197,015,000))</del>
	<u>196,919,000</u>
<u>Air Pollution Control Account—State</u>	
Appropriation . . . . . \$	<del>((198,000))</del>
	<u>49,000</u>
<u>Education Construction Account—State</u>	
Appropriation . . . . . \$	<u>3,600,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((380,764,000))</del>
	<u>383,619,000</u>

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

(1) \$6,702,000 of the general fund—state appropriation for fiscal year 2000 and ~~((7,980,000))~~ \$7,510,000 of the general fund—state appropriation for fiscal year 2001 are provided for upper division and graduate courses and other educational services offered at the Spokane branch campus.

(2) \$5,134,000 of the general fund—state appropriation for fiscal year 2000 and \$5,325,000 of the general fund—state appropriation for fiscal year 2001 are provided for upper division and graduate courses and other educational services offered at the Tri-Cities branch campus for 616 state FTE students.

(3) \$8,537,000 of the general fund—state appropriation for fiscal year 2000 and ~~((10,164,000))~~ \$9,670,000 of the general fund—state appropriation for fiscal year 2001 are provided for upper division and graduate courses and other educational services offered at the Vancouver branch campus.

(4) \$1,438,000 of the general fund—state appropriation for fiscal year 2000 and \$1,438,000 of the general fund—state appropriation for fiscal year 2001 are

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

provided solely for competitively offered recruitment and retention salary adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments. The university shall provide a report in their 2001-03 biennial operating budget request submittal on the effective expenditure of funds for the purposes of this section.

(5) \$565,000 of the general fund—state appropriation in fiscal year 2000 and \$340,000 of the general fund—state appropriation in fiscal year 2001 are provided for learning centers in Skagit, Walla Walla, and Grays Harbor counties.

(6) \$500,000 of the general fund—state appropriation for fiscal year 2000 and \$3,750,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the safe food initiative. Of these amounts, \$500,000 each fiscal year is provided solely for the commission on pesticide registration.

(7) \$44,000 of the general fund—state appropriation for fiscal year 2000 and \$44,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for research efforts to develop suitable and economical alternatives to field burning of grass seed harvest residue.

(8) \$165,000 of the general fund—state appropriation for fiscal year 2000 and \$166,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the implementation of the Puget Sound work plan and agency action item WSU-01.

(9) \$750,000 of the general fund—state appropriation for fiscal year 2000 and \$750,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for research faculty clusters in the advanced technology initiative program.

(10) \$3,600,000 of the education construction account—state appropriation is provided to install a steam boiler in response to a failure incidence at the Pullman campus. Funds may be used to conduct an energy audit of the campus-wide heating system to assess its viability and the need for modern upgrades.

(11) \$450,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for a portion of the costs of implementing a health science initiative by the university to enhance economic development in Spokane and eastern Washington. It is the intent of the legislature that funding for this initiative in future years be provided through nonstate grants awarded to the university. The funding for fiscal year 2001 is contingent on:

(a) The university adding to current research staff through employment of a lead researcher for its cancer research and prevention center operations in Spokane; and

(b) A commitment of the university to establish programs in Spokane that are currently conducted on the main university campus. The commitment is for increased allocation of main campus resources for this purpose starting in fiscal

year 2001 through fiscal year 2003. The programs shall include, at a minimum, research activities by:

- (i) The college of pharmacy;
- (ii) The program in reproductive biology; and
- (iii) The college of nursing cancer research programs.

The funding committed for these three programs shall be a minimum of \$875,000 from all sources of funds by the end of fiscal year 2001. The commitment shall be made to the satisfaction of the office of financial management, which shall then release funds appropriated for the Spokane activities.

**Sec. 605.** 1999 c 309 s 606 (uncodified) is amended to read as follows:

**FOR EASTERN WASHINGTON UNIVERSITY**

General Fund—State Appropriation (FY 2000) . . . \$	41,620,000
General Fund—State Appropriation (FY 2001) . . . \$	<del>((43,345,000))</del>
	<u>43,919,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((84,965,000))</del>
	<u>85,539,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$375,000 of the general fund—state appropriation for fiscal year 2000 and \$375,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for competitively offered recruitment and retention salary adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments. The university shall provide a report in their 2001-03 biennial operating budget request submittal on the effective expenditure of funds for the purposes of this section.

**Sec. 606.** 1999 c 309 s 607 (uncodified) is amended to read as follows:

**FOR CENTRAL WASHINGTON UNIVERSITY**

General Fund—State Appropriation (FY 2000) . . . \$	<del>((41,898,000))</del>
	<u>42,060,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((44,465,000))</del>
	<u>44,726,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((86,363,000))</del>
	<u>86,786,000</u>

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

- (1) \$312,000 of the general fund—state appropriation for fiscal year 2000 and \$312,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for competitively offered recruitment, retention, and equity salary

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments. The university shall provide a report in their 2001-03 biennial operating budget request submittal on the effective expenditure of funds for the purposes of this section.

(2) The office of financial management shall hold and release funds to the university at the rate of \$4,756 per enrolled state FTE student in excess of fiscal year 2000 actual annualized enrollment as determined in the budget driver tracking report prepared by the office of financial management. Moneys not earned by the university for enrolling additional state students during the 2000-2001 academic year shall lapse to the education savings account at the close of the biennium.

**Sec. 607.** 1999 c 309 s 608 (uncodified) is amended to read as follows:

**FOR THE EVERGREEN STATE COLLEGE**

General Fund—State Appropriation (FY 2000) . . . \$	((22,359,000))
	<u>22,354,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((24,233,000))
	<u>24,793,000</u>
TOTAL APPROPRIATION . . . . . \$	((46,592,000))
	<u>47,147,000</u>

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

(1) \$188,000 of the general fund—state appropriation for fiscal year 2000 and \$188,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for competitively offered recruitment and retention salary adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments. The college shall provide a report in their 2001-03 biennial operating budget request submittal on the effective expenditure of funds for the purposes of this section.

(2) ~~((101,000))~~ \$41,000 of the general fund—state appropriation for fiscal year 2000 and \$102,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the institute for public policy to complete studies of services described in subsection 202(1) of this act. If that subsection is not enacted, the amounts provided in this subsection shall lapse.

(3) \$40,000 of the general fund—state appropriation for fiscal year 2000 is provided solely for the institute for public policy to facilitate a work group pursuant to Second Substitute House Bill No. 1692 or sections 1 through 7 of



Senate Bill No. 5127 (child abuse investigations). If neither of these bills are enacted by June 30, 1999, the amount provided in this subsection shall lapse.

(4) \$100,000 of the state general fund appropriations is provided solely for the institute for public policy to conduct a study of certain public high school programs in Washington. The study shall examine what high school educational opportunities are currently available for students. Information shall be gathered on program attributes, student demographics, and outcomes for high school programs including, but not limited to, college credit (e.g. advanced placement and running start), tech prep, distance learning, and career pathways. The institute shall report its findings to the legislature through an interim report due January 1, 2001, and a final report due September 15, 2001.

(5) \$258,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for the institute for public policy to conduct a study of current issues in the state's child welfare system. The study shall: (a) Using existing data sources, examine criminal, substance abuse, and education outcomes of "Becca" youth (youth who have been placed in secure crisis residential facilities or mandatory chemical dependency treatment); (b) review and summarize existing research that identifies problems and barriers to improved educational attainment of children in long-term foster care, and suggest ways to improve the availability of information about the educational experiences of these children; (c) compare placement decisions and funding methodologies for residential care services for children in Washington to best practices in other states and in research literature, using a sample of children from different types of residential care settings; and (d) examine adoption support program criteria, service level decisions, and funding methodologies, using a sample of children receiving different levels of support. The office of the administrator for the courts, the department of social and health services, the superintendent of public instruction, and all other state and local governments shall provide access to any data necessary for the completion of this study. The institute shall provide a report with findings for issues (c) and (d) of this subsection by December 15, 2000, and a report with findings for issues (a) and (b) of this subsection by December 15, 2001.

(6) \$25,000 of the general fund—state appropriation for fiscal year 2000 and \$51,000 of the general fund—state appropriation for fiscal year 2001 are provided for the institute for public policy to analyze strategies for containing state health care expenditures. The institute may contract for actuarial or other services as needed to complete these analyses, and shall report findings to the appropriate fiscal and policy committees of the legislature.

(7) \$12,000 of the general fund—state appropriation for fiscal year 2000 and \$63,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the institute for public policy to study the mission, programs, and usage of the state library. The institute shall provide a report to the legislature with recommendations regarding alternatives to improve state library services and or reduce costs by November 1, 2000.

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

(8) \$18,000 of the general fund—state appropriation for fiscal year 2000 and \$36,000 of the general fund—state appropriation for fiscal year 2001 are provided for the institute for public policy to identify and assess options for expanding Medicaid eligibility in accordance with H.R. 1180, the federal "ticket to work and work incentives improvement act of 1999." The assessment shall identify potential state costs and savings, and potential participant and public benefits, under alternative eligibility standards and participant cost-sharing requirements. In conducting its analysis, the institute shall consult with the governor's committee on disability issues and employment; the department of social and health services; other states which have enacted or which are studying similar expansions; and the federal social security and health care financing administrations. The institute shall report its findings to the health care and fiscal committees of the legislature by November 1, 2000.

Sec. 608. 1999 c 309 s 609 (uncodified) is amended to read as follows:

**FOR WESTERN WASHINGTON UNIVERSITY**

General Fund—State Appropriation (FY 2000) . . . \$	53,293,000
General Fund—State Appropriation (FY 2001) . . . \$	<del>((56,272,000))</del>
	<u>56,514,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((109,565,000))</del>
	<u>109,807,000</u>

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

(1) \$375,000 of the general fund—state appropriation for fiscal year 2000 and \$375,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for competitively offered recruitment and retention salary adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments. The university shall provide a report in their 2001-03 biennial operating budget request submittal on the effective expenditure of funds for the purposes of this section.

(2) The office of financial management shall hold and release funds to the university at the rate of \$4,885 per enrolled state FTE student in excess of fiscal year 2000 actual annualized enrollment as determined in the budget driver tracking report prepared by the office of financial management. Moneys not earned by the university for enrolling additional state students during the 2000-2001 academic year shall lapse to the education savings account at the close of the biennium.

Sec. 609. 1999 c 309 s 610 (uncodified) is amended to read as follows:

**FOR THE HIGHER EDUCATION COORDINATING BOARD—POLICY COORDINATION AND ADMINISTRATION**

General Fund—State Appropriation (FY 2000) . . . \$	4,458,000
---	-----------

General Fund—State Appropriation (FY 2001) . . . \$	8,027,000
General Fund—Federal Appropriation . . . . . \$	653,000
TOTAL APPROPRIATION . . . . . \$	13,138,000

The appropriations in this section are provided to carry out the accountability, performance measurement, policy coordination, planning, studies and administrative functions of the board and are subject to the following conditions and limitations:

(1) The board shall review, recommend changes if necessary, and approve plans defined in section 601(6) of this act for achieving measurable and specific improvements in academic years 1999-00 and 2000-01.

(2) \$280,000 of the general fund—state appropriation for fiscal year 2000 and \$280,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for enrollment to implement RCW 28B.80.570 through 28B.80.585 (rural natural resources impact areas). The number of students served shall be 50 full-time equivalent students per fiscal year. The board shall ensure that enrollments reported under this subsection meet the criteria outlined in RCW 28B.80.570 through 28B.80.585.

(3) \$100,000 of the general fund—state appropriation for fiscal year 2000 and \$4,650,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to contract for ~~((500))~~ 550 full-time equivalent undergraduate students in high-demand fields and programs as evidenced by limited current access, despite graduates who are highly sought after by employers of this state. The board shall consult with the office of financial management and the legislative fiscal and higher education committees to design and implement a bidding process to solicit proposals from public institutions to deliver these student enrollments. Participating institutions shall cooperate with the board to collect the data necessary to report to the governor and the legislature on the impact of this subsection, particularly the degree of improved access to high-demand fields and programs for students and successful job placements for graduates.

(4) \$1,000,000 of the general fund—state appropriation for fiscal year 2000 and \$1,000,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for competitive grants to public baccalaureate institutions to expand information technology programs. Successful grant applications to fund faculty, staff, or equipment for computer science, computer engineering, or related disciplines must include a match of nonstate cash or donations equivalent to the grant amount. No institution may receive more than \$1,000,000 from appropriations in this section. The board shall report on the implementation of this section to the governor and legislative fiscal committees by June 30, 2001, including plans of successful grant recipients for the continuation of programs funded by this section.

(5) \$600,000 of the general fund—state appropriation for fiscal year 2000 is provided solely for the higher education coordinating board fund for innovation

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

and quality under RCW 28B.120.040. If Substitute House Bill No. 1013 is not enacted by June 30, 1999, the amount provided in this subsection shall lapse.

(6) \$150,000 of the general fund—state appropriation for fiscal year 2000 and \$150,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to implement Second Substitute House Bill No. 1729 (teacher training pilot program). If Second Substitute House Bill No. 1729 is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

(7) With funding provided in this section, the higher education coordinating board, in cooperation with the office of financial management and the state board for community and technical colleges, shall study the feasibility of collecting Washington enrollment data on distance learning programs sponsored by private institutions in Washington as well as by institutions outside the state of Washington, and it shall report findings to the legislature by January, 2000.

(8) With funding provided in this section, the higher education coordinating board shall study the feasibility of Washington State University operating on the quarter system and make recommendations to the appropriate legislative policy and fiscal committees by December 1, 2000.

(9) \$432,000 of the general fund—state appropriation for fiscal year 2000 and \$68,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for a demonstration project to improve rural access to post-secondary education by bringing distance learning technologies into Jefferson county.

**Sec. 610.** 1999 c 309 s 611 (uncodified) is amended to read as follows:

**FOR THE HIGHER EDUCATION COORDINATING BOARD—  
FINANCIAL AID AND GRANT PROGRAMS**

General Fund—State Appropriation (FY 2000) . . . \$	((106,945,000))
	<u>106,815,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((17,807,000))
	<u>121,337,000</u>
General Fund—Federal Appropriation . . . . . \$	2,422,000
Advanced College Tuition Payment Program Account—	
State Appropriation . . . . . \$	3,408,000
TOTAL APPROPRIATION . . . . . \$	((230,582,000))
	<u>233,982,000</u>

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

(1) \$534,000 of the general fund—state appropriation for fiscal year 2000 and \$529,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the displaced homemakers program.

(2) \$220,000 of the general fund—state appropriation for fiscal year 2000 and \$225,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the western interstate commission for higher education.

(3) \$1,000,000 of the general fund—state appropriation for fiscal year 2000 and \$1,000,000 of the general fund—state appropriation for fiscal year 2001 are

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

subsection be used to construct or remodel facilities. If the bill is not enacted by June 30, 1999, the amounts provided in this subsection shall lapse.

~~((6) \$103,686,000)~~ (7) \$103,556,000 of the general fund—state appropriation for fiscal year 2000 and ~~((14) \$114,700,000)~~ \$117,230,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for student financial aid, including all administrative costs. Of these amounts:

(a) \$80,240,000 of the general fund—state appropriation for fiscal year 2000 and \$87,696,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the state need grant program. After April 1 of each fiscal year, up to one percent of the annual appropriation for the state need grant program may be transferred to the state work study program;

(b) \$15,350,000 of the general fund—state appropriation for fiscal year 2000 and \$15,350,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the state work study program. After April 1 of each fiscal year, up to one percent of the annual appropriation for the state work study program may be transferred to the state need grant program;

(c) \$2,920,000 of the general fund—state appropriation for fiscal year 2000 and \$2,920,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for educational opportunity grants. The board may deposit sufficient funds from its appropriation into the state education trust fund as established in RCW 28B.10.821 to provide a one-year renewal of the grant for each new recipient of the educational opportunity grant award. For the purpose of establishing eligibility for the equal opportunity grant program for placebound students under RCW 28B.101.020, Thurston county lies within the branch campus service area of the Tacoma branch campus of the University of Washington;

(d) A maximum of 2.1 percent of the general fund—state appropriation for fiscal year 2000 and 2.1 percent of the general fund—state appropriation for fiscal year 2001 may be expended for financial aid administration, excluding the 4 percent state work study program administrative allowance provision;

(e) \$230,000 of the general fund—state appropriation for fiscal year 2000 and \$201,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the educator's excellence awards. Any educator's excellence moneys not awarded by April 1st of each year may be transferred by the board to either the Washington scholars program or to the Washington award for vocational excellence;

(f)(i) \$1,361,000 of the general fund—state appropriation for fiscal year 2000 and \$1,548,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to implement the Washington scholars program. Any Washington scholars program moneys not awarded by April 1st of each year may be transferred by the board to either the educator's excellence awards or to the Washington award for vocational excellence;

(ii) Of the amounts in (f)(i) of this subsection, \$25,000 of the general fund—state appropriation for fiscal year 2000 and \$207,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to implement Second

provided solely to implement an aid program for the benefit of elementary and secondary public school teachers who do not now hold a masters of education degree. Within available funds and until these funds are exhausted, the board may repay all or a portion of the educational expenses incurred by a teacher, or teacher candidate, for one year of masters' level studies at an accredited Washington college or university. Payment is conditioned upon the applicant's successful matriculation and resumption, or assumption, of classroom teaching duties in a public elementary or secondary school in this state. Among the potential applicants for this program, the board shall give priority to those individuals who returned to the classroom with a math or science teaching credential. The board may adopt rules as necessary to implement this program.

(4) \$1,000,000 of the general fund—state appropriation for fiscal year 2000 and \$1,000,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the health professional conditional scholarship and loan program under chapter 28B.115 RCW. This amount shall be deposited to the health professional loan repayment and scholarship trust fund to carry out the purposes of the program.

(5) \$1,000,000 of the general fund—state appropriation is provided solely for a demonstration project to enable classified public K-12 employees to become future teachers, subject to the following conditions and limitations:

(i) Within available funds, the board shall offer conditional scholarships of up to \$4,000 per year for full or part-time studies that may be forgiven in exchange for teaching service in Washington's public K-12 schools. In selecting loan recipients, the board shall take into account the applicant's demonstrated academic ability and commitment to serve as a teacher within the state of Washington.

(ii) Loans shall be forgiven at the rate of one year of loan for two years of teaching service. Recipients who teach in geographic or subject-matter shortage areas, as specified by the office of the superintendent for public instruction, may have their loans forgiven at the rate of one year of loan for one year of teaching service;

(iii) Recipients who fail to fulfill the required teaching service shall be required to repay the conditional loan with interest. The board shall define the terms for repayment, including applicable interest rates, fees and deferments, and may adopt other rules as necessary to implement this demonstration project.

(iv) The board may deposit this appropriation and all collections into the student loan account authorized in RCW 28B.102.060.

(v) The board will provide the legislature and governor with findings about the impact of this demonstration project on persons entering the teaching profession in shortage areas by no later than January of 2002.

(6) \$75,000 of the general fund—state appropriation for fiscal year 2000 and \$75,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for implementation of Substitute Senate Bill No. 5277 (higher education student child care matching grants). In no case shall funds provided in this

Substitute House Bill No. 1661 (Washington scholars program). If Second Substitute House Bill No. 1661 is not enacted prior to June 30, 1999, then the amounts provided in this subsection (6)(f)(ii) shall lapse;

(g) ~~(\$534,000)~~ \$534,000 of the general fund—state appropriation for fiscal year 2000 and ~~\$534,000~~ \$534,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to implement Washington award for vocational excellence program. Any Washington award for vocational program moneys not awarded by April 1st of each year may be transferred by the board to either the educator's excellence awards or the Washington scholars program;

(h) ~~((~~\$251,000~~) \$121,000)~~ \$121,000 of the general fund—state appropriation for fiscal year 2000 and ~~((~~\$251,000~~) \$381,000)~~ \$381,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for community scholarship matching grants of \$2,000 each. To be eligible for the matching grant, a nonprofit community organization organized under section 501(c)(3) of the internal revenue code must demonstrate that it has raised \$2,000 in new moneys for college scholarships after the effective date of this act. ~~((No))~~ An organization may receive more than one \$2,000 matching grant and preference shall be given to organizations affiliated with the citizens' scholarship foundation; and

(i) ~~\$2,800,000~~ \$2,800,000 of the general fund—state appropriation for fiscal year 2000 and ~~((~~\$6,200,000~~) \$8,600,000)~~ \$8,600,000 of the general fund—state appropriation for fiscal year 2001 are provided solely to establish the Washington promise scholarship program subject to the following conditions and limitations:

(i) Within available funds, the higher education coordinating board shall award scholarships for use at accredited institutions of higher education in the state of Washington to as many students as possible from among those qualifying under (iv) and (v) of this subsection. Each qualifying student will receive two consecutive annual installments, the value of each not to exceed the full-time annual resident tuition rates charged by community colleges.

(ii) Of the amounts provided, no more than \$250,000 each year is for administration of the Washington promise scholarship program.

(iii) The Washington's promise scholarship account is created in the custody of the state treasurer. The account shall be a discrete nonappropriated account. Other than funds provided for program administration, the higher education coordinating board shall deposit in this account all money received for the program. The account shall be self-sustaining and consist of funds appropriated by the legislature for these scholarships, private contributions, and receipts from refunds of tuition and fees.

(iv) Seniors in the top ten percent of their individual Washington state high school class in 1999 and whose family income does not exceed one hundred and thirty-five percent of the state's median family income, adjusted for family size qualify for a scholarship in fiscal year 2000.

(v) ~~((Seniors in the top fifteen percent of their individual Washington state high school class in 2000 and whose family income does not exceed one hundred thirty-five percent of the state's median family income, adjusted for family size~~

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

~~qualify for a scholarship in fiscal year 2001.~~) Scholarships in fiscal year 2001 shall be awarded to students who graduate from high school or its equivalent whose family income does not exceed one hundred thirty-five percent of the state's median family income, adjusted for family size, if they meet any of the following academic criteria:

(A) Students graduating from public and approved private high schools under chapter 28A.195 RCW in 2001 must be in the top fifteen percent of their graduating class:

(B) Students graduating from public high schools, approved private high schools under chapter 28A.195 RCW, and students participating in home-based instruction as provided in chapter 28A.200 RCW must equal or exceed a cumulative scholastic aptitude test score of 1200 on their first attempt.

(vi) For students eligible under subsections (iv) and (v) of this subsection, the superintendent of public instruction shall provide the higher education coordinating board with the names, addresses, and unique numeric identifiers of (A) students in the top ten percent, or (B) students in the top fifteen percent or who meet the scholastic aptitude test score requirement, as appropriate in each of the respective high school senior or home based instruction classes in Washington state. This shall be provided no later than ~~((August))~~ October 1 of each year.

(vii) Scholarships awarded under this section may only be used at accredited institutions of higher education in the state of Washington for college-related expenses, including but not limited to, tuition, room and board, books, materials, and transportation. The Washington promise scholarship award shall not supplant other scholarship awards, financial aid, or tax programs related to postsecondary education. Scholarships may not be transferred or refunded to students.

(viii) The higher education coordinating board shall evaluate the impact and effectiveness of the Washington promise scholarship program. The evaluation shall include, but not be limited to: (A) An analysis of other financial assistance promise scholarship recipients are receiving through other federal, state, and institutional programs, including grants, work study, tuition waivers, tax credits, and loan programs; (B) an analysis of whether the implementation of the promise scholarship program has had an impact on student indebtedness; and (C) an evaluation of what types of students are successfully completing high school but do not have the financial ability to attend college because they cannot obtain financial aid or the financial aid is insufficient. The board shall report its findings to the governor and the legislature by November 1, 2001.

(ix) The higher education coordinating board may adopt rules as necessary to implement this program.

See. 611. 1999 c 309 s 613 (uncodified) is amended to read as follows:

**FOR WASHINGTON STATE LIBRARY**

General Fund—State Appropriation (FY 2000) . . . \$	<del>((8,400,000))</del>
	<u>8,419,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((8,198,000))</del>



	<u>8,299,000</u>
General Fund—Federal Appropriation . . . . . \$	8,859,000
TOTAL APPROPRIATION . . . . . \$	<del>((25,457,000))</del>
	<u>25,577,000</u>

The appropriations in this section are subject to the following conditions and limitations: At least \$2,763,219 shall be expended for a contract with the Seattle public library for library services for the Washington book and braille library.

Sec. 612. 1999 c 309 s 614 (uncodified) is amended to read as follows:

**FOR THE WASHINGTON STATE ARTS COMMISSION**

General Fund—State Appropriation (FY 2000) . . . . . \$	2,314,000
General Fund—State Appropriation (FY 2001) . . . . . \$	2,562,000
General Fund—Federal Appropriation . . . . . \$	<del>((1,000,000))</del>
	<u>1,020,000</u>
<u>General Fund—Private/Local Appropriation . . . . . \$</u>	<u>25,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((5,876,000))</del>
	<u>5,921,000</u>

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

(1) \$250,000 from the fiscal year 2000 general fund—state appropriation is provided solely for the arts in education program, arts organization funding, and for new arts funding for underserved communities. During fiscal year 2000, the agency shall prepare a strategic plan. The plan shall be submitted to the governor and appropriate committees of the legislature by July 1, 2000.

(2) \$500,000 from the fiscal year 2001 general fund—state appropriation is contingent upon the completion of the strategic plan required in subsection (1) of this section. If the strategic plan is not completed by July 1, 2000, the amount provided in this subsection shall lapse.

(3) Private/local funds appropriated in this section shall be used to complete the strategic planning process.

Sec. 613. 1999 c 309 s 615 (uncodified) is amended to read as follows:

**FOR THE WASHINGTON STATE HISTORICAL SOCIETY**

General Fund—State Appropriation (FY 2000) . . . . . \$	<del>((2,646,000))</del>
	<u>2,656,000</u>
General Fund—State Appropriation (FY 2001) . . . . . \$	<del>((2,661,000))</del>
	<u>2,996,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((5,307,000))</del>
	<u>5,652,000</u>

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

(1) \$50,000 of the general fund—state appropriation for fiscal year 2000 and \$50,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for activities related to the Lewis and Clark Bicentennial.

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

(2) \$25,000 of the general fund—state appropriation for fiscal year 2000 and \$25,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for the purchase and replacement costs of historic elm trees along Des Moines memorial drive. These funds shall be allocated to the Highline historical society.

(3) \$200,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for the Columbia gorge interpretive center for the continued provision of interpretive services to the public. These funds shall be allocated to the Skamania historical society.

(4) \$10,000 of the general fund—state appropriation for fiscal year 2000 and \$135,000 of the general fund—state appropriation for fiscal year 2001 are provided solely for operation of the history lab project.

Sec. 614. 1999 c 309 s 617 (uncodified) is amended to read as follows:

**FOR THE STATE SCHOOL FOR THE BLIND**

General Fund—State Appropriation (FY 2000) . . . \$	((3,986,000))
	4,040,000
General Fund—State Appropriation (FY 2001) . . . \$	((4,006,000))
	4,169,000
General Fund—Private/Local Appropriation . . . . . \$	644,000
TOTAL APPROPRIATION . . . . . \$	((8,636,000))
	8,853,000

The appropriations in this section are subject to the following conditions and limitations: \$103,556 of the general fund—state appropriation for fiscal year 2001 is provided for the implementation of Substitute Senate Bill No. 6361 (child abuse and neglect). If the bill is not enacted by June 30, 2000, this amount shall lapse.

Sec. 615. 1999 c 309 s 618 (uncodified) is amended to read as follows:

**FOR THE STATE SCHOOL FOR THE DEAF**

General Fund—State Appropriation (FY 2000) . . . \$	((6,704,000))
	6,768,000
General Fund—State Appropriation (FY 2001) . . . \$	((6,686,000))
	6,931,000
TOTAL APPROPRIATION . . . . . \$	((13,390,000))
	13,699,000

The appropriations in this section are subject to the following conditions and limitations: \$175,596 of the general fund—state appropriation for fiscal year 2001 is provided for the implementation of Substitute Senate Bill No. 6361 (child abuse and neglect). If the bill is not enacted by June 30, 2000, this amount shall lapse.

Sec. 616. 1999 c 309 s 612 (uncodified) is amended to read as follows:

**FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD**

General Fund—State Appropriation (FY 2000) . . . \$	1,124,000
General Fund—State Appropriation (FY 2001) . . . \$	((+1,123,000))

		<u>1,723,000</u>
General Fund—Federal Appropriation . . . . .	\$	34,408,000
TOTAL APPROPRIATION . . . . .	\$	((36,655,000))
		<u>37,255,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$600,000 of the general fund—state appropriation for fiscal year 2001 is provided solely for grants to local work force development councils that will help close the skills gap facing Washington business. Expenditure of the grant amounts provided in this section is contingent upon receiving a 50 percent in-kind or cash nonstate match. The grants shall be used to:

- (1) Create partnerships with businesses, labor organizations, and industry associations that share common occupations for the purpose of determining their future employment and training needs;
- (2) Bring together community colleges and other employment and training providers to develop the programs that meet the employment and training needs defined by the above industry partnerships;
- (3) Expand the use of skills standards and customized training designed to meet the specific needs of business; and
- (4) Support increased use of on-the-job learning strategies among small- and medium-sized enterprises.

The board shall provide a preliminary report of the results of at least three partnerships by December 1, 2000, and shall present the report to the appropriate committees of the legislature. The preliminary report shall describe the progress of the partnerships toward meeting the skills gap. The work of all of the partnerships shall be completed by June 30, 2001, and a final report shall be provided to the appropriate committees of the legislature. The final report shall describe the customized training that the board, industries, and the community colleges will use to meet the skills gap.

**PART VII  
SPECIAL APPROPRIATIONS**

**Sec. 701.** 1999 c 309 s 701 (uncodified) is amended to read as follows:  
**FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST,  
AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES:  
FOR DEBT SUBJECT TO THE DEBT LIMIT**

General Fund—State Appropriation (FY 2000) . . .	\$	((604,672,000))
		<u>634,792,000</u>
General Fund—State Appropriation (FY 2001) . . .	\$	((455,689,000))
		<u>435,288,000</u>
State Building Construction Account—State Appropriation . . . . .	\$	((4,168,000))
		<u>6,797,000</u>
Debt-Limit Reimbursable Bond Retirement Account— State Appropriation . . . . .	\$	((2,574,000))

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

	<u>2,565,000</u>
TOTAL APPROPRIATION . . . . . \$	((1,067,103,000))
	<u>1,079,442,000</u>

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for deposit into the debt-limit general fund bond retirement account. The appropriation for fiscal year 2000 shall be deposited in the debt-limit general fund bond retirement account by June 30, 2000.

**Sec. 702. 1999 c 309 s 702 (uncodified) is amended to read as follows:  
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 Account—State Appropriation . . . . . \$	((32,575,000))
	<u>32,724,000</u>
Accident Account—State Appropriation . . . . . \$	5,080,000
Medical Aid Account—State Appropriation . . . . . \$	5,080,000
TOTAL APPROPRIATION . . . . . \$	((42,735,000))
	<u>42,884,000</u>

**Sec. 703. 1999 c 309 s 703 (uncodified) is amended to read as follows:  
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—State Appropriation (FY 2000) . . . \$	((23,806,000))
	<u>23,678,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((23,445,000))
	<u>23,283,000</u>
Higher Education Construction Account—State Appropriation . . . . . \$	((118,000))
	<u>695,000</u>
Nondebt-Limit Reimbursable Bond Retirement Account—State Appropriation . . . . . \$	((106,498,000))
	<u>119,977,000</u>
Stadium and Exhibition Center Construction—State Appropriation . . . . . \$	((1,250,000))
	<u>1,970,000</u>
TOTAL APPROPRIATION . . . . . \$	((155,117,000))
	<u>169,603,000</u>

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for deposit into the nondebt-limit general fund bond retirement account.

Sec. 704. 1999 c 309 s 705 (uncodified) is amended to read as follows:

**FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST,  
AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES:  
FOR BOND SALE EXPENSES**

General Fund—State Appropriation (FY 2000) . . . \$	567,000
General Fund—State Appropriation (FY 2001) . . . \$	568,000
Higher Education Construction Account—State Appropriation . . . . . \$	<del>((30,000))</del> <u>83,000</u>
State Building Construction Account—State Appropriation . . . . . \$	1,237,000
Public Safety Reimbursable Bond Account—State Appropriation . . . . . \$	<del>((3,000))</del> <u>0</u>
Stadium/Exhibition Center Construction Account—State Appropriation . . . . . \$	250,000
TOTAL APPROPRIATION . . . . . \$	<del>((2,655,000))</del> <u>2,705,000</u>

Total Bond Retirement and Interest Appropriations contained in sections 701 through <del>((705))</del> <u>704</u> of this act <u>and section 704, chapter 309,</u> <u>Laws of 1999</u> . . . . . \$	<del>((1,268,839,000))</del> <u>1,295,863,000</u>
--	--

Sec. 705. 1999 c 309 s 710 (uncodified) is amended to read as follows:

**FOR THE EDUCATION TECHNOLOGY REVOLVING ACCOUNT.**

The sum of ~~((8,200,000))~~ \$6,400,000 from the general fund and \$6,600,000 from the K-20 technology account are appropriated for fiscal year 2000 to the education technology revolving account.

Sec. 706. 1999 c 309 s 711 (uncodified) is amended to read as follows:

**FOR THE AGRICULTURAL COLLEGE TRUST MANAGEMENT  
ACCOUNT**

Resource Management Cost Account Appropriation . . . . . \$	<del>((2,632,000))</del> <u>2,753,000</u>
--	--

The appropriation in this section is subject to the following conditions and limitations: The appropriation shall be deposited in the agricultural college trust management account.

NEW SECTION. Sec. 707. A new section is added to 1999 c 379 (uncodified) to read as follows:

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

**FOR THE DEPARTMENT OF NATURAL RESOURCES—DISTRIBUTION OF EXCESS FUNDS FROM THE FOREST DEVELOPMENT ACCOUNT**

Forest Development Account—State

Appropriation . . . . . \$ 10,000,000

The appropriation in this section is provided solely for distribution of state forest land revenues to taxing authorities that received such revenue from calendar year 1995 through calendar year 1999.

(1) Within fifteen days of the effective date of this section, the department shall transmit funds in the amounts specified in subsection (3) of this section to the county treasurers of the counties receiving the funds.

(2) The county treasurers of the counties listed in this section shall distribute funds received from this appropriation to taxing authorities in proportion to the state forest transfer land funds distributed to the taxing authorities based on information available for the calendar years 1995 through 1999. Funds to be credited to the state of Washington and funds credited to school district general levies shall be remitted to the state of Washington within thirty days after the effective date of this section for deposit into the salmon recovery account.

(3) Funds shall be distributed in the following amounts:

Clallam . . . . .	\$	1,468,937
Clark . . . . .	\$	560,244
Cowlitz . . . . .	\$	344,785
Grays Harbor . . . . .	\$	325,060
Jefferson . . . . .	\$	197,457
King . . . . .	\$	203,627
Kitsap . . . . .	\$	145,059
Klickitat . . . . .	\$	46,489
Lewis . . . . .	\$	1,465,767
Mason . . . . .	\$	196,270
Pacific . . . . .	\$	357,582
Pierce . . . . .	\$	124,595
Skagit . . . . .	\$	1,156,019
Skamania . . . . .	\$	189,649
Snohomish . . . . .	\$	1,200,492
Stevens . . . . .	\$	3,712
Thurston . . . . .	\$	855,545
Wahkiakum . . . . .	\$	366,534
Whatcom . . . . .	\$	792,178
TOTAL . . . . .	\$	10,000,000

**NEW SECTION. Sec. 708.** A new section is added to 1999 c 379 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT—SHORELINE BLOCK GRANTS**

Salmon Recovery Account—State

Appropriation . . . . . \$ 5,000,000

The appropriation in this section is subject to the following conditions and limitations: The entire salmon recovery account—state appropriation is provided solely for a grant program for cities and counties for the preservation and restoration of riparian, estuarine, and marine areas.

(1) Cities and counties may use grants provided pursuant to this section only for any one or more of the following purposes:

- (a) Voluntary leases or licenses from willing lessors or licensors for shoreline conservation or preservation;
- (b) Voluntary acquisition of less than fee simple interests from willing sellers for conservation futures, development rights, or conservation easements; or
- (c) Restoration, maintenance, and monitoring of property leased or property interests acquired.

(2) Cities and counties may use grants provided pursuant to this section only for riparian, marine, or estuarine parcels, or the portion thereof, that:

- (a) Have been designated as critical areas under chapter 36.70A RCW;
- (b) Are located within a city's or county's shoreline management jurisdiction under chapter 90.58 RCW; or
- (c) Have been identified as addressing a limiting factor under RCW 75.46.070.

(3) In making acquisition decisions, cities and counties shall consult with a designated lead entity that has been established under RCW 75.46.060, and shall give priority to riparian, marine, and estuarine projects or parcels:

- (a) For which interests may be acquired or leases may be executed in coordination with acquisitions funded by the interagency committee for outdoor recreation according to chapter 79A.15 RCW; or
- (b) That have been designated by the United States national marine fisheries service or the United States fish and wildlife service as critical habitat for threatened or endangered species according to 16 U.S.C. Sec. 1533(a)(3).

(4) Of the amount provided in this section, \$1,500,000 is provided solely for a pilot program in Skagit county to implement an agricultural riparian buffer plan. Skagit county shall report back to the appropriate policy and fiscal committees of the legislature by June 30, 2001, regarding the outcomes of the pilot program. If the Skagit county riparian buffer plan is not found by the growth management hearings board to be in compliance with the growth management act by December 31, 2000, the amount provided in this subsection shall lapse.

Sec. 709. 1999 c 309 s 713 (uncodified) is amended to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT—YEAR 2000 ALLOCATIONS**

General Fund—State Appropriation (FY 2000) . . . \$	((5,000,000))
	<u>3,466,000</u>
General Fund—Federal Appropriation . . . . . \$	462,000
Hospital Commission Account—State	

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

Appropriation . . . . .	\$	19,000
Health Professions Account—State		
Appropriation . . . . .	\$	182,000
Certified Public Accountants' Account—State		
Appropriation . . . . .	\$	5,000
Safe Drinking Water Account—State		
Appropriation . . . . .	\$	96,000
Water Quality Permit Account—State		
Appropriation . . . . .	\$	258,000
State Health Care Authority Administrative		
Account—State Appropriation . . . . .	\$	1,456,000
Year 2000 Contingency Revolving Account—State		
Appropriation . . . . .	\$	10,000,000
Accident Account—State Appropriation . . . . .	\$	150,000
Medical Aid Account—State Appropriation . . . . .	\$	150,000
TOTAL APPROPRIATION . . . . .	\$	((17,778,000))
		<u>16,244,000</u>

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

(1) The appropriations will be allocated by the office of financial management to agencies to resolve year 2000 issues. Agencies shall submit their estimated costs to resolve year 2000 issues to the office of financial management.

(2) 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 year 2000 contingency revolving account, in accordance with schedules provided by the office of financial management.

Sec. 710. 1999 c 309 s 714 (uncodified) is amended to read as follows:

**FOR THE GOVERNOR—EXTRAORDINARY CRIMINAL JUSTICE COSTS.** ~~((1) \$1,200,000))~~ (1) \$510,000 of the public safety and education account, or so much thereof as may be necessary, is appropriated solely for providing financial assistance in the 1999-01 biennium to Okanogan county for extraordinary criminal justice costs incurred in the adjudication of an aggravated homicide case. The office of financial management, in consultation with Okanogan county, shall determine the amount to be paid based on an assessment of the portion of the costs associated with the homicide case which is disproportionate relative to the county's criminal justice resources. The amount paid under this section shall not exceed eighty percent of the total costs associated with the investigation, prosecution, indigent defense, jury impanelment, expert witness, interpreters, incarceration, and other adjudication costs of the case. On January 1, 2000, any unexpended funds of the amount appropriated in this section shall lapse and revert to the public safety and education account.

(2) \$550,000 of the public safety and education account, or so much thereof as may be necessary, is appropriated solely for providing financial assistance in the



1999-01 biennium to Franklin, Cowlitz, and Thurston counties for extraordinary criminal justice costs incurred in the adjudication of aggravated homicide cases. Within the amount appropriated in this subsection, the office of financial management, in consultation with the counties, shall determine the amount to be paid based on an assessment of the portion of the costs associated with the homicide case which is disproportionate relative to the county's criminal justice resources. The amount paid under this section shall not exceed eighty percent of the total costs associated with the investigation, prosecution, indigent defense, jury impanelment, expert witness, interpreters, incarceration, and other adjudication costs of the cases. On January 1, 2001, any unexpended funds of the amount appropriated in this subsection shall lapse and revert to the public safety and education account.

NEW SECTION. Sec. 711. A new section is added to 1999 c 309 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT—DIGITAL GOVERNMENT POOL**

Data Processing Revolving Account Appropriation	\$	4,000,000
Master Licensing Account Appropriation . . . . .	\$	1,000,000
Digital Government Revolving Account . . . . .	\$	5,000,000
TOTAL APPROPRIATION . . . . .	\$	10,000,000

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

(1) The data processing revolving account appropriation and the digital government revolving account appropriation are provided solely to provide digital services of government to citizens, businesses, and to state and other governments. The office of financial management, in consultation with the department of information services, shall allocate these funds as needed for digital government projects.

(2) The master licensing account appropriation is provided solely to support systems to enable businesses to file their master business licenses electronically and to enable corporations and companies to file reports electronically.

(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 digital government revolving account, hereby created in the state treasury, in accordance with schedules provided by the office of financial management for additional digital government projects.

(4) Agencies receiving these allocations shall report at a minimum to the information services board and to the office of financial management on the progress of digital government projects and efforts.

NEW SECTION. Sec. 712. A new section is added to 1999 c 309 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT—LEGAL COSTS**

General Fund—State Appropriation (FY 2000) . . . . .	\$	3,488,000
--	----	-----------

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

**Salary and Insurance Increase Revolving Account**

Appropriation . . . . .	\$	688,000
Disaster Response Account—State Appropriation . . . . .	\$	200,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$</b>	<b>4,376,000</b>

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

(1) \$3,464,000 of the general fund—state appropriation and the salary and insurance increase revolving account appropriation are provided to the department of personnel solely for costs associated with the settlement of the *Warner v. State of Washington* litigation.

(2) \$24,000 of the general fund—state appropriation is provided to the citizens' commission on salaries for elected officials solely for legal costs associated with the settlement in *CLEAN v. Citizens' Commission on Salaries for Elected Officials*.

(3) The disaster response account appropriation is provided to the military department solely to settle claims related to property damage caused by the release of flood waters from dams during the 1996 storm events.

**NEW SECTION. Sec. 713.** A new section is added to 1999 c 309 (uncodified) to read as follows:

**MIDWIFERY CERTIFICATION PROGRAM.** \$73,000 from the general fund—state is appropriated for fiscal year 2001 for the purposes of deposit to the health professions account to cover a revenue shortfall in the midwifery certification program in the department of health.

**NEW SECTION. Sec. 714.** A new section is added to 1999 c 309 (uncodified) 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:

Reimbursement of criminal defendants acquitted on the basis of self-defense, pursuant to RCW 9A.16.110:

(1) Douglas Jones, claim number SCJ 99-05	\$	9,420
(2) Tyler Davis, claim number SCJ 99-07	\$	4,933
(3) Joel Maza, claim number SCJ 99-08	\$	4,236
(4) Thomas Vigil, claim number SCJ 99-09	\$	8,070
(5) Wayne Tweed, claim number SCJ 99-10	\$	5,588
(6) William Rhodes, claim number SCJ 99-11	\$	5,000
(7) Lew Roberts, claim number SCJ 99-12	\$	5,091
(8) Thomas Cheetham, claim number SCJ 99-13	\$	7,648
(9) Adonta Goldsby, claim number SCJ 99-14	\$	7,860
(10) Lorenzo Macklin, claim number SCJ 99-16	\$	32,785
(11) Valeriano Rueda, claim number SCJ 99-17	\$	1,211
(12) Duane Dunlap, claim number SCJ 00-01	\$	19,646

(13) Nathan Borge, claim number SCJ 00-02	\$ 4,864
(14) George D. Easton Jr., claim number SCJ 00-03	\$ 5,837
(15) James Shank, claim number SCJ 00-04	\$ 9,977
(16) Jacob Sloboda, claim number SCJ 00-05	\$ 12,856
(17) Shawn G. Nickel, claim number SCJ 00-06	\$ 4,214
(18) Anthony Montel Davis, claim number SCJ 00-07	\$ 10,513
(19) Gregory Owen Thornton, claim number SCJ 00-08	\$ 41,989
(20) Maximino Rivas, claim number SCJ 00-10	\$ 1,438
(21) Thomas Lee, claim number SCJ 97-01	\$ 11,584

**NEW SECTION. Sec. 715.** A new section is added to 1999 c 309 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT—STAFF AND EFFICIENCY SAVINGS.** The office of financial management shall reduce the appropriations for agencies of the state by \$1,094,000 from general fund—state fiscal year 2000 appropriations, \$2,553,000 from general fund—state fiscal year 2001 appropriations, and \$9,761,000 from a combination of reductions to appropriated and nonappropriated accounts to reflect staffing and efficiency savings. These reductions shall exclude federal funds. Reductions shall be made according to the legislative evaluation and accountability program committee document entitled "1999-01 Efficiency Reductions," dated April 24, 2000 at 5:00 p.m.

**Sec. 716.** 1999 c 309 s 718 (uncodified) is amended to read as follows:

For the period from July 1, 1999, through June 30, 2001, a one hundred fifty thousand dollar death benefit shall be paid as a sundry claim to ~~((a teacher's))~~ the estate ((if the teacher)) of an employee in the common school system of the state who is killed in the course of employment. The determination of eligibility for the benefit shall be made consistent with Title 51 RCW by the department of labor and industries. The department of labor and industries shall notify the director of the department of general administration ~~((if a teacher's estate is determined to be eligible for payment under this section))~~ by order under RCW 51.52.050.

**Sec. 717.** 1999 c 309 s 719 (uncodified) is amended to read as follows:

**FOR THE GOVERNOR—COMPENSATION—INSURANCE BENEFITS**

General Fund—State Appropriation (FY 2000) . . .	\$ 10,401,000
General Fund—State Appropriation (FY 2001) . . .	\$ <del>((26,095,000))</del>
	<u>28,834,000</u>
General Fund—Federal Appropriation . . . . .	\$ <del>((12,987,000))</del>
	<u>13,920,000</u>
General Fund—Private/Local Appropriation . . . . .	\$ <del>((747,000))</del>
	<u>797,000</u>
Salary and Insurance Increase Revolving Account	
Appropriation . . . . .	\$ <del>((25,941,000))</del>
	<u>27,900,000</u>
TOTAL APPROPRIATION . . . . .	\$ <del>((75,166,000))</del>

81,852,000

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

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed ((~~\$375.50~~) \$388.02 per eligible employee for fiscal year 2000, and ((~~\$410.53~~) \$425.64 for fiscal year 2001. The fiscal year 2001 funding rate includes \$0.02 per eligible employee for the benefit expansion in subsection (3) of this section, \$0.23 for increased assessments resulting from implementation of individual insurance market reform legislation (Substitute Senate Bill No. 6067), and \$1.82 for increased managed care trends.

(b) ((The monthly employer funding rate for the operating costs of the health care authority shall not exceed \$12.52 per eligible employee for fiscal year 2000, and \$13.04 for fiscal year 2001.

~~—(e))~~ An additional \$2.42 per eligible employee shall be included in the employer funding rate for fiscal year((s)) 2000 and an additional \$7.23 for fiscal year 2001 to repay the public employees' and retirees' insurance account for any claims paid as a result of a court-approved stipulated settlement in *Retired State Employees et al. v. State of Washington* (Thurston county superior court cause no. 92-2-01294-1).

~~((~~(c)~~))~~ (c) An additional \$0.71 per eligible employee shall be included in the employer funding rate for fiscal year 2000, and an additional \$1.47 per eligible employee shall be included in the employer funding rate for fiscal year 2001, solely to increase life insurance coverage in accordance with a court approved settlement in *Burbage et al. v. State of Washington* (Thurston county superior court cause no. 94-2-02560-8).

~~((~~(d)~~))~~ (d) An additional \$1.82 per eligible employee shall be included in the employer funding rate for fiscal year 2001 for uniform medical plan claims expenditures and reserves.

(e) Surplus moneys accruing to the public employees' and retirees' insurance account due to lower-than-projected insurance costs may not be reallocated by the health care authority to increase the actuarial value of public employee insurance plans. Such funds shall be held in reserve in the public employees' and retirees' insurance account and may not be expended without prior legislative authorization.

(f) In order to achieve the level of funding provided for health benefits, the public employees' benefits board may require employee premium copayments, increase point-of-service cost sharing, and/or implement managed competition.

(g) The health care authority shall use funds accruing to the public employees' and retirees' insurance account in fiscal year 1999 from payments made by the standard insurance company to the state of Washington related to the state's basic long-term disability plan, for insurance costs in the 1999-2001 biennium.

(h) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of

hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) 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.

(3) Health plans available through the public employees' benefits board, including the uniform medical plan, shall include coverage for all methods of prescription contraceptive drugs and devices approved by the federal food and drug administration. The specific conditions for expanded coverage shall be determined and designed by the public employees' benefits board.

(4) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for parts A and B of medicare, pursuant to RCW 41.05.085. From January 1, 2000 through December 31, 2000, the subsidy shall be \$62.48. Starting January 1, 2001, the subsidy shall be \$69.98 per month.

~~((4))~~ (5) Technical colleges, school districts, and educational service districts shall remit to the health care authority for deposit into the public employees' and retirees' insurance account established in RCW 41.05.120 the following amounts:

(a) For each full-time employee, \$22.03 per month beginning September 1, 1999, and \$25.06 beginning September 1, 2000;

(b) For each part-time employee who, at the time of the remittance, is employed in an eligible position as defined in RCW 41.32.010 or 41.40.010 and is eligible for employer fringe benefit contributions for basic benefits, \$22.03 each month beginning September 1, 1999, and \$25.06 beginning September 1, 2000, prorated by the proportion of employer fringe benefit contributions for a full-time employee that the part-time employee receives.

The remittance requirements specified in this subsection shall not apply to employees of a technical college, school district, or educational service district who purchase insurance benefits through contracts with the health care authority.

~~((5))~~ (6) The salary and insurance increase revolving account appropriation includes amounts sufficient to fund health benefits for ferry workers at the premium levels specified in subsection (1) of this section, consistent with the 1999-01 transportation appropriations act.

~~((6))~~ (7) The allocations to agencies and institutions under this section reflect a reduction of \$3,982,000 general fund—state for fiscal year 2000, an increase of \$458,000 general fund—state for fiscal year 2001, and reductions of \$1,330,000 general fund—federal, \$74,000 general fund—local, and \$3,342,000 salary and insurance increase revolving account, to reflect savings resulting from the implementation of employer pension rate reductions on July 1, 1999.

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

**Sec. 718.** 1999 c 309 s 720 (uncodified) is amended to read as follows:

**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 for the law enforcement officers' and firefighters' retirement system shall be made on a monthly basis beginning July 1, 1999, consistent with chapter 41.45 RCW as amended by this act, and the appropriations for the judges and judicial retirement systems shall be made on a quarterly basis consistent with chapters 2.10 and 2.12 RCW.

(1) There is appropriated for state contributions to the law enforcement officers' and fire fighters' retirement system:

General Fund—State Appropriation (FY 2000) . . . \$	((+6,320,000))
	<u>16,082,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	((+8,050,000))
	<u>20,130,000</u>

The appropriations in this subsection are subject to the following conditions and limitations:

(a) The appropriations include \$3,564,000 general fund—state for fiscal year 2001 to pay the increased retirement contributions resulting from enactment of Engrossed Substitute Senate Bill No. 6530 (pension enhancements). If the bill is not enacted by June 30, 2000, the amount provided in this subsection shall lapse.

(b) The appropriations include reductions of \$238,000 general fund—state for fiscal year 2000 and \$1,484,000 general fund—state for fiscal year 2001, to reflect savings resulting from the implementation of new employer pension contribution rates based on the 1998 combined actuarial valuation conducted by the office of the state actuary effective May 1, 2000, as provided in section 906 of this act.

(2) There is appropriated for contributions to the judicial retirement system:

General Fund—State Appropriation (FY 2000) . . . \$	7,000,000
General Fund—State Appropriation (FY 2001) . . . \$	7,000,000

(3) There is appropriated for contributions to the judges retirement system:

General Fund—State Appropriation (FY 2000) . . . \$	750,000
General Fund—State Appropriation (FY 2001) . . . \$	750,000
TOTAL APPROPRIATION . . . . . \$	((49,870,000))
	<u>51,712,000</u>

NEW SECTION. **Sec. 719.** A new section is added to 1999 c 309 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT—CONTRIBUTIONS TO RETIREMENT SYSTEMS**

General Fund—State Appropriation (FY 2001) . . . . . \$	9,302,000
General Fund—Federal Appropriation . . . . . \$	3,368,000
General Fund—Private/Local Appropriation . . . . . \$	133,000
Special Account Retirement Contribution Increase	

Revolving Account Appropriation . . . . .	\$	8,081,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$</b>	<b>20,884,000</b>

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for state agencies and institutions to pay the increased retirement contributions resulting from enactment of Substitute Senate Bill No. 6530 (pension enhancements). If the bill is not enacted by June 30, 2000, the amount provided in this section shall lapse.

**NEW SECTION. Sec. 720.** A new section is added to 1999 c 309 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT—CONTRIBUTIONS TO RETIREMENT SYSTEMS**

General Fund—State Appropriation (FY 2000) . . . . .	\$	(1,715,000)
General Fund—State Appropriation (FY 2001) . . . . .	\$	(10,720,000)
General Fund—Federal Appropriation . . . . .	\$	(4,136,000)
General Fund—Private/Local Appropriation . . . . .	\$	(145,000)
Special Account Retirement Contribution Increase		
Revolving Account Appropriation . . . . .	\$	(8,661,000)
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$</b>	<b>(25,377,000)</b>

The appropriations in this section are provided solely to reduce agency and institution appropriations to reflect: (1) Savings resulting from the implementation of new employer pension contribution rates, effective May 1, 2000, based on the 1998 actuarial valuation studies conducted by the office of the state actuary as provided in section 906 of this act; and (2) a 0.04 percent increase in the department of retirement systems administrative expense rate, effective May 1, 2000, to fund implementation of the public employees' retirement system plan 3.

**Sec. 721.** 1999 c 309 s 723 (uncodified) is amended to read as follows:

**SALARY COST OF LIVING ADJUSTMENT**

General Fund—State Appropriation (FY 2000) . . .	\$	<del>((33,614,000))</del>
		<u>33,424,000</u>
General Fund—State Appropriation (FY 2001) . . .	\$	<del>((68,186,000))</del>
		<u>68,376,000</u>
General Fund—Federal Appropriation . . . . .	\$	31,436,000
General Fund—Private/Local Appropriation . . . . .	\$	<del>((2,001,000))</del>
		<u>2,014,000</u>
Salary and Insurance Increase Revolving Account		
Appropriation . . . . .	\$	72,609,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$</b>	<del>((207,846,000))</del>
		<u>207,859,000</u>

The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the following conditions and limitations:

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

(1) In addition to the purposes set forth in subsections (2) and (3) of this section, appropriations in this section are provided solely for a 3.0 percent salary increase effective July 1, 1999, and a 3.0 percent salary increase effective July 1, 2000, for all classified employees, including those employees in the Washington management service, and exempt employees under the jurisdiction of the personnel resources board.

(2) The appropriations in this section are sufficient to fund a 3.0 percent salary increase effective July 1, 1999, and a 3.0 percent increase effective July 1, 2000, for general government, legislative, and judicial employees exempt from merit system rules whose maximum salaries are not set by the commission on salaries for elected officials.

(3) The salary and insurance increase revolving account appropriation in this section includes funds sufficient to fund a 3.0 percent salary increase effective July 1, 1999, and a 3.0 percent salary increase effective July 1, 2000, for ferry workers consistent with the 1999-01 transportation appropriations act.

(4)(a) No salary increase may be paid under this section to any person whose salary has been Y-rated pursuant to rules adopted by the personnel resources board.

(b) The average salary increases paid under this section and section 724 of this act to agency officials whose maximum salaries are established by the committee on agency official salaries shall not exceed the average increases provided by subsection (2) of this section.

(5) The appropriations in this section include \$1,498,000 general fund—state for fiscal year 2000, \$1,765,000 general fund—state for fiscal year 2001, and a reduction of \$3,263,000 general fund—federal for the department of social and health services to adjust employer pension funding levels to reflect historical fund source ratios.

**Sec. 722.** 1999 c 309 s 727 (uncodified) is amended to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT—COMPENSATION ACTIONS OF PERSONNEL RESOURCES BOARD**

General Fund—State Appropriation (FY 2000) . . . \$	<del>((6,543,000))</del> <u>6,578,000</u>
General Fund—State Appropriation (FY 2001) . . . \$	<del>((6,543,000))</del> <u>7,379,000</u>
General Fund—Federal Appropriation . . . . . \$	<del>((3,343,000))</del> <u>3,743,000</u>
General Fund—Private/Local Appropriation . . . . \$	173,000
Salary and Insurance Increase Revolving Account Appropriation . . . . . \$	<del>((22,783,000))</del> <u>23,025,000</u>
TOTAL APPROPRIATION . . . . . \$	<del>((39,385,000))</del> <u>40,898,000</u>



The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the following conditions and limitations:

(1) Funding is provided to implement the salary increase recommendations of the Washington personnel resources board for the top 26 priority classes identified pursuant to RCW 41.06.152. The salary increases shall be effective July 1, 1999.

(2) \$800,000 of the general fund—state appropriation for fiscal year 2001 and \$400,000 of the general fund—federal appropriation are provided solely for one or more additional steps to the following registered nurse job classes used in state mental hospitals, developmental disability facilities, correctional facilities, and other similar state institutional settings: Registered nurse 1-3; community nurse specialist; clinical nurse specialist; and nurse practitioner. Funding is contingent upon review and approval by the personnel resources board that providing additional steps is an appropriate means to improve the recruitment and retention of registered nurses at Western state hospital and the McNeil Island correctional facility, and upon approval by the office of financial management that the annual general fund—state cost of the increases proposed for approval does not exceed \$800,000.

NEW SECTION. Sec. 723. A new section is added to 1999 c 309 (uncodified) to read as follows:

**FOR THE MULTIMODAL TRANSPORTATION ACCOUNT.** The sum of fifty million dollars is appropriated from the general fund to the multimodal transportation account for fiscal year 2000.

NEW SECTION. Sec. 724. A new section is added to 1999 c 309 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT—REGIONAL TRANSIT AUTHORITY.** (1) The sum of twelve million seven hundred thousand dollars is appropriated from the general fund—state for fiscal year 2001 solely for allocation to Sound Transit regional transit authority for the King street rail maintenance facility to be built in partnership with Amtrak. The appropriation in this subsection is conditioned on the execution of agreements between the department of transportation, Amtrak, Sound Transit, and other participating parties that will assure that the maintenance and operation of the maintenance facility will not require state funding except for billings for maintenance of state-owned passenger trains.

(2) The sum of fifteen million dollars is appropriated from the state general fund for fiscal year 2000 solely for allocation to Sound Transit regional transit authority as a state contribution.

(3) The amounts appropriated in this section constitute a transfer of local government costs under RCW 43.135.060(2).

NEW SECTION. Sec. 725. A new section is added to 1999 c 309 (uncodified) to read as follows:

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

**PUGET SOUND FERRY OPERATIONS ACCOUNT.** The sum of twenty million dollars is appropriated from the general fund to the Puget Sound ferry operations account for fiscal year 2001 to carry out the purposes of the account.

**NEW SECTION. Sec. 726.** A new section is added to 1999 c 309 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT—PUBLIC TRANSPORTATION BENEFIT AREAS**

(1) For the biennium ending June 30, 2001, as limited by general fund appropriation, the state shall provide a portion of the local share of any political subdivisions' costs for transit programs and services that are the ongoing responsibility of the recipient political subdivision. Such funding shall supplant local funding for this purpose. Any appropriation by the state is a transfer of local government costs under RCW 43.135.060(2), but does not constitute a state obligation after June 30, 2001.

(2) Subject to subsection (1) of this section, the following amounts are appropriated from the general fund to the office of financial management for distribution to the following public transportation benefit areas in the amounts designated:

<b>System</b>	<b>Benefit Area</b>	<b>FY 2001</b>	<b>1999-2001 Biennium</b>
Ben Franklin Transit	Benton-Franklin PTBA	2,401,200	2,401,200
Clallam Transit System	Clallam County PTBA	767,400	767,400
Community Transit	Snohomish County PTBA	6,857,400	6,857,400
C-Tran	Clark County PTBA	4,355,000	4,355,000
Community Urban Bus Service	Cowlitz PTBA	310,800	310,800
Everett Transit	City of Everett	556,000	556,000
Grant Transit Authority	Grant County	657,800	657,800
Grays Harbor Transportation Authority	Grays Harbor	772,700	772,700
Intercity Transit	Thurston County PTBA	2,763,000	2,763,000
Island Transit	Island County PTBA	593,200	593,200
Jefferson Transit Authority	Jefferson County PTBA	305,500	305,500
Kitsap Transit	Kitsap County PTBA	2,936,100	2,936,100
Link	Chelan-Douglas PTBA	1,472,400	1,472,400
Mason County Transportation Authority	Mason County	249,400	249,400
Metropolitan King\County	King County	35,973,300	35,973,300
Pacific Transit	Pacific County	203,000	203,000
Pierce Transit	Pierce County PTBA	8,423,900	8,423,900
Pullman Transit	Whitman County PTBA	198,300	198,300
Skagit Transit System	Skagit PTBA	1,074,200	1,074,200
Spokane Transit Authority	Spokane County PTBA	5,774,100	5,774,100
Twin Transit	Lewis County PTBA	199,300	199,300
Valley Transit	Walla Walla County PTBA	482,800	482,800
Whatcom Transportation Authority	Whatcom County PTBA	2,321,500	2,321,500
Yakima Transit	City of Yakima	351,700	351,700
<b>TOTAL APPROPRIATIONS</b>		<b>\$80,000,000</b>	<b>\$80,000,000</b>

**NEW SECTION. Sec. 727.** A new section is added to 1999 c 309 (uncodified) to read as follows:

**LOCAL GOVERNMENT FINANCIAL ASSISTANCE**

(1) The legislature recognizes the need for ongoing financial assistance to local governments for the purposes of public safety, criminal justice, public health, and other operations. Therefore, it is the intent of the legislature that the state provide funding for the current and future fiscal biennia for a portion of local governments' costs for these programs and services that are the ongoing responsibility of the recipient local government.

(2)(a) Moneys appropriated in sections 728 and 729 of this act shall be used to supplant a portion of the costs of existing local programs, as specified in this section:

(i) In section 728 of this act, moneys are provided for the superior court system, police operations, crime prevention, care and custody of prisoners, and legal services; and

(ii) In section 729 of this act, moneys are provided for municipal court systems, police operations, fire protection services, transportation, crime prevention, care and custody of prisoners, and legal services.

(b) Moneys appropriated in sections 728 and 729 of this act constitute a transfer to the state of local government costs under RCW 43.135.060(2).

(3) It is the intent of the legislature that the funding provided in sections 728, 729, and 730 of this act, increased by the fiscal growth factor, will be appropriated in subsequent fiscal biennia.

**NEW SECTION. Sec. 728.** A new section is added to 1999 c 309 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT—COUNTY CORPORATION ASSISTANCE**

General Fund—State Appropriation (FY 2000) . . .	\$	11,873,986
General Fund—State Appropriation (FY 2001) . . .	\$	23,747,967
TOTAL APPROPRIATION . . . . .	\$	35,621,953

The appropriations in this section are subject to section 727 of this act and to the following conditions and limitations:

(1) The director of community, trade, and economic development shall distribute the appropriations to the following counties in the amounts designated:

County	FY 2000	FY 2001	1999-2001 Biennium
Adams	142,824	285,647	428,471
Asotin	205,338	410,676	616,014
Benton	468,011	936,021	1,404,032
Chelan	312,753	625,506	938,259
Clallam	217,959	435,918	653,877
Clark	302,114	604,227	906,341
Columbia	276,438	552,876	829,314

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

Cowlitz	374,960	749,919	1,124,879
Douglas	241,831	483,661	725,492
Ferry	191,828	383,655	575,483
Franklin	210,840	421,679	632,519
Garfield	281,070	562,140	843,210
Grant	278,047	556,095	834,142
Grays Harbor	265,825	531,649	797,474
Island	232,399	464,797	697,196
Jefferson	115,144	230,288	345,432
King	1,305,948	2,611,895	3,917,843
Kitsap	230,697	461,394	692,091
Kittitas	175,719	351,437	527,156
Klickitat	95,922	191,845	287,767
Lewis	285,612	571,225	856,837
Lincoln	139,944	279,888	419,832
Mason	440,831	881,661	1,322,492
Okanogan	269,627	539,254	808,881
Pacific	169,265	338,529	507,794
Pend Oreille	137,923	275,846	413,769
Pierce	606,124	1,212,249	1,818,373
San Juan	39,737	79,475	119,212
Skagit	439,967	879,935	1,319,902
Skamania	85,034	170,068	255,102
Snohomish	488,785	977,571	1,466,356
Spokane	393,723	787,446	1,181,169
Stevens	394,764	789,528	1,184,292
Thurston	502,516	1,005,033	1,507,549
Wahkiakum	249,694	499,388	749,082
Walla Walla	118,173	236,345	354,518
Whatcom	193,639	387,277	580,916
Whitman	65,984	131,969	197,953
Yakima	926,977	1,853,955	2,780,932
TOTAL APPROPRIATIONS	\$11,873,986	\$23,747,967	\$35,621,953

(2) The fiscal year 2000 appropriation is provided for distribution for calendar year 2000 for the period from July 1 through December 31, and the fiscal year 2001 appropriation is provided for calendar year 2001.

**NEW SECTION. Sec. 729.** A new section is added to 1999 c 309 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT—MUNICIPAL CORPORATION ASSISTANCE**

General Fund—State Appropriation (FY 2000) . . . \$	21,661,158
General Fund—State Appropriation (FY 2001) . . . \$	44,638,842
TOTAL APPROPRIATION . . . . . \$	66,300,000

The appropriations in this section are subject to section 727 of this act and the following conditions and limitations:

(1) The director of community, trade, and economic development shall distribute the fiscal year 2000 appropriation and \$43,322,305 of the fiscal year 2001 appropriation to the following cities and municipalities in the amounts designated:

City	FY 2000	FY 2001	1999-2001 Biennium
Aberdeen	58,364	116,729	175,093
Airway Heights	54,120	108,239	162,359
Albion	30,529	61,059	91,588
Algona	15,436	30,871	46,307
Almira	4,946	9,893	14,839
Anacortes	34,503	69,005	103,508
Arlington	20,598	41,195	61,793
Asotin	24,725	49,450	74,175
Auburn	93,591	187,183	280,774
Bainbridge Island	142,937	285,875	428,812
Battle Ground	57,546	115,092	172,638
Beaux Arts	868	1,736	2,604
Bellevue	254,988	509,975	764,963
Bellingham	179,551	359,102	538,653
Benton City	47,418	94,836	142,254
Bingen	3,212	6,423	9,635
Black Diamond	110,589	221,177	331,766
Blaine	10,143	20,287	30,430
Bonney Lake	77,215	154,429	231,644
Bothell	66,772	133,544	200,316
Bremerton	104,105	208,211	312,316
Brewster	5,473	10,945	16,418
Bridgeport	86,287	172,575	258,862
Brier	258,786	517,571	776,357
Buckley	33,188	66,375	99,563
Bucoda	22,827	45,653	68,480
Burien	138,274	276,549	414,823
Burlington	13,332	26,663	39,995
Camas	26,099	52,198	78,297
Carbonado	25,434	50,867	76,301
Carnation	4,667	9,333	14,000
Cashmere	46,531	93,062	139,593
Castle Rock	11,309	22,619	33,928
Cathlamet	3,048	6,095	9,143
Centralia	49,336	98,673	148,009
Chehalis	16,831	33,662	50,493
Chelan	9,493	18,985	28,478
Cheney	152,893	305,785	458,678
Chewelah	22,652	45,305	67,957
Clarkston	40,816	81,632	122,448

## Ch. 1

## WASHINGTON LAWS, 2000 2nd Sp. Sess.

Cle Elum	4,228	8,456	12,684
Clyde Hill	45,988	91,977	137,965
Colfax	24,996	49,991	74,987
College Place	256,095	512,190	768,285
Colton	11,689	23,379	35,068
Colville	11,377	22,754	34,131
Conconully	6,064	12,127	18,191
Concrete	8,666	17,331	25,997
Connell	65,569	131,137	196,706
Cosmopolis	7,489	14,977	22,466
Coulee City	1,364	2,728	4,092
Coulee Dam	22,075	44,149	66,224
Coupeville	3,750	7,499	11,249
Covington	336,050	672,099	1,008,149
Creston	5,294	10,589	15,883
Cusick	3,354	6,708	10,062
Darrington	23,691	47,382	71,073
Davenport	25,650	51,301	76,951
Dayton	35,094	70,189	105,283
Deer Park	7,812	15,623	23,435
Des Moines	720,945	1,441,891	2,162,836
Dupont	3,944	7,889	11,833
Duvall	32,166	64,333	96,499
East Wenatchee	14,922	29,845	44,767
Eatonville	4,304	8,608	12,912
Edgewood	438,645	877,290	1,315,935
Edmonds	221,975	443,950	665,925
Electric City	39,033	78,066	117,099
Ellensburg	39,878	79,757	119,635
Elma	26,813	53,627	80,440
Elmer City	13,657	27,314	40,971
Endicott	13,252	26,503	39,755
Entiat	24,088	48,176	72,264
Enumclaw	25,787	51,574	77,361
Ephrata	29,180	58,359	87,539
Everett	240,990	481,981	722,971
Everson	23,832	47,663	71,495
Fairfield	7,054	14,107	21,161
Farmington	5,435	10,869	16,304
Federal Way	228,709	457,417	686,126
Ferndale	36,321	72,642	108,963
Fife	12,360	24,721	37,081
Fircrest	187,832	375,665	563,497
Forks	40,404	80,808	121,212
Friday Harbor	4,763	9,525	14,288
Garfield	20,511	41,022	61,533
George	8,018	16,036	24,054
Gig Harbor	15,379	30,757	46,136

WASHINGTON LAWS, 2000 2nd Sp. Sess.

Ch. 1

Gold Bar	59,316	118,633	177,949
Goldendale	18,713	37,427	56,140
Grand Coulee	2,824	5,647	8,471
Grandview	124,695	249,389	374,084
Granger	77,252	154,505	231,757
Granite Falls	5,324	10,649	15,973
Hamilton	7,414	14,828	22,242
Harrah	21,302	42,603	63,905
Harrington	7,185	14,371	21,556
Hartline	5,045	10,090	15,135
Hatton	5,584	11,167	16,751
Hoquiam	182,363	364,727	547,090
Hunts Point	1,183	2,366	3,549
Ilwaco	5,845	11,689	17,534
Index	1,447	2,893	4,340
Ione	7,246	14,491	21,737
Issaquah	24,322	48,645	72,967
Kahlotus	8,996	17,993	26,989
Kalama	3,839	7,678	11,517
Kelso	33,517	67,034	100,551
Kenmore	534,777	1,069,554	1,604,331
Kennewick	142,783	285,567	428,350
Kent	175,418	350,836	526,254
Kettle Falls	24,016	48,032	72,048
Kirkland	107,709	215,419	323,128
Kittitas	32,131	64,263	96,394
Krupp	1,976	3,951	5,927
La Center	10,329	20,657	30,986
La Conner	1,857	3,713	5,570
La Crosse	8,367	16,733	25,100
Lacey	69,677	139,355	209,032
Lake Forest Park	436,780	873,560	1,310,340
Lake Stevens	69,216	138,433	207,649
Lakewood	1,437,449	2,874,899	4,312,348
Lamont	3,337	6,673	10,010
Langley	2,579	5,159	7,738
Latah	5,286	10,572	15,858
Leavenworth	5,929	11,858	17,787
Lind	1,079	2,157	3,236
Long Beach	4,995	9,990	14,985
Longview	121,527	243,055	364,582
Lyman	7,448	14,895	22,343
Lynden	20,779	41,558	62,337
Lynnwood	79,570	159,139	238,709
Mabton	64,750	129,501	194,251
Malden	10,013	20,027	30,040
Mansfield	12,013	24,027	36,040
Maple Valley	174,860	349,721	524,581

**Ch. 1                      WASHINGTON LAWS, 2000 2nd Sp. Sess.**

Marcus	6,427	12,855	19,282
Marysville	49,630	99,259	148,889
Mattawa	43,861	87,723	131,584
McCleary	44,237	88,473	132,710
Medical Lake	55,610	111,220	166,830
Medina	6,983	13,965	20,948
Mercer Island	186,558	373,117	559,675
Mesa	6,944	13,887	20,831
Metaline	6,362	12,723	19,085
Metaline Falls	3,004	6,008	9,012
Mill Creek	84,879	169,759	254,638
Millwood	8,826	17,651	26,477
Milton	13,635	27,269	40,904
Monroe	27,492	54,983	82,475
Montesano	24,687	49,375	74,062
Morton	2,866	5,731	8,597
Moses Lake	51,401	102,802	154,203
Mossyrock	5,999	11,998	17,997
Mount Vernon	63,615	127,230	190,845
Mountlake Terrace	345,942	691,884	1,037,826
Moxee	13,417	26,833	40,250
Mukilteo	133,516	267,032	400,548
Naches	3,507	7,015	10,522
Napavine	42,896	85,793	128,689
Nespelem	8,226	16,452	24,678
Newcastle	141,454	282,908	424,362
Newport	6,432	12,864	19,296
Nooksack	25,088	50,175	75,263
Normandy Park	237,918	475,837	713,755
North Bend	10,095	20,191	30,286
North Bonneville	12,102	24,205	36,307
Northport	10,412	20,823	31,235
Oak Harbor	135,304	270,607	405,911
Oakesdale	13,679	27,357	41,036
Oakville	18,504	37,008	55,512
Ocean Shores	31,538	63,077	94,615
Odessa	2,297	4,593	6,890
Okanogan	5,995	11,989	17,984
Olympia	96,545	193,089	289,634
Omak	12,704	25,408	38,112
Oroville	6,083	12,167	18,250
Orting	78,685	157,369	236,054
Othello	13,040	26,080	39,120
Pacific	33,624	67,248	100,872
Palouse	22,092	44,185	66,277
Pasco	63,867	127,734	191,601
Pateros	9,521	19,042	28,563
Pe Ell	24,796	49,591	74,387



WASHINGTON LAWS, 2000 2nd Sp. Sess.

Ch. 1

Pomeroy	18,951	37,902	56,853
Port Angeles	60,606	121,213	181,819
Port Orchard	20,332	40,663	60,995
Port Townsend	22,923	45,847	68,770
Poulsbo	15,475	30,949	46,424
Prescott	5,050	10,100	15,150
Prosser	11,741	23,482	35,223
Pullman	284,395	568,790	853,185
Puyallup	73,807	147,614	221,421
Quincy	9,847	19,695	29,542
Rainier	48,712	97,424	146,136
Raymond	25,745	51,491	77,236
Reardan	17,071	34,142	51,213
Redmond	104,708	209,416	314,124
Renton	114,336	228,673	343,009
Republic	9,387	18,773	28,160
Richland	214,871	429,743	644,614
Ridgefield	19,196	38,393	57,589
Ritzville	4,134	8,267	12,401
Riverside	12,230	24,459	36,689
Rock Island	14,499	28,998	43,497
Rockford	7,493	14,987	22,480
Rosalia	15,440	30,881	46,321
Roslyn	27,893	55,786	83,679
Roy	832	1,663	2,495
Royal City	27,769	55,538	83,307
Ruston	19,537	39,075	58,612
Sammamish	1,148,668	2,297,337	3,446,005
Seatac	64,297	128,595	192,892
Seattle	1,551,389	3,102,778	4,654,167
Sedro-Woolley	26,703	53,406	80,109
Selah	39,257	78,513	117,770
Sequim	10,637	21,273	31,910
Shelton	28,290	56,581	84,871
Shoreline	722,414	1,444,827	2,167,241
Skykomish	689	1,379	2,068
Snohomish	19,808	39,617	59,425
Snoqualmie	4,663	9,327	13,990
Soap Lake	44,365	88,729	133,094
South Bcnd	29,296	58,591	87,887
South Cle Elum	20,735	41,471	62,206
South Prairie	7,114	14,228	21,342
Spangle	680	1,359	2,039
Spokane	543,058	1,086,116	1,629,174
Sprague	9,350	18,701	28,051
Springdale	4,522	9,043	13,565
St. John	2,065	4,130	6,195
Stanwood	10,283	20,567	30,850

**Ch. 1                      WASHINGTON LAWS, 2000 2nd Sp. Sess.**

Starbuck	4,158	8,315	12,473
Steilacoom	139,025	278,049	417,074
Stevenson	5,678	11,356	17,034
Sultan	21,322	42,644	63,966
Sumas	3,836	7,671	11,507
Sumner	20,397	40,793	61,190
Sunnyside	34,442	68,883	103,325
Tacoma	673,532	1,347,063	2,020,595
Tekoa	20,548	41,095	61,643
Tenino	27,398	54,795	82,193
Tieton	32,401	64,801	97,202
Toledo	3,070	6,140	9,210
Tonasket	2,675	5,351	8,026
Toppenish	215,725	431,451	647,176
Tukwila	36,638	73,276	109,914
Tumwater	30,085	60,169	90,254
Twisp	2,332	4,663	6,995
Union Gap	13,197	26,393	39,590
Uniontown	8,436	16,871	25,307
University Place	919,308	1,838,615	2,757,923
Vader	18,415	36,831	55,246
Vancouver	572,811	1,145,621	1,718,432
Waitsburg	33,585	67,171	100,756
Walla Walla	155,014	310,029	465,043
Wapato	112,259	224,519	336,778
Warden	40,328	80,656	120,984
Washougal	86,109	172,217	258,326
Washucna	9,256	18,513	27,769
Waterville	29,923	59,846	89,769
Waverly	4,582	9,163	13,745
Wenatchee	71,798	143,596	215,394
West Richland	238,229	476,459	714,688
Westport	6,671	13,343	20,014
White Salmon	17,923	35,845	53,768
Wilbur	7,091	14,181	21,272
Wilkeson	7,460	14,919	22,379
Wilson Creek	8,297	16,594	24,891
Winlock	12,931	25,863	38,794
Winthrop	854	1,708	2,562
Woodinville	27,266	54,531	81,797
Woodland	8,736	17,473	26,209
Woodway	6,086	12,173	18,259
Yacolt	15,650	31,299	46,949
Yakima	237,263	474,527	711,790
Yarrow Point	10,253	20,506	30,759
Yelm	7,625	15,251	22,876
Zillah	36,996	73,993	110,989

TOTAL APPROPRIATIONS      \$21,661,158      \$43,322,305      \$64,983,463

(2) The fiscal year 2000 appropriation is provided for distribution for calendar year 2000 for the period from July 1 through December 31, and the fiscal year 2001 appropriation is provided for calendar year 2001.

(3) \$1,316,537 of the fiscal year 2001 appropriation is provided solely to address the contingencies listed in this subsection. The department shall distribute the moneys no later than December 31, 2000. Moneys shall be distributed for the following purposes, ranked in order of priority:

(a) To correct for data errors in the determination of distributions in subsection (1) of this section;

(b) To distribute to newly qualifying jurisdictions as if the jurisdiction had been in existence prior to November 1999;

(c) To allocate under emergency situations as determined by the director of community, trade, and economic development in consultation with the association of Washington cities; and

(d) After November 20, 2000, moneys remaining from the amount provided in this subsection following the distributions under (a), (b), and (c) of this subsection shall be distributed to cities and towns in ascending order of population to provide additional funds so that the resulting impact of the loss of motor vehicle excise tax funding is no more than five percent of unrestricted revenues.

(e) For the purposes of this subsection, (i) "unrestricted revenues" is the state auditor's office definition of unrestricted revenues for the calendar year 1998 state budget and accounting reporting system (BARS) data; and (ii) "loss of motor vehicle excise tax funding" is defined as the amount of forgone motor vehicle excise tax revenue for fiscal year 2001 due to the passage of Initiative Measure No. 695, as indicated in LEAP document LG-2000.

**NEW SECTION. Sec. 730.** A new section is added to 1999 c 309 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT—COUNTY PUBLIC HEALTH ASSISTANCE**

The sum of \$33,183,801 is appropriated from the health services account to the department of community, trade, and economic development for distribution for the purposes of public health. Of the amounts provided, \$11,061,266 is to be distributed for calendar year 2000 for the period from July 1 through December 31, and \$22,122,535 is to be distributed for calendar year 2001, to the following counties and health districts in the amounts designated:

County or Health District	FY 2000	FY 2001	1999-2001 Biennium
Adams County Health District	15,165	30,330	45,495
Asotin County Health District	30,008	60,015	90,023
Benton-Franklin Health District	551,371	1,102,742	1,654,113
Chelan-Douglas Health District	79,726	159,451	239,177
Clallam County Health and Human Services Department	68,512	137,024	205,536
Southwest Washington Health District	512,816	1,025,631	1,538,447

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

Columbia County Health District	19,857	39,715	59,572
Cowlitz County Health Department	129,921	259,842	389,763
Garfield County Health District	7,363	14,726	22,089
Grant County Health District	48,355	96,710	145,065
Grays Harbor Health Department	90,088	180,176	270,264
Island County Health Department	37,465	74,930	112,395
Jefferson County Health and Human Services	38,072	76,145	114,217
Seattle-King County Department of Public Health	4,153,122	8,306,245	12,459,367
Bremerton-Kitsap County Health District	271,037	542,074	813,111
Kittitas County Health Department	38,712	77,425	116,137
Klickitat County Health Department	24,002	48,004	72,006
Lewis County Health Department	49,704	99,409	149,113
Lincoln County Health Department	10,306	20,613	30,919
Mason County Department of Health Services	40,946	81,893	122,839
Okanogan County Health District	30,549	61,099	91,648
Pacific County Health Department	37,935	75,871	113,806
Tacoma-Pierce County Health Department	1,372,177	2,744,353	4,116,530
San Juan County Health and Community Services	15,058	30,116	45,174
Skagit County Health Department	98,115	196,230	294,345
Snohomish Health District	1,090,447	2,180,893	3,271,340
Spokane County Health District	1,027,015	2,054,031	3,081,046
Northeast Tri-County Health District	47,995	95,991	143,986
Thurston County Health Department	287,121	574,242	861,363
Wahkiakum County Health Department	6,748	13,495	20,243
Walla Walla County-City Health Department	83,532	167,063	250,595
Whatcom County Health Department	409,608	819,215	1,228,823
Whitman County Health Department	38,071	76,142	114,213
Yakima Health District	300,347	600,694	901,041
<b>TOTAL APPROPRIATIONS</b>	<b>\$11,061,266</b>	<b>\$22,122,535</b>	<b>\$33,183,801</b>

**NEW SECTION. Sec. 731.** A new section is added to 1999 c 309 (uncodified) to read as follows:

**LOCAL GOVERNMENT TASK FORCE.** A task force is created to provide the legislature with recommendations on the future distribution of ongoing funding to cities, counties, and public health districts and departments as provided in sections 728, 729, and 730 of this act.

(1) The task force shall consist of eight members as follows: Four legislative members, appointed by the cospeakers of the house of representatives and the president of the senate, including one each from the two largest caucuses of the house of representatives and the senate; one representative each from the association of Washington cities and the Washington state association of counties; and one representative each from the office of financial management and department of community, trade, and economic development.

(2) The task force shall identify the manner in which ongoing state funding of city, county, and public health program costs would be distributed. Representatives of local jurisdictions and their respective associations shall develop a methodology for the ongoing distribution of funding for the

consideration of the task force. The task force shall, at a minimum, consider tax capacity and tax base in determining a distribution methodology.

(3) The task force shall submit a report of its recommendations to the governor and the legislature by November 1, 2000.

**PART VIII  
OTHER TRANSFERS AND APPROPRIATIONS**

**Sec. 801.** 1999 c 309 s 801 (uncodified) is amended to read as follows:  
**FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION**

General Fund Appropriation for fire insurance premiums distribution . . . . .	\$	6,617,250
General Fund Appropriation for public utility district excise tax distribution . . . . .	\$	35,876,898
General Fund Appropriation for prosecuting attorneys salaries . . . . .	\$	2,960,000
City Police and Fire Protection Assistance Account Appropriation . . . . .	\$	<del>((95,667,000))</del>
		<u>33,383,000</u>
General Fund Appropriation for camper and travel trailer excise tax distribution . . . . .	\$	<del>((4,325,826))</del>
		<u>2,061,000</u>
General Fund Appropriation for boating safety/education and law enforcement distribution . . . . .	\$	3,616,000
Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution . . . . .	\$	138,000
Liquor Excise Tax Account Appropriation for liquor excise tax distribution . . . . .	\$	25,580,000
Liquor Revolving Fund Appropriation for liquor profits distribution . . . . .	\$	52,269,932
Timber Tax Distribution Account Appropriation for distribution to "Timber" counties . . . . .	\$	74,025,900
Municipal Sales and Use Tax Equalization Account Appropriation . . . . .	\$	<del>((84,851,000))</del>
		<u>28,145,000</u>
County Sales and Use Tax Equalization Account Appropriation . . . . .	\$	<del>((13,147,000))</del>
		<u>9,426,000</u>
Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies . . . . .	\$	1,375,332
County Criminal Justice Account Appropriation . . . . .	\$	<del>((103,169,000))</del>
		<u>70,490,000</u>

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

<b>Municipal Criminal Justice Account</b>		
Appropriation .....	\$	((40,269,000))
		<u>29,519,000</u>
<b>County Public Health Account Appropriation ....</b>		
	\$	((51,520,250))
		<u>17,938,000</u>
<b><u>Distressed County Assistance Account</u></b>		
Appropriation .....	\$	4,928,000
TOTAL APPROPRIATION .....	\$	((595,408,380))
		<u>398,349,312</u>

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. 802.** A new section is added to 1999 c 309 (uncodified) to read as follows:

**FOR THE STATE TREASURER—TRANSFERS**

<b>Local Toxics Control Account:</b> For transfer to the state toxics control account on or before June 1, 2000, an amount equal to \$1,500,000. This transfer shall be repaid to the local toxics control account from moneys in the state toxics control account by June 30, 2005. The transfer shall be repaid prior to June 30, 2005, to the extent that moneys are received from the cost recovery action at the Everett smelter site .....	\$	1,500,000
<b>Park Land Trust Revolving Fund:</b> For transfer to the common school construction fund, \$13,350,000 of the amount deposited into the park land trust revolving fund on January 6, 2000, plus all interest attributed to that amount that has accrued since deposit, up to \$13,550,000. Nothing in this section constitutes an authorization or ratification of the transaction that resulted in this deposit .....	\$	13,550,000
<b>Park Land Trust Revolving Fund:</b> For transfer to the natural resources real property replacement account, \$3,200,000 of the amount deposited into the park land trust revolving fund on January 6, 2000, plus all interest attributed to that amount that has accrued since deposit, up to		

\$3,300,000. Nothing in this section  
constitutes an authorization or ratification  
of the transaction that resulted in this  
deposit ..... \$ 3,300,000

**PART IX  
MISCELLANEOUS**

**NEW SECTION. Sec. 901.** A new section is added to chapter 41.05 RCW to read as follows:

(1) The uniform medical plan benefits administration account is created in the custody of the state treasurer. Moneys in the account shall be used exclusively for contracted expenditures for uniform medical plan claims administration, data analysis, utilization management, preferred provider administration, and activities related to benefits administration where the level of services provided pursuant to a contract fluctuate as a direct result of changes in uniform medical plan enrollment. Moneys in the account may also be used for administrative activities required to respond to new and unforeseen conditions that impact the uniform medical plan, but only when the authority and the office of financial management jointly agree that such activities must be initiated prior to the next legislative session.

(2) Receipts from amounts due from or on behalf of uniform medical plan enrollees for expenditures related to benefits administration, including moneys disbursed from the public employees' and retirees' insurance account, shall be deposited into the account. The account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures. All proposals for allotment increases shall be provided to the house of representatives appropriations committee and to the senate ways and means committee at the same time as they are provided to the office of financial management.

(3) The uniform dental plan benefits administration account is created in the custody of the state treasurer. Moneys in the account shall be used exclusively for contracted expenditures related to benefits administration for the uniform dental plan as established under RCW 41.05.140. Receipts from amounts due from or on behalf of uniform dental plan enrollees for expenditures related to benefits administration, including moneys disbursed from the public employees' and retirees' insurance account, shall be deposited into the account. The account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

**Sec. 902.** 1999 c 309 s 907 (uncodified) is amended to read as follows:

**RETIREMENT CONTRIBUTION RATES.** (1) The changes to the basic state and employer contribution rates adopted by the pension funding council for the 1999-2001 biennium shall be effective on the following dates:

(a) The changes to the basic state contribution rate for the law enforcement officers' and fire fighters' retirement system, and to the basic employer contribution rate for the public employees' retirement system (~~plan 1 and the Washington state~~

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

~~patrol retirement system~~) shall each take effect on July 1, 1999, and continue until April 30, 2000; and

(b) The change to the basic employer contribution rate for the teachers' retirement system (~~plan 1~~) shall take effect on September 1, 1999, and continue until April 30, 2000.

(2) The director of the department of retirement systems shall establish new contribution rates, to be effective July 1, 1999, for the public employees' retirement system plan 2 and the law enforcement officers' and fire fighters' retirement system plan 2. The new rates shall be established pursuant to RCW 41.40.650 and 41.26.450 respectively. The director of the department of retirement systems shall establish a new contribution rate, to be effective September 1, 1999, for the teachers' retirement system plan 2. The new rate shall be established pursuant to RCW 41.45.061.

(3) This section expires on (~~June 30, 2001~~) April 30, 2000.

NEW SECTION. Sec. 903. A new section is added to chapter 41.45 RCW to read as follows:

The change to the basic employer contribution rate for the Washington state patrol retirement system adopted by the pension funding council for the 1999-2001 biennium shall be effective July 1, 1999, through June 30, 2001.

Sec. 904. 1999 c 309 s 908 (uncodified) is amended to read as follows:

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM.** For the period from July 1, 1999, through (~~June 30, 2001~~) April 30, 2000, in addition to the basic and supplemental employer contributions required by RCW 41.45.060 and 41.45.070, the department of retirement systems shall also charge all public employees' retirement system employers an additional employer contribution rate of 0.05 percent for all members of the public employees' retirement system.

This section expires on (~~June 30, 2001~~) April 30, 2000.

Sec. 905. RCW 41.45.060 and 2000 c 247 s 504 are each amended to read as follows:

(1) The state actuary shall provide actuarial valuation results based on the assumptions adopted under RCW 41.45.030.

(2) Not later than September 30, 1998, and every two years thereafter, consistent with the assumptions adopted under RCW 41.45.030, the council shall adopt and may make changes to:

(a) A basic state contribution rate for the law enforcement officers' and fire fighters' retirement system;

(b) Basic employer contribution rates for the public employees' retirement system, the teachers' retirement system, and the Washington state patrol retirement system to be used in the ensuing biennial period; and

(c) A basic employer contribution rate for the school employees' retirement system for funding the public employees' retirement system plan 1.

For the 1999-2001 fiscal biennium, the rates adopted by the council shall be effective for the period designated in sections 902 and 903 of this act.



(3) The employer and state contribution rates adopted by the council shall be the level percentages of pay that are needed:

(a) To fully amortize the total costs of the public employees' retirement system plan 1, the teachers' retirement system plan 1, the law enforcement officers' and fire fighters' retirement system plan 1, and the unfunded liability of the Washington state patrol retirement system not later than June 30, 2024, except as provided in subsection (5) of this section;

(b) To also continue to fully fund the public employees' retirement system plans 2 and 3, the teachers' retirement system plans 2 and 3, the school employees' retirement system plans 2 and 3, and the law enforcement officers' and fire fighters' retirement system plan 2 in accordance with RCW 41.45.061, 41.45.— (section 507, chapter 247, Laws of 2000), and this section; and

(c) For the law enforcement officers' and fire fighters' system plan 2 the rate charged to employers, except as provided in RCW 41.26.450, shall be thirty percent of the cost of the retirement system and the rate charged to the state shall be twenty percent of the cost of the retirement system.

(4) The aggregate actuarial cost method shall be used to calculate a combined plan 2 and 3 employer contribution rate.

(5) An amount equal to the amount of extraordinary investment gains as defined in RCW 41.31.020 shall be used to shorten the amortization period for the public employees' retirement system plan 1 and the teachers' retirement system plan 1.

(6) 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.

(7) The director of the department of retirement systems shall collect those rates adopted by the council.

**NEW SECTION. Sec. 906.** A new section is added to chapter 41.45 RCW to read as follows:

(1) The 1998 combined actuarial valuation studies conducted by the office of the state actuary determined the pension contribution rates necessary to meet the state's pension funding goals established by this chapter. The contribution rates in this section reflect the findings of the 1998 actuarial valuations, adjusted for a May 1, 2000, implementation date.

(2) Beginning May 1, 2000, the basic employer contribution rates shall be as follows:

(a) 3.58 percent for the public employees' retirement system;

(b) 6.03 percent for the teachers' retirement system; and

(c) 3.25 percent for the law enforcement officers' and fire fighters' retirement system plan 2.

(3) Beginning May 1, 2000, the basic state contribution rate for the law enforcement officers' and fire fighters' retirement system plan 2 shall be 2.16 percent.

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

(4) Beginning May 1, 2000, the member contribution rates shall be as follows:  
(a) 1.54 percent for the public employees' retirement system plan 2;  
(b) 1.85 percent for the teachers' retirement system plan 2; and  
(c) 5.41 percent for the law enforcement officers' and fire fighters' retirement system plan 2.

(5) For the school employees' retirement system, the basic employer contribution rate shall be 3.58 percent and the plan 2 member contribution rate shall be 1.54 percent effective as of the establishment of the new retirement system on September 1, 2000.

(6) This section expires on June 30, 2001.

(7) The May 1, 2000, contribution rate changes provided in this section shall be implemented notwithstanding the thirty-day advanced notice provisions of RCW 41.26.450 and 41.40.650.

Sec. 907. RCW 41.26.080 and 1991 c 35 s 17 are each amended to read as follows:

(1) Except as set forth under subsection (2) of this section, the total liability of the plan 1 system shall be funded as follows:

~~((+))~~ (a) Every plan 1 member shall have deducted from each payroll a sum equal to six percent of his or her basic salary for each pay period.

~~((=))~~ (b) Every employer shall contribute monthly a sum equal to six percent of the basic salary of each plan 1 employee who is a member of this retirement system. The employer shall transmit the employee and employer contributions with a copy of the payroll to the retirement system monthly.

~~((@))~~ (c) The remaining liabilities of the plan 1 system shall be funded as provided in chapter 41.45 RCW.

~~((4))~~ (d) Every member shall be deemed to consent and agree to the contribution made and provided for herein, and shall receipt in full for his or her salary or compensation. Payment less said contributions shall be a complete discharge of all claims and demands whatsoever for the services rendered by such person during the period covered by such payments, except his or her claim to the benefits to which he or she may be entitled under the provisions of this chapter.

(2) No employer or member contribution is required after June 30, 2000, unless the most recent valuation study for law enforcement officers' and fire fighters' retirement system plan 1 indicates the plan has unfunded liabilities.

**NEW SECTION. Sec. 908.** It is the intent of the legislature that statutory guidelines for the payment of certain extraordinary nursing home and other medical expenses be adopted in the 2001 legislative session, taking into consideration the recommendations of the report required by section 909 of this act. It is also the intent of the legislature that such expenditures be authorized only if the actuarial valuation study of the law enforcement officers' and fire fighters' retirement system plan 1 assets and liabilities as of December 31, 1999, indicates that the system has not less than five hundred million dollars in surplus assets.

**NEW SECTION. Sec. 909.** The joint committee on pension policy shall provide for a study, through the office of the state actuary during the 2000 interim, of the options for providing partial funding of law enforcement officers' and fire fighters' retirement system plan I retiree medical expenses from the surplus assets of the law enforcement officers' and fire fighters' retirement system plan I fund. The study shall include a report by the office of the state actuary on local government liabilities, as required by the 1999-2001 operating budget, and a review of legal issues, federal tax compliance issues, variations in local government benefits and funding mechanisms, and other relevant issues.

In conducting the study, the joint committee shall solicit information and advice from representatives of organizations that represent employers and retirees of the law enforcement officers' and fire fighters' retirement system plan I. The office of the state actuary may provide administrative support for the study.

The joint committee shall submit its report and recommendations to the legislature no later than December 15, 2000.

**NEW SECTION. Sec. 910.** A new section is added to 1999 c 309 (uncodified) to read as follows:

**DONATIONS OF EMPLOYEE LEAVE.** During the 1999-2001 fiscal biennium, an employee of the Washington state department of transportation may, consistent with the provisions of RCW 41.04.665(3), donate leave to the existing leave balances of an employee of the Washington state department of transportation who dies in the line of duty between February 1, 2000, and June 30, 2000. The value of the donated leave will be included in the deceased employee's final compensation, but is not compensation earnable for the purposes of chapter 41.40 RCW. The agency head shall determine the total amount of leave, not to exceed 261 days, that may be donated under this section. The Washington personnel resources board may adopt rules, in consultation with the office of financial management, as it deems necessary for the implementation of this temporary benefit.

**Sec. 911.** RCW 43.08.250 and 1999 c 309 s 915 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, 2001, the legislature may appropriate moneys from the public safety and education account for purposes of appellate indigent defense and other operations of the office of public defense, the criminal litigation unit of the attorney general's office, the treatment alternatives to street crimes program, crime victims

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

advocacy programs, justice information network telecommunication planning, sexual assault treatment, operations of the office of administrator for the courts, security in the common schools, alternative school start-up grants, programs for disruptive students, criminal justice data collection, Washington state patrol criminal justice activities, drug court operations, department of ecology methamphetamine-related activities, financial assistance to local jurisdictions for extraordinary costs incurred in the adjudication of criminal cases, domestic violence treatment and related services, the department of corrections' costs in implementing chapter 196, Laws of 1999, reimbursement of local governments for costs associated with implementing criminal and civil justice legislation, and the replacement of the department of corrections' offender-based tracking system.

**Sec. 912.** RCW 70.105D.070 and 1999 c 309 s 923 are each amended to read as follows:

(1) The state toxics control account and the local toxics control account are hereby created in the state treasury.

(2) The following moneys shall be deposited into the state toxics control account: (a) Those revenues which are raised by the tax imposed under RCW 82.21.030 and which are attributable to that portion of the rate equal to thirty-three one-hundredths of one percent; (b) the costs of remedial actions recovered under this chapter or chapter 70.105A RCW; (c) penalties collected or recovered under this chapter; and (d) any other money appropriated or transferred to the account by the legislature. Moneys in the account may be used only to carry out the purposes of this chapter, including but not limited to the following activities:

(i) The state's responsibility for hazardous waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.105 RCW;

(ii) The state's responsibility for solid waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.95 RCW;

(iii) The hazardous waste cleanup program required under this chapter;

(iv) State matching funds required under the federal cleanup law;

(v) Financial assistance for local programs in accordance with chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

(vi) State government programs for the safe reduction, recycling, or disposal of hazardous wastes from households, small businesses, and agriculture;

(vii) Hazardous materials emergency response training;

(viii) Water and environmental health protection and monitoring programs;

(ix) Programs authorized under chapter 70.146 RCW;

(x) A public participation program, including regional citizen advisory committees;

(xi) Public funding to assist potentially liable persons to pay for the costs of remedial action in compliance with cleanup standards under RCW 70.105D.030(2)(e) but only when the amount and terms of such funding are

established under a settlement agreement under RCW 70.105D.040(4) and when the director has found that the funding will achieve both (A) a substantially more expeditious or enhanced cleanup than would otherwise occur, and (B) the prevention or mitigation of unfair economic hardship; and

(xii) Development and demonstration of alternative management technologies designed to carry out the top two hazardous waste management priorities of RCW 70.105.150.

(3) The following moneys shall be deposited into the local toxics control account: Those revenues which are raised by the tax imposed under RCW 82.21.030 and which are attributable to that portion of the rate equal to thirty-seven one-hundredths of one percent.

(a) Moneys deposited in the local toxics control account shall be used by the department for grants or loans to local governments for the following purposes in descending order of priority: (i) Remedial actions; (ii) hazardous waste plans and programs under chapter 70.105 RCW; (iii) solid waste plans and programs under chapters 70.95, 70.95C, 70.95I, and 70.105 RCW; and (iv) funds for a program to assist in the assessment and cleanup of sites of methamphetamine production, but not to be used for the initial containment of such sites, consistent with the responsibilities and intent of RCW 69.50.511. Funds for plans and programs shall be allocated consistent with the priorities and matching requirements established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW. During the 1999-2001 fiscal biennium, moneys in the account may also be used for the following activities: Conducting a study of whether dioxins occur in fertilizers, soil amendments, and soils; reviewing applications for registration of fertilizers; and conducting a study of plant uptake of metals.

(b) Funds may also be appropriated to the department of health to implement programs to reduce testing requirements under the federal safe drinking water act for public water systems. The department of health shall reimburse the account from fees assessed under RCW 70.119A.115 by June 30, 1995.

(4) Except for unanticipated receipts under RCW 43.79.260 through 43.79.282, moneys in the state and local toxics control accounts may be spent only after appropriation by statute.

(5) One percent of the moneys deposited into the state and local toxics control accounts shall be allocated only for public participation grants to persons who may be adversely affected by a release or threatened release of a hazardous substance and to not-for-profit public interest organizations. The primary purpose of these grants is to facilitate the participation by persons and organizations in the investigation and remedying of releases or threatened releases of hazardous substances and to implement the state's solid and hazardous waste management priorities. However, during the 1999-2001 fiscal biennium, funding may not be granted to entities engaged in lobbying activities, and applicants may not be awarded grants if their cumulative grant awards under this section exceed \$200,000. No grant may exceed sixty thousand dollars. Grants may be renewed annually. Moneys appropriated for public participation from either account which

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

are not expended at the close of any biennium shall revert to the state toxics control account.

(6) No moneys deposited into either the state or local toxics control account may be used for solid waste incinerator feasibility studies, construction, maintenance, or operation.

(7) The department shall adopt rules for grant or loan issuance and performance.

**Sec. 913.** RCW 43.72.902 and 1995 c 43 s 12 are each amended to read as follows:

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. During the 1999-01 biennium, moneys in the fund may also be used for costs associated with hepatitis C testing and treatment in correctional facilities.

**Sec. 914.** RCW 72.11.040 and 1999 c 309 s 921 are each amended to read as follows:

The cost of supervision fund is created in the custody of the state treasurer. All receipts from assessments made under RCW 9.94A.270 and 72.04A.120 shall be deposited into the fund. Expenditures from the fund may be used only to support the collection of legal financial obligations. During the 1999-2001 biennium, funds from the account may also be used for costs associated with the department's supervision of the offenders in the community, and the replacement of the department of corrections' offender-based tracking system. Only the secretary of the department of corrections or the secretary's designee may authorize expenditures from the fund. The fund is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

**Sec. 915.** RCW 76.12.110 and 1999 sp.s. c 13 s 18 are each amended to read as follows:

There is created a forest development account in the state treasury. The state treasurer shall keep an account of all sums deposited therein and expended or withdrawn therefrom. Any sums placed in the account shall be pledged for the purpose of paying interest and principal on the bonds issued by the department, and for the purchase of land for growing timber. Any bonds issued shall constitute a first and prior claim and lien against the account for the payment of principal and interest. No sums for the above purposes shall be withdrawn or paid out of the account except upon approval of the department.

Appropriations may be made by the legislature from the forest development account to the department for the purpose of carrying on the activities of the department on state forest lands, lands managed on a sustained yield basis as provided for in RCW 79.68.040, and for reimbursement of expenditures that have

been made or may be made from the resource management cost account in the management of state forest lands. For the 1999-2001 fiscal biennium, moneys from the account shall be distributed as directed in the omnibus appropriations act to the beneficiaries of the revenues derived from state forest lands. Funds that accrue to the state from such a distribution shall be deposited into the salmon recovery account. These funds shall be used for a grant program for cities and counties for the preservation and restoration of riparian, marine, and estuarine areas.

**Sec. 916.** RCW 50.22.— and 2000 c 2 (SHB 3077) s 7 are each amended to read as follows:

The employment security department is authorized to pay training benefits under section 8 of this act, but may not obligate expenditures beyond the limits specified in this section or as otherwise set by the legislature. ~~((Beginning with expenditures))~~ For the fiscal year ending June 30, 2000, ~~((and including expenditures for the fiscal biennium))~~ the commissioner may not obligate more than twenty million dollars for training benefits. For the two fiscal years ending June 30, 2002, the commissioner may not obligate more than sixty million dollars for training benefits. Any funds not obligated in one fiscal year may be carried forward to the next fiscal year. For each fiscal year beginning after June 30, 2002, the commissioner may not obligate more than twenty million dollars annually in addition to any funds carried over from previous fiscal years. The department shall develop a process to ensure that expenditures do not exceed available funds and to prioritize access to funds when again available.

**Sec. 917.** RCW 69.50.520 and 1999 c 309 s 922 are each amended to read as follows:

The violence reduction and drug enforcement account is created in the state treasury. All designated receipts from RCW 9.41.110(8), 66.24.210(4), 66.24.290(2), 69.50.505(h)(1), 82.08.150(5), 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989 shall be deposited into the account. Expenditures from the account may be used only for funding services and programs under chapter 271, Laws of 1989 and chapter 7, Laws of 1994 sp. sess., including state incarceration costs. Funds from the account may also be appropriated to reimburse local governments for costs associated with implementing criminal justice legislation including chapter 338, Laws of 1997. During the 1999-2001 biennium, funds from the account may also be used for costs associated with providing grants to local governments in accordance with chapter 338, Laws of 1997, the design, sitework, and construction of the special commitment center, the replacement of the department of corrections' offender-based tracking system, and for multijurisdictional narcotics task forces. After July 1, 2001, at least seven and one-half percent of expenditures from the account shall be used for providing grants to community networks under chapter 70.190 RCW by the family policy council.

**PART X  
CAPITAL APPROPRIATIONS**

**Sec. 1001.** 1999 c 379 s 106 (uncodified) is amended to read as follows:  
**FOR THE OFFICE OF THE SECRETARY OF STATE**

Eastern Branch Archives Building; Design (98-2-001)

The reappropriation in this section is provided solely for completion of the design phase for the eastern regional archives facility to be sited on the south campus of the Riverpoint higher education park in Spokane.

Reappropriation:

State Building Construction Account—State . . . \$	((48,645))
	<u>295,482</u>
Prior Biennia (Expenditures) . . . . . \$	((530,972))
	<u>284,135</u>
Future Biennia (Projected Costs) . . . . . \$	5,135,000
TOTAL . . . . . \$	<u>5,714,617</u>

**Sec. 1002.** 1999 c 379 s 107 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**

Community Economic Revitalization (86-1-001) (00-2-001)

The reappropriation in this section from the public facilities construction loan revolving account is subject to the following conditions and limitations:

- (1) The department shall ensure that all funds transferred from the public works assistance account into the public facilities construction loan revolving account during the 1997-99 biennium are used only for loans to local governments.
- (2) The department shall also ensure that all principal and interest payments from these loans are paid into the public works assistance account.
- (3) The new appropriation from the public facility construction loan revolving account shall be used solely to provide loans to eligible local governments and grants to the extent permitted by law. The department shall ensure that all principal and interest payments from loans made or moneys from this account are paid into this account.

Reappropriation:

Public Works Assistance Account—State . . . . \$	1,539,515
Public Facility Construction Loan Revolving Account—State . . . . . \$	<u>9,500,000</u>
Subtotal Reappropriation . . . . . \$	((11,539,515))
	<u>11,039,515</u>

Appropriation:

Public Facility Construction Loan Revolving Account—State . . . . . \$	((13,000,000))
	<u>6,641,000</u>



Prior Biennia (Expenditures) . . . . .	\$	559,003
Future Biennia (Projected Costs) . . . . .	\$	((36,000,000))
		<u>0</u>
TOTAL . . . . .	\$	((60,598,518))
		<u>18,239,518</u>

**Sec. 1003.** 1999 c 379 s 108 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**

County Public Facility Construction (00-2-010)

The appropriations in this section shall be used solely for financial assistance to distressed counties that have experienced extraordinary costs due to the location of a major new business facility or the substantial expansion of an existing business facility in the county. The entire appropriation from the state building construction account shall be provided as a grant to support the Grays Harbor water system project.

Appropriation:

Distressed County Facilities Construction		
Loan Account—State . . . . .	\$	((4,000,000))
		<u>2,619,000</u>
State Building Construction Account—State . .	\$	<u>3,500,000</u>
Subtotal Appropriation . . . . .	\$	((7,500,000))
		<u>6,119,000</u>
Prior Biennia (Expenditures) . . . . .	\$	0
Future Biennia (Projected Costs) . . . . .	\$	((16,000,000))
		<u>0</u>
TOTAL . . . . .	\$	((23,500,000))
		<u>6,119,000</u>

**Sec. 1004.** 1999 c 379 s 110 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**

Public Works Trust Fund (94-2-001) (00-2-002)

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

- (1) \$10,000,000 of the new appropriation in this section is provided solely for the preconstruction program as set forth in RCW 43.155.068.
- (2) \$2,000,000 of the new appropriation in this section is for the emergency loan program as set forth in RCW 43.155.065.
- (3) Not more than one percent of the new appropriation may be used for planning loans.

Reappropriation:

Public Works Assistance Account—State . . . .	\$	179,446,108
---	----	-------------

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

Appropriation:

Public Works Assistance Account—State . . . .	\$	203,150,000
Prior Biennia (Expenditures) . . . . .	\$	68,904,717
Future Biennia (Projected Costs) . . . . .	\$	<u>852,600,000</u>
TOTAL . . . . .	\$	1,304,100,825

**NEW SECTION. Sec. 1005.** A new section is added to 1999 c 379 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**

Holly Park Education Center

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

- (1) The appropriation in this section is provided solely for education space in the Holly park housing development for South Seattle Community College; and
- (2) The appropriation in this section must be matched by an equal amount from other sources.

Appropriation:

State Building Construction Account—State . .	\$	500,000
Prior Biennia (Expenditures) . . . . .	\$	0
Future Biennia (Projected Costs) . . . . .	\$	<u>0</u>
TOTAL . . . . .	\$	500,000

**NEW SECTION. Sec. 1006.** A new section is added to 1999 c 379 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**

Clark County Skills Center

The appropriation in this section must be matched by at least \$1,300,000 from other sources.

Appropriation:

State Building Construction Account—State . .	\$	350,000
Prior Biennia (Expenditures) . . . . .	\$	0
Future Biennia (Projected Costs) . . . . .	\$	<u>0</u>
TOTAL . . . . .	\$	350,000

**NEW SECTION. Sec. 1007.** A new section is added to 1999 c 379 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**

Community Services Facilities Program

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

(1) The state grant may provide no more than twenty-five percent of either the estimated total capital cost or actual total capital cost, whichever is less. The remaining portion of the project capital cost shall be a match from nonstate sources and may include cash, land value, and other in-kind contributions.

(2) Funds provided in this section shall be applied in the amounts and in the order of the list of projects approved and prioritized by the community services facility program advisory board.

Appropriation:

State Building Construction Account—State . . . \$	953,000
Prior Biennia (Expenditures) . . . . . \$	0
Future Biennia (Projected Costs) . . . . . \$	0
TOTAL . . . . . \$	953,000

**NEW SECTION. Sec. 1008.** A new section is added to 1999 c 379 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**  
**Legislative Building Renovation**

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

(1) The appropriation in this section is subject to the review and allotment procedures under sections 902 and 903, chapter 379, Laws of 1999.

(2) \$2,000,000 of the appropriation in this section is provided for design of the interior rehabilitation and exterior preservation of the state legislative building consistent with the recommendations of the commission on legislative building preservation and renovation. Funds in this subsection are also provided for planning and development of relocation space for current and future construction projects related to the capitol historic district as well as access and site improvements to the south portico area.

(3) \$1,000,000 of the appropriation in this section is provided for associated studies including:

- (a) A private financing feasibility study;
- (b) An investigation of exterior sandstone attachment; and
- (c) A space use programming study to include:
  - (i) A prioritization of uses within the legislative building based on functional affiliation with the legislative process and the ceremonial functions of state-wide office holders that takes into consideration emerging telecommunication capabilities;
  - (ii) An analysis of space efficiency and space use related to legislative and state-wide ceremonial functions in the following buildings: Cherberg, O'Brien, Pritchard, Newhouse, the governor's mansion, and insurance;
  - (iii) A review of alternative uses and expansion capabilities for buildings on the capitol campus; and

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

(iv) By November 30, 2000, the department shall submit a report to the appropriate committees of the legislature on the recommendations of the space use programming study. These recommendations shall be the basis for the planning and development of relocation space for the capitol historic district as specified in subsection (2) of this section.

(4) The state capitol committee, in conjunction with a legislative building renovation oversight committee consisting of two members from both the house of representatives and senate, each appointed by legislative leadership, shall develop criteria and guidelines for the space programming study.

(5) From the appropriation in this section, up to \$10,000 or an amount based on an appraised value may be expended to acquire a photo and document collection of historic significance that depicts legislative activities and facilities.

**Appropriation:**

Capitol Building Construction Account . . . . .	\$	3,000,000
Prior Biennia (Expenditures) . . . . .	\$	0
Future Biennia (Projected Costs) . . . . .	\$	<u>102,500,000</u>
TOTAL . . . . .	\$	105,500,000

**Sec. 1009.** 1999 c 379 s 928 (uncodified) is amended to read as follows:

**FOR THE MILITARY DEPARTMENT**

Yakima National Guard Armory and Readiness Center: Design and ((utilities)) construction (98-2-001)

The reappropriation in this section is subject to the following conditions and limitations:

Funds expended on this project for off-site utility infrastructure, and facility construction and design, which may include the provision of electricity, natural gas service, water service, sewer service, or facility construction and design shall be for the benefit of the state. Entities that subsequently connect or use this off-site utility infrastructure shall reimburse the state at a rate proportional to their use. The military department shall develop policies and procedures to ensure that this reimbursement occurs.

**Appropriation:**

<u>General Fund—Federal</u> . . . . .	\$	<u>474,000</u>
---------------------------------------	----	----------------

**Reappropriation:**

State Building Construction Account—State . .	\$	2,725,000
General Fund—Federal . . . . .	\$	<u>8,275,000</u>
Subtotal Reappropriation . . . . .	\$	11,000,000
Prior Biennia (Expenditures) . . . . .	\$	2,573,000
Future Biennia (Projected Costs) . . . . .	\$	<u><del>((3,288,000))</del></u>
		<u>692,000</u>

TOTAL .....	\$	((16,861,000))
		<u>14,739,000</u>

**Sec. 1010.** 1999 c 379 s 215 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES**  
 Western State Hospital: Ward renovation phase 6 (94-1-316)

Reappropriation:

State Building Construction Account—State ..	\$	((768,458))
		<u>82,800</u>
Prior Biennia (Expenditures) .....	\$	((5,400,765))
		<u>12,088,480</u>
Future Biennia (Projected Costs) .....	\$	<u>0</u>
TOTAL .....	\$	((6,169,223))
		<u>12,171,280</u>

**Sec. 1011.** 1999 c 379 s 240 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES**  
 Eastern State Hospital: Legal offender unit (98-2-002)

The reappropriation in this section is subject to the review and allotment procedures under sections 902 and 903 of this act.

Reappropriation:

State Building Construction Account—State ..	\$	((6,297,315))
		<u>5,297,315</u>
Prior Biennia (Expenditures) .....	\$	12,398,685
Future Biennia (Projected Costs) .....	\$	<u>0</u>
TOTAL .....	\$	((18,696,000))
		<u>17,696,000</u>

**NEW SECTION. Sec. 1012.** A new section is added to 1999 c 379 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES**  
 Security Improvements at Western State Hospital (99-1-001)

The reappropriation in this section is provided solely for facility improvements that are required as a result of the passage of Senate Bill No. 6214.

Reappropriation:

State Building Construction Account—State ..	\$	538,815
Prior Biennia (Expenditures) .....	\$	115,185
Future Biennia (Projected Costs) .....	\$	<u>0</u>
TOTAL .....	\$	654,000

**NEW SECTION. Sec. 1013.** A new section is added to 1999 c 379 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES**  
 Special Commitment Center: Phase I (00-2-001)

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

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

(1) The appropriation in this section is subject to the review and allotment procedures under sections 902 and 903, chapter 379, Laws of 1999.

(2) The appropriation in this section is provided for design, sitework, and construction costs associated with building the first 48-bed housing unit for the special commitment center located at McNeil Island. The department of social and health services shall notify the office of financial management and the legislative fiscal committees if there are changes to the scheduled March 2002 occupancy date.

(3) Within the funds provided in this section, the department of social and health services shall evaluate options and site locations for less restrictive alternative placements. The department of social and health services shall provide a report to the office of financial management and the legislative fiscal committees detailing the results of this evaluation, including statutory changes necessary to implement preferred options, by November 15, 2000.

**Appropriation:**

State Building Construction Account—State . . . \$	14,000,000
Prior Biennia (Expenditures) . . . . . \$	0
Future Biennia (Projected Costs) . . . . . \$	<u>50,000,000</u>
TOTAL . . . . . \$	64,000,000

**Sec. 1014.** 1999 c 379 s 252 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF HEALTH**

**Drinking Water Assistance Program (97-2-001)**

The reappropriation in this section is provided solely for an interagency agreement with the department of community, trade, and economic development to make, in cooperation with the public works board, loans to local governments and public water systems for projects and activities to protect and improve the state's drinking water facilities and resources.

**Reappropriation:**

Drinking Water Assistance Account—Federal \$	16,133,576
--	------------

**Appropriation:**

<u>Drinking Water Assistance Account—Federal \$</u>	<u>16,985,921</u>
Prior Biennia (Expenditures) . . . . . \$	17,739,874
Future Biennia (Projected Costs) . . . . . \$	<u>34,000,000</u>
TOTAL . . . . . \$	<u>((67,873,450))</u>
	<u>84,859,371</u>

**Sec. 1015.** 1999 c 379 s 293 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF CORRECTIONS**

**Local Government Criminal Justice Facilities (99-2-003)**

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

(1) The appropriations in this section are provided solely for the purpose of construction, developing, expanding, modifying, or improving local jails and other correctional facilities in accordance with the violent offender incarceration and truth-in-sentencing grant requirements.

(2) The department of corrections, in consultation with the Washington association of sheriffs and police chiefs, shall develop criteria for allocating moneys appropriated in this section to local governments.

(3) The general fund—federal appropriations made in this section and sections 266, 283, and 294, chapter 379, Laws of 1999 represent the state's total award from the federal violent offender incarceration and truth-in-sentencing grant expected during the 1999-2001 biennium. The department of corrections shall not expend more than the level provided in these sections without prior legislative appropriation.

Reappropriation:	
General Fund—Federal . . . . .	\$ 639,196
Appropriation:	
General Fund—Federal . . . . .	((2,894,165))
	<u>3,506,165</u>
Prior Biennia (Expenditures) . . . . .	\$ 0
Future Biennia (Projected Costs) . . . . .	\$ 0
TOTAL . . . . .	<u>((3,533,361))</u>
	4,145,361

**Sec. 1016.** 1999 c 379 s 301 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ECOLOGY**

**Water Rights Purchase**

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

(1) The appropriation is provided for a pilot project for the purchase of water rights under the trust water rights program under chapter 90.42 RCW, for the purpose of improving stream and river flows in fish critical basins. This appropriation shall only be used to acquire water rights in basins with current or proposed listings of salmon or steelhead under the federal endangered species act (16 U.S.C. Sec. 1531 et seq.) and where low flows have been identified as a limiting factor for salmon recovery. Priority for funding such purchases and leases shall take into consideration the following:

- (a) Proposals providing the greatest benefit for restoring and protecting fish;
- (b) Proposals providing benefits in addition to protecting fish critical streams and rivers;
- (c) Proposals that include funds from other sources;
- (d) Proposals showing a broad level of support among interested parties;

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

- (e) Proposals requiring the lowest administrative costs to implement; and
- (f) Proposals requiring the lowest overall cost within the context of the local marketplace.

(2) Up to \$500,000 of the appropriation in this section is provided for the purchase or lease of water rights in the Methow river water resource inventory area from willing sellers or lessors.

(3) On or before December 1, 2000, the department shall report to the governor and appropriate legislative committees on the progress in implementing the pilot program and recommendations for continuation of the program.

**Appropriation:**

State Building Construction Account—State . . . \$	1,000,000
Prior Biennia (Expenditures) . . . . . \$	0
Future Biennia (Projected Costs) . . . . . \$	<u>24,000,000</u>
TOTAL . . . . . \$	25,000,000

Sec. 1017. 1999 c 379 s 303 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ECOLOGY**

Referendum 38 Water Supply Facilities (74-2-006)

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

(1) The reappropriation in this section is provided solely for projects under contracts on or before June 30, 1999. Reappropriated funds not associated with contracted projects shall lapse on June 30, 1999.

(2) The office of financial management may grant waivers from this lapse requirement for specific projects upon findings of exceptional circumstances after notification of the chairs of the house of representatives capital budget committee and senate ways and means committee.

(3) The department shall submit a report to the office of financial management and the house of representatives capital budget committee and senate ways and means committee by December 1, 1999, listing all projects funded from this section.

**Reappropriation:**

State and Local Improvements Revolving Account (Water Supply Facilities)—State . . . . \$	6,004,436
--	-----------

**Appropriation:**

State and Local Improvements Revolving Account (Water Supply Facilities)—State . . . . \$	4,100,000
State Drought Preparedness Account—State . . \$	<del>((6,800,000))</del>
	<u>6,125,000</u>
Subtotal Appropriation . . . . . \$	<del>((10,900,000))</del>
	<u>10,225,000</u>
Prior Biennia (Expenditures) . . . . . \$	4,320,950



Future Biennia (Projected Costs) . . . . .	\$	<u>0</u>
TOTAL . . . . .	\$	((21,225,386)) <u>20,550,386</u>

**Sec. 1018.** 1999 c 379 s 305 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF ECOLOGY**  
 Referendum 39 Waste Disposal Facilities (82-2-005)

The reappropriation in this section is provided solely for projects under contracts on or before June 30, 1999. Reappropriated funds not associated with contracted projects shall lapse on June 30, 1999. The office of financial management may grant waivers from this lapse requirement for specific projects upon findings of exceptional circumstances after notification of the chairs of the house of representatives capital budget committee and senate ways and means committee. The department shall submit a report to the office of financial management and the house of representatives capital budget committee and senate ways and means committee by December 1, 1999, listing all projects funded from this section.

Reappropriation:

State and Local Improvements Revolving Account (Waste Facilities 1980)—State . . . . .	\$	((6,113,126)) <u>6,871,420</u>
Prior Biennia (Expenditures) . . . . .	\$	((12,293,785)) <u>11,535,491</u>
Future Biennia (Projected Costs) . . . . .	\$	<u>0</u>
TOTAL . . . . .	\$	18,406,911

**Sec. 1019.** 1999 c 379 s 306 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF ECOLOGY**  
 Centennial Clean Water Fund (86-2-007)

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

(1) Up to \$15,000,000 of the water quality account appropriation is provided for the extended grant payment to Metro/King county. The department shall, in cooperation with Metro/King county, document the eligible costs remaining for the extended grant payment, and submit a revised payment schedule to the governor and appropriate legislative committees by December 1, 1999.

(2) Up to \$10,000,000 of the water quality account appropriation is provided for the extended grant payment to Spokane for the Spokane-Rathdrum Prairie aquifer.

(3) \$3,600,000 of the water quality account appropriation is provided for the construction of a wastewater treatment plant at the city of Connell.

(4) The entire public works assistance account appropriation is provided for water quality facility grants for communities with populations less than 5,000. \$900,000 of this amount is provided for the construction of a wastewater treatment

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

plant at the city of Pateros. In allocating the remaining funds, the department shall give priority consideration to: (a) Communities subject to a regulatory order from the department of ecology for noncompliance with water quality regulations; (b) projects for which design work has been completed; and (c) projects with a local match from reasonable water quality rates and charges.

(5) The remaining appropriation in this section is provided for state-wide water quality implementation and planning grants and loans. The department shall give priority consideration to projects located in basins with critical or depressed salmonid stocks.

(6) The reappropriation in this section is provided solely for projects under contract on or before June 30, 1999. Reappropriated funds not associated with contracted projects lapse on June 30, 1999. The office of financial management may grant waivers from this subsection for specific projects upon findings of exceptional circumstances after notification of the chairs of the house of representatives capital budget committee and the senate ways and means committee. The department shall submit a report to the office of financial management and the house of representatives capital budget committee and the senate ways and means committee by December 1, 1999, listing all projects funded from the reappropriation in this section.

(7) The department shall develop a policy to establish time limits for the distribution of funds for individual projects, and the method for determining when reappropriations will lapse. The policies shall be incorporated into the budget submittal provided to the legislature and the office of financial management for the 2001-2003 budget.

Reappropriation:	
Water Quality Account—State . . . . .	\$ 32,336,890
Appropriation:	
Water Quality Account—State . . . . .	\$ 52,000,000
Public Works Assistance Account—State . . . .	\$ ((10,000,000))
	<u>10,450,000</u>
Subtotal Appropriation . . . . .	\$ ((62,000,000))
	<u>62,450,000</u>
Prior Biennia (Expenditures) . . . . .	\$ 158,376,857
Future Biennia (Projected Costs) . . . . .	\$ 140,000,000
TOTAL . . . . .	\$ ((392,713,747))
	<u>393,163,747</u>

**Sec. 1020.** 1999 c 379 s 308 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF ECOLOGY**  
 Water Pollution Control Revolving Fund (90-2-002)

Reappropriation:

Water Pollution Control Revolving Account—	
State . . . . .	\$ ((55,640,931))
	<u>28,810,479</u>
Water Pollution Control Revolving Account—	
Federal . . . . .	\$ ((34,914,688))
	<u>38,704,192</u>
Subtotal Reappropriation . . . . .	\$ ((90,555,619))
	<u>67,514,671</u>

Appropriation:

Water Pollution Control Revolving Account—	
State . . . . .	\$ ((32,375,833))
	<u>52,854,981</u>
Water Pollution Control Revolving Account—	
Federal . . . . .	\$ ((46,830,366))
	<u>48,147,555</u>
Subtotal Appropriation . . . . .	\$ ((79,206,199))
	<u>101,002,536</u>
Prior Biennia (Expenditures) . . . . .	\$ 120,971,790
Future Biennia (Projected Costs) . . . . .	\$ 320,207,299
TOTAL . . . . .	\$ ((610,940,907))
	<u>609,696,296</u>

Sec. 1021. 1999 c 379 s 331 (uncodified) is amended to read as follows:

**FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION**

Washington Wildlife and Recreation Program (98-2-003)

The appropriations in this section for the wildlife and recreation program under chapter 43.98A RCW and RCW 43.98A.040 are subject to the following condition and limitation:

(1) The new appropriations in this section are provided for the approved list of projects included in LEAP capital document No. 1999-W3, as developed on April 23, 1999, and LEAP capital document No. 2000 W-4, as developed on February 28, 2000.

(2) Any funding provided in this section for the Mt. Spokane - Quartz Mountain acquisition by the state parks and recreation commission shall not exceed fair market value as determined by an evaluation of three independent appraisals.

(3) The committee shall develop a policy to establish time limits for the award of funds for individual projects, the method for reallocating funds to alternate projects, and the method for determining when reappropriations will lapse. The policies shall be incorporated into the budget submittal provided to the legislature and the office of financial management for the 2001-2003 budget.

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

(4) The federal appropriation in this section (land and water conservation fund) shall be applied to projects included on the project lists approved in this section and in accordance with federal expenditure guidelines for the land and water conservation fund.

Reappropriation:	
State Building Construction Account—State .. \$	6,475,416
Outdoor Recreation Account—State .....	\$ 23,733,311
Habitat Conservation Account—State .....	\$ 25,872,718
Subtotal Reappropriation .....	\$ 56,081,445
Appropriation:	
Outdoor Recreation Account—State .....	\$ 23,000,000
<u>Outdoor Recreation Account—Federal .....</u>	<u>\$ 773,000</u>
Habitat Conservation Account—State .....	\$ 25,000,000
Subtotal Appropriation .....	\$ ((48,000,000))
	<u>48,773,000</u>
Prior Biennia (Expenditures) .....	\$ 213,018,555
Future Biennia (Projected Costs) .....	\$ 190,000,000
TOTAL .....	\$ ((507,100,000))
	<u>507,873,000</u>

**Sec. 1022.** 1999 c 379 s 335 (uncodified) is amended to read as follows:  
**FOR THE STATE CONSERVATION COMMISSION**  
 Conservation Reserve Enhancement Program (00-2-004)

Reappropriation:	
State Building Construction Account—State .. \$	5,000,000
<del>((Appropriation:</del>	
<del>State Building Construction Account—State .. \$</del>	<del>5,000,000))</del>
Prior Biennia (Expenditures) .....	\$ 0
Future Biennia (Projected Costs) .....	\$ ((10,000,000))
	<u>15,000,000</u>
TOTAL .....	\$ 20,000,000

**Sec. 1023.** 1999 c 379 s 337 (uncodified) is amended to read as follows:  
**FOR THE STATE CONSERVATION COMMISSION**  
 Dairy Waste Management Grants Program (98-2-002)

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

(1) ~~(\$1,500,000)~~ \$4,000,000 of the appropriation is provided solely for a state-wide grant program to assist dairy operators in implementing dairy waste management systems; and

(2) \$1,500,000 of the appropriation is provided solely for a state-wide grant program to provide technical assistance to dairy operators for development and implementation of dairy waste management plans.

Reappropriation:	
Water Quality Account—State . . . . .	\$ 529,132
Appropriation:	
Water Quality Account—State . . . . .	\$ 3,000,000
<u>State Building Construction Account—State . .</u>	<u>\$ 2,500,000</u>
Subtotal Appropriation . . . . .	\$ 5,500,000
Prior Biennia (Expenditures) . . . . .	\$ 2,470,868
Future Biennia (Projected Costs) . . . . .	\$ 12,000,000
TOTAL . . . . .	\$ ((18,000,000))
	<u>20,500,000</u>

Sec. 1024. 1999 c 379 s 348 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF FISH AND WILDLIFE**

Emergency Repairs (98-1-003)

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

(1) The state building construction account appropriation in this section shall support the detailed list of projects maintained by the office of financial management.

(2) The aquatic lands enhancement account appropriation is provided solely for repair of the Silver lake weir in Cowlitz county.

Reappropriation:	
State Building Construction Account—State . .	\$ 135,000
Appropriation:	
State Building Construction Account—State . .	\$ 700,000
<u>Aquatic Lands Enhancement Account—State .</u>	<u>\$ 205,000</u>
Subtotal Appropriation . . . . .	\$ 905,000
Prior Biennia (Expenditures) . . . . .	\$ 1,610,923
Future Biennia (Projected Costs) . . . . .	\$ 2,300,000
TOTAL . . . . .	\$ ((4,745,923))
	<u>4,950,923</u>

Sec. 1025. 1999 c 379 s 361 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF FISH AND WILDLIFE**

Warm Water Game Fish Access Facilities (98-2-006)

Reappropriation:	
Warm Water Game Fish Account—State . . . .	\$ 210,000
Appropriation:	
Warm Water Game Fish Account—State . . . .	\$ ((600,000))
	<u>300,000</u>
Prior Biennia (Expenditures) . . . . .	\$ 0

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

Future Biennia (Projected Costs) . . . . .	\$	<u>2,080,000</u>
TOTAL . . . . .	\$	<u>((2,890,000))</u> <u>2,590,000</u>

Sec. 1026. 1999 c 379 s 373 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF NATURAL RESOURCES**  
 Small Timber Landowner Program (00-5-001)

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

~~((1)) This appropriation is provided solely to purchase ((or lease riparian and other sensitive aquatic areas from willing owners of small parcels of forest land. (2) If federal grants for salmon recovery efforts are equal to or less than \$50,000,000 during the 1999-2001 fiscal biennium, then \$5,000,000 of the appropriation in this section may be expended. If federal grants for salmon recovery efforts during the 1999-2001 biennium exceed \$50,000,000, then the entire appropriation in this section may be expended))~~ forest riparian easements, as defined in RCW 76.13.120(2)(a), to mitigate diminished economic viability, as described in RCW 76.13.100, from willing small forest landowners, as defined in RCW 76.13.100(2)(c).

Appropriation:

<del>((General Fund—Federal))</del> <u>State Building</u>		
<u>Construction Account</u> . . . . .	\$	<u>((10,000,000))</u> <u>2,500,000</u>
Prior Biennia (Expenditures) . . . . .	\$	0
Future Biennia (Projected Costs) . . . . .	\$	<u>((0))</u> <u>16,000,000</u>
TOTAL . . . . .	\$	<u>((10,000,000))</u> <u>18,500,000</u>

Sec. 1027. 1999 c 379 s 383 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF NATURAL RESOURCES**  
 Administrative Site Preservation (00-1-018)

Appropriation:

<u>Agricultural College Trust Management</u>		
<u>Account—State</u> . . . . .	\$	<u>51,400</u>
Forest Development Account—State . . . . .	\$	203,580
Resources Management Cost Account—State . . . . .	\$	<u>((565,500))</u> <u>514,100</u>
State Building Construction Account—State . . . . .	\$	<u>361,920</u>
Subtotal Appropriation . . . . .	\$	<u>1,131,000</u>
Prior Biennia (Expenditures) . . . . .	\$	938,000
Future Biennia (Projected Costs) . . . . .	\$	<u>5,118,000</u>
TOTAL . . . . .	\$	<u>7,187,000</u>

**Sec. 1028.** 1999 c 379 s 384 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF NATURAL RESOURCES**  
Trust Land Transfer (00-2-001)

The state building construction account appropriation in this section is subject to the following conditions and limitations:

(1) The total appropriation is provided to the department solely to transfer from trust status or enter into thirty-year timber harvest restrictive easements for certain trust lands of state-wide significance deemed appropriate for state park, fish and wildlife habitat, natural area preserve, natural resources conservation area, open space, or recreation purposes.

(2) Property transferred under this section shall be appraised and transferred at fair market value. The value of the timber transferred shall be deposited by the department to the common school construction account in the same manner as timber revenues from other common school trust lands. No deduction shall be made for the resource management cost account under RCW 79.64.040. The value of the land transferred shall be deposited in the natural resources real property replacement account. These funds shall be expended by the department for the exclusive purpose of acquiring real property of equal value to be managed as common school trust land.

(3) Property subject to easement agreements under this section shall be appraised at fair market value both with and without the imposition of the easement. The entire difference in appraised value shall be deposited by the department to the common school construction fund in the same manner as lease revenues from other common school trust lands. No deduction shall be made for the resource management cost account under RCW 79.64.040.

(4) ~~((AH))~~ Up to \$1,000,000 of the appropriation in this section may be used for reasonable costs incurred by the department to implement this section ~~((are authorized to be paid out of this appropriation))~~. Authorized costs include the actual cost of appraisals, staff time, environmental reviews, surveys, and other similar costs.

(5) Intergrant exchanges between common school and other trust lands of equal value may occur if the exchange is in the interest of each trust, as determined by the board of natural resources.

(6) Prior to or concurrent with conveyance of these properties, the department, with full cooperation of the receiving agencies, shall execute and record a real property instrument that dedicates the transferred properties to the purposes identified in subsection (1) of this section for a minimum period of thirty years. The department of natural resources, in consultation with the receiving state agencies, shall develop policy to address requests to replace transferred properties subject to the recorded property instrument that are no longer deemed appropriate for the purposes identified in subsection (1) of this section.

(7) The department and receiving agencies shall work in good faith to carry out the intent of this section. However, the department or receiving agencies may

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

remove a property from the transfer list in subsection (8) of this section if, based on new, substantive information, it is determined that transfer of the property is not in the state-wide interest of either the common school trust or the receiving agency.

(8) The appropriation in this section is provided to execute transfers or easements for the list of properties identified in LEAP capital document No. ~~((99-3, as developed on April 8, 1999))~~ 2000 T-1, as developed on February 29, 2000, as follows: Projects in category A shall be transferred; to the extent that local funding is provided for the land value of the property, projects in category B shall be transferred; and projects in category C and remaining projects in category B may be transferred or leased as funding allows.

(9) The department shall execute trust land transfers and easements such that ~~((90)), subsequent to the deduction for administrative costs,~~ 85 percent of the appropriation in this section is deposited in the common school construction fund. To achieve the ~~((90+10))~~ 85:15 ratio, the department may offset transfers of property with low timber-to-land ratios with easements on other properties.

(10) On June 30, 2001, the state treasurer shall transfer all remaining uncommitted funds from this appropriation to the common school construction fund and the appropriation in this section shall be reduced by an equivalent amount.

**Appropriation:**

Natural Resources Real Property Replacement—	
State . . . . .	\$ 6,200,000
State Building Construction Account—State . .	\$ 66,000,000
Subtotal Appropriation . . . . .	<u>72,200,000</u>
Prior Biennia (Expenditures) . . . . .	\$ 34,500,000
Future Biennia (Projected Costs) . . . . .	\$ <u>220,000,000</u>
TOTAL . . . . .	\$ 326,700,000

Sec. 1029. 1999 c 379 s 388 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF NATURAL RESOURCES**

Right-of-Way Acquisition (00-2-005)

**Appropriation:**

<u>Agricultural College Trust Management</u>	
<u>Account—State . . . . .</u>	<u>\$ 6,000</u>
Forest Development Account—State . . . . .	\$ 387,000
Resources Management Cost Account—State .	\$ <del>((650,000))</del>
Subtotal Appropriation . . . . .	<u>644,000</u>
Subtotal Appropriation . . . . .	\$ 1,037,000
Prior Biennia (Expenditures) . . . . .	\$ 1,392,000
Future Biennia (Projected Costs) . . . . .	\$ <u>6,000,000</u>
TOTAL . . . . .	\$ 8,429,000

Sec. 1030. 1999 c 379 s 390 (uncodified) is amended to read as follows:



**FOR THE DEPARTMENT OF NATURAL RESOURCES**

Minor Works: Program (00-2-011)

The appropriations in this section shall support the detailed list of projects maintained by the office of financial management.

Appropriation:

Agricultural College Trust Management

Account—State . . . . .	\$	35,000
Forest Development Account—State . . . . .	\$	136,600
Resources Management Cost Account—State . . . . .	\$	<del>((379,500))</del>
		<u>344,500</u>
State Building Construction Account—State . . . . .	\$	242,900
Subtotal Appropriation . . . . .	\$	<u>759,000</u>
Prior Biennia (Expenditures) . . . . .	\$	609,000
Future Biennia (Projected Costs) . . . . .	\$	<u>5,580,000</u>
TOTAL . . . . .	\$	<u>6,948,000</u>

Sec. 1031. 1999 c 379 s 931 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF NATURAL RESOURCES**

Aquatic Lands Enhancement Grants (00-2-014)

The appropriation in this section is provided for a list of projects in LEAP capital document No. ~~((1999-A1, as developed on April 23, 1999))~~ 2000-A1, as developed on February 15, 2000.

The department shall submit a list of recommended projects to be funded from the aquatic lands enhancement account in the 2001-03 capital budget. The list shall result from a competitive grants program developed by the department based upon, at a minimum: A uniform criteria for the selection of projects and awarding of grants for up to fifty percent of the total project cost; local community support for the project; and a state-wide geographic distribution of projects. The list of projects shall be submitted to the office of financial management by September 15, 2000.

Reappropriation:

Aquatic Lands Enhancement Account—State . . . . .	\$	2,340,000
---	----	-----------

Appropriation:

Aquatic Lands Enhancement Account—State . . . . .	\$	<del>((5,550,000))</del>
		<u>4,753,000</u>
Prior Biennia (Expenditures) . . . . .	\$	9,716,817
Future Biennia (Projected Costs) . . . . .	\$	<del>((24,000,000))</del>
		<u>20,000,000</u>
TOTAL . . . . .	\$	<del>((41,606,817))</del>
		<u>36,809,817</u>

Sec. 1032. 1999 c 379 s 502 (uncodified) is amended to read as follows:

**FOR THE WASHINGTON STATE PATROL**

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

**Seattle Crime Laboratory (00-2-008)**

The appropriation in this section shall not be expended until the documents described in the capital project review requirements process and procedures prescribed by the office of financial management have been complied with under sections 902 and 903 of this act.

**Reappropriation:**

State Building Construction Account—State . . \$ 900,000

**Appropriation:**

County Criminal Justice Assistance		
Account—State . . . . .	\$	650,000
<u>Death Investigations Account—State . . . . .</u>	<u>\$</u>	<u>2,500,000</u>
Municipal Criminal Justice Assistance		
Account—State . . . . .	\$	250,000
State Building Construction Account—State . .	\$	9,100,000
Subtotal Appropriation . . . . .	\$	<u>((+0,000,000))</u>
		<u>12,500,000</u>
Prior Biennia (Expenditures) . . . . .	\$	200,000
Future Biennia (Projected Costs) . . . . .	\$	<u>0</u>
<b>TOTAL . . . . .</b>	<b>\$</b>	<b><u>((+1,100,000))</u></b>
		<u>13,600,000</u>

**Sec. 1033.** 1999 c 379 s 603 (uncodified) is amended to read as follows:

**FOR THE STATE BOARD OF EDUCATION**

**Common School Construction: Quality and value improvements (00-2-002)**

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

(1) ~~(((\$9,800,000))~~ Up to \$4,800,000 of this appropriation is provided to implement chapter . . . (House Bill No. 1831), Laws of 1999. ~~((If the bill is not enacted by June 30, 1999, this appropriation shall lapse.))~~

(2) \$200,000 from this appropriation is provided to fund two FTEs in the office of state fire marshal to exclusively review K-12 construction documents for fire and life safety in accordance with the state building code. It is the intent of this appropriation to provide these services only to those districts that are located in counties without qualified review capabilities.

(3) On an annual basis, the state board shall report to the fiscal committees of the legislature and the office of financial management with a summary of the results of the value engineering studies and constructability reviews, and an evaluation of the use of building commissioning construction management services and fire marshal reviews.

**Appropriation:**

Common School Construction Account—State	\$	<u>((+0,000,000))</u>
		<u>5,000,000</u>

Prior Biennia (Expenditures) . . . . .	\$	0
Future Biennia (Projected Costs) . . . . .	\$	<u>40,000,000</u>
TOTAL . . . . .	\$	<u>((50,000,000))</u> <u>45,000,000</u>

Sec. 1034. 1999 c 379 s 604 (uncodified) is amended to read as follows:

**FOR THE STATE BOARD OF EDUCATION**

Public School Building Construction (98-2-001)(00-2-001)

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

(1)(a) Up to \$6,491,519 of the new appropriation provided in this section may be provided for emergency repairs.

((a)) (b) Prior to the distribution of funds authorized by this subsection, the state board shall develop rules for school district eligibility to receive emergency grants and requirements for repayment of recovered costs. It is intended that these funds be provided to school districts only for emergency repairs due to accidents, natural disasters, fire, floods, vandalism, or similar events and only after all avenues of local funding have been exhausted.

((b)) (2) The state board shall report to the fiscal committees of the legislature and the office of financial management the amount and purpose of each grant provided to school districts.

((c)) (3) Any recoveries by the districts from insurance, litigation, or other sources for repairs and improvements funded from this appropriation shall be returned to the state in proportion to the state assistance as a share of total project cost.

((d)) (4) Total cash disbursed from the common school construction account may not exceed the available cash balance.

Reappropriation:

State Building Construction Account—State . .	\$	1,993,556
Common School Construction Account—State	\$	<u>112,424,633</u>
Subtotal Reappropriation . . . . .	\$	114,418,189

Appropriation:

Common School Construction Account—State	\$	<u>((315,081,000))</u> <u>371,881,000</u>
Prior Biennia (Expenditures) . . . . .	\$	607,956,559
Future Biennia (Projected Costs) . . . . .	\$	<u>1,390,582,000</u>
TOTAL . . . . .	\$	<u>((2,428,037,748))</u> <u>2,484,837,748</u>

Sec. 1035. 1999 c 379 s 605 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

Program Management (98-1-001)

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

Funding is provided for up to five FTE regional coordinators. The coordinators shall have direct construction or architectural training and experience and be strategically located across the state. The coordinators shall assist local school districts with: State board of education rules relating to school construction and modernization projects, building condition analysis, development of state studies and surveys, architect/engineer and construction manager selection, value engineering, and constructability reviews during design, building commissioning, construction administration, maintenance issues, and data verification to allow equitable administration of the state board priority system.

**Appropriation:**

Common School Construction Account—State	\$	1,619,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>7,644,000</u>
<b>TOTAL</b>	<b>\$</b>	<b>9,263,000</b>

**NEW SECTION. Sec. 1036.** A new section is added to 1999 c 379 (uncodified) to read as follows:

**FOR THE UNIVERSITY OF WASHINGTON**

Classroom Improvements and Minor Works (00-S-001)

The appropriation in this section shall support the detailed list of projects maintained by the office of financial management.

**Appropriation:**

University of Washington Building Account—		
State	\$	16,000,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
<b>TOTAL</b>	<b>\$</b>	<b>16,000,000</b>

**Sec. 1037.** 1999 c 379 s 613 (uncodified) is amended to read as follows:

**FOR THE STATE SCHOOL FOR THE DEAF**

Clark Hall(~~(,-HVAC)~~)/Lloyd: Upgrade (00-1-006)

**Appropriation:**

State Building Construction Account—State	\$	<del>((500,000))</del>
		<u>1,400,000</u>
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<del>((+275,000))</del>
		<u>325,000</u>
<b>TOTAL</b>	<b>\$</b>	<del>((+1,775,000))</del>
		<u>1,725,000</u>

**Sec. 1038.** 1999 c 379 s 615 (uncodified) is amended to read as follows:

**FOR THE STATE SCHOOL FOR THE DEAF**

~~((Campus-Wide))~~ Clark Hall/Lloyd: Seismic stabilization (02-1-008)

Appropriation:

State Building Construction Account—State .. \$	((500,000))
	<u>1,400,000</u>
Prior Biennia (Expenditures) .....	\$ 0
Future Biennia (Projected Costs) .....	\$ ((500,000))
	<u>0</u>
TOTAL .....	\$ ((1,000,000))
	<u>1,400,000</u>

Sec. 1039. 1999 c 379 s 634 (uncodified) is amended to read as follows:

**FOR THE UNIVERSITY OF WASHINGTON**

Minor Works: Safety (98-1-001)

The reappropriation in this section shall support the detailed list of projects maintained by the office of financial management.

Reappropriation:

<del>((State Building Construction Account—State \$ 2,500,000))</del>	
<u>University of Washington Building Account—</u>	
<u>State</u> .....	\$ 2,671,684
Prior Biennia (Expenditures) .....	\$ ((1,000,000))
	<u>1,028,316</u>
Future Biennia (Projected Costs) .....	\$ 0
TOTAL .....	\$ 3,700,000

Sec. 1040. 1999 c 379 s 641 (uncodified) is amended to read as follows:

**FOR THE UNIVERSITY OF WASHINGTON**

Nuclear Reactor: Decommissioning (99-2-009)

Reappropriation:

State Building Construction Account—State .. \$	((750,000))
	<u>1,149,696</u>
Prior Biennia (Expenditures) .....	\$ ((450,000))
	<u>50,304</u>
Future Biennia (Projected Costs) .....	\$ 0
TOTAL .....	\$ 1,200,000

Sec. 1041. 1999 c 379 s 642 (uncodified) is amended to read as follows:

**FOR THE UNIVERSITY OF WASHINGTON**

Tacoma Branch Campus: Phase III predesign (00-2-021)

The appropriation in this section is 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, 2000.

Appropriation:

State Building Construction Account—State .. \$	500,000
---	---------

**Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

Prior Biennia (Expenditures) .....	\$	0
Future Biennia (Projected Costs) .....	\$	<u>55,000,000</u>
TOTAL .....	\$	55,500,000

**Sec. 1042.** 1999 c 379 s 686 (uncodified) is amended to read as follows:

**FOR WASHINGTON STATE UNIVERSITY**

WSU Spokane - Health Sciences Building (98-2-903)

The reappropriation in this section is subject to the following conditions and limitations:

(1) The reappropriation in this section is subject to the review and allotment procedures under sections 902 through 904 of this act.

(2) No money from the reappropriation may be expended in a manner that is inconsistent with the recommendations of the higher education coordinating board and the project design, scope, and schedule approved by the office of financial management.

(3) Design and construction of this building shall accommodate at least 240 additional full-time equivalent students on the Riverpoint campus.

Reappropriation:

State Building Construction Account—State ..	\$	1,871,010
--	----	-----------

Appropriation:

<del>(Higher Education Construction Account—State)</del>		
<u>State Higher Education Construction Account—</u>		
State .....	\$	36,300,000
Prior Biennia (Expenditures) .....	\$	814,365
Future Biennia (Projected Costs) .....	\$	<u>0</u>
TOTAL .....	\$	38,985,375

**NEW SECTION. Sec. 1043.** A new section is added to 1999 c 379 (uncodified) to read as follows:

**FOR EASTERN WASHINGTON UNIVERSITY**

Cheney Hall: Renovation (00-S-001)

To conduct a predesign of the project described in this section in accordance with the predesign manual published by the office of financial management. The appropriation in this section is subject to review and allotment procedures under sections 902 through 904, chapter 379, Laws of 1999. Future appropriations for this project are subject to the submittal of completed predesign requirements on or before October 1, 2000.

Appropriation:

Eastern Washington University Capital Projects		
Account—State .....	\$	300,000
Prior Biennia (Expenditures) .....	\$	0
Future Biennia (Projected Costs) .....	\$	12,950,000

TOTAL .....	\$	13,250,000
-------------	----	------------

**Sec. 1044.** 1999 c 379 s 794 (uncodified) is amended to read as follows:  
**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**  
 Everett Community College - Instructional Technology Center: Construction  
 (96-2-652)

The reappropriation in this section is subject to the review and allotment procedures under sections 902 and 903 of this act.

Reappropriation:

State Building Construction Account—State ..	\$	((1,600,000))
		1,873,000
Prior Biennia (Expenditures) .....	\$	((15,017,483))
		14,744,483
Future Biennia (Projected Costs) .....	\$	0
TOTAL .....	\$	16,617,483

**\*Sec. 1045.** 1999 c 379 s 905 (uncodified) is amended to read as follows:  
**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 take 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.

State agencies may enter into agreements with the department of general administration and the state treasurer's office to develop requests to the legislature for acquisition of properties and facilities through financial contracts. The agreements may include charges for services rendered.

*The alternative finance authorizations granted in this section and in section 222(2)(j), chapter 309, Laws of 1999, do not imply commitments or guarantees that the legislature will provide for future expenses of properties and facilities acquired, constructed, or improved through financial contracts. The legislature will convene an interim workgroup to develop a policy for the use of alternative financing contracts and implications for future operating budget impacts. The office of financial management shall develop a standardized procedure for alternative financing contracts that incorporates the findings of the legislative workgroup, including a full assessment of all acquisition and operating costs, and proposed revenue sources for such expenditures. In the 2001-03 budget*

*request from the governor, the office of financial management shall not forward to the legislature requests for alternative financing contracts that fail to fulfill the information requirements developed under this section.*

(1) Department of general administration:

(a) Enter into a financing contract in the amount of \$9,435,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW, to purchase an existing office building and associated land in Yakima for use by state agencies.

(b) Enter into a financing contract in the amount of \$4,621,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW, to purchase an existing office building and associated land in Kelso for use by the department of social and health services and the employment security department.

(2) Department of corrections: Enter into a financing contract on behalf of the department of corrections in the amount of \$2,300,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to purchase or construct a correctional industries transportation services warehouse.

(3) State parks and recreation: It is the intent of the legislature that the operating revenues of the department provide the primary source of funds necessary to meet financing contract obligations for the projects financed under this authority. In addition, state parks and recreation is authorized to pledge to make payments from appropriated funds pursuant to chapter 39.94 RCW:

(a) Enter into financing contracts on behalf of state parks and recreation in the amount of \$500,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to construct cabins at Cama beach.

(b) Enter into financing contracts on behalf of state parks and recreation in the amount of \$250,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to complete improvements at the interpretive center/store at Deception Pass.

(c) Enter into financing contracts on behalf of state parks and recreation in the amount of \$1,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to purchase and install additional yurts and cabins state-wide.

(d) Enter into financing contracts on behalf of state parks and recreation in the amount of \$500,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to construct a day use shelter at Lake Sammamish.

(e) Enter into financing contracts on behalf of state parks and recreation in the amount of \$500,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to improve campsite electrification state-wide.

(f) Enter into financing contracts on behalf of state parks and recreation in the amount of \$750,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to develop additional campsites state-wide.

(4) Community and technical colleges:

(a) Enter into a financing contract on behalf of Green River Community College in the amount of \$1,526,150 plus financing expenses and reserves pursuant to chapter 39.94 RCW for remodel of the Lindbloom student center building.



(b) Enter into a financing contract on behalf of Highline Community College in the amount of \$2,070,613 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for the purchase of the Federal Way Center, currently being leased by the college.

(c) Enter into a financial contract on behalf of Green River Community College in the amount of \$100,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to purchase approximately 1.5 acres of land adjacent to the westside parking lot.

(d) Enter into a financing contract on behalf of Grays Harbor Community College in the amount of \$600,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for the purchase and remodeling of the Riverview School and 2.83 acres of property, currently being leased by the college.

(e) Enter into a financing contract on behalf of Everett Community College in the amount of \$1,500,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for the remodeling of the fitness center.

(f) Enter into a financing contract on behalf of Tacoma Community College in the amount of \$1,697,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for a 10,000 gross square foot addition to the existing student center.

(g) Enter into a financing contract on behalf of Spokane Community College in the amount of \$3,840,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for a 20,000 gross square foot addition and remodeling to the existing Lair student service building costing \$6,000,000. The balance of project cost will be cash from student and activity fees and enterprise funds.

(h) Enter into a financing contract on behalf of Big Bend Community College in the amount of \$150,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for the exchange of 10 acres of land with Grant county.

(i) Enter into a financing contract on behalf of Green River Community College in the amount of \$7,500,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for purchase and development of property in the downtown Kent area.

(j) Enter into a financing contract on behalf of Columbia Basin Community College in the amount of (~~(\$1,000,000)~~) \$1,500,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for a 10,000 gross square foot student services auditorium.

(k) Enter into a financing contract on behalf of Yakima Valley Community College in the amount of \$375,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for a 2,700 gross square foot addition and remodeling to the existing student union building costing \$1,400,000. Prior to commencing, the college shall prepare and present a business plan describing the financing of the complete project to the state board for community and technical colleges, the office of financial management, and the legislative fiscal committees.

**Ch. 1                    WASHINGTON LAWS, 2000 2nd Sp. Sess.**

(l) Enter into a financing contract on behalf of Peninsula Community College in the amount of \$2,500,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for a 10,000 gross square foot addition to the student union building.

(m) Enter into a financing contract on behalf of Whatcom Community College in the amount of (~~(\$2,500,000)~~) \$3,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for a 20,000 gross square foot addition and remodeling to the existing extended learning/work force facility costing \$4,388,000. Prior to commencing, the college shall prepare and present a business plan describing the financing of the complete project to the state board for community and technical colleges, the office of financial management, and the legislative fiscal committees.

(n) Enter into a financial contract on behalf of Green River Community College in the amount of \$350,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to purchase Lea Hill park from King county.

(o) Enter into a financial contract on behalf of Bellevue Community College in the amount of \$4,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for replacement of the Robinswood school. This authority is provided in addition to the appropriation in section 761 of this act.

(p) Enter into a financial contract on behalf of Wenatchee Valley College in the amount of \$500,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to purchase two buildings and property contiguous to the college campus.

(q) Enter into a financing contract on behalf of Whatcom Community College in the amount of \$1,918,483 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for the purchase of 10.71 acres of property for the completion of the Whatcom Community College campus.

(r) Enter into a financing contract on behalf of Edmonds Community College in the amount of (~~(\$3,700,000)~~) \$4,150,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to develop a music building on the college campus.

(s) Enter into a financing contract on behalf of Olympic College in the amount of \$900,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for development of off-street student parking.

(t) Enter into a financing contract on behalf of Bates Technical College in the amount of \$4,300,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for the purchase of a 9.41 acre site with an approximately 46,125 square foot broadcasting facility situated on 19<sup>th</sup> Street in Tacoma. It is the intent of the legislature that \$2,000,000 of this financing contract will be repaid from private donations.

(u) Enter into a financing contract on behalf of Renton Technical College in the amount of \$1,000,000 plus financing expenses and required reserves pursuant to chapter RCW 39.94 for the purchase of approximately 10 acres within the

district boundary to support a future relocation of apprenticeship programs off the main campus.

(5) Central Washington University: Enter into a financing contract on behalf of Central Washington University in the amount of \$5,700,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for the Central Washington University/Edmonds Community College center.

(6) University of Washington:

(a) Enter into a financing contract on behalf of the University of Washington in the amount of \$7,500,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to finance real property improvements to the Sand Point building.

(b) Enter into a financing contract on behalf of the University of Washington in the amount of \$7,500,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to finance primate center tenant improvements.

(c) Enter into a financing contract on behalf of the University of Washington in the amount of \$12,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for renovation of Husky Den, the food service in the Husky Union building, and the renovation of McMahon Hall food service.

(d) Enter into a financing contract on behalf of the University of Washington in the amount of \$5,700,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for installation of ethernet wiring and electrical upgrades in Lander Hall and McCarty Hall.

(7) Washington state convention and trade center: Enter into one or more financing contracts not exceeding an aggregate total amount of \$27,500,000 plus financing expenses and reserves pursuant to chapter 39.94 RCW, for funding unanticipated costs in excess of the \$111,700,000 principal amount of the financing contract authorized in section 802(10)(b), chapter 16, Laws of 1995 2nd sp. sess., for the construction of the expansion of the Washington state convention and trade center as authorized under chapter 386, Laws of 1995. The balance of the expansion project funds shall be provided from interest earnings and public or private funds. The financing contract or contracts representing all or part of the amount authorized by this section shall not be executed without prior written approval of the office of financial management based upon its determination that such financing contract or contracts are reasonably necessary for the expansion project.

\*Sec. 1045 was partially vetoed. See message at end of chapter.

NEW SECTION. Sec. 1046. 1999 c 379 ss 610 and 611 (uncodified) are each repealed.

NEW SECTION. Sec. 1047. 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.

Ch. 1 WASHINGTON LAWS, 2000 2nd Sp. Sess.

NEW SECTION. Sec. 1048. 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 takes effect immediately.

ADMINISTRATOR FOR THE COURTS .....	1620
OPERATIONS .....	1642
AGRICULTURAL COLLEGE TRUST MANAGEMENT ACCOUNT ..	1773
ATTORNEY GENERAL .....	1628
BOARD OF ACCOUNTANCY .....	1644
CAPITAL APPROPRIATIONS .....	1808
CASELOAD FORECAST COUNCIL .....	1648
CENTRAL WASHINGTON UNIVERSITY .....	1759
CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS .....	1627
CONSERVATION COMMISSION .....	1706
COURT OF APPEALS .....	1620
CRIMINAL JUSTICE TRAINING COMMISSION .....	1684
DEPARTMENT OF AGRICULTURE .....	1716
DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT .....	1629
COUNTY CORPORATION ASSISTANCE .....	1787
COUNTY PUBLIC HEALTH ASSISTANCE .....	1795
MUNICIPAL CORPORATION ASSISTANCE .....	1788
SHORELINE BLOCK GRANTS .....	1774
DEPARTMENT OF CORRECTIONS .....	1691
DEPARTMENT OF ECOLOGY .....	1698
DEPARTMENT OF FISH AND WILDLIFE .....	1708
DEPARTMENT OF GENERAL ADMINISTRATION .....	1643
DEPARTMENT OF HEALTH .....	1688
DEPARTMENT OF INFORMATION SERVICES .....	1643
DEPARTMENT OF LABOR AND INDUSTRIES .....	1685
DEPARTMENT OF LICENSING .....	1717
DEPARTMENT OF NATURAL RESOURCES .....	1712
DEPARTMENT OF PERSONNEL .....	1640
DEPARTMENT OF RETIREMENT SYSTEMS CONTRIBUTIONS TO RETIREMENT SYSTEMS .....	1782
OPERATIONS .....	1641
DEPARTMENT OF SOCIAL AND HEALTH SERVICES .....	1649
ADMINISTRATION AND SUPPORTING SERVICES PROGRAM .....	1680
AGING AND ADULT SERVICES PROGRAM .....	1668
ALCOHOL AND SUBSTANCE ABUSE PROGRAM .....	1674
CHILDREN AND FAMILY SERVICES PROGRAM .....	1650
DEVELOPMENTAL DISABILITIES PROGRAM .....	1665

ECONOMIC SERVICES PROGRAM .....	1670
JUVENILE OFFENDER CO-OCCURRING DISORDER PILOT PROGRAM .....	1658
JUVENILE REHABILITATION PROGRAM .....	1654
MEDICAL ASSISTANCE PROGRAM .....	1675
MENTAL HEALTH PROGRAM .....	1660
PAYMENTS TO OTHER AGENCIES PROGRAM .....	1681
VOCATIONAL REHABILITATION PROGRAM .....	1680
DEPARTMENT OF VETERANS AFFAIRS .....	1687
DONATIONS OF EMPLOYEE LEAVE .....	1803
EASTERN WASHINGTON UNIVERSITY .....	1759
EDUCATION TECHNOLOGY REVOLVING ACCOUNT .....	1773
EMPLOYMENT SECURITY DEPARTMENT .....	1697
GOVERNOR	
COMPENSATION--INSURANCE BENEFITS .....	1779
EXTRAORDINARY CRIMINAL JUSTICE COSTS .....	1776
HIGHER EDUCATION COORDINATING BOARD	
FINANCIAL AID AND GRANT PROGRAMS .....	1764
POLICY COORDINATION AND ADMINISTRATION .....	1762
HOUSE OF REPRESENTATIVES .....	1615
HUMAN RIGHTS COMMISSION .....	1683
INSURANCE COMMISSIONER .....	1648
INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION ....	1706
JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE .....	1618
LEGISLATIVE AGENCIES .....	1620
LIEUTENANT GOVERNOR .....	1624
LIQUOR CONTROL BOARD .....	1644
LOCAL GOVERNMENT FINANCIAL ASSISTANCE .....	1787
LOCAL GOVERNMENT TASK FORCE .....	1796
MIDWIFERY CERTIFICATION PROGRAM .....	1778
MILITARY DEPARTMENT .....	1646, 1647
MULTIMODAL TRANSPORTATION ACCOUNT .....	1785
MUNICIPAL RESEARCH COUNCIL .....	1648
OFFICE OF FINANCIAL MANAGEMENT .....	1637
COMPENSATION ACTIONS OF PERSONNEL RESOURCES BOARD .....	1784
CONTRIBUTIONS TO RETIREMENT SYSTEMS .....	1782, 1783
DIGITAL GOVERNMENT POOL .....	1777
LEGAL COSTS .....	1777
PUBLIC TRANSPORTATION BENEFIT AREAS .....	1786
REGIONAL TRANSIT AUTHORITY .....	1785
STAFF AND EFFICIENCY SAVINGS .....	1779
YEAR 2000 ALLOCATIONS .....	1775
OFFICE OF PUBLIC DEFENSE .....	1622

**Ch. 1                    WASHINGTON LAWS, 2000 2nd Sp. Sess.**

OFFICE OF THE GOVERNOR .....	1623
PUBLIC DISCLOSURE COMMISSION .....	1624
PUBLIC EMPLOYEES' RETIREMENT SYSTEM .....	1800
PUGET SOUND FERRY OPERATIONS ACCOUNT .....	1786
RETIREMENT CONTRIBUTION RATES .....	1799
SALARY COST OF LIVING ADJUSTMENT .....	1783
SECRETARY OF STATE .....	1625
SENATE .....	1616
SENTENCING GUIDELINES COMMISSION .....	1696
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES .....	1752
STATE BOARD OF EDUCATION .....	1751
STATE CONVENTION AND TRADE CENTER .....	1647
STATE HEALTH CARE AUTHORITY .....	1682
STATE PARKS AND RECREATION COMMISSION .....	1704
STATE PATROL .....	1718
STATE SCHOOL FOR THE BLIND .....	1770
STATE SCHOOL FOR THE DEAF .....	1770
STATE TREASURER .....	1627
BOND RETIREMENT AND INTEREST .....	1771-1773
STATE REVENUES FOR DISTRIBUTION .....	1797
SUNDRY CLAIMS .....	1778
SUPERINTENDENT OF PUBLIC INSTRUCTION	
BASIC EDUCATION EMPLOYEE COMPENSATION .....	1730
EDUCATION REFORM PROGRAMS .....	1743
EDUCATIONAL SERVICE DISTRICTS .....	1740
ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT .....	1743
INSTITUTIONAL EDUCATION PROGRAMS .....	1741
LEARNING ASSISTANCE PROGRAM .....	1748
LOCAL EFFORT ASSISTANCE .....	1741
LOCAL ENHANCEMENT FUNDS .....	1748
PROGRAMS FOR HIGHLY CAPABLE STUDENTS .....	1742
PUPIL TRANSPORTATION .....	1736
SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS .....	1734
SCHOOL FOOD SERVICE PROGRAMS .....	1737
SPECIAL EDUCATION PROGRAMS .....	1737
STATE ADMINISTRATION .....	1720
TRAFFIC SAFETY EDUCATION PROGRAMS .....	1740
TRANSITIONAL BILINGUAL PROGRAMS .....	1747
SUPREME COURT .....	1620
THE EVERGREEN STATE COLLEGE .....	1760
UNIVERSITY OF WASHINGTON .....	1755
UTILITIES AND TRANSPORTATION COMMISSION .....	1645

WASHINGTON STATE ARTS COMMISSION ..... 1769  
WASHINGTON STATE HISTORICAL SOCIETY ..... 1769  
WASHINGTON STATE LIBRARY ..... 1768  
WASHINGTON STATE UNIVERSITY ..... 1757  
WESTERN WASHINGTON UNIVERSITY ..... 1762  
WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD  
..... 1770

Passed the House April 27, 2000.

Passed the Senate April 27, 2000.

Approved by the Governor May 2, 2000, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 2, 2000.

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

"I am returning herewith, without my approval as to sections 103(2); 109, lines 29 and 30; 109(1); 118(8); 119(11); 124(6); 222(4); 304, lines 33 and 34; 304(4); 304(5); 306, lines 7 and 8; 306(1); 306(14); and 1045, lines 21 through 36, Engrossed House Bill No. 2487 entitled:

"AN ACT Relating to fiscal matters;"

**Section 103 (2), Page 7, Study of Bilingual Education (Joint Legislative Audit and Review Committee)**

In place of this study, I request that the Office of the Superintendent of Public Instruction, within its available resources, conduct a study of K-12 programs that serve students with limited English proficiency and report findings to my office and the education and fiscal committees of the House of Representatives and the Senate no later than December 15, 2000. The study should review, at a minimum: (a) the impact of bilingual programs on improving student academic achievement; (b) updated information on the length of stay in bilingual programs and factors that influence length of stay; and (c) other research, reports and studies on transitional bilingual programs.

**Sections 109, Page 12, lines 29-30; and 109(1), Page 13, Puget Sound Action Team (Office of the Governor)**

These sections would have reduced the amount available for the Puget Sound Action Team's efforts under the Puget Sound Water Quality Work Plan by \$79,000. The reduction would have diminished the Action Team's ability to coordinate state, federal, and local efforts to protect and restore Puget Sound. It is unacceptable to scale back the Action Team's technical assistance to local governments when local government resources are declining. The protection of Puget Sound is critical given the listings of Puget Sound Chinook salmon as endangered under the Endangered Species Act.

**Section 118(8), Page 35, Department of Personnel**

Section 118(8) would have required the Department of Personnel to prepare a plan for providing space in one of its office buildings for the Citizens' Commission on Salaries for Elected Officials. While not a direct conflict of interest, co-location of these two agencies could easily present the appearance of a conflict of interest to our state's citizens. The voters created the independent Commission in 1986 to establish the salaries for all elected officials, including the governor. The Commission should not be dependent upon a member of my cabinet for physical space and administrative support. My staff is studying the feasibility of co-location for a number of small agencies, and the Commission is included in that effort.

**Section 119(11), Pages 36-37, Retiree Return-to-Work Rules (Department of Retirement Systems)**

**Ch. 1                      WASHINGTON LAWS, 2000 2nd Sp. Sess.**

Section 119 (11) would have required the Department of Retirement Systems to implement changes to the rules governing post-retirement employment in order to track these activities on an hourly rather than monthly basis. However, the legislative budget does not include \$117,000 for the information system improvements necessary to accomplish this rule change. I have vetoed this unfunded requirement to prevent the Department from having to absorb the cost through service reductions in other areas. I am also directing the Department to re-submit this item in its 2001-03 budget request so that the change, which is supported by all system employers, can be realized at a later date.

**Section 124(6), Pages 39-40, Liquor Agencies Advisory Committee (Liquor Control Board)**

Section 124(6) would have created a Liquor Agencies Advisory Committee to evaluate the Liquor Control Board's liquor agencies' fees and commissions. The Liquor Control Board has already established regular meetings with liquor agencies to obtain their recommendations on the commissions and fee structure. In addition, the Governor's Retail Liquor Sales Task Force is reviewing the Board's retail operations, which includes the liquor agencies' fee and commission structure. I believe the creation of a new advisory committee is duplicative of existing efforts.

**Section 222(4), Pages 107-108, Contracts with Community Organizations (Employment Security Department)**

Section 222 (4) would have required the Employment Security Department to provide \$5 million through contracts with community-based organizations for family development or similar services. This proviso is unnecessary since contracts for these services already exceed \$5 million. Furthermore, the proviso conflicts with federal requirements by earmarking funding for services that are required to be provided through a competitive bidding process.

**Sections 304, Page 119, lines 33 and 34; and 304(4) and 304(5), Page 120, Conservation Commission Activities**

The legislative budget would have reduced Conservation Reserve Enhancement Program (CREP) administration funding by \$300,000, while adding \$267,000 for implementation and participation in the Agriculture, Fish, and Water (AFW) negotiation process. The net result would have been a \$33,000 reduction for the Conservation Commission to implement two important salmon recovery programs. By vetoing these changes, the existing General Fund appropriation level is restored to current funding. I am requesting the Conservation Commission to continue both efforts within existing resources.

**Sections 306, Page 128, lines 7 and 8; and 306(1), Aquatic Lands Enhancement Account Reduction (Department of Natural Resources)**

In order to maintain expenditures within available revenue, the Aquatic Lands Enhancement Account appropriation would have been reduced by \$300,000 in the operating budget. Operating appropriations are critical to the management of existing capital projects, spartina eradication, and management of our state's aquatic resources. Rather than mandating where reductions will occur, it is preferable to allow the Department to monitor revenue and make reductions to both capital and operating spending plans as necessary to stay within available funds. This veto restores the original funding levels, as well as the amounts for Puget Sound Plan activities. The Department will manage expenditures so that they do not exceed available revenues.

**Section 306(14), Page 131, Independent Staff for the Board of Natural Resources (Department of Natural Resources)**

This section would have added three new positions to independently staff the Board of Natural Resources. Independent staffing would require the Board to assume new personnel management and administrative functions in addition to its existing statutory



responsibilities. The Board did not make this request and these additional burdens are unnecessary and overly cumbersome.

**Section 1045, Page 282, lines 21 through 36, Alternative Financing Contracts**

This language would have created an interim legislative workgroup to develop a policy for the uses of alternative financing contracts. The Office of Financial Management would be directed to incorporate this policy in assessing alternative financing projects, and would be restricted from forwarding any project request to the legislature that has not fulfilled stated information requirements. While I support the need for increased rigor in the analysis and evaluation of project costs and financing arrangements, this language is an infringement on executive prerogatives and powers. In recognition of these concerns, I am directing the Office of Financial Management to work with the legislature to agree, to the extent possible, on a common set of criterion and data requirements that can then be made part of the regular budget process.

For these reasons, I have vetoed sections 103(2); 109, lines 29 and 30; 109(1); 118(8); 119(11); 124(6); 222(4); 304, lines 33 and 34; 304(4); 304(5); 306, lines 7 and 8; 306(1); 306(14); and 1045, lines 21 through 36 of Engrossed House Bill No. 2487.

With the exception of sections 103(2); 109, lines 29 and 30; 109(1); 118(8); 119(11); 124(6); 222(4); 304, lines 33 and 34; 304(4); 304(5); 306, lines 7 and 8; 306(1); 306(14); and 1045, lines 21 through 36, Engrossed House Bill No. 2487 is approved."

---

## CHAPTER 2

[Engrossed House Bill 3169]

### EXPENDITURE LIMIT

AN ACT Relating to modifying the state expenditure limit law by strengthening the expenditure limit and providing for timely deposits to the education construction fund; amending RCW 43.135.025, 43.135.035, and 43.135.045; providing an effective date; and declaring an emergency.

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

**Sec. I.** RCW 43.135.025 and 1994 c 2 s 2 are each amended to read as follows:

(1) The state shall not expend from the general fund during any fiscal year state moneys in excess of the state expenditure limit established under this chapter.

(2) Except pursuant to a declaration of emergency under RCW 43.135.035 or pursuant to an appropriation under RCW 43.135.045(4)(b), the state treasurer shall not issue or redeem any check, warrant, or voucher that will result in a state general fund expenditure for any fiscal year in excess of the state expenditure limit established under this chapter. A violation of this subsection constitutes a violation of RCW 43.88.290 and shall subject the state treasurer to the penalties provided in RCW 43.88.300.

(3) The state expenditure limit for any fiscal year shall be the previous fiscal year's state expenditure limit increased by a percentage rate that equals the fiscal growth factor.

(4) For purposes of computing the state expenditure limit for the fiscal year beginning July 1, 1995, the phrase "the previous fiscal year's state expenditure limit" means the total state expenditures from the state general fund, not including federal funds, for the fiscal year beginning July 1, 1989, plus the fiscal growth

Ch. 2 WASHINGTON LAWS, 2000 2nd Sp. Sess.

factor. This calculation is then computed for the state expenditure limit for fiscal years 1992, 1993, 1994, and 1995, and as required under RCW 43.135.035(4).

(5) A state expenditure limit committee is established for the purpose of determining and adjusting the state expenditure limit as provided in this chapter. The members of the state expenditure limit committee are the director of financial management, the attorney general or the attorney general's designee, and the chairs of the senate committee on ways and means and the house of representatives committee on appropriations. All actions of the state expenditure limit committee taken pursuant to this chapter require an affirmative vote of at least three members.

(6) Each November, the ((office of financial management)) state expenditure limit committee shall adjust the expenditure limit for the preceding fiscal year based on actual expenditures and known changes in the fiscal growth factor and then project an expenditure limit for the next two fiscal years. ((The office of financial management shall notify the legislative fiscal committees of all adjustments to the state expenditure limit and projections of future expenditure limits.)) If, by November 30th, the state expenditure limit committee has not adopted the expenditure limit adjustment and projected expenditure limit as provided in subsection (5) of this section, the attorney general or his or her designee shall adjust or project the expenditure limit, as necessary.

((6)) (7) "Fiscal growth factor" means the average of the sum of inflation and population change for each of the prior three fiscal years.

((7)) (8) "Inflation" means the percentage change in the implicit price deflator for the United States for each fiscal year as published by the federal bureau of labor statistics.

((8)) (9) "Population change" means the percentage change in state population for each fiscal year as reported by the office of financial management.

**Sec. 2.** RCW 43.135.035 and 1994 c 2 s 4 are each amended to read as follows:

(1) After July 1, 1995, any action or combination of actions by the legislature that raises state revenue or requires revenue-neutral tax shifts may be taken only if approved by a two-thirds vote of each house, and then only if state expenditures in any fiscal year, including the new revenue, will not exceed the state expenditure limits established under this chapter.

(2)(a) If the legislative action under subsection (1) of this section will result in expenditures in excess of the state expenditure limit, then the action of the legislature shall not take effect until approved by a vote of the people at a November general election. The office of financial management shall adjust the state expenditure limit by the amount of additional revenue approved by the voters under this section. This adjustment shall not exceed the amount of revenue generated by the legislative action during the first full fiscal year in which it is in effect. The state expenditure limit shall be adjusted downward upon expiration or repeal of the legislative action.

(b) The ballot title for any vote of the people required under this section shall be substantially as follows:

"Shall taxes be imposed on . . . . . in order to allow a spending increase above last year's authorized spending adjusted for inflation and population increases?"

(3)(a) The state expenditure limit may be exceeded upon declaration of an emergency for a period not to exceed twenty-four months by a law approved by a two-thirds vote of each house of the legislature and signed by the governor. The law shall set forth the nature of the emergency, which is limited to natural disasters that require immediate government action to alleviate human suffering and provide humanitarian assistance. The state expenditure limit may be exceeded for no more than twenty-four months following the declaration of the emergency and only for the purposes contained in the emergency declaration.

(b) Additional taxes required for an emergency under this section may be imposed only until thirty days following the next general election, unless an extension is approved at that general election. The additional taxes shall expire upon expiration of the declaration of emergency. The legislature shall not impose additional taxes for emergency purposes under this subsection unless funds in the education construction fund have been exhausted.

(c) The state or any political subdivision of the state shall not impose any tax on intangible property listed in RCW 84.36.070 as that statute exists on January 1, 1993.

(4) If the cost of any state program or function is shifted from the state general fund on or after January 1, 1993, to another source of funding, or if moneys are transferred from the state general fund to another fund or account, the ~~((office of financial management))~~ state expenditure limit committee, acting pursuant to RCW 43.135.025(5), shall lower the state expenditure limit to reflect the shift. For the purposes of this section, a transfer of money from the state general fund to another fund or account includes any state legislative action taken after July 1, 2000, that has the effect of reducing revenues from a particular source, where such revenues would otherwise be deposited into the state general fund, while increasing the revenues from that particular source to another state or local government account.

(5) If the cost of any state program or function is shifted to the state general fund on or after January 1, 2000, from another source of funding, or if moneys are transferred to the state general fund from another fund or account, the state expenditure limit committee, acting pursuant to RCW 43.135.025(5), shall increase the state expenditure limit to reflect the shift.

Sec. 3. RCW 43.135.045 and 1994 c 2 s 3 are each amended to read as follows:

(1) The emergency reserve fund is established in the state treasury. During each fiscal year, the state treasurer shall deposit in the emergency reserve fund all general fund—state revenues in excess of the state expenditure limit for that fiscal year. Deposits shall be made at the end of each fiscal quarter based on projections of state revenues and the state expenditure limit. The treasurer shall make transfers

Ch. 2 WASHINGTON LAWS, 2000 2nd Sp. Sess.

between these accounts as necessary to reconcile actual annual revenues and the expenditure limit for fiscal year 2000 and thereafter.

(2) The legislature may appropriate moneys from the emergency reserve fund only with approval of at least two-thirds of the members of each house of the legislature, and then only if the appropriation does not cause total expenditures to exceed the state expenditure limit under this chapter.

(3) The emergency reserve fund balance shall not exceed five percent of ~~((biennial))~~ annual general fund—state revenues as projected by the official state revenue forecast. Any balance in excess of five percent shall be transferred on a quarterly basis by the state treasurer to the education construction fund hereby created in the treasury. The treasurer shall make transfers between these accounts as necessary to reconcile actual annual revenues for fiscal year 2000 and thereafter.

(4)(a) Funds may be appropriated from the education construction fund exclusively for common school construction or higher education construction.

(b) Funds may be appropriated for any other purpose only if approved by a two-thirds vote of each house of the legislature and if approved by a vote of the people at the next general election. An appropriation approved by the people under this subsection shall result in an adjustment to the state expenditure limit only for the fiscal period for which the appropriation is made and shall not affect any subsequent fiscal period.

**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 takes effect July 1, 2000.

Passed the House April 27, 2000.

Passed the Senate April 27, 2000.

Approved by the Governor May 2, 2000.

Filed in Office of Secretary of State May 2, 2000.

---

### CHAPTER 3

[Engrossed Second Substitute Senate Bill 6499]

#### TRANSPORTATION FUNDING—APPROPRIATIONS

AN ACT Relating to transportation funding and appropriations; amending 1999 sp.s. c 1 ss 1, 101, 102, 103, 104, 105, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 303, 401, 402, 403, and 407 (uncodified); adding new sections to 1999 sp.s. c 1 (uncodified); creating a new section; repealing RCW 47.08.125; making appropriations; and declaring an emergency.

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

**\*Sec. 1. 1999 sp.s. c 1 s 1 (uncodified) is amended to read as follows:**

**(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 employee compensation 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, 2001.

(2) Legislation with fiscal impacts enacted in the 1997 or 1998 legislative session not assumed in this act are not funded in the 1997-99 transportation budget.

(3) Legislation with fiscal impacts enacted in the 1999 legislative session not assumed in this act are not funded in the 1999-01 transportation budget.

(4) Unless the context clearly requires otherwise, the definitions in this subsection apply throughout this act.

(a) "Fiscal year 2000" or "FY 2000" means the fiscal year ending June 30, 2000.

(b) "Fiscal year 2001" or "FY 2001" means the fiscal year ending June 30, 2001.

(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.

(f) "Provided for" means the agency may apportion the specified amount among identified uses as the director or secretary deems most prudent.

(g) "Performance-based budgeting" means a budget that bases resource needs on quantified outcomes and results expected from use of the total appropriation. "Performance-based budgeting" does not mean incremental budgeting that focuses on justifying changes from the historic budget or to line-item input-driven budgets.

((g)) (h) "Goals" means the statements of purpose that identify a desired result or outcome. The statements shall be realistic, achievable, directive, assignable, evaluative, and logically linked to the agency's mission and statutory mandate.

((h)) (i) "Strategic plan" means the strategies agencies create for investment choices in the future. All agency strategic plans shall present alternative investment strategies for providing services.

(i) "Enacted in the form passed by the legislature" means the referenced bill, as identified by a four-digit number, was:

(i) Passed by the legislature and enacted either with no provisions vetoed by the governor or with only ministerial or de minimus changes resulting from a partial veto; or

(ii) Attached in full onto another bill as an amendment and the entire bill, including the amendment, was passed by the legislature and enacted either with

no provisions vetoed by the governor or with only ministerial or de minimus changes resulting from a partial veto.

\*Sec. 1 was vetoed. See message at end of chapter.

**PART I  
GENERAL GOVERNMENT AGENCIES—OPERATING**

**Sec. 101.** 1999 sp.s. c 1 s 101 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF AGRICULTURE**

Motor Vehicle Account—State Appropriation . . . . . \$ ~~((327,000))~~  
311,000

The appropriation in this section is subject to the following conditions and limitations and specified amounts are provided solely for that activity:

The entire appropriation is provided solely for costs associated with the motor fuel quality program.

**Sec. 102.** 1999 sp.s. c 1 s 102 (uncodified) is amended to read as follows:  
**FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM**

Motor Vehicle Account—State Appropriation . . . . . \$ ~~((900,000))~~  
887,000

The appropriation in this section is subject to the following conditions and limitations and specified amounts are provided solely for that activity:

(1) \$103,000 of the appropriation is provided solely for the local government finance reporting system project. This amount shall lapse unless \$207,000 is appropriated for this project from the state general fund; and

(2) \$202,000 of the appropriation is provided solely for the transportation infrastructure needs data base project. This amount shall lapse unless \$405,000 is appropriated for this project in the omnibus operations appropriations act.

(3) \$325,000 of the appropriation is provided solely for contracting with the office of the state auditor for the collection of local government fiscal data associated with the local government finance reporting system. In implementing the reporting system, the legislative evaluation and accountability program shall work with the local government finance study technical advisory committee. The committee shall include, but not be limited to, one member from the senate and one member from the house of representatives. An alternate legislator shall also be picked for each designated legislator to serve in the event that the designated legislator is unable to fulfill his or her duties on the committee. This amount shall lapse unless the legislature appropriates \$325,000 for the same purpose by June 30, 1999, in the omnibus appropriations act.

(4) To the extent possible, the appropriation in subsections (1) through (3) of this section shall utilize funds allocated under RCW 46.68.110(2).

**Sec. 103.** 1999 sp.s. c 1 s 103 (uncodified) is amended to read as follows:  
**FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

Grade Crossing Protective Account—

State Appropriation . . . . . \$ ((111,000))  
222,000

The appropriation in this section is subject to the following conditions and limitations and specified amounts are provided solely for that activity:

(1) The utilities and transportation commission shall develop a competitive rail grade crossing safety grant program which will fully fund selected safety projects to the extent allowable under chapter 81.53 RCW.

~~((3) The appropriation in this section is for the fiscal year ending June 30, 2000.)~~

(2) To the extent possible under current program guidelines, the utilities and transportation commission's small projects program and grade crossing protection program shall give preference to those projects that enhance safety at railroad lines that operate high speed trains and are located within city limits.

**Sec. 104.** 1999 sp.s. c 1 s 104 (uncodified) is amended to read as follows:  
**FOR THE STATE PARKS AND RECREATION COMMISSION**

Motor Vehicle Account—State Appropriation . . . . . \$ ((931,000))  
859,000

The appropriation in this section is subject to the following conditions and limitations and specified amounts are provided solely for that activity: A report of actual expenditures and descriptions of the expenditures from the motor vehicle fund will be submitted to the legislature with the governor's 2001-2003 biennial budget request.

**GENERAL GOVERNMENT AGENCIES—CAPITAL**

**Sec. 105.** 1999 sp.s. c 1 s 105 (uncodified) is amended to read as follows:  
**FOR WASHINGTON STATE PARKS AND RECREATION—CAPITAL PROJECTS**

Motor Vehicle Account—State Appropriation . . . . . \$ 2,690,000

The appropriation in this section is subject to the following conditions and limitations and specified amounts are provided solely for that activity:

(1) \$900,000 is a reappropriation provided to complete the Cama Beach project and the Damon point project funded in section 110, chapter 457, Laws of 1997. The projects shall be completed by June 30, 2001. Upon completion of these projects any surplus funding may be used for the projects listed in subsection (2) of this section.

(2) \$1,790,000 is a one-time appropriation provided solely for the following projects, apportioned as follows:

- (a) Ike Kinswa State Park, \$100,000 to commission a hydrology and geology study for the park road drainage system and a traffic study of the intersection of the park entrance roads with SR 122;
- (b) Mt. Spokane State Park, \$1,300,000;
- (c) Beacon Rock State Park, \$300,000; and
- (d) Cama Beach State Park, \$90,000.

Ch. 3 WASHINGTON LAWS, 2000 2nd Sp. Sess.

These projects shall be completed by June 30, 2001. Project status reports shall be submitted to the senate transportation committee and the house of representatives transportation committee in January 2000 and January 2001.

(3) A legislative subcommittee shall be established to address the issue of funding for state parks' capital roadway projects and determine the funding source. The membership of this subcommittee shall be comprised as follows: Two members from the house transportation committee; two members from the house capital budget committee; two members from the senate transportation committee; and two members from the senate ways and means capital budget subcommittee. Findings and recommendations must be submitted to the senate and house of representatives transportation committees, the house of representatives capital budget committee and the senate ways and means committee by December 1, 2000.

**PART II  
TRANSPORTATION AGENCIES**

Sec. 201. 1999 sp.s. c 1 s 201 (uncodified) is amended to read as follows:

**FOR THE WASHINGTON TRAFFIC SAFETY COMMISSION**

Highway Safety Account—State Appropriation . . . . .	\$	1,452,000
Highway Safety Account—Federal Appropriation . . . . .	\$	9,038,000
School Zone Safety Account—State Appropriation . . . . .	\$	1,004,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$</b>	<b>11,494,000</b>

The appropriation in this section is subject to the following conditions and limitations and specified amounts are provided solely for that activity:

(1) \$25,000 of the highway safety account—state is provided as a one-time appropriation to implement the Cooper Jones act, chapter 165, Laws of 1998.

(2) The Washington traffic safety commission may oversee no more than four pilot projects regarding the use of traffic safety cameras at school zones and/or railroad crossings and no more than one pilot project regarding the use of traffic safety cameras at school zones, stoplights, and/or railroad crossings. The traffic safety commission shall use the following guidelines to administer the program:

(a) Traffic safety cameras may take pictures of the vehicle and vehicle license plate only;

(b) The law enforcement agency of the city or county government shall plainly mark the locations where the automated traffic enforcement system is used by placing signs on street locations that clearly indicate to a driver that he or she is entering a zone where traffic laws are enforced by an automated traffic enforcement system;

(c) Cities and counties using traffic safety cameras must provide periodic notice by mail to its citizens indicating the zones in which the traffic safety cameras will be used;

(d) Notices of infractions must be mailed to the registered owner of a vehicle within fourteen days of the infraction occurring;



(e) The owner of the vehicle is not responsible for the violation if the owner of the vehicle, within fifteen days after notification of the violation, furnishes the officials or agents of the municipality that issued the citation with:

(i) An affidavit made under oath, stating that the vehicle involved was, at the time, stolen or in the care, custody, or control of some person other than the registered owner; or

(ii) Testimony in open court under oath that the person was not the operator of the vehicle at the time of the alleged violation;

(f) Infractions detected through the use of traffic safety cameras are not part of the registered owner's driving record under RCW 46.52.101 and 46.52.120;

(g) By January 1, 2001, the traffic safety commission shall provide a report to the legislature regarding the use, public acceptance, outcomes, and other relevant issues regarding traffic safety cameras demonstrated by the pilot projects.

**Sec. 202.** 1999 sp.s. c 1 s 202 (uncodified) is amended to read as follows:  
**FOR THE BOARD OF PILOTAGE COMMISSIONERS**

Pilotage Account—State Appropriation . . . . .	\$	((290,000))
		<u>253,000</u>

**Sec. 203.** 1999 sp.s. c 1 s 203 (uncodified) is amended to read as follows:  
**FOR THE COUNTY ROAD ADMINISTRATION BOARD**

Rural Arterial Trust Account—State		
Appropriation . . . . .	\$	((72,510,000))
		<u>60,568,000</u>
Motor Vehicle Account—State Appropriation . . . . .	\$	((9,546,000))
		<u>1,661,000</u>
Motor Vehicle Account—Private/Local		
Appropriation . . . . .	\$	376,000
County Arterial Preservation Account—		
State Appropriation . . . . .	\$	((28,612,000))
		<u>28,542,000</u>
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$</b>	<b>((111,044,000))</b>
		<u>91,147,000</u>

The appropriations in this section are subject to the following conditions and limitations and specified amounts are provided solely for that activity: ((~~\$8,000,000~~)) \$240,000 of the motor vehicle account—state appropriation is provided solely for ((~~projects~~)) the completion of a study updating the legislature on the freight and goods road systems on county roads.

**Sec. 204.** 1999 sp.s. c 1 s 204 (uncodified) is amended to read as follows:  
**FOR THE TRANSPORTATION IMPROVEMENT BOARD**

Urban Arterial Trust Account—State		
Appropriation . . . . .	\$	((104,508,000))
		<u>104,433,000</u>
Transportation Improvement Account—		

Ch. 3 WASHINGTON LAWS, 2000 2nd Sp. Sess.

State Appropriation .....	\$	((99,414,000))
		<u>148,814,000</u>
Public Transportation Systems Account—		
State Appropriation .....	\$	((33,496,000))
		<u>4,532,000</u>
Multimodal Transportation Account—State		
Appropriation .....	\$	<u>11,977,000</u>
TOTAL APPROPRIATION .....	\$	((237,418,000))
		<u>269,756,000</u>

The appropriations in this section are subject to the following conditions and limitations and specified amounts are provided solely for that activity: ~~((To the extent practicable, the board shall give preference, for amounts which would otherwise be granted to cities, to those projects which complement projects funded under the county corridor congestion relief program contained in section 231(8) of this act.))~~ The transportation improvement account—state appropriation includes \$60,000,000 in proceeds from the sale of bonds, \$30,000,000 authorized by RCW 47.26.500, and \$30,000,000 authorized by House Bill No. 2788. If House Bill No. 2788 is not enacted in the form passed by the legislature \$30,000,000 of the amount provided in this subsection shall lapse.

Sec. 205. 1999 sp.s. c 1 s 205 (uncodified) is amended to read as follows:  
**FOR THE SENATE**

Motor Vehicle Account—State Appropriation .....	\$	((2,586,000))
		<u>2,436,000</u>

~~((The appropriation in this section is subject to the following conditions and limitations and specified amounts are provided solely for that activity:~~

~~—(1) The appropriation in this section is provided solely to fund the activities of the senate transportation committee;~~

~~—(2) The senate transportation committee shall work during the 1999 interim with members of the senate ways and means committee to assess funding options for aviation;~~

~~—(3) The senate transportation committee shall evaluate the transportation functions currently performed by the utilities and transportation commission including but not limited to those regarding the issuance of certificates of public convenience and necessity for auto transportation companies;~~

~~—(4) A legislative task force consisting of one member from each caucus of the senate and one member from each caucus of the house of representatives shall conduct a road jurisdiction study. The legislative task force shall appoint a technical advisory panel consisting of representatives of cities, counties, and the department of transportation. The study shall include but not be limited to an examination of the following issues:~~

~~—(a) Whether changed conditions merit redesignation of certain local roadways as state routes and the return of certain state routes to local jurisdictions;~~

- ~~— (b) Alternatives to current revenue distribution methodologies for funding roadway and highway needs;~~
- ~~— (c) Determine roadway responsibilities, authorities, and practices by jurisdictional level; and~~
- ~~— (d) Evaluate governance issues associated with road jurisdiction.~~
- ~~— (5) The committee shall oversee program accountability reviews of department of transportation, department of licensing, and Washington state patrol programs selected by the senate transportation committee.))~~

**Sec. 206.** 1999 sp.s. c 1 s 206 (uncodified) is amended to read as follows:  
**FOR THE LEGISLATIVE TRANSPORTATION COMMITTEE**  
 Motor Vehicle Account—State Appropriation . . . . . \$ ((4,283,000))  
3,633,000

The appropriation in this section is subject to the following conditions and limitations and specified amounts are provided solely for that activity:

(1) \$2,467,000 of the motor vehicle account—state appropriation is provided for the operation of the house of representatives transportation committee. The appropriation includes \$500,000 for personal service contracts and other activities as deemed necessary by the house of representatives transportation committee.

~~(2) ((The transportation committees of the legislature shall evaluate the transportation functions currently performed by the utilities and transportation commission including but not limited to those regarding the issuance of certificates of public convenience and necessity for auto transportation companies.~~

~~— (3) A legislative task force consisting of one member from each caucus of the senate and one member from each caucus of the house of representatives shall conduct a road jurisdiction study. The legislative task force shall appoint a technical advisory panel consisting of representatives of cities, counties, and the department of transportation. The study shall include but not be limited to an examination of the following issues:~~

- ~~— (a) Whether changed conditions merit redesignation of certain local roadways as state routes and the return of certain state routes to local jurisdictions;~~
- ~~— (b) Alternatives to current revenue distribution methodologies for funding roadway and highway needs;~~
- ~~— (c) Determine roadway responsibilities, authorities, and practices by jurisdictional level; and~~
- ~~— (d) Evaluate governance issues associated with road jurisdiction.~~

~~— (4) The transportation committees of the legislature shall oversee program accountability reviews of department of transportation, department of licensing, and Washington state patrol programs selected by the senate transportation committee)) To the extent possible, this appropriation shall utilize funds allocated under RCW 46.68.110(2).~~

**Sec. 207.** 1999 sp.s. c 1 s 207 (uncodified) is amended to read as follows:  
**FOR THE BLUE RIBBON COMMISSION ON TRANSPORTATION**

Ch. 3 WASHINGTON LAWS, 2000 2nd Sp. Sess.

Motor Vehicle Account—State Appropriation . . . . . \$ 1,800,000

The appropriation in this section is subject to the following conditions and limitations and specified amounts are provided solely for that activity: ~~((+))~~ The \$1,800,000 motor vehicle account—state appropriation is provided solely for the purpose of enabling the blue ribbon commission on transportation to fulfill its mission. The funds are to be administered by the senate transportation committee and the house of representatives transportation committee on behalf of the blue ribbon commission on transportation. To the extent possible, this appropriation shall utilize funds allocated under RCW 46.68.110(2).

**Sec. 208.** 1999 sp.s. c 1 s 208 (uncodified) is amended to read as follows:  
**FOR THE MARINE EMPLOYEES COMMISSION**

Puget Sound Ferry Operations Account—  
State Appropriation . . . . . \$ ~~((356,000))~~  
322,000

**Sec. 209.** 1999 sp.s. c 1 s 209 (uncodified) is amended to read as follows:  
**FOR THE TRANSPORTATION COMMISSION**

~~((Transportation Account—State Appropriation))~~  
Motor Vehicle Account—State Appropriation . . . . . \$ ~~((807,000))~~  
767,000

**Sec. 210.** 1999 sp.s. c 1 s 210 (uncodified) is amended to read as follows:  
**FOR THE FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD**

~~((Transportation)) Motor Vehicle Account—~~  
State Appropriation . . . . . \$ ~~((600,000))~~  
540,000

The appropriations in this section are subject to the following conditions and limitations and specified amounts are provided solely for that activity:

(1) The freight mobility strategic investment board is authorized to revise the criteria for selecting and ranking freight mobility projects, to be applied during the next call for projects. The original portfolio of projects submitted by the board to the legislature in December of 1999 shall not be impacted by any revisions to the criteria.

(2) The legislature recognizes that the freight mobility strategic investment board has submitted projects meeting the geographic allocation requirements of RCW 47.06A.050, even though some of the projects ultimately will be funded with regionally-allocated federal funds.

**Sec. 211.** 1999 sp.s. c 1 s 211 (uncodified) is amended to read as follows:  
**FOR THE WASHINGTON STATE PATROL—FIELD OPERATIONS BUREAU**

State Patrol Highway Account—  
State Appropriation . . . . . \$ ~~((154,538,000))~~  
154,314,000

State Patrol Highway Account—

Federal Appropriation . . . . .	\$	6,153,000
State Patrol Highway Account—		
Private/Local Appropriation . . . . .	\$	169,000
TOTAL APPROPRIATION . . . . .	\$	((160,860,000))
		<u>160,636,000</u>

The appropriations in this section are subject to the following conditions and limitations and specified amounts are provided solely for that activity:

~~(1) ((The following amounts are provided solely for administration of the field operations group subprogram: \$120,372,000 of the state patrol highway account—state appropriation; \$2,854,000 of the state patrol highway account—federal appropriation; and \$83,000 of the state patrol highway account—private/local appropriation.~~

~~—(2) The following amounts are provided solely for the administration of the commercial vehicle division subprogram: \$26,367,000 of the state patrol highway account—state appropriation; \$3,299,000 of the state patrol highway account—federal appropriation; and \$86,000 of the state patrol highway account—private/local appropriation.~~

~~—(3) \$7,799,000 of the state patrol highway account—state appropriation is provided solely for the administration of the traffic investigation division subprogram.~~

~~—(4) \$1,137,000 of the state patrol highway account—state appropriation is provided solely for the license fraud task force to begin on July 1, 1999. Positions funded are one sergeant/detective, three Washington state patrol detectives, and one clerical support person, for administrative support for the task force as a whole. \$115,400 of this amount is for reimbursement to the department of revenue and \$228,315 of this amount is for reimbursement to the attorney general's office. If Senate Bill No. 5706 is not enacted in the form passed by the legislature the amount provided in this subsection shall lapse. Any funds provided in this subsection not used to implement Senate Bill No. 5706 as enacted by the legislature shall revert at the end of the 1999-01 biennium.~~

~~—(5)) \$1,435,000 of the state patrol highway account—state appropriation is provided solely to the field operations group subprogram as a one-time appropriation to begin funding phase III of the Washington state patrol's upgrade to the state-wide emergency communication system. The Washington state patrol shall provide a full analysis of the costs, benefits, and requirements for completing all phases of the upgrade to the state-wide emergency communication system to the senate transportation committee and the house of representatives transportation committee by December 1, 1999.~~

~~((6)) (2) The Washington state patrol is authorized to use the federal community-oriented policing program (COPS) for 18 COPS troopers to begin in July 2000. The troopers must be used on the state's highways and up to six may be utilized in the Vancouver, Washington area.~~

Sec. 212. 1999 sp.s. c 1 s 212 (uncodified) is amended to read as follows:

Ch. 3 WASHINGTON LAWS, 2000 2nd Sp. Sess.

**FOR THE WASHINGTON STATE PATROL—SUPPORT SERVICES BUREAU**

State Patrol Highway Account—	
State Appropriation .....	\$ ((67,015,000))
	<u>65,621,000</u>
State Patrol Highway Account—	
Federal Appropriation .....	\$ 104,000
State Patrol Highway Account—	
Private/Local Appropriation .....	\$ 743,000
TOTAL APPROPRIATION .....	\$ ((67,862,000))
	<u>66,468,000</u>

The appropriations in this section are subject to the following conditions and limitations and specified amounts are provided solely for that activity: \$877,000 of the state patrol highway account—state appropriation is provided solely to maintain pursuit vehicles and provide for replacement of the vehicles at 110,000 miles. The agency may purchase a total of 354 pursuit vehicles during the biennium ending June 30, 2001. The appropriation in this section reflects carry forward and new funding due to the consolidation of gasoline, maintenance, parts, and pursuit vehicles into the fleet section of the support services bureau.

**Sec. 213.** 1999 sp.s. c 1 s 213 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF LICENSING—MANAGEMENT AND SUPPORT SERVICES**

<u>Marine Fuel Tax Refund Account—State</u>	
Appropriation .....	\$ 3,000
Motorcycle Safety Education Account—	
State Appropriation .....	\$ ((118,000))
	<u>102,000</u>
Wildlife Account—State Appropriation .....	\$ ((50,000))
	<u>80,000</u>
Highway Safety Account—State Appropriation .....	\$ ((6,578,000))
	<u>7,074,000</u>
Motor Vehicle Account—State Appropriation .....	\$ ((4,571,000))
	<u>3,998,000</u>
<u>DOL Services Account—State Appropriation</u> .....	\$ 123,000
TOTAL APPROPRIATION .....	\$ ((11,317,000))
	<u>11,380,000</u>

**Sec. 214.** 1999 sp.s. c 1 s 214 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF LICENSING—INFORMATION SYSTEMS**

<u>Marine Fuel Tax Refund Account—State</u>	
Appropriation .....	\$ 2,000
Motorcycle Safety Education Account—	
State Appropriation .....	\$ ((102,000))

	<u>44,000</u>
Wildlife Account—State Appropriation . . . . .	\$ ((46,000))
	<u>32,000</u>
Highway Safety Account—State Appropriation . . . . .	\$ ((5,725,000))
	<u>5,953,000</u>
Motor Vehicle Account—State Appropriation . . . . .	\$ ((3,651,000))
	<u>2,909,000</u>
<u>DOL Services Account—State Appropriation . . . . .</u>	<u>\$ 292,000</u>
TOTAL APPROPRIATION . . . . .	\$ ((9,524,000))
	<u>9,232,000</u>

The appropriations in this section are subject to the following conditions and limitations and specified amounts are provided solely for that activity: \$745,000 of the highway safety fund—state appropriation is a reappropriation of funds originally appropriated for the document scanner project in the 1997-99 biennium.

**Sec. 215.** 1999 sp.s. c 1 s 215 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF LICENSING—VEHICLE SERVICES**

Marine Fuel Tax Refund Account—

State Appropriation . . . . .	\$ 26,000
Wildlife Account—State Appropriation . . . . .	\$ 556,000
Motor Vehicle Account—State Appropriation . . . . .	\$ ((56,137,000))
	<u>53,532,000</u>
DOL Services Account—State Appropriation . . . . .	\$ ((2,907,000))
	<u>3,057,000</u>
TOTAL APPROPRIATION . . . . .	\$ ((59,626,000))
	<u>57,171,000</u>

The appropriations in this section are subject to the following conditions and limitations and specified amounts are provided solely for that activity:

((+)) (1) \$300,000 of the motor vehicle account—state appropriation is provided solely to implement Senate Bill No. 6009 enacted in the form passed by the legislature. If Senate Bill No. 6009 is not enacted in the form passed by the legislature the amount provided in this subsection shall lapse.

((5)) (2) \$15,000 of the motor vehicle account—state appropriation is provided solely to implement House Bill No. 2201 enacted in the form passed by the legislature.

(3) \$150,000 of the DOL services account—state appropriation is provided solely for the purchase and implementation of a revenue system to accompany the department's electronic commerce initiative.

**Sec. 216.** 1999 sp.s. c 1 s 216 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF LICENSING—DRIVER SERVICES**

Motorcycle Safety Education Account—

State Appropriation . . . . .	\$ ((1,960,000))
	<u>2,210,000</u>

**Ch. 3 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

Highway Safety Account—State Appropriation . . . . .	\$	((78,075,000))
		<u>77,971,000</u>
TOTAL APPROPRIATION . . . . .	\$	((80,035,000))
		<u>80,181,000</u>

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

(1) By January 1, 2001, the department shall report to the transportation committees of the house of representatives and the senate on the progress of the driver history initiative project and make recommendations for implementing this project on a state-wide level.

(2) \$2,880,000 of the highway safety account—state appropriation is provided solely for the department to enter into a contract for the implementation of an improved state driver's license and identicard. The contract with the vendor providing the improved license and identicard shall state that the license and the identicard shall not contain: (a) The driver's social security number in either visible or machine readable form; or (b) the driver's fingerprint or thumbprint. Consistent with RCW 42.17.260(9) the department shall not sell or otherwise make available any information that it gathers from citizens of the state of Washington in administering the driver's licensing program except as already authorized in Title 46 RCW.

~~((2))~~ (3) In September of 1999 the department of licensing shall report to the senate transportation committee and the house of representatives transportation committee on:

(a) The controls implemented by the department to ensure the integrity and credibility of the written driver's license test administered by the department; and

(b) The policies and procedures implemented by the department to ensure that the driver's manuals produced and distributed by the department contain correct data based on current federal, state, and local statutes, ordinances, and rules.

(4) \$17,000 of the highway safety fund—state appropriation is provided solely to implement House Bill No. 1774 enacted in the form passed by the legislature. If House Bill No. 1774 is not enacted in the form passed by the legislature the amount referenced in this subsection shall lapse.

(5) \$130,000 of the highway safety fund—state appropriation is provided solely to implement House Bill No. 2259 enacted in the form passed by the legislature. If House Bill No. 2259 is not enacted in the form passed by the legislature the amount provided in this subsection shall lapse.

~~((6)) \$34,000 of the highway safety fund—state appropriation is provided solely to implement Senate Bill No. 5374 enacted in the form passed by the legislature. If Senate Bill No. 5374 is not enacted in the form passed by the legislature the amount referenced in this subsection shall lapse.~~

~~—(8) \$329,000 of the highway safety account—state appropriation is provided solely to implement Senate Bill No. 5399 enacted as passed by the legislature.~~)

**Sec. 217.** 1999 sp.s. c 1 s 217 (uncodified) is amended to read as follows:



**FOR THE DEPARTMENT OF TRANSPORTATION—HIGHWAY  
MANAGEMENT AND FACILITIES—PROGRAM D—OPERATING**

Motor Vehicle Account—State Appropriation . . . . .	\$	((44,508,000))
		<u>45,236,000</u>
Motor Vehicle Account—Federal Appropriation . . . . .	\$	400,000
TOTAL APPROPRIATION . . . . .	\$	((44,908,000))
		<u>45,636,000</u>

Sec. 218. 1999 sp.s. e 1 s 218 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—AVIATION—  
PROGRAM F**

Aeronautics Account—State Appropriation . . . . .	\$	((4,010,000))
		<u>5,047,000</u>
Aircraft Search and Rescue Safety and Education Account—State Appropriation . . . . .	\$	159,000
<del>((Transportation Account—State Appropriation . . . . .</del>	<del>\$</del>	<del>247,000))</del>
TOTAL APPROPRIATION . . . . .	\$	((4,416,000))
		<u>5,206,000</u>

The appropriations in this section are subject to the following conditions and limitations: Grants awarded by the department of transportation shall emphasize safety-related activities.

Sec. 219. 1999 sp.s. c 1 s 219 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—IMPROVEMENTS—  
PROGRAM I**

Motor Vehicle Account—State Appropriation . . . . .	\$	((630,010,000))
		<u>459,765,000</u>
Motor Vehicle Account—Federal Appropriation . . . . .	\$	((234,939,000))
		<u>240,241,000</u>
Motor Vehicle Account—Private/Local Appropriation . . . . .	\$	((43,344,000))
		<u>50,363,000</u>
<del>((High Capacity Transportation Account—State Appropriation . . . . .</del>	<del>\$</del>	<del>110,000))</del>
Special Category C Account—State Appropriation . . . . .	\$	55,220,000
<del>((Transportation Account—State Appropriation . . . . .</del>	<del>\$</del>	<del>197,284,000)</del>
<del>Transportation Account—Federal Appropriation . . . . .</del>	<del>\$</del>	<del>56,808,000))</del>
Puyallup Tribal Settlement Account— State Appropriation . . . . .	\$	8,662,000
<del>((Transportation Infrastructure Account—State Appropriation . . . . .</del>	<del>\$</del>	<del>1,750,000)</del>
<del>Transportation Infrastructure Account— Private/Local Appropriation . . . . .</del>	<del>\$</del>	<del>1,750,000))</del>
<u>Multimodal Transportation Account—State</u>		

**Ch. 3 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

<u>Appropriation</u> .....	\$	<u>4,880,000</u>
<u>Multimodal Transportation Account—Federal</u>		
<u>Appropriation</u> .....	\$	<u>1,275,000</u>
<u>Multimodal Transportation Account—Private/Local</u>		
<u>Appropriation</u> .....	\$	<u>1,106,000</u>
TOTAL APPROPRIATION .....	\$	<del>((1,229,877,000))</del>
		<u>821,512,000</u>

The appropriations in this section are provided for the location, design, right of way acquisition, or construction of state highway projects designated as improvements under RCW 47.05.030. The appropriations in this section are subject to the following conditions and limitations and specified amounts are provided solely for that activity:

(1) The special category C account—state appropriation of \$55,220,000 includes \$40,500,000 in proceeds from the sale of bonds authorized by Senate Bill No. 5060 or House Bill No. 1203 enacted in the form passed by the legislature. 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) The motor vehicle account—state appropriation includes \$1,285,000 in proceeds from the sale of bonds authorized by RCW 47.10.819(1) for match on federal demonstration projects. 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.

(3) The department shall report December 1st and June 1st of each year to the senate transportation committee and the house of representatives transportation committee and the office of financial management on the timing and the scope of work being performed for the regional transit authority known as sound transit. This report shall provide a description of all department activities related to the regional transit authority including investments in state-owned infrastructure.

(4) The motor vehicle account—federal appropriation in this section is transferrable to the transportation account or multimodal transportation account to ensure efficient funds management and program delivery.

(5) ~~((The north Sumner interchange project shall be funded entirely from the motor vehicle account appropriation.))~~ \$2,270,000 of the motor vehicle account—state appropriation is provided solely for the north Sumner interchange project. The project shall no longer receive a portion of its funding from the economic development account.

(6) ~~(((\$34,920,000 of the motor vehicle account—state appropriation))~~ \$4,880,000 of the multimodal transportation account—state appropriation is provided solely for the state program share of freight mobility projects as identified by the freight mobility strategic investment board. The amount provided in this subsection can only be expended upon authorization from the freight mobility strategic investment board.

(7) The motor vehicle account—state appropriation includes ~~((\\$469,779,000))~~ \$147,000,000 in proceeds from the sale of bonds authorized by RCW 47.10.843. 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.

~~(8) ((\\$500,000 of the motor vehicle account—state appropriation is provided solely for analysis and design of congestion solutions at the intersections of the South Lake Union/Mercer corridor with Interstate 5 and SR 99. The amount provided in this subsection shall be expended on the state's portion of the project. The department's authority to expend the amount referenced in this subsection is contingent on the city of Seattle appropriating \$500,000 or more toward design and analysis for the local street portion of the project.~~

~~—(9) \$10,000,000) (a) \$50,000,000~~ of the motor vehicle account—state appropriation ~~((and \$40,000,000 of the transportation account—state appropriation are))~~ is provided as a cash contribution for the development of the public private initiatives project at Tacoma Narrows. State funds shall be used initially for the acquisition of right of way and the forensic studies of the existing bridge including purchase of equipment necessary to conduct the studies. The balance of state funds not required for acquisition of right of way and forensic studies shall be placed with the designated bond trustee at the same time the privately secured debt proceeds are deposited.

(b) The \$50,000,000 provided in (a) of this subsection includes \$5,527,000 in proceeds from the sale of bonds authorized in RCW 47.10.834 for all forms of cash contributions, or payment of other costs incident to the location, development, design, right of way, and construction of the Tacoma narrows bridge improvements under the public-private transportation initiative program authorized under chapter 47.46 RCW.

~~((+1)) (9)~~ \$5,800,000 of the motor vehicle account—state appropriation is provided solely for the completion of the weigh stations at Stanwood and Cle Elum along with weigh in motion at those sites ~~((an))~~ and weigh in motion at Fort Lewis Northbound. The Washington state patrol and department of transportation shall work cooperatively to complete these projects.

~~((+2)) (10)~~ \$485,000 of the motor vehicle account—state appropriation is a reappropriation provided solely to enable the translake committee to finalize and present its recommendations. Upon presentation of the recommendations, or upon the expenditure of the appropriation provided by this subsection, the department of transportation shall disband the committee.

~~((+3)) (11)~~ \$800,000 of the motor vehicle account—state appropriation ~~((is))~~ and \$3,000,000 of the motor vehicle account—federal appropriation are provided solely to the Washington state department of transportation, office of urban mobility, to advance the recommendations of the translake Washington study committee. These funds shall be used to develop a scope of work for an environmental impact statement and related engineering work, including an

Ch. 3 WASHINGTON LAWS, 2000 2nd Sp. Sess.

environmental strategy, a decision process, a statement of purpose and need, and a formal notice of intent. None of the appropriation for the scope of work for the environmental impact statement shall be available to support any activities of the translake Washington study committee.

~~((14) \$500,000)~~ (12) \$1,166,000 of the motor vehicle fund—state appropriation is provided solely for predesign of the northeast 44th street interchange on I-405. ~~((The department of transportation and the city of Renton shall develop a proposal that includes a funding plan for the interchange that specifies the partner's share of the cost. The department and the city shall report to the legislative transportation committees by December 1, 1999.))~~ This amount shall be placed into a reserve status until such time as a one-third contribution is made by the city of Renton and a one-third contribution is made by the project developer. If the city and developer contributions are not obtained by October 31, 2000, this amount shall lapse.

(13) The department's work force levels for highway construction for the 1999-2001 biennium shall be 2200 FTEs. Additional work force increases for highway construction are authorized and shall not exceed five percent of the authorized work force. The department shall report quarterly on program delivery and related work force adjustments.

(14) \$1,250,000 of the motor vehicle account—state appropriation is provided solely to establish alternatives for flood management and flood hazard reduction projects in the Chehalis basin.

(a) The department of transportation shall convene a technical committee to develop watershed-based solutions to flooding within the Chehalis basin. The technical committee shall be comprised of representatives of the department of transportation, department of ecology, department of fish and wildlife, the department of community, trade, and economic development, the military department's emergency management division, and affected counties and tribes. The department of transportation shall also seek the participation of the United States army corps of engineers, federal emergency management administration, the United States geological survey, the United States fish and wildlife service, the United States environmental protection agency, and other entities with critical knowledge related to the structural or nonstructural flood hazard reduction projects in the Chehalis basin. Funds shall be distributed by the department of transportation for alternative analysis, mapping, and model testing projects as recommended by the technical committee. The solutions considered by the technical committee shall be consistent with fish and habitat recovery efforts and avoid additional flood hazard to downstream communities. The department of transportation shall present a report to the senate transportation committee and the house of representatives transportation committee by December 1, 1999, regarding findings and progress made by funded projects.

(b) If the federal government makes funds available to accomplish the project described in (a) of this subsection, the department of transportation shall place the appropriation identified in this section in reserve.

**Sec. 220.** 1999 sp.s. c 1 s 220 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF TRANSPORTATION—TRANSPORTATION  
 ECONOMIC PARTNERSHIPS—PROGRAM K**

<del>(Transportation Account—State Appropriation . . . . .</del>	<del>\$ 1,212,000)</del>
Motor Vehicle Account—State Appropriation . . . . .	\$ ((10,162,000))
	<u>5,847,000</u>
TOTAL APPROPRIATION . . . . .	\$ ((11,374,000))
	<u>5,847,000</u>

The appropriation((s)) in this section ((are)) is subject to the following conditions and limitations and specified amounts are provided solely for that activity:

(1) The motor vehicle fund—state appropriation includes ~~((10,162,000))~~ \$4,635,000 in proceeds from the sale of bonds authorized in RCW 47.10.834 for all forms of cash contributions, or the payment of other costs incident to the location, development, design, right of way, and construction of the Tacoma narrows bridge improvements under the public-private transportation initiative program authorized under chapter 47.46 RCW; and for support costs of the public-private transportation initiatives program.

(2) The department of transportation and the freight mobility strategic investment board must coordinate activities relating to relieving traffic congestion and promoting the movement of freight.

**Sec. 221.** 1999 sp.s. c 1 s 221 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF TRANSPORTATION—HIGHWAY  
 MAINTENANCE—PROGRAM M**

Motor Vehicle Account—State Appropriation . . . . .	\$ ((251,426,000))
	<u>239,927,000</u>
Motor Vehicle Account—Federal Appropriation . . . . .	\$ ((887,000))
	<u>486,000</u>
Motor Vehicle Account—Private/Local Appropriation . . . . .	\$ 3,417,000
TOTAL APPROPRIATION . . . . .	\$ ((255,730,000))
	<u>243,830,000</u>

The appropriations in this section are subject to the following conditions and limitations and specified amounts are provided solely for that activity:

(1) If portions of the appropriations in this section are required to fund maintenance work resulting from major disasters not covered by federal emergency funds such as fire, flooding, and major slides, supplemental appropriations will be requested to restore state funding for ongoing maintenance activities.

**Ch. 3 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

(2) The department shall request an unanticipated receipt for any federal moneys received for emergency snow and ice removal and shall place an equal amount of the motor vehicle fund—state into unallotted status. This exchange shall not affect the amount of funding available for snow and ice removal.

(3) The department shall not close any highway rest areas but shall continue to operate and maintain all existing rest areas. The department shall convene a panel of stakeholders to evaluate innovative financing options and partnership opportunities at safety rest areas on state highways. At a minimum, the evaluation shall include: (a) A survey of relevant laws that impact the state's ability to create public-private partnerships or utilize innovative financing techniques for the maintenance and operation of safety rest areas; and (b) an identification of maintenance and operation activities necessary to ensure continuous operation of safety rest areas. By December 1, 2000, the stakeholder panel shall make recommendations to the house of representatives and senate transportation committees and the office of financial management on the feasibility of instituting a pilot project for public-private partnerships or innovative financing of safety rest areas.

**Sec. 222.** 1999 sp.s. c 1 s 222 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF TRANSPORTATION—PRESERVATION—PROGRAM P**

Motor Vehicle Account—State Appropriation . . . . .	\$	((318,691,000))
		<u>103,569,000</u>
Motor Vehicle Account—Federal Appropriation . . . . .	\$	((284,587,000))
		<u>386,087,000</u>
Motor Vehicle Account—Private/Local Appropriation . . . . .	\$	((3,117,000))
		<u>4,117,000</u>
<del>((Transportation Account))</del> <u>Multimodal</u> <u>Transportation Account—State Appropriation . . . . .</u>	\$	((121,000))
		<u>38,121,000</u>
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$</b>	<b>((606,516,000))</b>
		<b><u>531,894,000</u></b>

The appropriations in this section are subject to the following conditions and limitations and specified amounts are provided solely for that activity:

(1) The motor vehicle fund—state appropriation includes \$6,650,000 in proceeds from the sale of bonds authorized in RCW 47.10.761 and 47.10.762 for emergency purposes. 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) The motor vehicle account—federal appropriation in this section is transferable to the transportation account or multimodal transportation account to ensure efficient funds management and program delivery.

(3) The department's work force levels for highway construction for the 1999-2001 biennium shall be 2200 FTEs. Additional work force increases for highway construction are authorized and shall not exceed five percent of the authorized work force. The department shall report quarterly on program delivery and related work force adjustments.

(4) The department of transportation is authorized to maximize the use of federal and state funds to implement the provisions of this section.

**Sec. 223.** 1999 sp.s. c 1 s 223 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF TRANSPORTATION—TRAFFIC OPERATIONS—PROGRAM Q**

State Patrol Highway Account—State	
Appropriation . . . . .	\$ 221,000
Motor Vehicle Account—State Appropriation . . . . .	\$ ((37,085,000))
	<u>33,793,000</u>
Motor Vehicle Account—Federal Appropriation . . . . .	\$ 1,662,000
Motor Vehicle Account—Private/Local	
Appropriation . . . . .	\$ 122,000
TOTAL APPROPRIATION . . . . .	\$ ((39,090,000))
	<u>35,798,000</u>

The appropriations in this section are subject to the following conditions and limitations and the specified amount is provided solely for that activity:

(1) The motor vehicle account—state appropriation includes \$4,324,000 for state matching funds for federally selected competitive grant or congressional earmark projects other than commercial vehicle information system and network (CVISN). These moneys shall be placed into reserve status until such time as federal funds are secured and a state match is required. If matching federal funds are not obtained by September 30, 2000, the amount provided in this subsection shall lapse.

(2) The motor vehicle account—state appropriation includes \$600,000 for a two-year pilot program for contracted roving service patrols. The department shall provide a progress report on this pilot program to the office of financial management, the senate transportation committee, and the house of representatives transportation committee on December 1, 2000. The pilot program will be evaluated with future direction and funding to be determined by the documented results and benefits of the pilot program.

(3) Projects selected by the department in this section must be selected using safety-related and congestion-related criteria.

**Sec. 224.** 1999 sp.s. c 1 s 224 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF TRANSPORTATION—TRANSPORTATION MANAGEMENT AND SUPPORT—PROGRAM S**

Puget Sound Capital Construction Account—	
State Appropriation . . . . .	\$ ((4,464,000))

Ch. 3 WASHINGTON LAWS, 2000 2nd Sp. Sess.

		2,989,000
Motor Vehicle Account—State Appropriation . . . . .	\$	((98,390,000))
		<u>84,062,000</u>
Motor Vehicle Account—Federal Appropriation . . . . .	\$	125,000
Puget Sound Ferry Operations Account— State Appropriation . . . . .	\$	((6,308,000))
		<u>6,353,000</u>
Transportation Account—State Appropriation . . . . .	\$	((1,517,000))
		<u>115,000</u>
<u>Multimodal Transportation Account—State</u> <u>Appropriation . . . . .</u>	\$	<u>1,402,000</u>
<u>TOTAL APPROPRIATION . . . . .</u>	\$	<u>((110,804,000))</u>
		<u>95,046,000</u>

The appropriations in this section are subject to the following conditions and limitations and the specified amount is provided solely for that activity:

(1) ~~((586,000))~~ \$75,000 of the motor vehicle account—state appropriation is provided solely to enable the secretary of transportation to implement a leadership training program at the department of transportation. The program shall include a mentoring component. The department shall develop performance measures to evaluate the effectiveness of the program, including but not limited to a performance measure to determine the effect of the program on employee retention. The department shall provide a progress report on the training program to the office of financial management, the senate transportation committee, and the house of representatives transportation committee by December 1, 2000.

(2) Appropriation transfers from transportation management and support to the transportation equipment fund for management information services activities shall be permitted through fiscal year 2000. Effective July 1, 2000, expenditures for these activities shall be charged directly to transportation management and support.

NEW SECTION. Sec. 225. RCW 47.08.125 (Transfer of purchases to transportation equipment fund—Charge for computer services) and 1979 c 39 s 2 are each repealed.

**Sec. 226.** 1999 sp.s. c 1 s 225 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—TRANSPORTATION PLANNING, DATA, AND RESEARCH—PROGRAM T**

Motor Vehicle Account—State Appropriation . . . . .	\$	((12,109,000))
		<u>10,459,000</u>
Motor Vehicle Account—Federal Appropriation . . . . .	\$	17,000,000
Transportation Account—State Appropriation . . . . .	\$	((1,371,000))
		<u>328,000</u>
<u>Multimodal Transportation Account—State</u> <u>Appropriation . . . . .</u>	\$	<u>1,043,000</u>



TOTAL APPROPRIATION ..... \$ ((30,480,000))  
28,830,000

**Sec. 227.** 1999 sp.s. c 1 s 226 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF TRANSPORTATION—CHARGES FROM OTHER AGENCIES—PROGRAM U**

**(1) FOR PAYMENT OF COSTS OF ATTORNEY GENERAL TORT CLAIMS SUPPORT**

~~((Transportation Account—State Appropriation ..... \$ 2,595,000))~~  
Motor Vehicle Account—State Appropriation ..... \$ 2,913,000

**Puget Sound Ferry Operations—State**

Appropriation ..... \$ 1,155,000

**(2) FOR PAYMENT OF COSTS OF THE OFFICE OF THE STATE AUDITOR**

Motor Vehicle Account—State Appropriation ..... \$ 907,000

**(3) FOR PAYMENT OF COSTS OF DEPARTMENT OF GENERAL ADMINISTRATION FACILITIES AND SERVICES AND CONSOLIDATED MAIL SERVICES**

Motor Vehicle Account—State Appropriation ..... \$ ((3,743,000))  
3,693,000

**(4) FOR PAYMENT OF COSTS OF THE DEPARTMENT OF PERSONNEL**

Motor Vehicle Account—State Appropriation ..... \$ ((2,240,000))  
1,990,000

**(5) FOR PAYMENT OF SELF-INSURANCE LIABILITY PREMIUMS AND ADMINISTRATION**

~~((Transportation Account))~~  
Motor Vehicle Account—State Appropriation ..... \$ ((12,039,000))  
11,539,000

**(6) FOR PAYMENT OF SELF-INSURANCE LIABILITY PREMIUMS AND ADMINISTRATION**

Motor Vehicle Fund—Puget Sound Ferry Operations Account—  
State Appropriation ..... \$ ((3,462,000))  
3,262,000

**(7) FOR PAYMENT OF COSTS OF OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES**

Motor Vehicle Account—State Appropriation ..... \$ 158,000

~~**(8) ((FOR PAYMENT OF COSTS OF THE DEPARTMENT OF GENERAL ADMINISTRATION STATE PARKING SERVICES**~~

~~Motor Vehicle Account—State Appropriation ..... \$ 90,000~~

~~—(9))~~ **FOR PAYMENT OF THE DEPARTMENT OF GENERAL ADMINISTRATION CAPITAL PROJECTS SURCHARGE**

Motor Vehicle Account—State Appropriation ..... \$ 1,100,000

~~((10))~~ **(9) FOR ARCHIVES AND RECORDS MANAGEMENT**

Ch. 3 WASHINGTON LAWS, 2000 2nd Sp. Sess.

Motor Vehicle Account—State Appropriation . . . . .	\$	392,000
<p>Sec. 228. 1999 sp.s. c 1 s 227 (uncodified) is amended to read as follows:  <b>FOR THE DEPARTMENT OF TRANSPORTATION—PUBLIC  TRANSPORTATION—PROGRAM V</b></p>		
High Capacity Transportation Account— State Appropriation . . . . .	\$	<del>((3,701,000))</del> 1,451,000
Air Pollution Control Account—State Appropriation . . . . .	\$	<del>((6,253,000))</del> 1,313,000
Transportation Account—State Appropriation . . . . .	\$	<del>((7,187,000))</del> 2,046,000
Transportation Account—Federal Appropriation . . . . .	\$	<del>((7,345,000))</del> 358,000
<del>((Transportation Account—Private/Local Appropriation . . . . .</del>	<del>\$</del>	<del>105,000</del>
<del>Public Transportation Systems Account— State Appropriation . . . . .</del>	<del>\$</del>	<del>800,000))</del>
<u>Multimodal Transportation Account—State Appropriation . . . . .</u>	<u>\$</u>	<u>7,189,000</u>
<u>Multimodal Transportation Account—Federal Appropriation . . . . .</u>	<u>\$</u>	<u>6,987,000</u>
<u>Multimodal Transportation Account— Private/Local Appropriation . . . . .</u>	<u>\$</u>	<u>105,000</u>
TOTAL APPROPRIATION . . . . .	\$	<del>((24,391,000))</del> 19,449,000

The appropriations in this section are subject to the following conditions and limitations and specified amounts are provided solely for that activity:

(1) Appropriations in this section shall initially be allotted as appropriated by this section. Subsequent allotment modifications shall not permit moneys that are provided solely for a specified purpose to be used for other than that purpose. After January 1, 2000, after approval by the director of financial management and unless specifically prohibited by this act, the department may transfer appropriations between the transportation account—state and the multimodal transportation account—state appropriations. However, the program shall not expend more than the total amount appropriated from these accounts.

(2) Up to \$750,000 of the multimodal transportation account—state appropriation is provided solely for grants and activities relating to coordinating special needs transportation among state and local providers. When selecting grant recipients, the agency council on coordinated transportation shall give priority to projects and programs that can be accomplished in the 1999-2001 biennium. ~~((The department may expend up to \$250,000 without a matching appropriation. The department's authority to expend more than that amount is conditioned upon the~~

~~legislature authorizing a matching appropriation equal to the total expenditure of the amount provided in this subsection.~~

~~(2) \$50,000 of the public transportation systems account—state appropriation is provided solely to continue and enhance an existing pilot project between a public transit provider and a school district expanding public transit service to high school students in order to reduce the use of single occupancy vehicles.)~~

(3) The department shall assess its commute trip reduction program. The assessment shall include an evaluation of tax credits or other incentives to employers who reduce commute trips to their work sites by encouraging employees to telecommute. Up to \$50,000 of the air pollution control account—state appropriation is provided for a pilot project implementing telecommuting as part of the commute trip reduction program. The pilot project may include use of tax credits or other financial incentives.

(4) In evaluating applications for rural mobility grants to public transportation agencies, the department shall give added weight to projects that improve connectivity among transit providers and across jurisdictional boundaries.

(5) \$4,900,000 of the multimodal transportation account—federal appropriation is provided solely for commute trip reduction programs administered by the department of transportation. These funds come from the TEA-21 congestion mitigation air quality program. ~~((The office of financial management shall place \$1,000,000 of the air pollution control account—state appropriation in reserve status:))~~

Sec. 229. 1999 sp.s. c 1 s 228 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—WASHINGTON STATE FERRIES CONSTRUCTION—PROGRAM W**

Puget Sound Capital Construction Account—	
State Appropriation .....	\$ ((140,135,000))
	<u>119,535,000</u>
Puget Sound Capital Construction Account—	
Federal Appropriation .....	\$ ((29,575,000))
	<u>42,466,000</u>
Passenger Ferry Account—State Appropriation .....	\$ ((789,000))
	<u>215,000</u>
<del>((Motor Vehicle Account—State Appropriation .....</del>	<del>\$ 116,221,000))</del>
TOTAL APPROPRIATION .....	\$ ((286,720,000))
	<u>162,216,000</u>

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 and specified amounts are provided solely for that activity:

Ch. 3 WASHINGTON LAWS, 2000 2nd Sp. Sess.

(1) The appropriations in this section, unless otherwise specified, are provided to carry out only the projects in the Washington state ferries capital program plan - version ((3)) 1. The department shall reconcile the 1997-99 capital expenditures within ninety days of the end of the biennium and submit a final report to the senate transportation committee, the house of representatives transportation committee, and the office of financial management.

(2) The Puget Sound capital construction account—state appropriation includes \$27,000,000 in proceeds from the sale of bonds authorized by RCW 47.60.800 for vessel and terminal acquisition, major and minor improvements, and long lead time materials acquisition for the Washington state ferries. The transportation commission may authorize the use of current revenues available to the Puget Sound capital construction account in lieu of bond proceeds for any part of the state appropriation.

~~((4) The motor vehicle account—state appropriation includes \$110,729,000 in proceeds from the sale of bonds authorized by RCW 47.10.843. 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) The department shall structure the request for proposal for the purchase of passenger-only ferries authorized under RCW 47.60.652 to include the purchase of a fifth back-up ferry to support maintenance schedules, emergency service needs, and provide continuity of service on all passenger-only ferry routes. The purchase of a fifth passenger-only ferry is subject to subsequent legislative appropriation.)~~

Sec. 230. 1999 sp.s. c 1 s 229 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF TRANSPORTATION—MARINE—PROGRAM X**

Marine Operating Account—State		
Appropriation . . . . .	\$	((303,014,000))
		<u>148,330,000</u>
<u>Puget Sound Ferry Operations Account—State</u>		
Appropriation . . . . .	\$	<u>137,587,000</u>
<u>Multimodal Transportation Account—State</u>		
Appropriation . . . . .	\$	<u>5,092,000</u>
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$</b>	<b><u>291,009,000</u></b>

The appropriation in this section is subject to the following conditions and limitations and specified amounts are provided solely for that activity:

(1) Appropriations in this section shall initially be allotted as appropriated by this section. Subsequent allotment modifications shall not permit moneys that are provided solely for a specified purpose to be used for other than that purpose. After May 1, 2000, after approval by the director of financial management and unless specifically prohibited by this act, the department may transfer appropriations between the marine operating account—state and the Puget Sound

ferry operations account—state appropriations. However, the program shall not expend more than the total amount appropriated from these accounts.

~~(2)~~ (2) The appropriation is based on the budgeted expenditure of ~~(((\$29,104,000)) \$29,539,000~~ for vessel operating fuel in the 1999-2001 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))~~ (3) The appropriation provides for the compensation of ferry employees. The expenditures for compensation paid to ferry employees during the 1999-2001 biennium may not exceed ~~(((\$205,640,000)) \$195,690,000~~ 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 \$341.75 a month annualized per eligible marine employee multiplied by the number of eligible marine employees for the respective fiscal year, a dollar amount as prescribed by the office of financial management for costs associated with pension amortization charges, and a dollar amount prescribed by the office of financial management for salary increases during the 1999-2001 biennium. 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.?).

The prescribed salary and insurance benefit increase or decrease dollar amount that shall be allocated from the governor's compensation appropriations is in addition to the appropriation contained in this section and may be used to increase or decrease compensation costs, effective July 1, 1999, and thereafter, as established in the 1999-2001 general fund operating budget.

~~((3) Up to \$2,770,000 of the marine operating account—state appropriation may be used for leasing and operating an appropriate passenger only ferry vessel for the purpose of supporting existing, or testing new, passenger only service while testing alternative vessel technologies:))~~

(4) The department, when implementing ferry service reductions, shall, to the extent possible, maintain peak hour vehicle and passenger service capacity, summer tourist route capacity, and a fall/winter/spring presence on all auto ferry routes, while ensuring equitable treatment among routes.

(5) The joint task force on ferries is created.

(a) The joint task force on ferries is composed of:

(i) Eight members of the legislature selected as follows:

(A) Four members of the senate, two from each of the major caucuses, to be appointed by the president of the senate, who shall select one of the four senate members as cochair;

(B) Four members of the house of representatives, two from each of the major caucuses, to be appointed by the cospeaker of the respective caucus. The cospeakers shall jointly select one of the four house members as cochair; and

Ch. 3 WASHINGTON LAWS, 2000 2nd Sp. Sess.

(C) The members appointed from each major caucus of the senate and the house of representatives must include one member from a legislative district that encompasses a terminus of a Washington state ferry route and one from a legislative district that does not include a terminus of a Washington state ferry route;

(ii) At least one person designated by the cochairs representing each of the following:

- (A) Ferry advisory committees;
- (B) Persons who do not use ferries;
- (C) Labor organizations representing ferry workers;
- (D) Washington State Ferries;
- (E) Transit operators;
- (F) The office of financial management; and
- (G) Other groups as deemed appropriate by the cochairs of the task force.

(b) The transportation committees shall provide staff support as mutually agreed by the cochairs of the joint task force.

(c) The legislative transportation committee shall pay the expenses of the legislative committee members.

(d) The joint task force on ferries shall report to the full legislature at the beginning of the 2001 legislative session. The report must include, but not be limited to, analysis and recommendations on the following:

(i) Establishment of a long-term goal for recovery of operating costs from fare revenue;

(ii) Options for further cuts in ferry service or full or partial restoration of ferry service cuts;

(iii) Feasibility of full or partial privatization of the ferry system, public-private partnerships, or state and local partnerships; and

(iv) Establishing the short-term and long-term capital needs of the Washington state ferry system.

Sec. 231. 1999 sp.s. c 1 s 230 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—RAIL—PROGRAM  
Y**

Essential Rail Assistance Account—		
State Appropriation .....	\$	85,000
High Capacity Transportation Account—		
State Appropriation .....	\$	((15,094,000))
		<u>10,794,000</u>
Transportation Account—State Appropriation .....	\$	((95,915,000))
		<u>7,030,000</u>
Transportation Account—Federal Appropriation .....	\$	((10,000,000))
		<u>12,000</u>
<del>((Public Transportation Systems Account—</del>		
<del>    State Appropriation .....</del>	<del>\$</del>	<del>5,000,000))</del>

<u>Multimodal Transportation Account—State</u>	
<u>Appropriation</u> . . . . .	\$ 41,935,000
<u>Multimodal Transportation Account—Federal</u>	
<u>Appropriation</u> . . . . .	\$ 9,988,000
TOTAL APPROPRIATION . . . . .	\$ ((+26,094,000))
	69,844,000

The appropriations in this section are subject to the following conditions and limitations and specified amounts are provided solely for that activity:

(1) Appropriations in this section shall initially be allotted as appropriated by this section. Subsequent allotment modifications shall not permit moneys that are provided solely for a specified purpose to be used for other than that purpose. After January 1, 2000, after approval by the director of financial management and unless specifically prohibited by this act, the department may transfer appropriations between the transportation account—state and the multimodal transportation account—state appropriations. However, the program shall not expend more than the total amount appropriated from these accounts.

(2) No appropriation in this section may be used to fund rail passenger service south of Portland, Oregon.

~~((2)) \$2,000,000 of the transportation account—state appropriation and \$4,000,000 of the high capacity transportation account—state appropriation are provided solely for the freight rail assistance program to provide grants and loans for light density rail lines:~~

~~— (3) \$3,000,000 of the high capacity transportation account—state appropriation is provided solely for acquisition of up to six rail passenger cars to add capacity to existing advanced technology train sets operating in Washington state.~~

~~— (4)) (3) \$6,298,000 of the ((high capacity)) multimodal transportation account—state appropriation is provided to fund the operation of a second train set providing additional roundtrip service from Seattle to Vancouver, British Columbia. The department's authority to expend the appropriation referenced in this subsection for service north of Blaine is conditioned upon Canada, the province of British Columbia, and/or private sources undertaking the capital expenditures necessary to make the rail capital improvements required to facilitate improved round trip rail service between Seattle and Vancouver, B.C.~~

~~((5)) \$10,000,000 of the transportation account—state appropriation and \$5,000,000 of the public transportation systems account—state appropriation are provided solely for the King street maintenance facility to be built in partnership with Amtrak. The amount referenced in this subsection is conditioned on the execution of agreements between the department of transportation, Amtrak, sound transit, and other participating parties which will assure that the maintenance and operation of the maintenance facility will not require state funding, except for billings for maintenance of state owned passenger trains:~~

**Ch. 3 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

~~(6))~~ (4) To the greatest extent practicable, expenditure of funds shall maximize funds from partnerships and coordinate with other agencies investing in track improvements.

~~((7))~~ (5) \$5,000,000 of the multimodal transportation account—federal appropriation is provided from TEA-21 surface transportation program enhancement funds is provided solely for restoration of and improvements to the King street station.

(6) \$500,000 of the multimodal transportation account—state appropriation is provided solely for use towards implementation of a program to purchase refrigerated express railcars, to be known as the George Sellar express railcars, that may be leased for the purpose of hauling express shipments, including but not limited to Washington produce, to market.

(a) Subject to (b) of this subsection, the department is authorized to incur a federal railroad rehabilitation and improvement financing loan of up to \$10,000,000 for program implementation, to be repaid with revenues generated from the program.

(b) As a precondition to purchasing refrigerated express railcars, the department shall conduct a feasibility study. If satisfied with the feasibility study results, the transportation commission may direct the department to proceed with a program for the purchase of refrigerated express railcars.

(c) Any revenues derived from the program must be placed in a separate account and used strictly for: The repayment of debt, including the risk insurance premium; ongoing maintenance of assets; and reserves for the express railcar program.

(d) The department shall make semiannual progress reports to the senate transportation committee, the house of representatives transportation committee, and the office of financial management until December 31, 2001, and annual progress reports thereafter.

(7) \$100,000 of the multimodal transportation account—state appropriation is provided solely for the department of transportation in conjunction with the utilities and transportation commission and the Spokane regional transportation council to study and make recommendations on issues related to railroad rights of way in the Spokane valley. A status report shall be provided to the transportation committees of the house of representatives and the senate by December 1, 2000.

**Sec. 232.** 1999 sp.s. c 1 s 231 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF TRANSPORTATION—LOCAL PROGRAMS—PROGRAM Z**

Motor Vehicle Account—State Appropriation . . . . .	\$	<del>((129,886,000))</del>
		<u>83,435,000</u>
Motor Vehicle Account—Federal Appropriation . . . . .	\$	8,040,000
Transportation Account—State Appropriation . . . . .	\$	<del>((10,767,000))</del>
		<u>321,000</u>

~~((Transportation-Infrastructure Account—State~~



<del>Appropriation . . . . .</del>	<del>\$</del>	<del>3,250,000</del>
<del>Transportation Infrastructure Account—</del>		
<del>Private/Local Appropriation . . . . .</del>	<del>\$</del>	<del>1,750,000))</del>
High Capacity Transportation Account—State		
Appropriation . . . . .	\$	150,000
Highway Infrastructure Account—Federal		
Appropriation . . . . .	\$	1,500,000
Highway Infrastructure Account—State		
Appropriation . . . . .	\$	234,000
<u>Multimodal Transportation Account—State</u>		
<u>Appropriation . . . . .</u>	<u>\$</u>	<u>10,381,000</u>
<u>Urban Arterial Trust Account—State</u>		
<u>Appropriation . . . . .</u>	<u>\$</u>	<u>5,000,000</u>
TOTAL APPROPRIATION . . . . .	\$	((155,577,000))
		<u>109,061,000</u>

The appropriations in this section are subject to the following conditions and limitations and specified amounts are provided solely for that activity:

~~(1) ((\$300,000 of the transportation account—state appropriation is provided solely to establish alternatives for flood management and flood hazard reduction projects in the Chehalis basin:~~

~~(a) The department of transportation shall convene a technical committee to develop watershed-based solutions to flooding within the Chehalis basin. The technical committee shall be comprised of representatives of the department of transportation, department of ecology, department of fish and wildlife, the department of community, trade, and economic development, the military department's emergency management division, and affected counties and tribes. The department of transportation shall also seek the participation of the United States army corps of engineers, federal emergency management administration, the United States geological survey, the United States fish and wildlife service, the United States environmental protection agency, and other entities with critical knowledge related to the structural or nonstructural flood hazard reduction projects in the Chehalis basin. Funds shall be distributed by the department of transportation for alternative analysis, mapping, and model testing projects as recommended by the technical committee. The solutions considered by the technical committee shall be consistent with fish and habitat recovery efforts and avoid additional flood hazard to downstream communities. The department of transportation shall present a report to the senate transportation committee and the house of representatives transportation committee by December 1, 1999, regarding findings and progress made by funded projects:~~

~~(b) If the federal government makes funds available to accomplish the project described in (a) of this subsection, the department of transportation shall place the appropriation identified in this section in reserve:~~

Ch. 3 WASHINGTON LAWS, 2000 2nd Sp. Sess.

~~—(2) \$85,121,000~~) \$40,692,000 of the motor vehicle account—state appropriation is provided solely for the state program share of freight mobility projects as identified by the freight mobility strategic investment board. The amount provided in this subsection can only be expended upon authorization from the freight mobility strategic investment board.

~~((3) \$400,000)~~ (2) \$187,000 of the transportation account—state appropriation ~~((is))~~ and \$213,000 of the multimodal transportation account—state appropriation are provided solely for a study by the senate transportation committee and the house of representatives transportation committee in cooperation with the port of Benton developing a strategic corridor feasibility and master site plan for the port of Benton. If the port of Benton does not provide at least \$200,000 to fund the plan development, the transportation fund—state appropriation referenced in this subsection shall lapse and this subsection shall be null and void.

~~((4))~~ (3) The motor vehicle account—state appropriation includes ~~(((\$105,121,000))~~ \$30,000,000 in proceeds from the sale of bonds authorized by RCW 47.10.843. 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))~~ (4) \$10,000,000 of the multimodal transportation account—state appropriation is provided solely to fund the first phase of a multiphase cooperative project with the state of Oregon to dredge the Columbia river. The department shall not expend the appropriation in this section unless agreement on ocean disposal sites has been reached which protects the state's commercial crab fishery. The amount provided in this subsection shall lapse unless the state of Oregon appropriates a dollar-for-dollar match to fund its share of the project.

~~((6))~~ (5) The motor vehicle account—state appropriation includes \$1,167,000 in proceeds from the sale of bonds authorized by RCW 47.10.819(1). 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.

~~((7))~~ (6) \$5,000,000 of the ~~((motor vehicle))~~ urban arterial trust account—state appropriation is provided solely for a small city pavement preservation program, to be administered by the department's ~~((TransAid))~~ highways and local programs division. The department, in consultation with stakeholders, shall establish program guidelines. The guidelines should include but not be limited to a provision limiting program eligibility to cities with a population of 2,500 or less.

~~((8) \$20,000,000)~~ (7) \$15,000,000 of the motor vehicle account—state appropriation is provided solely for a county corridor congestion relief program, to be administered by the department's ~~((TransAid))~~ highways and local programs division. Urban corridors must connect to urban or significant activity centers; begin or end at the intersection of another arterial, state highway, or limited access freeway system; and provide an alternate route to the limited access freeway

system. The purpose of the program is to provide funding for congested urban corridors, as defined and selected by the department of transportation in consultation with counties(;) and regional transportation planning organizations(; ~~and the transportation improvement board~~). At a minimum, project selection criteria should include: Consistency with regional transportation plans; measurable improvements in mobility; cost effectiveness; ~~((systemic))~~ systematic corridor mobility improvements rather than isolated "spot" improvements; and optimal timing for construction.

~~((9))~~ (8) \$5,000,000 of the motor vehicle account—state appropriation is provided solely for improving traffic and pedestrian safety near schools. The ~~((TransAid))~~ highways and local programs division within the department of transportation shall administer this program. Funds should be used for traffic and pedestrian improvements near schools, including roadway channelization and signalization.

~~((10))~~ (9) The ~~((TransAid))~~ highways and local programs division within the department of transportation shall develop a prequalification procedure for potential bidders on projects administered or approved by the transportation improvement board. The board shall work with other interested parties including but not limited to associations representing general contractors and the office of minority and women's business enterprises. The prequalification procedure's goal is to ascertain that bidders are qualified by experience, financing, equipment, and organization to do the work called for in the contract documents. The prequalification procedure may require a bidder to (1) satisfy threshold requirements established by the board prior to being furnished a proposal form on any contract; or (2) complete a preaward survey of the bidder's qualification prior to award.

~~((11))~~ ~~Up to \$100,000 of the motor vehicle account—state appropriation is provided solely for audits of city and county transportation funding to determine whether any city or county has supplanted its local transportation funding with state funding provided under sections 408 and 409 of this act. The department shall report the results of this audit to the senate transportation committee, the house of representatives transportation committee, and the office of financial management by December 31, 2000.~~

~~((12))~~ ~~\$5,000,000)~~ (10) \$2,000,000 of the motor vehicle account—state appropriation is provided solely for city fish passage barrier removal and habitat restoration. Funds should be used for eliminating fish passage barriers, including stormwater facilities, and providing for habitat restoration for salmonid species that are listed as threatened or endangered. The amount provided in this section may only be expended upon authorization from the department of transportation's environmental affairs office.

(11) \$10,000,000 of the motor vehicle fund—state appropriation is provided solely for a city corridor congestion relief program, to be administered by the department's highways and local programs division. Urban corridors must connect

**Ch. 3 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

to urban or significant activity centers, begin or end at the intersection of another arterial, state highway or limited access freeway system, and provide an alternate route to the limited access freeway system. The purpose of the program is to provide funding for congested urban corridors as defined and selected by the department of transportation in consultation with counties and regional transportation planning organizations. At a minimum, project selection criteria should include: Consistency with regional transportation plans; measurable improvements in mobility; cost effectiveness; systematic corridor mobility improvements rather than isolated "spot" improvements; and optimal timing for construction.

**PART III  
TRANSPORTATION AGENCIES CAPITAL FACILITIES**

**Sec. 301.** 1999 sp.s. c 1 s 303 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF TRANSPORTATION—PROGRAM D  
(DEPARTMENT OF TRANSPORTATION-ONLY PROJECTS)—CAPITAL**  
Motor Vehicle Account—State Appropriation . . . . . \$ ((26,147,000))  
15,231,000

The appropriation in this section is subject to the following conditions and limitations and specified amounts are provided solely for that activity:

(1) Before any funds are expended for the transportation facility to be located in Tumwater, Washington, the director of general administration shall conduct an evaluation of the planned facility design and budget using life-cycle cost analysis, value-engineering, and other techniques to maximize the long-term effectiveness and efficiency of the facility or improvement as required under RCW 43.82.010(10). Furthermore, the director shall present the findings of the evaluation to the fiscal committees of the house of representatives and the senate by December 31, 1999. Up to \$100,000 of the motor vehicle account—state appropriation may be expended by the department of general administration to conduct an analysis of future transportation-related facility office space needs in Thurston county, by agency, for the next ten years. The analysis shall consult with state agencies, private developers, and building owners to determine the inventory of space available and planned over the next ten years in government and nongovernment buildings, and the impact on current office space. The analysis must be completed by January 31, 2000.

(2) The department of transportation is authorized to enter into a financing contract using certificate of participation in the amount of \$14,500,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to acquire and remodel a regional complex in the department's southwest region.

**PART IV  
TRANSFERS AND DISTRIBUTIONS**

**Sec. 401.** 1999 sp.s. c 1 s 401 (uncodified) is amended to read as follows:  
**FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST,  
AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES:  
FOR BOND SALES DISCOUNTS AND DEBT TO BE PAID BY MOTOR  
VEHICLE FUND AND TRANSPORTATION FUND REVENUE**

Highway Bond Retirement Account Appropriation . . . . .	\$	((184,810,000))
		<u>161,310,000</u>
Ferry Bond Retirement Account Appropriation . . . . .	\$	((53,353,000))
		<u>53,592,000</u>
Transportation Improvement Board Bond Retirement Account—State Appropriation . . . . .	\$	((35,158,000))
		<u>35,909,000</u>
Puget Sound Capital Construction Account—State Appropriation . . . . .	\$	270,000
Motor Vehicle Account—State Appropriation . . . . .	\$	((6,543,000))
		<u>1,960,000</u>
Special Category C Account—State Appropriation . . . . .	\$	405,000
<u>Transportation Improvement Account—State Appropriation . . . . .</u>	\$	<u>600,000</u>
TOTAL APPROPRIATION . . . . .	\$	((280,539,000))
		<u>254,046,000</u>

**Sec. 402.** 1999 sp.s. c 1 s 402 (uncodified) is amended to read as follows:  
**FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST,  
AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES:  
FOR BOND SALE EXPENSES AND FISCAL AGENT CHARGES**

Motor Vehicle Fund—Puget Sound Capital Construction Account Appropriation . . . . .	\$	((36,000))
		<u>61,000</u>
Motor Vehicle Account—State Appropriation . . . . .	\$	((811,000))
		<u>443,000</u>
Special Category C Account Appropriation . . . . .	\$	((53,000))
		<u>91,000</u>
<u>Transportation Improvement Account—State Appropriation . . . . .</u>	\$	<u>135,000</u>
TOTAL APPROPRIATION . . . . .	\$	((900,000))
		<u>730,000</u>

**Sec. 403.** 1999 sp.s. c 1 s 403 (uncodified) is amended to read as follows:  
**FOR THE STATE TREASURER—STATE REVENUES FOR  
DISTRIBUTION**

(1) Motor Vehicle Fund Appropriation for

Ch. 3 WASHINGTON LAWS, 2000 2nd Sp. Sess.

motor vehicle fuel tax and overload penalties  
distribution ..... \$ ((492,721,000))  
483,325,000

(2) Transportation Fund Appropriation for  
motor vehicle excise tax distribution ..... \$ ((491,606,000))  
178,207,000

(3) Multimodal Transportation Account—State  
Appropriation for motor vehicle excise tax  
distribution ..... \$ 52,619,000

Sec. 404. 1999 sp.s. c 1 s 407 (uncodified) is amended to read as follows:  
**FOR THE STATE TREASURER—TRANSFERS**

(1) RV Account—State Appropriation:  
For transfer to the Motor Vehicle Fund—State ..... \$ ((1,590,000))  
1,865,000

~~(2) ((Transportation Account—State Appropriation:  
For transfer to the Transportation Infrastructure  
Account—State ..... \$ 5,000,000))~~

State Patrol Highway Account—State  
Appropriation: For transfer to the Motor Vehicle  
Account—State ..... \$ 27,000,000

(3) Highway Safety Fund—State Appropriation:  
For transfer to the Multimodal Transportation  
Account—State ..... \$ 3,220,000

(4) Puget Sound Ferry Operations Account—State  
Appropriation: For transfer to the Marine  
Operating Account—State ..... \$ 1,400,000

(5) Public Transportation Systems Account—State Appropriation: For transfer  
to the  
Multimodal Transportation Account—State ..... \$ 23,182,000

(6) Transportation Fund—State  
Appropriation: For transfer to the Multimodal  
Transportation Account—State ..... \$ 28,061,000

The department of transportation shall only transfer funds provided under  
((this)) subsection (1) of this section on an as-needed basis.

NEW SECTION. Sec. 405. A new section is added to 1999 sp.s. c 1  
(uncodified) to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—TRANSFERS**

Puget Sound Ferry Operations Account—State  
Appropriation: For transfer to the Puget Sound  
Capital Construction Account—State ..... \$ 67,000,000

Motor Vehicle Fund—State Appropriation:  
For transfer to the Advanced Environmental  
Mitigation Revolving Account ..... \$ 1,000,000

Motor Vehicle Fund—State Appropriation:	
For transfer to Puget Sound Capital Construction	
Account . . . . .	\$ 18,272,000
Transportation Equipment Fund—State	
Appropriation: For transfer to the Motor	
Vehicle Fund . . . . .	\$ 2,500,000
High Capacity Transportation Account—State	
Appropriation: For transfer to the Multimodal	
Transportation Account . . . . .	\$ 2,036,000
Passenger Ferry Account—State Appropriation:	
For transfer to the Multimodal Transportation	
Account . . . . .	\$ 235,000

The department of transportation shall only transfer funds to the Puget Sound capital construction account—state as provided under this subsection on an as-needed basis.

**NEW SECTION. Sec. 406.** A new section is added to 1999 sp.s. c 1 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—TRANSFERS.**

The balance remaining on April 30, 2000 in the transportation account shall be transferred to the multimodal transportation account—state.

**NEW SECTION. Sec. 407.** A new section is added to 1999 sp.s. c 1 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—TRANSFERS.**

The balance remaining at the close of the 2000 fiscal year in the marine operating account—state shall be transferred to the Puget Sound ferry operations account—state.

**PART VI**

**PROVISIONS NECESSARY TO IMPLEMENT APPROPRIATIONS**

**NEW SECTION. Sec. 601.** A new section is added to 1999 sp.s. c 1 (uncodified) to read as follows:

**DONATIONS OF EMPLOYEE LEAVE.** During the 1999-2001 fiscal biennium, an employee of the Washington state department of transportation may, consistent with the provisions of RCW 41.04.665(3), donate leave to the existing leave balances of an employee of the Washington state department of transportation who dies in the line of duty between February 1, 2000, and June 30, 2000. The value of the donated leave will be included in the deceased employee's final compensation, but is not compensation earnable for the purposes of chapter 41.40 RCW. The agency head shall determine the total amount of leave, not to exceed 261 days, that may be donated under this section. The Washington personnel resources board may adopt rules, in consultation with the office of financial management, as it deems necessary for the implementation of this temporary benefit.

Ch. 3 WASHINGTON LAWS, 2000 2nd Sp. Sess.

NEW SECTION. Sec. 602. The following bills, as identified by bill number, in the form passed by the legislature are necessary to implement portions of this act: House Bill No. 2788 and Senate Bill No. 6856.

NEW SECTION. Sec. 603. 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. 604. 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 takes effect immediately.

INDEX	PAGE #
BLUE RIBBON COMMISSION ON TRANSPORTATION .....	1851
BOARD OF PILOTAGE COMMISSIONERS .....	1849
COUNTY ROAD ADMINISTRATION BOARD .....	1849
DEPARTMENT OF AGRICULTURE .....	1846
DEPARTMENT OF LICENSING	
DRIVER SERVICES .....	1855
INFORMATION SYSTEMS .....	1854
MANAGEMENT AND SUPPORT SERVICES .....	1854
VEHICLE SERVICES .....	1855
DEPARTMENT OF TRANSPORTATION	
AVIATION--PROGRAM F .....	1857
CHARGES FROM OTHER AGENCIES--PROGRAM U .....	1865
HIGHWAY MAINTENANCE--PROGRAM M .....	1861
IMPROVEMENTS--PROGRAM I .....	1857
LOCAL PROGRAMS--PROGRAM Z .....	1872
MARINE--PROGRAM X .....	1868
PRESERVATION--PROGRAM P .....	1862
PROGRAM D (DEPARTMENT OF TRANSPORTATION-ONLY PROJECTS) .....	1876
PUBLIC TRANSPORTATION--PROGRAM V .....	1866
RAIL--PROGRAM Y .....	1870
TRAFFIC OPERATIONS--PROGRAM Q .....	1863
TRANSFERS .....	1878, 1879
TRANSPORTATION ECONOMIC PARTNERSHIPS--PROGRAM K .....	1861
TRANSPORTATION MANAGEMENT AND SUPPORT--PROGRAM S .....	1863
TRANSPORTATION PLANNING, DATA, AND RESEARCH-- PROGRAM T .....	1864



WASHINGTON STATE FERRIES CONSTRUCTION--PROGRAM W  
 ..... 1867  
 DONATIONS OF EMPLOYEE LEAVE ..... 1879  
 FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD ..... 1852  
 LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM  
 ..... 1846  
 LEGISLATIVE TRANSPORTATION COMMITTEE ..... 1851  
 MARINE EMPLOYEES COMMISSION ..... 1852  
 SENATE ..... 1850  
 STATE PARKS AND RECREATION COMMISSION ..... 1847  
 STATE TREASURER  
 BOND RETIREMENT AND INTEREST ..... 1877  
 STATE REVENUES FOR DISTRIBUTION ..... 1877  
 TRANSFERS ..... 1878  
 TRANSPORTATION COMMISSION ..... 1852  
 TRANSPORTATION IMPROVEMENT BOARD ..... 1849  
 UTILITIES AND TRANSPORTATION COMMISSION ..... 1846  
 WASHINGTON STATE PARKS AND RECREATION  
 CAPITAL PROJECTS ..... 1847  
 WASHINGTON STATE PATROL  
 FIELD OPERATIONS BUREAU ..... 1852  
 SUPPORT SERVICES BUREAU ..... 1854  
 WASHINGTON TRAFFIC SAFETY COMMISSION ..... 1848

Passed the Senate April 27, 2000.

Passed the House April 27, 2000.

Approved by the Governor May 2, 2000, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 2, 2000.

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

"I am returning herewith, without my approval as to section 1, Engrossed Second Substitute Senate Bill No. 6499 entitled:

"AN ACT Relating to transportation funding and appropriations;"

The Constitution of the State of Washington, Article III, Section 12, makes clear that every act passed by the legislature shall be presented for consideration by the governor. That constitutional section further provides that the governor may veto less than an entire bill. The phrase "enacted in a form passed by the legislature" as defined in section 1 of E2SSB 6499 effectively makes such presentment conditional upon the governor's approval of the entire referenced bill, and incorporates substantive legislation into an appropriations bill. This violates several constitutional principles, including the doctrine of separation of powers. It improperly restricts the governor's constitutional veto power, and sets a bad precedent.

For these reasons, I have vetoed section 1 of Engrossed Second Substitute Senate Bill No. 6499.

With the exception of section 1, Engrossed Second Substitute Senate Bill No. 6499 is approved."

CHAPTER 4

[Second Engrossed Second Substitute Senate Bill 6856]  
TRANSPORTATION FUNDING

AN ACT Relating to transportation funding; amending RCW 82.08.020, 43.84.092, 43.84.092, 43.89.010, 46.68.035, 82.36.380, 82.38.270, 43.88.020, 43.88.030, 43.88.120, 43.88.122, 44.40.070, 82.14.045, 82.45.010, 35.21.755, 81.112.060, and 48.30.270; reenacting and amending RCW 43.84.092 and 82.04.050; reenacting RCW 43.84.092; adding a new section to chapter 47.66 RCW; adding new sections to chapter 81.112 RCW; adding a new section to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; adding a new section to chapter 82.04 RCW; adding a new section to chapter 82.29A RCW; adding a new section to chapter 84.36 RCW; adding a new section to chapter 35.21 RCW; creating new sections; providing effective dates; providing an expiration date; and declaring an emergency.

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

**Sec. 1.** RCW 82.08.020 and 1998 c 321 s 36 (Referendum Bill No. 49) are each amended to read as follows:

(1) There is levied and there shall be collected a tax on each retail sale in this state equal to six and five-tenths percent of the selling price.

(2) There is levied and there shall be collected an additional tax on each retail car rental, regardless of whether the vehicle is licensed in this state, equal to five and nine-tenths percent of the selling price. The revenue collected under this subsection shall be deposited ~~((and distributed in the same manner as motor vehicle excise tax revenue collected under RCW 82.44.020(1)))~~ in the multimodal transportation account created in section 2 of this act.

(3) The taxes imposed under this chapter shall apply to successive retail sales of the same property.

(4) The rates provided in this section apply to taxes imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

**NEW SECTION. Sec. 2.** A new section is added to chapter 47.66 RCW to read as follows:

The multimodal transportation account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for transportation purposes.

**Sec. 3.** RCW 43.84.092 and 1999 c 380 s 8, 1999 c 309 s 928, 1999 c 268 s 4, and 1999 c 94 s 2 are each reenacted and 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 drinking water assistance account, the Eastern Washington University capital projects account, the education construction fund, the emergency reserve fund, 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 state higher education construction account, the higher education construction account, the highway infrastructure 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 mobile home park relocation fund, the multimodal transportation 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 1 account, the public employees' retirement system plan 2 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

**Ch. 4 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

supplemental pension account, the teachers' retirement system plan 1 account, the teachers' retirement system plan 2 account, the tobacco prevention and control account, the tobacco settlement account, the transportation infrastructure account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer fire fighters' and reserve officers' relief and pension principal ~~((account))~~ fund, the volunteer fire fighters' ~~((relief))~~ and ~~((pension))~~ reserve officers' administrative ~~((account))~~ fund, the Washington judicial retirement system account, the Washington law enforcement officers' and fire fighters' system plan 1 retirement account, the Washington law enforcement officers' and fire fighters' system plan 2 retirement account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving 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 (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 aeronautics account, the aircraft search and rescue account, the county arterial preservation account, the department of licensing services account, the essential rail assistance account, the ferry bond retirement fund, the grade crossing protective fund, the high capacity transportation account, the highway bond retirement fund, 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 safety and education account, the special category C account, the state patrol highway account, the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, and the urban arterial trust account.

(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. 4.** RCW 43.84.092 and 2000 c 79 s 38 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 drinking water assistance account, the Eastern Washington University capital projects account, the education construction fund, the emergency reserve fund, 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 state higher education construction account, the higher education construction account, the highway infrastructure 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 mobile home park relocation fund, the multimodal transportation

**Ch. 4 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

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 1 account, the public employees' retirement system plan 2 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 1 account, the teachers' retirement system plan 2 account, the tobacco prevention and control account, the tobacco settlement account, the transportation infrastructure account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer fire fighters' and reserve officers' relief and pension principal fund, the volunteer fire fighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and fire fighters' system plan 1 retirement account, the Washington law enforcement officers' and fire fighters' system plan 2 retirement account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving 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 (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 aeronautics account, the aircraft search and rescue account, the county arterial preservation account, the department of licensing services account, the essential rail assistance account, the ferry bond retirement fund, the grade crossing protective fund, the high capacity transportation account, the highway bond retirement fund, 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 safety and education account, the special category C account, the state patrol highway account, the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, and the urban arterial trust account.

(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. 5.** RCW 43.84.092 and 2000 c 79 s 39 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 drinking water assistance account, the Eastern Washington University capital projects account, the education construction fund, the emergency reserve fund, the federal forest revolving account, the health

**Ch. 4                    WASHINGTON LAWS, 2000 2nd Sp. Sess.**

services account, the public health services account, the health system capacity account, the personal health services account, the state higher education construction account, the higher education construction account, the highway infrastructure 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 mobile home park relocation fund, the multimodal transportation 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 1 account, the public employees' retirement system plan 2 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 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the transportation infrastructure account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer fire fighters' and reserve officers' relief and pension principal fund, the volunteer fire fighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and fire fighters' system plan 1 retirement account, the Washington law enforcement officers' and fire fighters' system plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving 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 (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 aeronautics account, the aircraft search and rescue account, the county arterial preservation account, the department of licensing services account, the essential rail assistance account, the ferry bond retirement fund, the grade crossing protective fund, the high capacity transportation account,



the highway bond retirement fund, 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 safety and education account, the special category C account, the state patrol highway account, the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, and the urban arterial trust account.

(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. 6.** RCW 43.84.092 and 2000 2nd sp.s. c . . . s 5 (section 5 of this act) and 2000 c 247 s 702 are each reenacted 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

**Ch. 4                    WASHINGTON LAWS, 2000 2nd Sp. Sess.**

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 drinking water assistance account, the Eastern Washington University capital projects account, the education construction fund, the emergency reserve fund, 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 state higher education construction account, the higher education construction account, the highway infrastructure 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 mobile home park relocation fund, the multimodal transportation 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 1 account, the public employees' retirement system combined plan 2 and plan 3 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 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the transportation infrastructure account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer fire fighters' and reserve officers' relief and pension principal fund, the volunteer fire fighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and fire fighters' system plan 1 retirement account, the Washington law enforcement officers' and fire fighters' system plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving 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 (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 aeronautics account, the aircraft search and rescue account, the county arterial preservation account, the department of licensing services account, the essential rail assistance account, the ferry bond retirement fund, the grade crossing protective fund, the high capacity transportation account, the highway bond retirement fund, 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 safety and education account, the special category C account, the state patrol highway account, the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, and the urban arterial trust account.

(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 43.89.010 and 1993 sp.s. c 23 s 63 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))~~ the 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))~~ state patrol highway account.

Ch. 4 WASHINGTON LAWS, 2000 2nd Sp. Sess.

(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. 8. RCW 46.68.035 and 1993 c 102 s 7 are each amended to read as follows:

All proceeds from combined vehicle licensing fees received by the director for vehicles licensed under RCW 46.16.070 and 46.16.085 shall be forwarded to the state treasurer to be distributed into accounts according to the following method:

(1) The sum of two dollars for each vehicle shall be deposited into the ~~((highway safety fund))~~ multimodal transportation account, except that for each vehicle registered by a county auditor or agent to a county auditor pursuant to RCW 46.01.140, the sum of two dollars shall be credited to the current county expense fund.

*(2) The remainder shall be distributed as follows:*

*(a) ~~((23.677 percent shall be deposited into the state patrol highway account of the motor vehicle fund;~~*

*~~—(b))) 1.521 percent shall be deposited into the Puget Sound ferry operations account of the motor vehicle fund; and~~*

*~~((e))) (b) The remaining proceeds shall be deposited into the motor vehicle fund.~~*

\*Sec. 8 was partially vetoed. See message at end of chapter.

Sec. 9. RCW 82.36.380 and 1995 c 287 s 2 are each amended to read as follows:

(1) It is unlawful for a person or corporation to evade a tax or fee imposed under this chapter.

(2) Evasion of taxes or fees under this chapter is a class C felony under chapter 9A.20 RCW. In addition to other penalties and remedies provided by law, the court shall order a person or corporation found guilty of violating subsection (1) of this section to:

(a) Pay the tax or fee evaded plus interest, commencing at the date the tax or fee was first due, at the rate of twelve percent per year, compounded monthly; and

(b) Pay a penalty of one hundred percent of the tax evaded, to the multimodal transportation ~~((fund))~~ account of the state.

Sec. 10. RCW 82.38.270 and 1995 c 287 s 4 are each amended to read as follows:

(1) It is unlawful for a person or corporation to evade a tax or fee imposed under this chapter.

(2) Evasion of taxes or fees under this chapter is a class C felony under chapter 9A.20 RCW. In addition to other penalties and remedies provided by law, the court shall order a person or corporation found guilty of violating subsection (1) of this section to:

(a) Pay the tax or fee evaded plus interest, commencing at the date the tax or fee was first due, at the rate of twelve percent per year, compounded monthly; and

(b) Pay a penalty of one hundred percent of the tax evaded, to the multimodal transportation ((fund)) account of the state.

Sec. II. RCW 43.88.020 and 1996 c 288 s 23 are each amended to read as follows:

(1) "Budget" means a proposed plan of expenditures for a given period or purpose and the proposed means for financing these expenditures.

(2) "Budget document" means a formal statement, either written or provided on any electronic media or both, offered by the governor to the legislature, as provided in RCW 43.88.030.

(3) "Director of financial management" means the official appointed by the governor to serve at the governor's pleasure and to whom the governor may delegate necessary authority to carry out the governor's duties as provided in this chapter. The director of financial management shall be head of the office of financial management which shall be in the office of the governor.

(4) "Agency" means and includes every state office, officer, each institution, whether educational, correctional, or other, and every department, division, board, and commission, except as otherwise provided in this chapter.

(5) "Public funds", for purposes of this chapter, means all moneys, including cash, checks, bills, notes, drafts, stocks, and bonds, whether held in trust, for operating purposes, or for capital purposes, and collected or disbursed under law, whether or not such funds are otherwise subject to legislative appropriation, including funds maintained outside the state treasury.

(6) "Regulations" means the policies, standards, and requirements, stated in writing, designed to carry out the purposes of this chapter, as issued by the governor or the governor's designated agent, and which shall have the force and effect of law.

(7) "Ensuing biennium" means the fiscal biennium beginning on July 1st of the same year in which a regular session of the legislature is held during an odd-numbered year pursuant to Article II, section 12 of the Constitution and which biennium next succeeds the current biennium.

(8) "Dedicated fund" means a fund in the state treasury, or a separate account or fund in the general fund in the state treasury, that by law is dedicated, appropriated, or set aside for a limited object or purpose; but "dedicated fund" does not include a revolving fund or a trust fund.

(9) "Revolving fund" means a fund in the state treasury, established by law, from which is paid the cost of goods or services furnished to or by a state agency, and which is replenished through charges made for such goods or services or through transfers from other accounts or funds.

(10) "Trust fund" means a fund in the state treasury in which designated persons or classes of persons have a vested beneficial interest or equitable ownership, or which was created or established by a gift, grant, contribution, devise, or bequest that limits the use of the fund to designated objects or purposes.

**Ch. 4                    WASHINGTON LAWS, 2000 2nd Sp. Sess.**

(11) "Administrative expenses" means expenditures for: (a) Salaries, wages, and related costs of personnel and (b) operations and maintenance including but not limited to costs of supplies, materials, services, and equipment.

(12) "Fiscal year" means the year beginning July 1st and ending the following June 30th.

(13) "Lapse" means the termination of authority to expend an appropriation.

(14) "Legislative fiscal committees" means the joint legislative audit and review committee, the legislative evaluation and accountability program committee, the ways and means and transportation committees of the senate and house of representatives, and, where appropriate, the legislative transportation committee.

(15) "Fiscal period" means the period for which an appropriation is made as specified within the act making the appropriation.

(16) "Primary budget driver" means the primary determinant of a budget level, other than a price variable, which causes or is associated with the major expenditure of an agency or budget unit within an agency, such as a caseload, enrollment, workload, or population statistic.

(17) "State tax revenue limit" means the limitation created by chapter 43.135 RCW.

(18) "General state revenues" means the revenues defined by Article VIII, section 1(c) of the state Constitution.

(19) "Annual growth rate in real personal income" means the estimated percentage growth in personal income for the state during the current fiscal year, expressed in constant value dollars, as published by the office of financial management or its successor agency.

(20) "Estimated revenues" means estimates of revenue in the most recent official economic and revenue forecast prepared under RCW 82.33.020, and prepared by the office of financial management for those funds, accounts, and sources for which the office of the economic and revenue forecast council does not prepare an official forecast including estimates of revenues to support financial plans under RCW 44.40.070, that are prepared by the office of financial management in consultation with the ~~((interagency task force))~~ transportation revenue forecast council.

(21) "Estimated receipts" means the estimated receipt of cash in the most recent official economic and revenue forecast prepared under RCW 82.33.020, and prepared by the office of financial management for those funds, accounts, and sources for which the office of the economic and revenue forecast council does not prepare an official forecast.

(22) "State budgeting, accounting, and reporting system" means a system that gathers, maintains, and communicates fiscal information. The system links fiscal information beginning with development of agency budget requests through adoption of legislative appropriations to tracking actual receipts and expenditures against approved plans.

(23) "Allotment of appropriation" means the agency's statement of proposed expenditures, the director of financial management's review of that statement, and the placement of the approved statement into the state budgeting, accounting, and reporting system.

(24) "Statement of proposed expenditures" means a plan prepared by each agency that breaks each appropriation out into monthly detail representing the best estimate of how the appropriation will be expended.

(25) "Undesignated fund balance (or deficit)" means unreserved and undesignated current assets or other resources available for expenditure over and above any current liabilities which are expected to be incurred by the close of the fiscal period.

(26) "Internal audit" means an independent appraisal activity within an agency for the review of operations as a service to management, including a systematic examination of accounting and fiscal controls to assure that human and material resources are guarded against waste, loss, or misuse; and that reliable data are gathered, maintained, and fairly disclosed in a written report of the audit findings.

(27) "Performance verification" means an analysis that (a) verifies the accuracy of data used by state agencies in quantifying intended results and measuring performance toward those results, and (b) verifies whether or not the reported results were achieved.

(28) "Performance audit" has the same meaning as it is defined in RCW 44.28.005.

**Sec. 12.** RCW 43.88.030 and 1998 c 346 s 910 are each amended to read as follows:

(1) The director of financial management shall provide all agencies with a complete set of instructions for submitting biennial budget requests to the director at least three months before agency budget documents are due into the office of financial management. The director shall provide agencies and committees that are required under RCW 44.40.070 to develop comprehensive six-year program and financial plans with a complete set of instructions for submitting these program and financial plans at the same time that instructions for submitting other budget requests are provided. The budget document or documents shall consist of the governor's budget message which shall be explanatory of the budget and shall contain an outline of the proposed financial policies of the state for the ensuing fiscal period, as well as an outline of the proposed six-year financial policies where applicable, and shall describe in connection therewith the important features of the budget. The message shall set forth the reasons for salient changes from the previous fiscal period in expenditure and revenue items and shall explain any major changes in financial policy. Attached to the budget message shall be such supporting schedules, exhibits and other explanatory material in respect to both current operations and capital improvements as the governor shall deem to be useful to the legislature. The budget document or documents shall set forth a proposal for expenditures in the ensuing fiscal period, or six-year period where

**Ch. 4                    WASHINGTON LAWS, 2000 2nd Sp. Sess.**

applicable, based upon the estimated revenues and caseloads as approved by the economic and revenue forecast council and caseload forecast council or upon the estimated revenues and caseloads of the office of financial management for those funds, accounts, sources, and programs for which the forecast councils do not prepare an official forecast, including those revenues anticipated to support the six-year programs and financial plans under RCW 44.40.070. In estimating revenues to support financial plans under RCW 44.40.070, the office of financial management shall rely on information and advice from the ~~((interagency))~~ transportation revenue ~~((task-force))~~ forecast council. Revenues shall be estimated for such fiscal period from the source and at the rates existing by law at the time of submission of the budget document, including the supplemental budgets submitted in the even-numbered years of a biennium. However, the estimated revenues and caseloads for use in the governor's budget document may be adjusted to reflect budgetary revenue transfers and revenue and caseload estimates dependent upon budgetary assumptions of enrollments, workloads, and caseloads. All adjustments to the approved estimated revenues and caseloads must be set forth in the budget document. The governor may additionally submit, as an appendix to each supplemental, biennial, or six-year agency budget or to the budget document or documents, a proposal for expenditures in the ensuing fiscal period from revenue sources derived from proposed changes in existing statutes.

Supplemental and biennial documents shall reflect a six-year expenditure plan consistent with estimated revenues from existing sources and at existing rates for those agencies required to submit six-year program and financial plans under RCW 44.40.070. Any additional revenue resulting from proposed changes to existing statutes shall be separately identified within the document as well as related expenditures for the six-year period.

The budget document or documents shall also contain:

- (a) Revenues classified by fund and source for the immediately past fiscal period, those received or anticipated for the current fiscal period, those anticipated for the ensuing biennium, and those anticipated for the ensuing six-year period to support the six-year programs and financial plans required under RCW 44.40.070;
- (b) The undesignated fund balance or deficit, by fund;
- (c) Such additional information dealing with expenditures, revenues, workload, performance, and personnel as the legislature may direct by law or concurrent resolution;
- (d) Such additional information dealing with revenues and expenditures as the governor shall deem pertinent and useful to the legislature;
- (e) Tabulations showing expenditures classified by fund, function, activity, and agency;
- (f) A delineation of each agency's activities, including those activities funded from nonbudgeted, nonappropriated sources, including funds maintained outside the state treasury;



(g) Identification of all proposed direct expenditures to implement the Puget Sound water quality plan under chapter 90.71 RCW, shown by agency and in total; and

(h) Tabulations showing each postretirement adjustment by retirement system established after fiscal year 1991, to include, but not be limited to, estimated total payments made to the end of the previous biennial period, estimated payments for the present biennium, and estimated payments for the ensuing biennium.

(2) The budget document or documents shall include detailed estimates of all anticipated revenues applicable to proposed operating or capital expenditures and shall also include all proposed operating or capital expenditures. The total of beginning undesignated fund balance and estimated revenues less working capital and other reserves shall equal or exceed the total of proposed applicable expenditures. The budget document or documents shall further include:

(a) Interest, amortization and redemption charges on the state debt;

(b) Payments of all reliefs, judgments, and claims;

(c) Other statutory expenditures;

(d) Expenditures incident to the operation for each agency;

(e) Revenues derived from agency operations;

(f) Expenditures and revenues shall be given in comparative form showing those incurred or received for the immediately past fiscal period and those anticipated for the current biennium and next ensuing biennium, as well as those required to support the six-year programs and financial plans required under RCW 44.40.070;

(g) A showing and explanation of amounts of general fund and other funds obligations for debt service and any transfers of moneys that otherwise would have been available for appropriation;

(h) Common school expenditures on a fiscal-year basis;

(i) A showing, by agency, of the value and purpose of financing contracts for the lease/purchase or acquisition of personal or real property for the current and ensuing fiscal periods; and

(j) A showing and explanation of anticipated amounts of general fund and other funds required to amortize the unfunded actuarial accrued liability of the retirement system specified under chapter 41.45 RCW, and the contributions to meet such amortization, stated in total dollars and as a level percentage of total compensation.

(3) A separate capital budget document or schedule shall be submitted that will contain the following:

(a) A statement setting forth a long-range facilities plan for the state that identifies and includes the highest priority needs within affordable spending levels;

(b) A capital program consisting of proposed capital projects for the next biennium and the two biennia succeeding the next biennium consistent with the long-range facilities plan. Inasmuch as is practical, and recognizing emergent needs, the capital program shall reflect the priorities, projects, and spending levels

**Ch. 4 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

proposed in previously submitted capital budget documents in order to provide a reliable long-range planning tool for the legislature and state agencies;

(c) A capital plan consisting of proposed capital spending for at least four biennia succeeding the next biennium;

(d) A strategic plan for reducing backlogs of maintenance and repair projects. The plan shall include a prioritized list of specific facility deficiencies and capital projects to address the deficiencies for each agency, cost estimates for each project, a schedule for completing projects over a reasonable period of time, and identification of normal maintenance activities to reduce future backlogs;

(e) A statement of the reason or purpose for a project;

(f) Verification that a project is consistent with the provisions set forth in chapter 36.70A RCW;

(g) A statement about the proposed site, size, and estimated life of the project, if applicable;

(h) Estimated total project cost;

(i) For major projects valued over five million dollars, estimated costs for the following project components: Acquisition, consultant services, construction, equipment, project management, and other costs included as part of the project. Project component costs shall be displayed in a standard format defined by the office of financial management to allow comparisons between projects;

(j) Estimated total project cost for each phase of the project as defined by the office of financial management;

(k) Estimated ensuing biennium costs;

(l) Estimated costs beyond the ensuing biennium;

(m) Estimated construction start and completion dates;

(n) Source and type of funds proposed;

(o) Estimated ongoing operating budget costs or savings resulting from the project, including staffing and maintenance costs;

(p) For any capital appropriation requested for a state agency for the acquisition of land or the capital improvement of land in which the primary purpose of the acquisition or improvement is recreation or wildlife habitat conservation, the capital budget document, or an omnibus list of recreation and habitat acquisitions provided with the governor's budget document, shall identify the projected costs of operation and maintenance for at least the two biennia succeeding the next biennium. Omnibus lists of habitat and recreation land acquisitions shall include individual project cost estimates for operation and maintenance as well as a total for all state projects included in the list. The document shall identify the source of funds from which the operation and maintenance costs are proposed to be funded;

(q) Such other information bearing upon capital projects as the governor deems to be useful;

(r) Standard terms, including a standard and uniform definition of normal maintenance, for all capital projects;

(s) Such other information as the legislature may direct by law or concurrent resolution.

For purposes of this subsection (3), the term "capital project" shall be defined subsequent to the analysis, findings, and recommendations of a joint committee comprised of representatives from the house capital appropriations committee, senate ways and means committee, legislative transportation committee, legislative evaluation and accountability program committee, and office of financial management.

(4) No change affecting the comparability of agency or program information relating to expenditures, revenues, workload, performance and personnel shall be made in the format of any budget document or report presented to the legislature under this section or RCW 43.88.160(1) relative to the format of the budget document or report which was presented to the previous regular session of the legislature during an odd-numbered year without prior legislative concurrence. Prior legislative concurrence shall consist of (a) a favorable majority vote on the proposal by the standing committees on ways and means of both houses if the legislature is in session or (b) a favorable majority vote on the proposal by members of the legislative evaluation and accountability program committee if the legislature is not in session.

**Sec. 13.** RCW 43.88.120 and 1991 c 358 s 3 are each amended to read as follows:

Each agency engaged in the collection of revenues shall prepare estimated revenues and estimated receipts for the current and ensuing biennium and shall submit the estimates to the director of financial management and the director of revenue at times and in the form specified by the directors, along with any other information which the directors may request. For those agencies required to develop six-year programs and financial plans under RCW 44.40.070, six-year revenue estimates shall be submitted to the director of financial management and the ~~((legislative))~~ transportation committees of the senate and the house of representatives unless the responsibility for reporting these revenue estimates is assumed elsewhere.

A copy of such revenue estimates shall be simultaneously submitted to the economic and revenue forecast work group when required by the office of the economic and revenue forecast council.

**Sec. 14.** RCW 43.88.122 and 1991 c 358 s 7 are each amended to read as follows:

Where there are variances of revenue forecasts between the office of financial management and the ~~((interagency))~~ transportation revenue ((task-force)) forecast council, for those transportation agencies that are required to develop plans under RCW 44.40.070, the office of financial management shall submit (1) a reconciliation of the differences between the revenue forecasts and (2) the

**Ch. 4 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

assumptions used by the office of financial management to the ((legislative)) transportation committees of the senate and the house of representatives.

*\*Sec. 15. RCW 44.40.070 and 1998 c 245 s 87 are each amended to read as follows:*

*Prior to October 1st of each even-numbered year the transportation revenue forecast council, consisting of all state agencies whose major programs consist of transportation activities, including the department of transportation, the transportation improvement board, the Washington state patrol, the department of licensing, the traffic safety commission, the county road administration board, and the board of pilotage commissioners, shall adopt or revise, after consultation with the ((legislative)) transportation committees of the senate and house of representatives, a comprehensive six-year program and financial plan for all transportation activities under each agency's jurisdiction.*

*The comprehensive six-year program and financial plan shall state the general objectives and needs of each agency's major transportation programs, including workload and performance estimates.*

*\*Sec. 15 was vetoed. See message at end of chapter.*

**Sec. 16.** RCW 82.14.045 and 1998 c 321 s 7 (Referendum Bill No. 49) are each amended to read as follows:

(1) The legislative body of any city pursuant to RCW 35.92.060, of any county which has created an unincorporated transportation benefit area pursuant to RCW 36.57.100 and 36.57.110, of any public transportation benefit area pursuant to RCW 36.57A.080 and 36.57A.090, of any county transportation authority established pursuant to chapter 36.57 RCW, and of any metropolitan municipal corporation within a county with a population of one million or more pursuant to chapter 35.58 RCW, may, by resolution or ordinance for the sole purpose of providing funds for the operation, maintenance, or capital needs of public transportation systems and in lieu of the excise taxes authorized by RCW 35.95.040, submit an authorizing proposition to the voters or include such authorization in a proposition to perform the function of public transportation and if approved by a majority of persons voting thereon, fix and impose a sales and use tax in accordance with the terms of this chapter: PROVIDED, That no such legislative body shall impose such a sales and use tax without submitting such an authorizing proposition to the voters and obtaining the approval of a majority of persons voting thereon: PROVIDED FURTHER, That where such a proposition is submitted by a county on behalf of an unincorporated transportation benefit area, it shall be voted upon by the voters residing within the boundaries of such unincorporated transportation benefit area and, if approved, the sales and use tax shall be imposed only within such area. Notwithstanding any provisions of this section to the contrary, any county in which a county public transportation plan has been adopted pursuant to RCW 36.57.070 and the voters of such county have authorized the imposition of a sales and use tax pursuant to the provisions of

section 10, chapter 167, Laws of 1974 ex. sess., prior to July 1, 1975, shall be authorized to fix and impose a sales and use tax as provided in this section at not to exceed the rate so authorized without additional approval of the voters of such county as otherwise required by this section.

The tax authorized pursuant to this section shall be in addition to the tax authorized by RCW 82.14.030 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 city, public transportation benefit area, county, or metropolitan municipal corporation as the case may be. The rate of such tax shall be one-tenth, two-tenths, three-tenths, four-tenths, five-tenths, ~~((or))~~ six-tenths, seven-tenths, eight-tenths, or nine-tenths 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). The rate of such tax shall not exceed the rate authorized by the voters unless such increase shall be similarly approved.

(2)(a) In the event a metropolitan municipal corporation shall impose a sales and use tax pursuant to this chapter no city, county which has created an unincorporated transportation benefit area, public transportation benefit area authority, or county transportation authority wholly within such metropolitan municipal corporation shall be empowered to levy and/or collect taxes pursuant to RCW 35.58.273, 35.95.040, and/or 82.14.045, but nothing herein shall prevent such city or county from imposing sales and use taxes pursuant to any other authorization.

(b) In the event a county transportation authority shall impose a sales and use tax pursuant to this section, no city, county which has created an unincorporated transportation benefit area, public transportation benefit area, or metropolitan municipal corporation, located within the territory of the authority, shall be empowered to levy or collect taxes pursuant to RCW 35.58.273, 35.95.040, or 82.14.045.

(c) In the event a public transportation benefit area shall impose a sales and use tax pursuant to this section, no city, county which has created an unincorporated transportation benefit area, or metropolitan municipal corporation, located wholly or partly within the territory of the public transportation benefit area, shall be empowered to levy or collect taxes pursuant to RCW 35.58.273, 35.95.040, or 82.14.045.

(3) Any local sales and use tax revenue collected pursuant to this section by any city or by any county for transportation purposes pursuant to RCW 36.57.100 and 36.57.110 shall not be counted as locally generated tax revenues for the purposes of apportionment and distribution, in the manner prescribed by chapter 82.44 RCW, of the proceeds of the motor vehicle excise tax authorized pursuant to RCW 35.58.273, except that the local sales and use tax revenue collected under this section by a city with a population greater than sixty thousand that as of January 1, 1998, owns and operates a municipal public transportation system shall be counted as locally generated tax revenues for the purposes of apportionment and

**Ch. 4                    WASHINGTON LAWS, 2000 2nd Sp. Sess.**

distribution, in the manner prescribed by chapter 82.44 RCW, of the proceeds of the motor vehicle excise tax authorized under RCW 35.58.273 as follows:

(a) For fiscal year 2000, revenues collected under this section shall be counted as locally generated tax revenues for up to 25 percent of the tax collected under RCW 35.58.273;

(b) For fiscal year 2001, revenues collected under this section shall be counted as locally generated tax revenues for up to 50 percent of the tax collected under RCW 35.58.273;

(c) For fiscal year 2002, revenues collected under this section shall be counted as locally generated tax revenues for up to 75 percent of the tax collected under RCW 35.58.273; and

(d) For fiscal year 2003 and thereafter, revenues collected under this section shall be counted as locally generated tax revenues for up to 100 percent of the tax collected under RCW 35.58.273.

**NEW SECTION. Sec. 17.** The legislature finds that additional funds or other benefits can be made available to Washington regional transit authorities by facilitating their entry into sale and leaseback, leaseout and leaseback, and similar transactions that provide to private parties, in consideration for the funds or other benefits obtained by the regional transit authorities, tax benefits that are not otherwise available to regional transit authorities. The legislature further finds that such transactions have been encouraged by agencies of the federal government as ways to provide additional funds for public facilities. To facilitate such transactions for regional transit authorities, the legislature has determined that while regional transit authorities may currently have the necessary statutory authority and may currently enjoy exemptions from Washington state taxes for such transactions, an explicit statement of statutory authority and exemption from Washington state taxes is necessary and helpful for the parties to such transactions. In recognition of the complexity of such transactions, the legislature desires that the authority and exemptions provided by sections 18 through 30 of this act be subject to certain limitations and be granted for a period as specified in section 30 of this act.

**NEW SECTION. Sec. 18.** A new section is added to chapter 81.112 RCW to read as follows:

(1) In order to enable regional transit authorities to acquire or finance equipment or facilities, or reduce the cost of equipment or facilities, regional transit authorities may enter into sale and leaseback, leaseout and leaseback, and other similar transactions with respect to equipment, facilities, and other real and personal property. In connection with any such transaction, a regional transit authority may execute, as it considers appropriate, contracts, agreements, notes, security agreements, conveyances, bills of sale, deeds, leases as lessee or lessor, and currency hedges, defeasance arrangements, interest rate, currency or other swap transactions, one or more payment undertaking agreements, and agreements

relating to foreign and domestic currency. These agreements or instruments must have terms, maturities, durations, provisions as to governing laws, grants of security interests, and other provisions that are approved by the board of the regional transit authority.

(2) "Payment undertaking agreement" means one or more agreements, undertakings or arrangements under which all or a portion of the funds generated by a sale and leaseback, leaseout and leaseback, or other similar transaction are directed or paid over to a financial institution, insurance company, or other entity that agrees to meet or fulfill, in consideration for the funds, some or all of the obligations of the regional transit authority, or any public corporation or other entity created under section 20 of this act, to make future rent, debt service, or purchase price installment payments in connection with the transaction.

**NEW SECTION. Sec. 19.** A new section is added to chapter 81.112 RCW to read as follows:

Transactions undertaken under section 18 of this act are subject to the following conditions:

(1) The financial institution, insurance company, or other entity that enters into a payment undertaking agreement with the regional transit authority or public development corporation or entity created under section 20 of this act as a counterparty must have a rating from at least two nationally recognized credit rating agencies, as of the date of execution of the payment undertaking agreement, that is within the two highest long-term investment grade rating categories, without regard to subcategories, or the obligations of the counterparty must be guaranteed by a financial institution, insurance company, or other entity with that credit rating. The payment undertaking agreement must require that the obligations of the counterparty or the guarantor, as the case may be, must be collateralized by collateral of a type and in an amount specified by the governing body of the regional transit authority if the credit ratings of the counterparty or its guarantor fall below the level required by this subsection.

(2) The amount to be paid by the counterparties under payment undertaking agreements for a transaction under the terms of the agreements, when combined with the amount of securities, deposits, and investments set aside by the regional transit authority for payment in respect of the transactions, together with interest or other earnings on the securities, deposits, or investments, must be sufficient to pay when due all amounts required to be paid by the regional transit authority, or public corporation or entity created under section 20 of this act, as rent, debt service, or installments of purchase price, as the case may be, over the full term of the transaction plus any optional purchase price due under the transaction. A certification by an independent financial expert, banker, or certified public accountant, who is not an employee of the regional transit authority or public corporation or entity created under section 20 of this act, certifying compliance with this requirement is conclusive evidence that the arrangements, by their terms,

**Ch. 4 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

comply with the requirement under this subsection on the sufficiency of the amount.

(3) The payment undertaking agreements, and all other basic and material agreements entered into in connection with the transactions, must specify that the parties to the agreements consent to the jurisdiction of state courts of Washington for disputes arising out of the agreements and agree not to contest venue before such courts. Regardless of the choice of law specified in the foregoing agreements, the agreements must acknowledge that the regional transit authority or public development corporation or entity created under section 20 of this act that is a party to the agreements is an entity created under the laws of the state of Washington whose power and authority and limitations and restrictions on the power and authority are governed by the laws of the state of Washington.

Payment undertaking agreements that meet the foregoing requirement must be treated for all relevant purposes as agreements under which future services are performed for a present payment and shall not be treated as payment agreements within the meaning of chapter 39.96 RCW.

NEW SECTION. Sec. 20. A new section is added to chapter 81.112 RCW to read as follows:

To accomplish any of the activities under section 18 of this act, a regional transit authority may create a public corporation, commission, or authority under RCW 35.21.730 through 35.21.755, and authorize the corporation, commission, or authority to provide any of the facilities and services that a regional transit authority may provide including any activities under section 18 of this act. A regional transit authority has all the powers, authorities, and rights granted to any city, town, or county or their agents under RCW 35.21.730 through 35.21.755 for the purposes of entering into and implementing transactions under section 18 of this act.

NEW SECTION. Sec. 21. A new section is added to chapter 82.08 RCW to read as follows:

The tax levied by RCW 82.08.020 does not apply to lease amounts paid by a seller/lessee to a lessor under a sale/leaseback agreement under section 18 of this act in respect to tangible personal property, used by the seller/lessee, or to the purchase amount paid by the lessee pursuant to an option to purchase at the end of the lease term, but only if the seller/lessee previously paid any tax otherwise due under this chapter or chapter 82.12 RCW at the time of acquisition of the tangible personal property.

NEW SECTION. Sec. 22. A new section is added to chapter 82.12 RCW to read as follows:

This chapter does not apply to the use of tangible personal property by a seller/lessee to a lessor under a sale/leaseback agreement under section 18 of this act in respect to tangible personal property used by the seller/lessee, or to the purchase amount paid by the lessee under an option to purchase at the end of the lease term,



but only if the seller/lessee previously paid any tax otherwise due under this chapter or chapter 82.08 RCW at the time of acquisition of the tangible personal property.

**Sec. 23.** RCW 82.04.050 and 1998 c 332 s 2, 1998 c 315 s 1, 1998 c 308 s 1, and 1998 c 275 s 1 are each reenacted and amended to read as follows:

(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, but a purchase for the purpose of resale by a regional transit authority under section 18 of this act is not a sale for resale; 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) 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 (2) and (7) and 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

**Ch. 4 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

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, rooming house, or mobile home park for the exclusive use of the tenants thereof, and also excluding sales of laundry service to nonprofit health care facilities, 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) 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

subsection shall be construed to modify subsection (1) of this section and nothing contained in subsection (1) of this section shall be construed to modify this 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 services including but not limited to golf, pool, billiards, skating, bowling, ski lifts and tows, day trips for sightseeing purposes, and others, when provided to consumers;

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

(c) Credit bureau services;

(d) Automobile parking and storage garage services;

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

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

(g) The following personal services: Physical fitness services, tanning salon services, tattoo parlor 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 also include the sale of canned software other than a sale to a person who presents a resale certificate under RCW 82.04.470, regardless of the method of delivery to the end user, but shall not include custom software or the customization of canned software.

(7) 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.

(8) The term shall also not include sales of chemical sprays or washes to persons for the purpose of postharvest treatment of fruit for the prevention of scald, fungus, mold, or decay, nor shall it include sales of feed, seed, seedlings, fertilizer, agents for enhanced pollination including insects such as bees, and spray materials to: (a) Persons who participate in the federal conservation reserve program, the environmental quality incentives program, the wetlands reserve program, and the wildlife habitat incentives program, or their successors administered by the United

**Ch. 4 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

States department of agriculture; (b) farmers for the purpose of producing for sale any agricultural product; and (c) farmers acting under cooperative habitat development or access contracts with an organization exempt from federal income tax under 26 U.S.C. Sec. 501(c)(3) or the Washington state department of fish and wildlife to produce or improve wildlife habitat on land that the farmer owns or leases.

(9) 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. Nor shall the term include the sale of services or charges made for cleaning up for the United States, or its instrumentalities, radioactive waste and other byproducts of weapons production and nuclear research and development.

(10) Until July 1, 2003, the term shall not include the sale of or charge made for labor and services rendered for environmental remedial action as defined in RCW 82.04.2635(2).

**NEW SECTION. Sec. 24.** A new section is added to chapter 82.04 RCW to read as follows:

This chapter does not apply to amounts received as lease payments paid by a seller/lessee to a lessor under a sale/leaseback agreement under section 18 of this act in respect to tangible personal property used by the seller/lessee, or to the purchase amount paid by the lessee under an option to purchase at the end of the lease term.

**NEW SECTION. Sec. 25.** A new section is added to chapter 82.29A RCW to read as follows:

All leasehold interests in property of a regional transit authority or public corporation created under section 20 of this act under an agreement under section 18 of this act are exempt from tax under this chapter.

**Sec. 26.** RCW 82.45.010 and 1999 c 209 s 2 are each amended to read as follows:

(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 at the purchaser's direction, 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.

(d) The partition of property by tenants in common by agreement or as the result of a court decree.

(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.

(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

**Ch. 4 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

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.

(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.

(l) The sale of any grave or lot in an established cemetery.

(m) A sale by the United States, this state or any political subdivision thereof, or a municipal corporation of this state.

(n) A sale to a regional transit authority or public corporation under section 20 of this act under a sale/leaseback agreement under section 18 of this act.

(o) 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 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.

~~((p))~~ (p)(i) 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.

(ii) However, the transfer described in ~~((p))~~ (p)(i) of this subsection cannot be preceded or followed within a twelve-month period by another transfer or series of transfers, that, when combined with the otherwise exempt transfer or transfers described in ~~((p))~~ (p)(i) of this subsection, results in the transfer of a controlling interest in the entity for valuable consideration, and in which one or more persons previously holding a controlling interest in the entity receive cash or property in exchange for any interest the person or persons acting in concert hold in the entity. This subsection ~~(3)((p))~~ (p)(ii) does not apply to that part of the transfer involving property received that is the real property interest that the person or persons

originally contributed to the entity or when one or more persons who did not contribute real property or belong to the entity at a time when real property was purchased receive cash or personal property in exchange for that person or persons' interest in the entity. The real estate excise tax under this subsection (3)~~((p))~~ (p)(ii) is imposed upon the person or persons who previously held a controlling interest in the entity.

**NEW SECTION.** **Sec. 27.** A new section is added to chapter 84.36 RCW to read as follows:

All real and personal property subject to a sale/leaseback agreement under section 18 of this act is exempt from taxation.

**NEW SECTION.** **Sec. 28.** A new section is added to chapter 35.21 RCW to read as follows:

A city or town may not impose taxes on amounts received as lease payments paid by a seller/lessee to a lessor under a sale/leaseback agreement under section 18 of this act in respect to tangible personal property used by the seller/lessee, or to the purchase amount paid by the lessee under an option to purchase at the end of the lease term.

**Sec. 29.** RCW 35.21.755 and 1999 c 266 s 1 are each amended to read as follows:

(1) A public corporation, commission, or authority created pursuant to RCW 35.21.730 ~~((or))~~, 35.21.660, or section 20 of this act shall receive the same immunity or exemption from taxation as that of the city, town, or county creating the same: PROVIDED, That, except for (a) any property within a special review district established by ordinance prior to January 1, 1976, or listed on or which is within a district listed on any federal or state register of historical sites or (b) any property owned, operated, or controlled by a public corporation that is used primarily for low-income housing, or that is used as a convention center, performing arts center, public assembly hall, public meeting place, public esplanade, street, public way, public open space, park, public utility corridor, or view corridor for the general public or (c) any blighted property owned, operated, or controlled by a public corporation that was acquired for the purpose of remediation and redevelopment of the property in accordance with an agreement or plan approved by the city, town, or county in which the property is located, or (d) any property owned, operated, or controlled by a public corporation created under section 20 of this act, any such public corporation, commission, or authority shall pay to the county treasurer an annual excise tax equal to the amounts which would be paid upon real property and personal property devoted to the purposes of such public corporation, commission, or authority were it in private ownership, and such real property and personal property is acquired and/or operated under RCW 35.21.730 through 35.21.755, and the proceeds of such excise tax shall be allocated by the county treasurer to the various taxing authorities in which such property is situated, in the same manner as though the property were in private

**Ch. 4 WASHINGTON LAWS, 2000 2nd Sp. Sess.**

ownership: PROVIDED FURTHER, That the provisions of chapter 82.29A RCW shall not apply to property within a special review district established by ordinance prior to January 1, 1976, or listed on or which is within a district listed on any federal or state register of historical sites and which is controlled by a public corporation, commission, or authority created pursuant to RCW 35.21.730 or 35.21.660, which was in existence prior to January 1, 1987: AND PROVIDED FURTHER, That property within a special review district established by ordinance prior to January 1, 1976, or property which is listed on any federal or state register of historical sites and controlled by a public corporation, commission, or authority created pursuant to RCW 35.21.730 or 35.21.660, which was in existence prior to January 1, 1976, shall receive the same immunity or exemption from taxation as if such property had been within a district listed on any such federal or state register of historical sites as of January 1, 1976, and controlled by a public corporation, commission, or authority created pursuant to RCW 35.21.730 or 35.21.660 which was in existence prior to January 1, 1976.

(2) As used in this section:

(a) "Low-income" means a total annual income, adjusted for family size, not exceeding fifty percent of the area median income.

(b) "Area median income" means:

(i) For an area within a standard metropolitan statistical area, the area median income reported by the United States department of housing and urban development for that standard metropolitan statistical area; or

(ii) For an area not within a standard metropolitan statistical area, the county median income reported by the department of community, trade, and economic development.

(c) "Blighted property" means property that is contaminated with hazardous substances as defined under RCW 70.105D.020(7).

NEW SECTION. **Sec. 30.** A new section is added to chapter 81.112 RCW to read as follows:

(1) Except as provided in subsection (3) of this section, no regional transit authority may initiate a transaction authorized under section 18 of this act after June 30, 2007.

(2) The termination of authority to enter into transactions after June 30, 2007, does not affect the validity of any transactions entered into under section 18 of this act.

(3) A regional transit authority may enter into a transaction in accordance with section 18 of this act after June 30, 2007, to replace or refinance a transaction that relates to specific obligations entered into on or before that date and that has terminated, or is, under the terms of the replacement or refinance, to terminate, before the final stated term of that transaction. The exemptions from taxes provided by sections 21, 22, 24, 25, 27, and 28 of this act and RCW 82.04.050, 82.45.010, and 35.21.755 apply to the replacement or refinance transactions.



(4) A regional transit authority, or public corporation or entity created under section 20 of this act, that undertakes a transaction authorized by section 18 of this act, shall provide to the state finance committee, or its financial advisor, at the state finance committee's discretion, a copy of all material agreements executed in connection with the transaction within three months of the closing of the transaction and shall make a report to the state finance committee, the president of the senate, and the speaker of the house of representatives on transactions authorized by section 18 of this act. The report must include the amount of the transactions, the expected savings or losses resulting from the transactions, the transaction costs, including fees and detailed pricing information, the risks associated with the transaction, and any other information the regional transit authority determines relevant. The report must be submitted within six months of the closing of each transaction.

**NEW SECTION. Sec. 31.** The authority granted by sections 18 through 30 of this act is in addition and supplemental to any authority previously granted and does not limit nor is limited by any other powers or authority previously granted to regional transit authorities or any public corporation, or restrictions on such powers or authority. Nothing in sections 18 through 30 of this act limits other statutory authority previously granted to regional transit authorities or public corporations or other tax exemptions granted to regional transit authorities or public corporations. Nothing in sections 18 through 30 of this act limits the authority of the state, any political subdivision thereof, or any other public or municipal corporation to undertake the activities described in sections 18 through 30 of this act as expressly or impliedly authorized by other provisions of law. Nothing in sections 18 through 30 of this act is an authorization to provide indemnification to the extent the indemnification is prohibited or restricted by other provisions of law or the Constitution of the state of Washington.

**Sec. 32.** RCW 81.112.060 and 1992 c 101 s 6 are each amended to read as follows:

An authority shall have the following powers:

(1) To establish offices, departments, boards, and commissions that are necessary to carry out the purposes of the authority, and to prescribe the functions, powers, and duties thereof.

(2) To appoint or provide for the appointment of, and to remove or to provide for the removal of, all officers and employees of the authority.

(3) To fix the salaries, wages, and other compensation of all officers and employees of the authority.

(4) To employ such engineering, legal, financial, or other specialized personnel as may be necessary to accomplish the purposes of the authority.

(5) To determine risks, hazards, and liabilities in order to obtain insurance consistent with these determinations. This insurance may include any types of insurance covering, and for the benefit of, one or more parties with whom the

Ch. 4 WASHINGTON LAWS, 2000 2nd Sp. Sess.

authority contracts for any purpose, and insurance for the benefit of its board members, authority officers, and employees to insure against liability for acts or omissions while performing or in good faith purporting to perform their official duties. All insurance obtained for construction of authority projects with a total project cost exceeding one hundred million dollars may be acquired by bid or by negotiation through December 31, 2006. In order to allow the authority flexibility to secure appropriate insurance by negotiation, the authority is exempt from RCW 48.30.270.

Sec. 33. RCW 48.30.270 and 1983 2nd ex.s. c 1 s 6 are each amended to read as follows:

(1) No officer or employee of this state, or of any public agency, public authority or public corporation except a public corporation or public authority created pursuant to agreement or compact with another state, and no person acting or purporting to act on behalf of such officer or employee, or public agency or public authority or public corporation, shall, with respect to any public building or construction contract which is about to be, or which has been competitively bid, require the bidder to make application to, or to furnish financial data to, or to obtain or procure, any of the surety bonds or contracts of insurance specified in connection with such contract, or specified by any law, general, special or local, from a particular insurer or agent or broker.

(2) No such officer or employee or any person, acting or purporting to act on behalf of such officer or employee shall negotiate, make application for, obtain or procure any of such surety bonds or contracts of insurance, except contracts of insurance for builder's risk or owner's protective liability, which can be obtained or procured by the bidder, contractor or subcontractor.

(3) This section shall not be construed to prevent the exercise by such officer or employee on behalf of the state or such public agency, public authority, or public corporation of its right to approve the form, sufficiency or manner or execution of the surety bonds or contracts of insurance furnished by the insurer selected by the bidder to underwrite such bonds, or contracts of insurance.

(4) Any provisions in any invitation for bids, or in any of the contract documents, in conflict with this section are declared to be contrary to the public policy of this state.

(5) A violation of this section shall be subject to the penalties provided by RCW 48.01.080.

(6) This section shall not apply to:

(a) The public nonprofit corporation authorized under RCW 67.40.020; or

(b) A regional transit authority authorized under RCW 81.112.030.

NEW SECTION. Sec. 34. Section 1 of this act applies to taxes collected on and after December 31, 1999.

NEW SECTION. Sec. 35. Sections 1 through 3 and 20 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 take effect immediately.

**NEW SECTION. Sec. 36.** (1) Sections 4 and 7 through 10 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 take effect July 1, 2000.

(2) Section 5 of this act takes effect September 1, 2000.

(3) Section 6 of this act takes effect March 1, 2002.

**NEW SECTION. Sec. 37.** Sections 3 and 4 of this act expire September 1, 2000.

Passed the Senate April 27, 2000.

Passed the House April 27, 2000.

Approved by the Governor May 2, 2000, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 2, 2000.

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

"I am returning herewith, without my approval as to sections 8(2) and 15 of Second Engrossed Second Substitute Senate Bill No. 6856 entitled:

"AN ACT Relating to transportation funding;"

Section 8(2) (found at page 14, line 37 through page 15, line 6 of the bill) would have amended RCW 46.68.035 and Chapter 102, Section 7, laws of 1993, to redirect the portion of the combined vehicle license fee revenues that are currently distributed to the State Patrol Highway Account to instead be distributed to the Motor Vehicle Account. This change in distribution was inadvertently copied from an earlier version of the bill and would have the effect of putting the State Patrol Highway Account in a deficit position. In order to restore legislative intent and to avoid fund balance problems in the State Patrol Highway Account, I have vetoed this section.

Section 15 (found on pages 24 and 25 of the bill) would have amended RCW 44.40.070 and Chapter 245, Section 87, laws of 1998, so that the transportation revenue forecast council would be responsible for adopting a comprehensive six-year program and financial plans for state agency transportation activities. The section also would have codified the membership of the transportation revenue forecast council to include only transportation agencies. The council currently includes representatives from transportation agencies, as well as the Office of Financial Management, the Economic and Revenue Forecast Council, the Office of the State Treasurer, and the House and Senate Transportation Committees. I do not support the exclusion of non-transportation agencies from the council, and I believe that the development and adoption of six-year transportation expenditure and revenue plans should remain with the agencies.

For these reasons, I have vetoed sections 8(2) and 15, Second Engrossed Second Substitute Senate Bill No. 6856.

With the exception of sections 8(2) and 15, Second Engrossed Second Substitute Senate Bill No. 6856 is approved."

CHAPTER 5

[Senate Bill 6876]

EMERGENCY RESERVE FUND

AN ACT Relating to emergency reserve fund earnings for transportation programs; and amending RCW 43.135.045.

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

Sec. 1. RCW 43.135.045 and 1994 c 2 s 3 are each amended to read as follows:

(1) The emergency reserve fund is established in the state treasury. During each fiscal year, the state treasurer shall deposit in the emergency reserve fund all general fund—state revenues in excess of the state expenditure limit for that fiscal year. Deposits shall be made at the end of each fiscal quarter based on projections of state revenues and the state expenditure limit.

(2) The legislature may appropriate moneys from the emergency reserve fund only with approval of at least two-thirds of the members of each house of the legislature, and then only if the appropriation does not cause total expenditures to exceed the state expenditure limit under this chapter.

(3) The emergency reserve fund balance shall not exceed five percent of biennial general fund—state revenues as projected by the official state revenue forecast. Any balance in excess of five percent shall be transferred on a quarterly basis by the state treasurer to the education construction fund hereby created in the treasury.

(4)(a) Funds may be appropriated from the education construction fund exclusively for common school construction or higher education construction.

(b) Funds may be appropriated for any other purpose only if approved by a two-thirds vote of each house of the legislature and if approved by a vote of the people at the next general election. An appropriation approved by the people under this subsection shall result in an adjustment to the state expenditure limit only for the fiscal period for which the appropriation is made and shall not affect any subsequent fiscal period.

(5) Earnings of the emergency reserve fund under RCW 43.84.092(4)(a) shall be transferred quarterly to the multimodal transportation account, except for those earnings that are in excess of thirty-five million dollars each fiscal year. Within thirty days following any fiscal year in which earnings transferred to the multimodal transportation account under this subsection did not total thirty-five million dollars, the state treasurer shall transfer from the emergency reserve fund an amount necessary to bring the total deposited in the multimodal transportation account under this subsection to thirty-five million dollars. The revenues to the multimodal transportation account reflected in this subsection provide on-going support for the transportation programs of the state. However, it is the intent of the legislature that any new long-term financial support that may be subsequently provided for transportation programs will be used to replace and supplant the

revenues reflected in this subsection, thereby allowing those revenues to be returned to the purposes to which they were previously dedicated.

Passed the Senate April 27, 2000.

Passed the House April 27, 2000.

Approved by the Governor May 2, 2000.

Filed in Office of Secretary of State May 2, 2000.

---

## CHAPTER 6

[Engrossed House Bill 2788]

### TRANSPORTATION PROJECTS

AN ACT Relating to funds for transportation projects; and amending RCW 47.26.500.

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

**Sec. 1.** RCW 47.26.500 and 1994 c 179 s 28 are each amended to read as follows:

In order to provide funds necessary to meet the urgent construction needs on state, county, and city transportation projects, there are hereby authorized for issuance general obligation bonds of the state of Washington in the sum of ~~((fifty))~~ one hundred million dollars, which shall be issued and sold in such amounts and at such times as determined to be necessary by the state transportation improvement board. The amount of such bonds issued and sold under the provisions of RCW 47.26.500 through 47.26.507 in any biennium shall not exceed the amount of a specific appropriation therefor, from the proceeds of such bonds, for the construction of state, county, and city transportation projects. The issuance, sale, and retirement of the bonds shall be under the supervision and control of the state finance committee which, upon request being made by the board, 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 shall be requested by the board. ~~((The board shall report all bond sale requests to the commission.))~~

Passed the House April 27, 2000.

Passed the Senate April 27, 2000.

Approved by the Governor May 2, 2000.

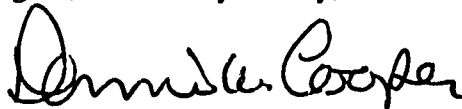
Filed in Office of Secretary of State May 2, 2000.

---

### 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 2000 regular session (56th Legislature), chapters 190 through 256, the 2000 1st special session, chapter 1, and the 2000 2nd special session, chapters I through 6, 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 5th day of May, 2000.

A handwritten signature in black ink, appearing to read "Dennis W. Cooper". The signature is fluid and cursive, with a large initial "D" and "C".

DENNIS W. COOPER  
Code Reviser

**CONSTITUTIONAL  
AMENDMENTS**

**FOR NOVEMBER 2000 BALLOT**

**CONSTITUTIONAL AMDTS.**





**PROPOSED CONSTITUTIONAL AMENDMENTS, 2000 SJR 8214**

**PROPOSED CONSTITUTIONAL AMENDMENT  
ADOPTED AT THE 2000 REGULAR SESSION  
FOR SUBMISSION TO THE VOTERS  
AT THE STATE GENERAL ELECTION, NOVEMBER 2000**

**SENATE JOINT RESOLUTION 8214**

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 the secretary of state shall submit to the qualified voters of the state for their approval and ratification, or rejection, an amendment to Article XXIX, section 1 of the Constitution of the state of Washington to read as follows:

Article XXIX, section 1. Notwithstanding the provisions of sections 5, and 7 of Article VIII and section 9 of Article XII or any other section or article of the Constitution of the state of Washington, the moneys of any public pension or retirement fund ((or)), industrial insurance trust fund, or fund held in trust for the benefit of persons with developmental disabilities may be invested as authorized by law.

BE IT FURTHER RESOLVED, That the secretary of state shall cause notice of this 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 Senate February 10, 2000

Passed the House March 1, 2000

Filed in the Office of Secretary of State March 7, 2000

---



# INDEX AND TABLES

<b>TABLES</b>	<i>Page</i>
<b>Cross reference—Bill no. to Chapter no. ....</b>	<b>1921</b>
<b>RCW sections affected .....</b>	<b>1925</b>
<b>Uncodified session law sections affected .....</b>	<b>1947</b>
<b>Subject Index.....</b>	<b>1951</b>







**BILL NO. TO CHAPTER NO. OF 2000 STATUTES**

<u>Number</u>	<u>Chapter Number</u> <u>Laws of 2000</u>		<u>Number</u>	<u>Chapter Number</u> <u>Laws of 2000</u>	
HB	2535	185	SHB	2792	56
HB	2536	194	ESHB	2798	8
EHB	2559	14	SHB	2799	111
EHB	2561	196	HB	2807	219
EHB	2565	213	SHB	2846	220
HB	2576	174	HB	2848	221
HB	2579	86	HB	2851	20
SHB	2587	197	HB	2853	57
E2SHB	2588	50	E2SHB	2867	98
ESHB	2589	15	HB	2868	58
SHB	2590	16	EHB	2881	82
HB	2595	51	ESHB	2884	21
SHB	2599	198	SHB	2886	208
HB	2600	214	SHB	2899	22
SHB	2604	186	SHB	2903	195
HB	2607	17	HB	2904	160
EHB	2609	215	SHB	2912	89
HB	2612	52	HB	2926	4
ESHB	2617	53	ESHB	2934	222
SHB	2628	97	EHB	2952	113
HB	2630	18	HB	2993	199
SHB	2633	172	EHB	2995	100
2SHB	2637	87	HB	3005	59
SHB	2644	243	SHB	3032	200
ESHB	2647	239	ESHB	3045	223
EHB	2648	216	EHB	3068	246
SHB	2649	180	SHB	3076	101
HB	2650	183	SHB	3077	2
HB	2657	177	SHB	3099	184
HB	2660	188	EHB	3105	240
2SHB	2663	217	HB	3154	80
SHB	2670	114	EHB	3169	2
ESHB	2675	190			E2
HB	2684	88			
HB	2686	218			
EHB	2713	170			
SHB	2721	244			
HB	2722	19			
HB	2750	54			
EHB	2755	245			
EHB	2760	39			
HB	2765	181			
SHB	2766	102			
HB	2774	55			
HB	2775	164			
SHB	2776	110			
EHB	2788	6			

"PV" Denotes partial veto by Governor [ 1923 ]

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess.





## RCW SECTIONS AFFECTED BY 2000 STATUTES

LEGEND							
				9.94A.110	REMD	75	8
				9.94A.120	REMD	43	1
ADD	=	Add a new section		9.94A.120	REMD	28	5
AMD	=	Amend existing law		9.94A.120	REMD	226	2
DECD	=	Decodify existing law		9.94A.130	AMD	28	9
RECD	=	Recodify existing law		9.94A.135	AMD	28	27
REEN	=	Reenact existing law		9.94A.137	AMD	28	21
REMD	=	Reenact and amend		9.94A.140	REMD	28	32
REP	=	Repeal existing law		9.94A.142	REMD	28	33
				9.94A.142	REMD	226	3
				9.94A.145	AMD	28	31
				9.94A.145	AMD	226	4
				9.94A.150	REMD	28	28
				9.94A.170	REMD	226	5
				9.94A.180	AMD	28	29
				9.94A.185	AMD	28	30
				9.94A.190	AMD	28	4
				9.94A.210	AMD	28	10
				9.94A.220	AMD	119	3
				9.94A.310	REMD	28	11
				9.94A.310	REMD	132	2
				9.94A.320	REMD	66	2
				9.94A.320	REMD	225	5
				9.94A.320	REMD	119	17
				9.94A.360	REMD	28	15
				9.94A.370	AMD	28	12
				9.94A.383	AMD	28	13
				9.94A.390	AMD	28	8
				9.94A.395	AMD	28	42
				9.94A.400	AMD	28	14
				9.94A.410	AMD	28	16
				9.94A.440	REMD	28	17
				9.94A.440	REMD	119	28
				9A.42	ADD	76	1
				9A.42.040	AMD	76	2
				9A.42.045	AMD	76	3
				9A.44.130	REMD	91	2
				9A.44.135	AMD	91	1
				9A.44.140	AMD	91	3
				10.31.100	AMD	119	4
				10.37.050	AMD	92	3
				10.73	ADD	92	1
				10.77	ADD	74	5
				10.77.010	REMD	94	12
				10.77.025	AMD	94	13
				10.77.060	AMD	74	1
				10.77.065	AMD	74	2
				10.77.090	AMD	74	3
				10.77.097	AMD	74	4
				10.77.110	AMD	94	14
				10.77.120	AMD	94	15
				10.77.200	AMD	94	16
				10.77.205	AMD	94	17
RCW		CH.	SEC.				
I	ADD	224	1-6				
1.16.050	AMD	60	1				
2.24.040	AMD	73	1				
2.56	ADD	165	1				
3.02	ADD	165	2				
3.42.030	AMD	164	1				
3.46.030	AMD	111	5				
3.50.020	AMD	111	6				
3.50.090	AMD	55	1				
3.66.010	AMD	111	2				
3.66.020	AMD	49	1				
3.66.060	AMD	111	3				
3.66.070	AMD	111	4				
4.64.030	AMD	41	1				
6.27	ADD	72	6				
6.27.005	AMD	72	1				
6.27.090	AMD	72	2				
6.27.100	AMD	72	3				
6.27.190	AMD	72	4				
6.27.250	AMD	72	5				
6.27.320	AMD	72	7				
7.68.035	AMD	71	3				
8.08.040	AMD	68	1				
9.04.050	AMD	33	1				
9.35	ADD	77	1				
9.38.020	AMD	250	9A-821				
9.46	ADD	228	1				
9.46.0209	AMD	233	1				
9.46.0233	AMD	178	1				
9.46.0355	REP	228	2				
9.46.210	AMD	46	1				
9.73.080	AMD	195	3				
9.73.090	AMD	195	2				
9.91.020	AMD	239	3				
9.94A	ADD	26	2				
9.94A	ADD	28	3,6,7 18-20 22-26 34-36				
9.94A	ADD	132	1				
9.94A.030	REMD	28	2				
9.94A.040	REMD	28	41				

"PV" Denotes partial veto by Governor [ 1925 ]

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess.

**RCW SECTIONS AFFECTED BY 2000 STATUTES**

<u>RCW</u>		<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>		<u>CH.</u>	<u>SEC.</u>
10.99.020	AMD	119	5	13.34.060	AMD	122	4
10.99.040	AMD	119	18	13.34.070	AMD	122	8
10.99.045	AMD	119	19	13.34.080	AMD	122	9
10.99.050	AMD	119	20	13.34.090	REMD	122	10
11.02.005	AMD	130	1	13.34.100	AMD	124	2
11.86.051	AMD	24	1	13.34.102	AMD	124	3
11.88	ADD	124	10,13	13.34.105	AMD	124	4
11.88.090	AMD	124	1	13.34.110	REMD	122	11
13.04.030	REMD	135	2	13.34.120	AMD	122	13
13.04.155	AMD	27	1	13.34.120	AMD	124	5
13.32A	ADD	162	5,9,10	13.34.130	REMD	122	15
13.32A.010	AMD	123	1	13.34.145	AMD	122	20
13.32A.030	AMD	123	2	13.34.145	AMD	135	4
13.32A.040	AMD	123	3	13.34.162	REP	122	42
13.32A.042	AMD	123	4	13.34.165	AMD	122	21
13.32A.044	AMD	123	5	13.34.170	AMD	122	22
13.32A.050	AMD	123	6	13.34.170	RECD	122	41
13.32A.060	AMD	162	1	13.34.174	AMD	122	23
13.32A.060	AMD	162	11	13.34.176	AMD	122	24
13.32A.060	AMD	123	7	13.34.180	AMD	122	25
13.32A.065	AMD	162	2	13.34.190	AMD	122	26
13.32A.065	AMD	162	12	13.34.200	AMD	122	27
13.32A.065	AMD	123	8	13.34.210	AMD	122	28
13.32A.080	AMD	123	9	13.34.220	REP	122	42
13.32A.082	AMD	123	10	13.34.231	AMD	122	29
13.32A.090	AMD	123	11	13.34.233	AMD	122	30
13.32A.095	AMD	123	12	13.34.235	AMD	122	31
13.32A.100	AMD	123	13	13.34.260	AMD	122	32
13.32A.120	AMD	123	14	13.34.270	AMD	122	33
13.32A.130	AMD	162	3	13.34.300	AMD	122	34
13.32A.130	AMD	162	13	13.34.340	AMD	122	35
13.32A.130	AMD	123	15	13.40	ADD	71	1
13.32A.140	AMD	123	16	13.40.0357	AMD	66	3
13.32A.150	AMD	123	17	13.40.300	AMD	71	2
13.32A.152	AMD	123	18	13.50.100	AMD	162	18
13.32A.160	AMD	123	19	13.70.003	AMD	122	36
13.32A.170	AMD	123	20	13.70.110	AMD	122	37
13.32A.179	AMD	123	21	13.70.140	AMD	122	38
13.32A.191	AMD	123	22	15.09	ADD	144	33-35
13.32A.194	AMD	123	23	15.09.130	REP	144	36
13.32A.196	AMD	123	24	15.13	ADD	144	3,25
13.32A.200	AMD	123	25				29
13.32A.250	AMD	162	4	15.13.250	AMD	144	1
13.32A.250	AMD	162	14	15.13.260	AMD	144	2
13.34	ADD	122	5-7	15.13.265	AMD	144	4
			12,14	15.13.270	AMD	144	5
			16-19	15.13.280	AMD	144	6
13.34	ADD	124	11,14	15.13.285	AMD	144	7
13.34	ADD	135	1	15.13.290	AMD	144	8
13.34.030	AMD	122	1	15.13.300	AMD	144	9
13.34.040	AMD	122	2	15.13.310	AMD	144	10
13.34.050	AMD	122	3	15.13.320	AMD	144	11

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess.

[ 1926 ]

"PV" Denotes partial veto by Governor

**RCW SECTIONS AFFECTED BY 2000 STATUTES**

<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>
15.13.335	AMD	144	12	15.60.180	RECD 100 7
15.13.340	AMD	144	13	15.60.190	RECD 100 7
15.13.350	REP	144	36	15.60.210	RECD 100 7
15.13.360	AMD	144	14	15.60.220	RECD 100 7
15.13.370	AMD	144	15	15.60.230	REP 100 8
15.13.380	AMD	144	16	15.60.900	RECD 100 7
15.13.390	AMD	144	17	16.49	ADD 99 1,12
15.13.400	AMD	144	18		16
15.13.410	AMD	144	19	16.49.435	AMD 99 2
15.13.420	AMD	144	20	16.49.435	RECD 99 16
15.13.425	AMD	144	21	16.49.440	AMD 99 4
15.13.430	AMD	144	22	16.49.440	RECD 99 16
15.13.440	AMD	144	23	16.49.441	REP 99 15
15.13.445	AMD	144	24	16.49.442	REP 99 15
15.13.450	AMD	144	26	16.49.444	AMD 99 10
15.13.455	AMD	144	27	16.49.444	RECD 99 16
15.13.460	DECD	144	32	16.49.451	AMD 99 7
15.13.470	AMD	144	28	16.49.451	RECD 99 16
15.13.480	AMD	144	30	16.49.454	REP 99 15
15.13.490	AMD	144	31	16.49.500	REP 99 15
15.13.930	DECD	144	32	16.49.510	AMD 99 11
15.13.950	DECD	144	32	16.49.510	RECD 99 16
15.36.151	AMD	97	1	16.49.610	AMD 99 6
15.58	ADD	96	2-5	16.49.610	RECD 99 16
15.58.030	AMD	96	1	16.49.630	REP 99 15
15.58.040	AMD	96	8	16.49.635	REP 99 15
15.58.150	AMD	96	6	16.49.670	AMD 99 13
15.58.210	AMD	96	9	16.49.670	RECD 99 16
15.58.233	AMD	96	7	16.49.680	AMD 99 3
15.60	ADD	100	7	16.49.680	RECD 99 16
15.60.005	AMD	100	1	16.49.690	AMD 99 5
15.60.005	RECD	100	7	16.49.690	RECD 99 16
15.60.007	REP	100	8	16.49.700	AMD 99 8
15.60.010	AMD	100	2	16.49.700	RECD 99 16
15.60.010	RECD	100	7	16.49.710	AMD 99 9
15.60.015	REP	100	8	16.49.710	RECD 99 16
15.60.020	REP	100	8	16.57	ADD 99 14
15.60.025	REP	100	8	16.67.040	AMD 146 1
15.60.030	REP	100	8	16.67.090	AMD 146 2
15.60.040	AMD	100	5	16.67.100	AMD 146 3
15.60.040	RECD	100	7	16.67.110	AMD 146 4
15.60.042	REP	100	8	16.67.120	AMD 146 5
15.60.043	AMD	100	4	16.67.122	AMD 146 6
15.60.043	RECD	100	7	16.67.130	AMD 146 7
15.60.050	AMD	100	3	16.67.150	REP 146 8
15.60.050	RECD	100	7	17.24.007	AMD 100 6
15.60.100	REP	100	8	18	ADD 253 1-21
15.60.110	REP	100	8	18.04.105	AMD 171 2
15.60.120	REP	100	8	18.04.295	AMD 171 1
15.60.140	REP	100	8	18.08.150	REP 171 77
15.60.150	REP	100	8	18.08.190	REP 171 77
15.60.170	RECD	100	7	18.08.220	REP 171 77

"E1" Denotes 2000 1st special sess.

"PV" Denotes partial veto by Governor [ 1927 ]

"E2" Denotes 2000 2nd special sess.

**RCW SECTIONS AFFECTED BY 2000 STATUTES**

<u>RCW</u>		<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>		<u>CH.</u>	<u>SEC.</u>
18.20	ADD	47	8	18.48.040	REP	93	44
18.20	ADD	121	2	18.48.060	AMD	171	18
18.20.010	AMD	171	3	18.52.030	AMD	93	6
18.20.010	AMD	121	1	18.53.040	AMD	171	19
18.20.020	AMD	47	1	18.57	ADD	64	6
18.20.040	AMD	47	2	18.57.174	AMD	171	20
18.20.050	AMD	47	3	18.57A.060	AMD	171	21
18.20.060	REP	47	10	18.57A.070	AMD	93	41
18.20.100	REP	47	10	18.64.430	AMD	171	22
18.20.110	AMD	47	4	18.71	ADD	64	5
18.20.120	AMD	47	5	18.71.017	AMD	171	23
18.20.130	AMD	47	6	18.73.030	AMD	93	16
18.20.190	AMD	47	7	18.73.101	AMD	93	17
18.22.040	AMD	171	4	18.73.130	AMD	93	18
18.25.0151	AMD	171	5	18.73.140	AMD	93	19
18.25.0196	AMD	171	6	18.74.012	AMD	171	24
18.25.0197	AMD	171	7	18.79	ADD	64	1,7
18.25.050	REP	171	77	18.79.050	AMD	64	2
18.25.190	AMD	171	8	18.79.240	AMD	64	3
18.27.270	AMD	171	9	18.79.250	AMD	64	4
18.32.326	REP	171	77	18.79.260	AMD	95	3
18.35.240	AMD	93	1	18.83.135	AMD	93	7
18.35.240	AMD	93	2	18.83.910	REP	93	44
18.35.250	AMD	93	3	18.83.911	REP	93	44
18.35.250	AMD	93	4	18.84.020	AMD	93	42
18.39.010	AMD	171	10	18.88A.140	AMD	171	25
18.39.510	AMD	171	11	18.88A.210	AMD	95	1
18.43.040	AMD	172	1	18.88A.220	REP	95	4
18.44.241	AMD	171	12	18.88A.230	AMD	95	2
18.44.261	AMD	171	13	18.88A.240	REP	95	4
18.44.271	AMD	171	14	18.89.140	AMD	93	43
18.44.281	AMD	171	15	18.90.010	REP	171	77
18.44.291	AMD	171	16	18.92.013	AMD	93	8
18.44.450	AMD	171	17	18.92.015	AMD	93	9
18.45.010	REP	171	77	18.92.030	AMD	93	10
18.45.020	REP	171	77	18.92.060	AMD	93	11
18.45.440	REP	171	77	18.92.125	AMD	93	12
18.45.450	REP	171	77	18.92.140	AMD	93	13
18.45.470	REP	171	77	18.92.145	AMD	93	14
18.46.005	AMD	93	29	18.104.020	AMD	171	26
18.46.010	AMD	93	30	18.104.043	AMD	32	1
18.46.020	AMD	93	31	18.106.180	AMD	171	27
18.46.040	AMD	93	32	18.106.250	AMD	171	28
18.46.060	AMD	93	33	18.120.020	AMD	93	15
18.46.070	AMD	93	34	18.130.172	AMD	171	29
18.46.080	AMD	93	35	18.135.060	AMD	171	30
18.46.090	AMD	93	36	18.140	ADD	249	3-5
18.46.110	AMD	93	37	18.140.010	AMD	249	1
18.46.120	AMD	93	38	18.140.030	AMD	249	2
18.46.130	AMD	93	39	18.140.160	AMD	35	1
18.46.140	AMD	93	40	18.145.010	AMD	171	31
18.48.020	AMD	93	5	18.155.010	AMD	171	32

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess.

[ 1928 ] "PV" Denotes partial veto by Governor

**RCW SECTIONS AFFECTED BY 2000 STATUTES**

<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>
18.155.010	AMD	28	37	19.28.560	RECD 238 102
18.155.020	AMD	171	33	19.28.570	RECD 238 102
18.155.020	AMD	28	38	19.28.580	RECD 238 102
18.155.030	AMD	171	34	19.28.600	RECD 238 102
18.155.030	AMD	28	39	19.28.610	RECD 238 102
18.160.030	AMD	171	35	19.28.620	RECD 238 102
18.160.040	AMD	171	36	19.28.630	RECD 238 2
18.165.020	AMD	171	37	19.29A	ADD 213 3-6
18.165.130	AMD	171	38	19.29A.010	AMD 213 2
18.170.110	AMD	171	39	19.30.200	AMD 171 48
18.185.010	AMD	171	40	19.32.150	AMD 171 49
18.205.030	AMD	171	41	19.34.020	AMD 171 50
18.205.100	AMD	171	42	19.34.250	AMD 171 51
19.02.110	AMD	171	43	19.34.901	AMD 171 52
19.02.800	AMD	171	44	19.36.100	AMD 171 53
19.27A.050	AMD	171	45	19.40.071	AMD 171 54
19.28	ADD	238	202	19.56.010	AMD 171 55
			204-219	19.60.085	AMD 171 56
19.28.005	AMD	238	103	19.68.040	AMD 171 57
19.28.005	RECD	238	102	19.72.040	AMD 171 58
19.28.015	AMD	171	46	19.80.005	AMD 174 1
19.28.015	RECD	238	102	19.80.010	AMD 174 2
19.28.060	RECD	238	102	19.80.025	AMD 174 3
19.28.065	AMD	238	3	19.80.065	AMD 171 59
19.28.065	RECD	238	2	19.85.030	AMD 171 60
19.28.070	RECD	238	2	19.94.258	AMD 171 61
19.28.120	RECD	238	102	19.94.2584	AMD 171 62
19.28.123	RECD	238	102	19.94.310	AMD 171 63
19.28.125	RECD	238	102	19.94.390	AMD 171 64
19.28.180	RECD	238	102	19.94.505	AMD 171 65
19.28.190	RECD	238	102	19.98.020	AMD 171 66
19.28.200	RECD	238	102	19.98.110	AMD 171 67
19.28.210	RECD	238	102	19.105.330	AMD 171 68
19.28.250	RECD	238	2	19.105.470	AMD 171 69
19.28.260	RECD	238	102	19.116.030	AMD 171 70
19.28.300	RECD	238	102	19.116.050	AMD 171 71
19.28.310	AMD	238	4	19.120.080	AMD 171 72
19.28.310	RECD	238	2	19.122	ADD 191 16,18
19.28.330	RECD	238	2		19,23
19.28.340	AMD	238	5		24
19.28.340	RECD	238	2	19.122.020	AMD 191 15
19.28.350	RECD	238	102	19.122.030	AMD 191 17
19.28.360	RECD	238	102	19.138.021	AMD 171 73
19.28.370	AMD	171	47	19.146.260	AMD 171 74
19.28.370	RECD	238	102	19.166.090	AMD 171 75
19.28.390	RECD	238	2	19.174.020	AMD 171 76
19.28.510	RECD	238	102	23B.01.400	AMD 168 1
19.28.515	RECD	238	102	23B.07.220	AMD 168 2
19.28.520	RECD	238	102	23B.07.240	AMD 168 3
19.28.530	RECD	238	102	24.06.005	AMD 167 1
19.28.540	RECD	238	102	24.06.095	AMD 167 2
19.28.550	RECD	238	102	24.06.105	AMD 167 3

"E1" Denotes 2000 1st special sess.

"PV" Denotes partial veto by Governor [ 1929 ]

"E2" Denotes 2000 2nd special sess.

**RCW SECTIONS AFFECTED BY 2000 STATUTES**

<u>RCW</u>		<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>		<u>CH.</u>	<u>SEC.</u>
24.06.110	AMD	167	4	26.50.035	AMD	119	14
24.06.115	AMD	167	5	26.50.060	AMD	119	15
24.06.190	AMD	167	6	26.50.070	AMD	119	16
24.06.195	AMD	167	7	26.50.110	AMD	119	24
24.06.220	AMD	167	8	26.50.160	AMD	51	1
24.06.225	AMD	167	9	26.50.160	AMD	119	25
24.06.240	AMD	167	10	26.52.070	AMD	119	26
24.06.250	AMD	167	11	28A.150	ADD	88	1
24.06.260	AMD	167	12	28A.210.260	AMD	63	1
24.06.270	AMD	167	13	28A.210.270	AMD	63	2
24.06.275	AMD	167	14	28A.220	ADD	115	11
25.05.050	AMD	169	10	28A.220.030	AMD	115	9
25.05.225	AMD	169	11	28A.220.040	AMD	115	10
25.10.080	AMD	169	5	28A.225.090	AMD	162	6
25.10.220	AMD	169	6	28A.225.090	AMD	162	15
25.10.230	AMD	169	7	28A.225.090	AMD	61	1
25.10.440	AMD	169	8	28A.300	ADD	210	1-7
25.10.660	AMD	169	9	28A.300	ADD	112	2
25.15	ADD	169	3	28A.300	ADD	84	2
25.15.005	AMD	169	1	28A.320	ADD	126	1
25.15.130	AMD	169	2	28A.325.030	AMD	157	2
25.15.270	AMD	169	4	28A.335.190	AMD	138	201
26.09	ADD	21	2-18	28A.400.210	AMD	231	1
26.09.050	AMD	119	6	28A.410	ADD	39	102,103
26.09.060	AMD	119	7				201-203
26.09.260	AMD	21	19	28A.410.020	REP	39	205
26.09.300	AMD	119	21	28B.10	ADD	166	2
26.10.030	AMD	135	3	28B.10.350	AMD	138	202
26.10.040	AMD	119	8	28B.10.355	REP	138	301
26.10.115	AMD	119	9	28B.15	ADD	152	1
26.10.190	AMD	21	21	28B.15.012	AMD	160	1
26.10.220	AMD	119	22	28B.15.012	AMD	117	1
26.12	ADD	124	8,12	28B.15.012	AMD	117	2
			15	28B.15.0139	AMD	160	2
26.12.175	AMD	124	6	28B.15.014	AMD	117	3
26.12.177	AMD	124	7	28B.15.066	AMD	152	2
26.12.185	AMD	124	9	28B.15.910	AMD	152	3
26.18.055	AMD	86	1	28B.50	ADD	128	1
26.18.170	AMD	86	2	28B.50.360	AMD	65	1
26.18.180	AMD	86	3	28B.50.489	AMD	128	2
26.23	ADD	215	4	28B.50.551	AMD	128	3
26.23.060	AMD	86	4	28B.50.841	AMD	127	1
26.23.060	AMD	29	1	28B.52	ADD	128	4
26.26.130	AMD	119	10	28B.80.806	AMD	160	3
26.26.137	AMD	119	11	28B.95.020	AMD	14	1
26.26.138	AMD	119	23	28B.95.025	AMD	14	2
26.26.160	AMD	21	20	28B.95.030	AMD	14	3
26.44.020	AMD	162	19	28B.95.050	AMD	14	4
26.44.063	AMD	119	12	28B.95.060	AMD	14	5
26.44.067	AMD	119	13	28B.95.070	AMD	14	6
26.44.115	AMD	122	39	28B.95.100	AMD	14	7
26.50	ADD	119	1	28B.95.110	AMD	14	8

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess.

[ 1930 ]

"PV" Denotes partial veto by Governor

**RCW SECTIONS AFFECTED BY 2000 STATUTES**

RCW		CH.	SEC.	RCW		CH.	SEC.
28B.103.010	AMD	159	1				105
29.27	ADD	197	7,8	39.04.010	AMD	138	102
			10,11	39.04.150	REP	138	301
			13,16	39.04.155	AMD	138	101
29.27.060	REP	197	15	39.04.200	AMD	138	103
29.27.065	AMD	197	9	39.10	ADD	209	3,4
29.27.067	AMD	197	14	39.10.020	AMD	209	1
29.79	ADD	197	1	39.10.060	AMD	209	2
29.79.040	AMD	197	2	39.10.060	AMD	194	1
29.79.050	AMD	197	3	39.36.020	AMD	156	1
29.79.055	AMD	197	12	39.84	ADD	198	2
29.79.055	RECD	197	16	39.96.010	AMD	184	1
29.79.060	AMD	197	4	39.96.030	AMD	184	2
29.79.070	AMD	197	5	39.96.070	AMD	184	3
29.79.260	REP	197	15	41.04.010	AMD	140	1
29.79.290	AMD	197	6	41.04.440	AMD	247	1101
29.79.310	REP	197	15	41.04.445	AMD	247	1102
29.79.320	REP	197	15	41.04.450	AMD	247	1103
35	ADD	83	1-7,9	41.05	ADD	1	E2 901
35	ADD	206	1,2	41.05	ADD	79	46
35.20.030	AMD	111	7	41.05	ADD	5	16,20
35.20.200	AMD	55	2	41.05.011	AMD	247	604
35.21	ADD	4	E2 28	41.05.011	AMD	230	3
35.21.755	AMD	4	E2 29	41.05.140	AMD	80	5
35.21.860	AMD	83	8	41.05.140	AMD	79	44
35.22.620	AMD	138	203	41.26.080	AMD	1	E2 907
35.23.352	AMD	138	204	41.26.110	AMD	234	1
35.58.570	AMD	161	1	41.26.430	AMD	247	904
35.82	ADD	138	205	41.26.450	AMD	247	801
35.82.075	REP	138	301	41.26.460	AMD	186	1
35.82.210	AMD	187	2	41.26.470	AMD	247	1104
35.87A.010	AMD	201	1	41.26.510	REMD	247	1001
35A.21	ADD	83	10	41.26.520	AMD	247	1105
36.01.050	AMD	244	1	41.31A	ADD	247	409
36.18.016	AMD	170	1	41.31A.010	AMD	247	407
36.18.020	AMD	9	1	41.31A.020	AMD	247	408
36.23	ADD	202	1	41.32.530	AMD	186	2
36.27.040	AMD	23	2	41.32.765	AMD	247	902
36.28A	ADD	3	1,2	41.32.785	AMD	186	4
36.32.235	AMD	138	206	41.32.805	AMD	247	1002
36.32.250	AMD	138	207	41.32.851	AMD	186	5
36.32.480	AMD	31	1	41.32.875	AMD	247	903
36.61	ADD	184	4	41.32.895	AMD	247	1003
36.61.020	AMD	184	5	41.34.020	AMD	247	401
36.61.260	AMD	184	6	41.34.030	AMD	247	402
36.70A	ADD	196	1	41.34.040	AMD	247	403
36.70A.040	AMD	36	1	41.34.060	AMD	247	404
36.75.160	AMD	155	1	41.34.080	AMD	247	405
36.75.210	AMD	155	2	41.34.100	AMD	247	406
36.77.075	AMD	138	208	41.35.220	AMD	186	6
38.52.530	AMD	34	1	41.35.420	AMD	247	905
39.04	ADD	138	104	41.35.630	AMD	230	1

"E1" Denotes 2000 1st special sess.

"PV" Denotes partial veto by Governor [ 1931 ]

"E2" Denotes 2000 2nd special sess.

**RCW SECTIONS AFFECTED BY 2000 STATUTES**

RCW		CH.	SEC.	RCW		CH.	SEC.
41.35.680	AMD	247	906	43.03.130	AMD	153	1
41.40	ADD	247	301-316	43.06	ADD	216	3
41.40.005	AMD	247	101	43.07.290	AMD	216	1
41.40.010	AMD	247	102	43.07.290	RECD	216	3
41.40.042	AMD	247	103	43.07.295	REP	216	2
41.40.054	AMD	247	104	43.08.250	AMD	1	E2 911
41.40.057	AMD	247	105	43.09.210	AMD	183	2
41.40.062	AMD	247	106	43.19.1919	AMD	183	1
41.40.088	AMD	247	107	43.20A.710	AMD	87	2
41.40.092	AMD	247	108	43.21A	ADD	251	2
41.40.094	DECD	247	109	43.21I.005	AMD	69	35
41.40.188	AMD	186	7	43.21I.005	DECD	69	36
41.40.610	AMD	247	201	43.21I.010	AMD	69	27
41.40.630	AMD	247	901	43.21I.030	AMD	69	28
41.40.650	REP	247	202	43.21I.040	AMD	69	29
41.40.660	AMD	186	8	43.21J.020	REP	150	2
41.40.700	AMD	247	1004	43.30	ADD	251	3
41.40.710	AMD	247	1106	43.30.115	AMD	148	4
41.45	ADD	1	E2 903	43.33A	ADD	80	6
			906	43.33A.025	AMD	188	1
41.45	ADD	247	507	43.33A.190	AMD	247	701
41.45.010	AMD	247	501	43.43	ADD	118	1,2
41.45.020	REMD	247	502	43.43	ADD	78	1
41.45.050	AMD	247	503	43.43.278	AMD	186	9
41.45.060	AMD	1	E2 905	43.43.300	AMD	17	1
41.45.060	REMD	247	504	43.43.410	REP	229	8
41.45.061	AMD	247	506	43.43.420	REP	229	8
41.45.061	AMD	230	2	43.43.832	AMD	87	1
41.45.070	REMD	247	505	43.43.858	AMD	38	1
41.50	ADD	247	1107	43.63A.700	AMD	212	3
41.50.075	AMD	247	601	43.63A.700	RECD	212	11
41.50.088	REMD	247	602	43.63A.710	AMD	212	4
41.50.500	AMD	247	603	43.63A.710	RECD	212	11
41.56.030	AMD	19	1	43.70	ADD	5	12
41.56.030	AMD	23	1	43.70	ADD	251	4
41.56.201	AMD	19	2	43.70.480	AMD	70	1
41.60.015	AMD	139	1	43.72.902	AMD	1	E2 913
41.60.150	AMD	139	2	43.79A.040	REMD	79	45
42.17	ADD	237	6	43.83C.030	REP	150	2
42.17.065	AMD	237	1	43.84.092	AMD	4	E2 4
42.17.080	AMD	237	2	43.84.092	AMD	4	E2 5
42.17.310	REMD	6	5	43.84.092	REEN	4	E2 6
42.17.310	REMD	56	1	43.84.092	REMD	79	37
42.17.310	REMD	134	3	43.84.092	REMD	79	38
42.17.369	AMD	237	3	43.84.092	REMD	79	39
42.17.3691	AMD	237	4	43.84.092	REMD	247	702
42.17.461	AMD	237	5	43.84.092	REMD	4	E2 3
42.52	ADD	211	2	43.88.020	AMD	4	E2 11
42.52.420	AMD	211	1	43.88.030	AMD	4	E2 12
43	ADD	212	1,2	43.88.114	REP	227	4
			5-9	43.88.120	AMD	4	E2 13
43	ADD	50	1-7	43.88.122	AMD	4	E2 14

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess.

[ 1932 ]

"PV" Denotes partial veto by Governor



**RCW SECTIONS AFFECTED BY 2000 STATUTES**

RCW		CH.	SEC.	RCW		CH.	SEC.
43.88C.010	AMD	90	1	46.16.060	REP	1	3
43.89.010	AMD	4	E2 7	46.16.061	REP	1	E1 2
43.99N	ADD	137	2	46.16.061	REP	1	3
43.99N.060	AMD	137	1	46.16.233	AMD	37	1
43.105.052	AMD	180	1	46.16.650	REP	1	E1 2
43.110	ADD	191	8	46.16.650	REP	1	3
43.110	ADD	227	1	46.20	ADD	115	2,3
43.110.030	AMD	227	3	46.20.091	AMD	115	4
43.117	ADD	236	2	46.20.105	AMD	115	5
43.117.010	AMD	236	1	46.20.161	AMD	115	6
43.117.070	AMD	236	3	46.20.311	AMD	115	7
43.131	ADD	189	4-6	46.20.342	AMD	115	8
43.131	ADD	115	12,13	46.44.030	AMD	102	1
43.131.020	AMD	189	1	46.52.020	AMD	66	1
43.131.030	AMD	189	2	46.55.120	REMD	193	1
43.131.040	AMD	189	3	46.55.130	AMD	193	2
43.131.050	REP	189	11	46.55.230	AMD	154	4
43.131.060	REP	189	11	46.61	ADD	85	4
43.131.070	REP	189	11	46.61	ADD	190	4
43.131.080	REP	189	11	46.61.015	AMD	239	4
43.131.090	AMD	189	7	46.61.190	AMD	239	5
43.131.100	AMD	189	8	46.61.235	AMD	85	1
43.131.130	AMD	189	9	46.61.261	AMD	85	2
43.131.150	AMD	189	10	46.61.340	AMD	239	6
43.131.391	REP	67	1	46.61.355	AMD	239	7
43.131.392	REP	67	1	46.61.50571	AMD	52	1
43.131.395	REP	145	1	46.61.524	AMD	28	40
43.131.396	REP	145	1	46.61.687	AMD	190	2
43.131.900	AMD	189	12	46.61.688	AMD	190	3
43.132	ADD	182	5,6	46.61.755	AMD	85	3
43.132.020	AMD	182	2	46.63.070	AMD	110	1
43.132.040	AMD	182	3	46.68.035	AMD	4	E2 8
43.132.060	AMD	182	4	46.70.028	AMD	131	2
43.135	ADD	1	2	46.70.115	AMD	131	1
43.135.025	AMD	2	E2 1	46.96	ADD	203	1
43.135.035	AMD	2	E2 2	47.04	ADD	13	1
43.135.045	AMD	2	E2 3	47.08.125	REP	3	E2 225
43.135.045	AMD	5	E2 1	47.26.500	AMD	6	E2 1
43.185A.010	AMD	255	9	47.36.220	AMD	239	8
43.300	ADD	251	5	47.66	ADD	4	E2 2
43.330	ADD	120	2,4,7,9	47.68.233	AMD	176	1
43.330.200	AMD	120	3	47.68.240	AMD	229	2
43.330.210	AMD	120	5	47.68.255	AMD	229	3
43.330.220	AMD	120	6	48.01	ADD	79	40
43.330.230	AMD	120	8	48.04.010	AMD	221	8
46.12.095	AMD	250	9A-822	48.04.010	AMD	79	1
46.12.103	AMD	250	9A-823	48.04.020	AMD	221	9
46.16	ADD	1	E1 1	48.13	ADD	221	1-7
46.16	ADD	1	1	48.18.110	AMD	79	2
46.16.010	AMD	229	1	48.18.289	AMD	220	1
46.16.0101	REP	229	8	48.20	ADD	79	3
46.16.060	REP	1	E1 2	48.20.028	AMD	79	4

"E1" Denotes 2000 1st special sess.

"PV" Denotes partial veto by Governor [ 1933 ]

"E2" Denotes 2000 2nd special sess.

**RCW SECTIONS AFFECTED BY 2000 STATUTES**

<u>RCW</u>		<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>		<u>CH.</u>	<u>SEC.</u>
48.21.015	AMD	80	8	50.20.050	AMD	2	12
48.30.270	AMD	143	2	50.20.060	AMD	2	13
48.30.270	AMD	4	E2 33	50.20.080	AMD	2	14
48.31B.025	AMD	214	1	50.22	ADD	2	6-8
48.41	ADD	79	36	50.24.010	AMD	2	2
48.41.020	AMD	79	5	50.24.014	REMD	2	15
48.41.030	AMD	79	6	50.29.020	AMD	2	3
48.41.040	AMD	80	1	50.29.025	AMD	2	4
48.41.040	AMD	79	7	50.29.026	AMD	2	5
48.41.060	AMD	79	9	51.04.020	AMD	5	14
48.41.080	AMD	79	10	52.12.150	AMD	199	1
48.41.090	AMD	79	11	52.14.110	AMD	138	209
48.41.100	AMD	79	12	53.04.150	AMD	200	2
48.41.110	AMD	80	2	53.04.180	AMD	200	1
48.41.110	AMD	79	13	53.06	ADD	198	1,3
48.41.120	AMD	79	14	53.06.060	AMD	198	4
48.41.130	AMD	79	15	53.08	ADD	81	6,7,9
48.41.140	AMD	79	16	53.08	ADD	143	1
48.41.180	REP	79	47	53.08.120	AMD	138	210
48.41.200	AMD	79	17	53.40.030	AMD	181	1
48.42.100	AMD	7	1	54.04.070	AMD	138	211
48.43	ADD	79	19,21	54.16	ADD	81	2,3,5
			22,25	57.08.050	AMD	138	212
			26	59.28	ADD	255	7,8
48.43	ADD	5	1,5-11	59.28.020	AMD	255	1
			13,17	59.28.030	AMD	255	2
			18	59.28.040	AMD	255	3
48.43.005	REMD	79	18	59.28.060	AMD	255	4
48.43.015	AMD	80	3	59.28.080	AMD	255	5
48.43.015	AMD	79	20	59.28.100	AMD	255	6
48.43.025	AMD	79	23	60.11	ADD	250	1
48.43.035	AMD	79	24				9A-835
48.43.075	REP	5	29	60.11.010	AMD	250	9A-824
48.43.095	REP	5	29	60.11.020	AMD	250	9A-825
48.44	ADD	79	29	60.11.030	AMD	250	9A-826
48.44.020	AMD	79	28	60.11.040	AMD	250	9A-827
48.44.022	AMD	79	30	60.11.050	AMD	250	9A-828
48.46	ADD	79	27,32	60.11.060	AMD	250	9A-829
48.46.060	AMD	79	31	60.11.070	AMD	250	9A-830
48.46.064	AMD	79	33	60.11.100	AMD	250	9A-831
48.48	ADD	191	20	60.11.120	AMD	250	9A-832
48.50	ADD	254	4	60.11.130	AMD	250	9A-833
48.50.020	REEN	254	1	60.11.140	AMD	250	9A-834
48.50.040	REEN	254	2	60.11.9001	ADD	250	1
48.50.050	AMD	254	3	60.28.011	AMD	185	1
48.50.070	AMD	254	5	62A	ADD	250	9A-101-
48.110.015	AMD	208	1				9A-708
48.110.020	AMD	208	2	62A.1-105	AMD	250	9A-801
49.19.010	AMD	94	18	62A.1-201	AMD	250	9A-802
50.04.355	AMD	2	1	62A.2-103	AMD	250	9A-803
50.13.060	REMD	134	2	62A.2-210	AMD	250	9A-804
50.20	ADD	2	10	62A.2-326	AMD	250	9A-805

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess.

[ 1934 ]

"PV" Denotes partial veto by Governor

**RCW SECTIONS AFFECTED BY 2000 STATUTES**

RCW	CH.	SEC.	RCW	CH.	SEC.
62A.2-502	AMD	250	9A-806	62A.9-310	REP 250 9A-901
62A.2-716	AMD	250	9A-807	62A.9-311	REP 250 9A-901
62A.2A-103	AMD	250	9A-808	62A.9-312	REP 250 9A-901
62A.2A-303	AMD	250	9A-809	62A.9-313	REP 250 9A-901
62A.2A-307	AMD	250	9A-810	62A.9-314	REP 250 9A-901
62A.2A-309	AMD	250	9A-811	62A.9-315	REP 250 9A-901
62A.2A-310	AMD	250	9A-812	62A.9-316	REP 250 9A-901
62A.3-515	AMD	215	1	62A.9-317	REP 250 9A-901
62A.3-522	AMD	215	2	62A.9-318	REP 250 9A-901
62A.3-525	AMD	215	3	62A.9-401	REP 250 9A-901
62A.4-210	AMD	250	9A-813	62A.9-402	REP 250 9A-901
62A.5	ADD	250	2	62A.9-403	REP 250 9A-901
62A.7-202	AMD	58	1	62A.9-404	REP 250 9A-901
62A.7-503	AMD	250	9A-814	62A.9-405	REP 250 9A-901
62A.8-103	AMD	250	9A-815	62A.9-406	REP 250 9A-901
62A.8-106	AMD	250	9A-816	62A.9-407	REP 250 9A-901
62A.8-110	AMD	250	9A-817	62A.9-408	REP 250 9A-901
62A.8-301	AMD	250	9A-818	62A.9-409	REP 250 9A-901
62A.8-302	AMD	250	9A-819	62A.9-420	REP 250 9A-901
62A.8-510	AMD	250	9A-820	62A.9-501	REP 250 9A-901
62A.9-101	REP	250	9A-901	62A.9-502	REP 250 9A-901
62A.9-102	REP	250	9A-901	62A.9-503	REP 250 9A-901
62A.9-103	REP	250	9A-901	62A.9-504	REP 250 9A-901
62A.9-104	REP	250	9A-901	62A.9-505	REP 250 9A-901
62A.9-105	REP	250	9A-901	62A.9-506	REP 250 9A-901
62A.9-106	REP	250	9A-901	62A.9-507	REP 250 9A-901
62A.9-107	REP	250	9A-901	63.14	ADD 163 2
62A.9-108	REP	250	9A-901	65.20.030	AMD 250 9A-836
62A.9-109	REP	250	9A-901	66.04.010	AMD 142 1
62A.9-110	REP	250	9A-901	66.08.180	REMD 192 1
62A.9-112	REP	250	9A-901	66.08.190	AMD 227 2
62A.9-113	REP	250	9A-901	66.24.170	AMD 141 1
62A.9-114	REP	250	9A-901	66.24.240	AMD 142 2
62A.9-115	REP	250	9A-901	66.28.010	REMD 177 1
62A.9-116	REP	250	9A-901	66.28.040	REMD 179 1
62A.9-201	REP	250	9A-901	67.08.015	AMD 151 2
62A.9-202	REP	250	9A-901	67.08.050	AMD 151 1
62A.9-203	REP	250	9A-901	67.16	ADD 204 1
62A.9-204	REP	250	9A-901	67.16.020	AMD 86 5
62A.9-205	REP	250	9A-901	67.16.095	REP 145 1
62A.9-206	REP	250	9A-901	67.16.106	REP 145 1
62A.9-207	REP	250	9A-901	67.16.171	REP 145 1
62A.9-208	REP	250	9A-901	67.16.200	AMD 223 1
62A.9-301	REP	250	9A-901	69	ADD 225 1-3
62A.9-302	REP	250	9A-901	69.41	ADD 8 4
62A.9-303	REP	250	9A-901	69.41.010	REMD 8 2
62A.9-304	REP	250	9A-901	69.41.120	AMD 8 3
62A.9-305	REP	250	9A-901	69.50.440	AMD 225 4
62A.9-306	REP	250	9A-901	69.50.520	AMD 1 E2 917
62A.9-307	REP	250	9A-901	70.02	ADD 5 2
62A.9-308	REP	250	9A-901	70.02.110	AMD 5 3
62A.9-309	REP	250	9A-901	70.02.900	AMD 5 4

"PV" Denotes partial veto by Governor [ 1935 ] "E1" Denotes 2000 1st special sess.  
"E2" Denotes 2000 2nd special sess.

**RCW SECTIONS AFFECTED BY 2000 STATUTES**

<u>RCW</u>		<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>		<u>CH.</u>	<u>SEC.</u>
70.38	ADD	175	23	70.127.270	REP	175	25
70.38.025	AMD	175	22	70.128	ADD	121	3,7
70.41	ADD	6	2,4,6	70.128.005	AMD	121	4
70.41.150	AMD	6	1	70.128.120	AMD	121	5
70.41.200	AMD	6	3	70.128.130	AMD	121	6
70.44.140	AMD	138	213	70.148.900	AMD	16	1
70.47.010	AMD	79	42	70.149.900	AMD	16	2
70.47.020	AMD	79	43	70.168.020	AMD	93	20
70.47.060	REMD	79	34	71.05	ADD	75	3
70.47.100	AMD	79	35	71.05.020	AMD	94	1
70.47.130	AMD	5	21	71.05.025	AMD	94	2
70.48.470	REMD	91	4	71.05.050	AMD	94	3
70.54	ADD	116	1	71.05.120	AMD	94	4
70.58.170	AMD	133	1	71.05.170	AMD	94	5
70.58.180	AMD	133	2	71.05.210	AMD	94	6
70.93.030	AMD	154	1	71.05.235	AMD	74	6
70.93.060	AMD	154	2	71.05.325	AMD	94	7
70.94	ADD	251	6	71.05.340	AMD	94	8
70.95.215	AMD	114	1	71.05.390	AMD	94	9
70.95.240	AMD	154	3	71.05.390	AMD	74	7
70.95.520	REP	150	2	71.05.390	AMD	75	6
70.95.800	REP	150	2	71.05.425	AMD	94	10
70.95H.800	REP	150	2	71.05.630	AMD	75	5
70.105D.070	AMD	1	E2 912	71.05.640	AMD	94	11
70.125.030	AMD	54	1	71.09	ADD	44	1
70.127	ADD	175	19-21	71.12	ADD	93	28
70.127.010	AMD	175	1	71.12.455	AMD	93	21
70.127.020	AMD	175	2	71.12.460	AMD	93	22
70.127.030	AMD	175	3	71.12.470	AMD	93	23
70.127.040	AMD	175	4	71.12.480	AMD	93	24
70.127.050	AMD	175	5	71.12.500	REMD	93	25
70.127.060	REP	175	25	71.12.510	AMD	93	26
70.127.070	REP	175	25	71.12.520	AMD	93	27
70.127.080	AMD	175	6	71.34	ADD	75	2
70.127.085	AMD	175	7	71.34.200	AMD	75	7
70.127.090	AMD	175	8	72.09	ADD	75	4
70.127.100	AMD	175	9	72.11.040	AMD	1	E2 914
70.127.110	REP	175	25	72.23	ADD	22	3-8
70.127.120	AMD	175	10	72.23.010	AMD	22	2
70.127.125	AMD	175	11	72.40	ADD	125	1-7,10
70.127.140	AMD	175	12	72.40.040	AMD	125	8
70.127.150	AMD	175	13	72.40.050	AMD	125	9
70.127.170	AMD	175	14	72.68	ADD	62	1,4
70.127.180	AMD	175	15	72.68.010	AMD	62	2
70.127.190	AMD	175	16	72.68.040	AMD	62	3
70.127.200	AMD	175	17	73.40	ADD	12	2
70.127.210	AMD	175	18	74.04.005	REMD	218	1
70.127.220	REP	175	25	74.08A.250	AMD	10	1
70.127.230	REP	175	25	74.09.050	AMD	5	15
70.127.240	REP	175	25	74.09.530	AMD	218	2
70.127.250	REP	175	25	74.13.033	AMD	162	7
70.127.260	REP	175	25	74.13.033	AMD	162	16

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess.

[ 1936 ]

"PV" Denotes partial veto by Governor

### RCW SECTIONS AFFECTED BY 2000 STATUTES

RCW		CH.	SEC.	RCW		CH.	SEC.
74.13.034	AMD	162	8	75.08.080	RECD	107	127
74.13.034	AMD	162	17	75.08.090	RECD	107	126
74.13.285	AMD	88	2	75.08.110	RECD	107	126
74.14A	ADD	219	2	75.08.120	RECD	107	127
74.14A.020	AMD	219	1	75.08.160	RECD	107	127
74.14A.050	AMD	232	1	75.08.206	AMD	107	8
74.15.030	AMD	162	20	75.08.206	RECD	107	127
74.15.030	AMD	122	40	75.08.208	AMD	107	9
74.18.070	AMD	57	1	75.08.208	RECD	107	127
74.18.080	AMD	57	2	75.08.230	AMD	107	10
74.18.090	AMD	57	3	75.08.230	RECD	107	127
74.18.100	AMD	57	4	75.08.235	RECD	107	127
74.20.330	AMD	86	6	75.08.235	REP	252	3
74.20A	ADD	86	11	75.08.245	AMD	107	11
74.20A.030	AMD	86	7	75.08.245	RECD	107	137
74.20A.080	AMD	86	8	75.08.255	RECD	107	127
74.20A.095	AMD	86	9	75.08.265	RECD	107	127
74.20A.180	AMD	86	10	75.08.274	REP	107	125
74.34	ADD	119	2	75.08.274	REP	11	118
74.34.095	AMD	87	4	75.08.285	RECD	107	127
74.34.130	AMD	51	2	75.08.295	RECD	107	127
74.34.130	AMD	119	27	75.08.300	RECD	107	127
74.39A	ADD	121	8,11	75.08.400	RECD	107	137
74.39A.005	AMD	121	9	75.08.410	RECD	107	137
74.39A.050	AMD	121	10	75.08.420	RECD	107	137
74.39A.095	AMD	87	5	75.08.430	RECD	107	137
74.41.020	AMD	207	2	75.08.440	RECD	107	137
74.41.030	AMD	207	3	75.08.450	RECD	107	137
74.41.050	AMD	207	4	75.08.500	RECD	107	137
74.41.070	AMD	207	5	75.08.510	RECD	107	137
75	ADD	108	1-9,11	75.08.520	RECD	107	137
75.08.010	REP	107	125	75.08.530	RECD	107	137
75.08.011	REP	107	125	75.10.070	REP	107	125
75.08.012	AMD	107	2	75.10.150	AMD	107	12
75.08.012	RECD	107	126	75.10.150	RECD	107	143
75.08.013	RECD	107	126	75.10.160	REP	107	125
75.08.014	REP	107	125	75.12.010	RECD	107	128
75.08.020	AMD	107	3	75.12.015	RECD	107	128
75.08.020	RECD	107	126	75.12.040	RECD	107	128
75.08.025	RECD	107	127	75.12.132	RECD	107	128
75.08.035	REP	107	125	75.12.140	RECD	107	128
75.08.040	AMD	107	4	75.12.155	RECD	107	128
75.08.040	RECD	107	127	75.12.210	RECD	107	128
75.08.045	AMD	107	5	75.12.230	AMD	107	13
75.08.045	RECD	107	127	75.12.230	RECD	107	128
75.08.047	RECD	107	138	75.12.390	RECD	107	128
75.08.055	AMD	107	6	75.12.440	RECD	107	128
75.08.055	RECD	107	127	75.12.650	RECD	107	128
75.08.058	RECD	107	127	75.20.005	RECD	107	129
75.08.065	RECD	107	127	75.20.015	RECD	107	129
75.08.070	RECD	107	127	75.20.025	RECD	107	129
75.08.080	AMD	107	7	75.20.040	RECD	107	129

"PV" Denotes partial veto by Governor [ 1937 ]

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess.

**RCW SECTIONS AFFECTED BY 2000 STATUTES**

<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>		
75.20.050	RECD	107	129	75.25.090	REP	11	118
75.20.060	RECD	107	129	75.25.092	AMD	107	27
75.20.061	AMD	107	14	75.25.092	RECD	107	142
75.20.061	RECD	107	129	75.25.160	REP	107	125
75.20.090	RECD	107	129	75.25.210	REP	107	125
75.20.098	AMD	107	15	75.25.901	DECD	107	144
75.20.098	RECD	107	129	75.25.902	DECD	107	144
75.20.100	AMD	107	16	75.28.010	RECD	107	131
75.20.100	RECD	107	129	75.28.011	AMD	107	28
75.20.103	RECD	107	129	75.28.011	RECD	107	131
75.20.104	AMD	107	17	75.28.012	REP	107	125
75.20.104	RECD	107	129	75.28.012	REP	11	118
75.20.1041	AMD	107	18	75.28.014	RECD	107	131
75.20.1041	RECD	107	129	75.28.020	AMD	107	29
75.20.106	AMD	107	19	75.28.020	RECD	107	131
75.20.106	RECD	107	129	75.28.030	RECD	107	131
75.20.108	RECD	107	129	75.28.034	AMD	107	30
75.20.110	RECD	107	129	75.28.034	RECD	107	131
75.20.130	AMD	107	20	75.28.040	RECD	107	131
75.20.130	RECD	107	129	75.28.042	AMD	107	31
75.20.140	RECD	107	129	75.28.042	RECD	107	131
75.20.150	RECD	107	129	75.28.044	RECD	107	131
75.20.160	RECD	107	129	75.28.045	RECD	107	131
75.20.170	RECD	107	129	75.28.046	AMD	107	32
75.20.180	RECD	107	129	75.28.046	RECD	107	131
75.20.190	RECD	107	129	75.28.047	AMD	107	33
75.20.310	RECD	107	129	75.28.047	RECD	107	131
75.20.320	AMD	107	21	75.28.048	AMD	107	34
75.20.320	RECD	107	129	75.28.048	RECD	107	131
75.20.325	RECD	107	129	75.28.055	AMD	107	35
75.20.330	RECD	107	129	75.28.055	RECD	107	131
75.20.340	RECD	107	129	75.28.095	AMD	107	36
75.20.350	RECD	107	129	75.28.095	RECD	107	131
75.24	ADD	149	1	75.28.110	AMD	107	37
75.24.010	RECD	107	130	75.28.110	RECD	107	131
75.24.030	RECD	107	130	75.28.113	AMD	107	38
75.24.060	AMD	107	22	75.28.113	RECD	107	131
75.24.060	RECD	107	130	75.28.114	AMD	107	39
75.24.065	AMD	107	23	75.28.114	RECD	107	131
75.24.065	RECD	107	130	75.28.116	AMD	107	40
75.24.070	AMD	107	24	75.28.116	RECD	107	131
75.24.070	RECD	107	130	75.28.120	AMD	107	41
75.24.080	RECD	107	130	75.28.120	RECD	107	131
75.24.100	AMD	107	25	75.28.125	AMD	107	42
75.24.100	RECD	107	130	75.28.125	RECD	107	131
75.24.110	RECD	107	130	75.28.130	AMD	107	43
75.24.120	RECD	107	130	75.28.130	RECD	107	131
75.24.130	AMD	107	26	75.28.132	AMD	107	44
75.24.130	RECD	107	130	75.28.132	RECD	107	131
75.24.140	RECD	107	130	75.28.133	AMD	107	45
75.24.150	RECD	107	130	75.28.133	RECD	107	131
75.25.090	REP	107	125	75.28.280	AMD	107	46

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess.

[ 1938 ]

"PV" Denotes partial veto by Governor

**RCW SECTIONS AFFECTED BY 2000 STATUTES**

<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>
75.28.280	RECD	107	131	75.30.130	RECD 107 132
75.28.290	AMD	107	47	75.30.140	AMD 107 66
75.28.290	RECD	107	131	75.30.140	RECD 107 132
75.28.295	RECD	107	131	75.30.160	REP 107 125
75.28.300	AMD	107	48	75.30.170	AMD 107 67
75.28.300	RECD	107	131	75.30.170	RECD 107 132
75.28.302	RECD	107	131	75.30.180	AMD 107 68
75.28.305	RECD	107	131	75.30.180	RECD 107 132
75.28.315	RECD	107	131	75.30.210	RECD 107 132
75.28.323	AMD	107	49	75.30.220	AMD 107 69
75.28.323	RECD	107	131	75.30.220	RECD 107 132
75.28.328	RECD	107	131	75.30.230	RECD 107 132
75.28.335	REP	107	125	75.30.240	RECD 107 132
75.28.340	AMD	107	50	75.30.250	RECD 107 132
75.28.340	RECD	107	131	75.30.260	RECD 107 132
75.28.690	RECD	107	131	75.30.270	AMD 107 70
75.28.700	RECD	107	131	75.30.270	RECD 107 132
75.28.710	RECD	107	131	75.30.280	AMD 107 71
75.28.720	RECD	107	131	75.30.280	RECD 107 132
75.28.730	AMD	107	51	75.30.290	AMD 107 72
75.28.730	RECD	107	131	75.30.290	RECD 107 132
75.28.740	AMD	107	52	75.30.300	AMD 107 73
75.28.740	RECD	107	131	75.30.300	RECD 107 132
75.28.750	RECD	107	131	75.30.310	RECD 107 132
75.28.760	AMD	107	53	75.30.320	AMD 107 74
75.28.760	RECD	107	131	75.30.320	RECD 107 132
75.28.770	AMD	107	54	75.30.330	AMD 107 75
75.28.770	RECD	107	131	75.30.330	RECD 107 132
75.28.780	AMD	107	55	75.30.350	AMD 107 76
75.28.780	RECD	107	131	75.30.350	RECD 107 132
75.28.900	RECD	107	131	75.30.360	RECD 107 132
75.30.015	RECD	107	132	75.30.370	AMD 107 77
75.30.021	AMD	107	56	75.30.370	RECD 107 132
75.30.021	RECD	107	132	75.30.380	AMD 107 78
75.30.050	AMD	107	57	75.30.380	RECD 107 132
75.30.050	RECD	107	132	75.30.390	AMD 107 79
75.30.055	RECD	107	144	75.30.390	RECD 107 132
75.30.060	AMD	107	58	75.30.410	RECD 107 132
75.30.060	RECD	107	132	75.30.420	AMD 107 80
75.30.065	AMD	107	59	75.30.420	RECD 107 132
75.30.065	RECD	107	132	75.30.430	RECD 107 132
75.30.070	AMD	107	60	75.30.440	AMD 107 81
75.30.070	RECD	107	132	75.30.440	RECD 107 132
75.30.090	AMD	107	61	75.30.450	RECD 107 132
75.30.090	RECD	107	132	75.30.460	AMD 107 82
75.30.100	AMD	107	62	75.30.460	RECD 107 132
75.30.100	RECD	107	132	75.30.470	AMD 107 83
75.30.120	AMD	107	63	75.30.470	RECD 107 132
75.30.120	RECD	107	132	75.30.480	RECD 107 132
75.30.125	AMD	107	64	75.30.490	AMD 107 84
75.30.125	RECD	107	132	75.30.490	RECD 107 132
75.30.130	AMD	107	65	75.30.500	AMD 107 85

"E1" Denotes 2000 1st special sess.

"PV" Denotes partial veto by Governor [ 1939 ]

"E2" Denotes 2000 2nd special sess.

**RCW SECTIONS AFFECTED BY 2000 STATUTES**

<u>RCW</u>		<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>		<u>CH.</u>	<u>SEC.</u>
75.30.500	RECD	107	132	75.46.300	RECD	107	135
75.40.010	RECD	107	133	75.46.350	RECD	107	135
75.40.020	AMD	107	86	75.46.900	RECD	107	135
75.40.020	RECD	107	133	75.48.020	RECD	107	136
75.40.030	RECD	107	133	75.48.040	RECD	107	136
75.40.040	RECD	107	133	75.48.050	RECD	107	136
75.40.060	RECD	107	133	75.48.060	RECD	107	136
75.40.100	RECD	107	133	75.48.070	RECD	107	136
75.40.110	AMD	107	87	75.48.080	RECD	107	136
75.40.110	RECD	107	133	75.48.100	AMD	107	104
75.44.100	AMD	107	88	75.48.100	RECD	107	136
75.44.100	RECD	107	134	75.48.110	RECD	107	136
75.44.110	RECD	107	134	75.50.010	RECD	107	137
75.44.120	AMD	107	89	75.50.020	RECD	107	137
75.44.120	RECD	107	134	75.50.030	RECD	107	137
75.44.130	AMD	107	90	75.50.040	RECD	107	137
75.44.130	RECD	107	134	75.50.060	RECD	107	137
75.44.140	RECD	107	134	75.50.070	RECD	107	137
75.44.150	AMD	107	91	75.50.080	AMD	107	105
75.44.150	RECD	107	134	75.50.080	RECD	107	137
75.46.005	RECD	107	135	75.50.090	RECD	107	137
75.46.010	AMD	107	92	75.50.100	RECD	107	137
75.46.010	RECD	107	135	75.50.100	REMD	107	106
75.46.030	RECD	107	135	75.50.105	AMD	107	107
75.46.040	AMD	107	93	75.50.105	RECD	107	137
75.46.040	RECD	107	135	75.50.110	RECD	107	137
75.46.050	AMD	107	94	75.50.110	REMD	107	108
75.46.050	RECD	107	135	75.50.115	AMD	107	109
75.46.060	RECD	107	135	75.50.115	RECD	107	137
75.46.070	AMD	107	95	75.50.125	RECD	107	137
75.46.070	RECD	107	135	75.50.130	RECD	107	137
75.46.080	AMD	107	96	75.50.150	RECD	107	137
75.46.080	RECD	107	135	75.50.160	AMD	107	110
75.46.090	AMD	107	97	75.50.160	RECD	107	137
75.46.090	RECD	107	135	75.50.165	RECD	107	137
75.46.100	AMD	107	98	75.50.170	RECD	107	137
75.46.100	RECD	107	135	75.50.180	RECD	107	137
75.46.110	AMD	107	99	75.50.190	RECD	107	137
75.46.110	RECD	107	135	75.50.900	RECD	107	137
75.46.120	AMD	107	100	75.52.010	RECD	107	138
75.46.120	RECD	107	135	75.52.020	AMD	107	111
75.46.150	RECD	107	135	75.52.020	RECD	107	138
75.46.160	AMD	107	101	75.52.030	RECD	107	138
75.46.160	RECD	107	135	75.52.035	RECD	107	138
75.46.170	AMD	107	102	75.52.040	RECD	107	138
75.46.170	AMD	15	1	75.52.050	AMD	107	112
75.46.170	RECD	107	135	75.52.050	RECD	107	138
75.46.180	AMD	107	103	75.52.060	RECD	107	138
75.46.180	RECD	107	135	75.52.070	AMD	107	113
75.46.190	RECD	107	135	75.52.070	RECD	107	138
75.46.200	RECD	107	135	75.52.080	RECD	107	138
75.46.210	RECD	107	135	75.52.100	AMD	107	114

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess.

[ 1940 ]

"PV" Denotes partial veto by Governor



**RCW SECTIONS AFFECTED BY 2000 STATUTES**

<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>
75.52.100	RECD	107	138	75.98.030	DECD 107 144
75.52.110	AMD	107	115	76.01.060	AMD 11 1
75.52.110	RECD	107	138	76.06.020	AMD 11 2
75.52.120	RECD	107	138	76.09.040	AMD 11 3
75.52.130	AMD	107	116	76.09.055	AMD 11 4
75.52.130	RECD	107	138	76.09.065	AMD 11 5
75.52.140	AMD	107	117	76.09.140	AMD 11 6
75.52.140	RECD	107	138	76.09.150	AMD 11 7
75.52.140	REP	150	2	76.12	ADD 148 3
75.52.150	RECD	107	138	76.12.080	AMD 148 1
75.52.160	AMD	107	118	76.12.090	AMD 11 8
75.52.160	RECD	107	138	76.12.100	AMD 11 9
75.52.900	RECD	107	138	76.12.110	AMD 1 E2 915
75.54.005	RECD	107	139	76.12.120	AMD 148 2
75.54.010	RECD	107	139	76.12.140	AMD 11 10
75.54.020	RECD	107	139	76.12.200	REP 11 118
75.54.030	RECD	107	139	76.13.010	AMD 11 11
75.54.040	RECD	107	139	76.13.110	AMD 11 12
75.54.050	RECD	107	139	76.13.120	AMD 11 13
75.54.060	RECD	107	139	76.14.010	AMD 11 14
75.54.070	RECD	107	139	76.15.010	AMD 11 15
75.54.080	RECD	107	139	76.36.010	AMD 11 16
75.54.090	RECD	107	139	76.42.020	AMD 11 17
75.54.100	RECD	107	139	76.48.020	AMD 11 18
75.54.110	RECD	107	139	76.48.085	AMD 11 19
75.54.120	RECD	107	139	77	ADD 107 128-141
75.54.130	RECD	107	139	77.04	ADD 107 126
75.54.140	AMD	107	119	77.04.010	AMD 107 201
75.54.140	RECD	107	139	77.04.020	AMD 107 202
75.54.150	AMD	107	120	77.04.030	AMD 107 203
75.54.150	RECD	107	139	77.04.055	AMD 107 204
75.54.900	RECD	107	139	77.04.080	AMD 107 205
75.54.901	RECD	107	139	77.04.100	AMD 107 206
75.56.010	RECD	107	140	77.04.100	RECD 107 274
75.56.020	RECD	107	140	77.08	ADD 107 208
75.56.030	RECD	107	140		209
75.56.040	RECD	107	140	77.08.010	AMD 107 207
75.56.050	AMD	107	121	77.08.070	REP 107 273
75.56.050	RECD	107	135	77.12	ADD 107 127
75.56.900	RECD	107	140		274
75.56.905	RECD	107	140	77.12	ADD 252 1
75.58.010	AMD	107	122	77.12.010	AMD 107 210
75.58.010	RECD	107	141	77.12.035	AMD 107 211
75.58.020	AMD	107	123	77.12.055	AMD 107 212
75.58.020	RECD	107	141	77.12.080	AMD 107 213
75.58.020	REP	150	2	77.12.080	RECD 107 275
75.58.030	AMD	107	124	77.12.090	AMD 107 214
75.58.030	RECD	107	141	77.12.090	RECD 107 275
75.58.040	RECD	107	141	77.12.095	RECD 107 275
75.98.005	DECD	107	144	77.12.101	REP 107 273
75.98.006	DECD	107	144	77.12.103	AMD 107 215
75.98.007	DECD	107	144	77.12.103	RECD 107 275

"E1" Denotes 2000 1st special sess.

"PV" Denotes partial veto by Governor [ 1941 ]

"E2" Denotes 2000 2nd special sess.

**RCW SECTIONS AFFECTED BY 2000 STATUTES**

<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>		
77.12.170	REMD	107	216	77.15.630	AMD	107	254
77.12.185	REP	252	2	77.15.640	AMD	107	255
77.12.200	REP	107	273	77.15.650	AMD	107	256
77.12.204	AMD	107	217	77.15.710	AMD	107	257
77.12.210	AMD	107	218	77.15.720	AMD	107	258
77.12.220	AMD	107	219	77.16.010	RECD	107	276
77.12.250	AMD	107	220	77.16.020	AMD	107	259
77.12.315	AMD	107	221	77.16.020	RECD	107	274
77.12.430	RECD	107	133	77.16.070	RECD	107	275
77.12.440	RECD	107	133	77.16.095	RECD	107	274
77.12.450	RECD	107	133	77.16.170	RECD	107	276
77.12.470	AMD	107	222	77.16.210	REP	107	273
77.12.470	RECD	107	133	77.16.290	REP	107	273
77.12.480	AMD	107	223	77.16.340	REP	107	273
77.12.480	RECD	107	133	77.16.350	REP	107	273
77.12.490	AMD	107	224	77.16.360	AMD	107	260
77.12.490	RECD	107	133	77.16.360	AMD	248	1
77.12.530	RECD	107	276	77.16.360	RECD	107	275
77.12.610	AMD	107	225	77.17.010	RECD	107	133
77.12.620	AMD	107	226	77.17.020	AMD	107	261
77.12.630	AMD	107	227	77.17.020	RECD	107	133
77.12.655	AMD	107	228	77.17.030	RECD	107	133
77.12.770	RECD	107	276	77.18.005	RECD	107	277
77.12.780	RECD	107	276	77.18.010	AMD	107	262
77.12.830	AMD	107	229	77.18.010	RECD	107	277
77.12.830	RECD	107	129	77.18.020	RECD	107	277
77.12.858	AMD	107	230	77.18.030	RECD	107	277
77.15	ADD	107	143	77.21.020	REP	107	273
			232	77.21.030	REP	107	273
			238	77.21.070	REP	107	273
			275	77.21.080	RECD	107	274
77.15.070	AMD	107	231	77.21.080	REP	150	2
77.15.080	AMD	107	233	77.21.090	AMD	107	263
77.15.090	AMD	107	234	77.21.090	RECD	107	275
77.15.100	AMD	107	235	77.32	ADD	107	142
77.15.120	AMD	107	236				276
77.15.160	AMD	107	237	77.32.005	REP	107	273
77.15.300	AMD	107	239	77.32.010	AMD	107	264
77.15.310	AMD	107	240	77.32.014	AMD	107	265
77.15.320	AMD	107	241	77.32.050	AMD	107	266
77.15.350	AMD	107	242	77.32.060	REP	107	273
77.15.360	AMD	107	243	77.32.060	REP	11	118
77.15.380	AMD	107	244	77.32.090	AMD	107	267
77.15.390	AMD	107	245	77.32.191	RECD	107	131
77.15.470	AMD	107	246	77.32.197	RECD	107	131
77.15.480	AMD	107	247	77.32.199	AMD	107	268
77.15.500	AMD	107	248	77.32.199	RECD	107	131
77.15.530	AMD	107	249	77.32.211	RECD	107	131
77.15.540	AMD	107	250	77.32.250	AMD	107	269
77.15.570	AMD	107	251	77.32.350	AMD	107	270
77.15.580	AMD	107	252	77.32.380	AMD	107	271
77.15.620	AMD	107	253	77.32.420	AMD	107	272

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess.

[ 1942 ]

"PV" Denotes partial veto by Governor

### RCW SECTIONS AFFECTED BY 2000 STATUTES

RCW		CH.	SEC.	RCW		CH.	SEC.
77.32.450	AMD	109	1	79A.05.765	AMD	11	62
77.32.460	AMD	109	2	79A.05.780	AMD	11	63
77.44	ADD	107	277	79A.05.793	AMD	11	64
77.44.020	REP	107	273	79A.15.020	AMD	11	65
78.16.070	AMD	11	20	79A.15.030	AMD	11	66
78.44.020	AMD	11	21	79A.15.060	AMD	11	67
78.44.031	AMD	11	22	79A.15.070	AMD	11	68
79.08.275	AMD	11	23	79A.20.020	REP	150	2
79.12.600	AMD	18	1	79A.25.020	AMD	11	69
79.24.570	AMD	11	24	79A.25.030	AMD	11	70
79.71.090	AMD	11	25	79A.25.040	AMD	11	71
79.71.100	AMD	11	26	79A.25.060	AMD	11	72
79.90.160	AMD	13	2	79A.25.070	AMD	11	73
79.92.070	AMD	11	27	79A.25.080	AMD	11	74
79.92.080	AMD	11	28	79A.25.100	AMD	11	75
79.94.070	AMD	11	29	79A.25.180	AMD	11	76
79.96.110	AMD	11	30	79A.25.200	AMD	11	77
79A	ADD	25	1-7	79A.25.240	AMD	11	78
79A.05	ADD	42	1	79A.25.250	AMD	11	79
79A.05.155	AMD	11	31	79A.25.800	AMD	11	80
79A.05.200	AMD	11	32	79A.25.820	AMD	11	81
79A.05.205	AMD	11	33	79A.25.830	AMD	11	82
79A.05.250	AMD	11	34	79A.30.010	AMD	11	83
79A.05.255	AMD	11	35	79A.30.020	AMD	11	84
79A.05.255	AMD	48	1	79A.30.030	AMD	11	85
79A.05.265	AMD	11	36	79A.35.030	AMD	11	86
79A.05.300	AMD	11	37	79A.40.020	AMD	11	87
79A.05.315	AMD	11	38	79A.40.030	AMD	11	88
79A.05.320	AMD	11	39	79A.40.060	AMD	11	89
79A.05.365	REP	150	2	79A.40.080	AMD	11	90
79A.05.405	AMD	11	40	79A.45.040	AMD	11	91
79A.05.420	AMD	11	41	79A.60.010	AMD	11	92
79A.05.500	AMD	11	42	79A.60.030	AMD	11	93
79A.05.520	AMD	11	43	79A.60.050	AMD	11	94
79A.05.535	AMD	11	44	79A.60.060	AMD	11	95
79A.05.540	AMD	11	45	79A.60.070	AMD	11	96
79A.05.610	AMD	11	46	79A.60.130	AMD	11	97
79A.05.615	AMD	11	47	79A.60.160	AMD	11	98
79A.05.620	AMD	11	48	79A.60.170	AMD	11	99
79A.05.625	AMD	11	49	79A.60.180	AMD	11	100
79A.05.630	AMD	11	50	79A.60.190	AMD	11	101
79A.05.635	AMD	11	51	79A.60.200	AMD	11	102
79A.05.640	AMD	11	52	79A.60.300	AMD	11	103
79A.05.645	AMD	11	53	79A.60.400	AMD	11	104
79A.05.650	AMD	11	54	79A.60.410	AMD	11	105
79A.05.655	AMD	11	55	79A.60.420	AMD	11	106
79A.05.665	AMD	11	56	79A.60.440	AMD	11	107
79A.05.685	AMD	11	57	79A.60.470	AMD	11	108
79A.05.693	AMD	11	58	79A.60.480	AMD	11	109
79A.05.695	AMD	11	59	79A.60.485	AMD	11	110
79A.05.735	AMD	11	60	79A.60.490	AMD	11	111
79A.05.750	AMD	11	61	79A.60.540	AMD	11	112

"E1" Denotes 2000 1st special sess.

"PV" Denotes partial veto by Governor [ 1943 ]

"E2" Denotes 2000 2nd special sess.

### RCW SECTIONS AFFECTED BY 2000 STATUTES

RCW		CH.	SEC.	RCW		CH.	SEC.
79A.60.590	AMD	11	113	82.14B.061	AMD	106	3
79A.60.620	AMD	11	114	82.16.050	AMD	245	1
79A.65.010	AMD	11	115	82.18.040	AMD	103	11
79A.65.030	AMD	11	116	82.23A.902	AMD	16	3
79A.65.040	AMD	11	117	82.23B.020	AMD	69	25
80.01	ADD	81	10	82.29A	ADD	4 E2	25
80.28	ADD	191	10,12	82.32	ADD	104	4
			22	82.32.090	AMD	229	7
80.36.135	AMD	82	1	82.32.330	AMD	173	1
80.50.300	AMD	243	1	82.32.330	AMD	106	1
80.60.010	AMD	158	1	82.34.050	AMD	103	12
80.60.020	AMD	158	2	82.34.070	REP	103	31
80.60.040	AMD	158	3	82.36.020	AMD	103	13
81.88	ADD	191	1,2	82.36.130	REEN	103	14
			4-7,9	82.36.380	AMD	4 E2	9
			11,13	82.38.270	AMD	4 E2	10
			14,21	82.44.010	REP	1	3
			26,27	82.44.015	REP	1	3
81.88.040	AMD	191	3	82.44.020	REP	1 E1	2
81.112	ADD	4 E2	18-	82.44.020	REP	1	3
			20	82.44.022	REP	1	3
			30	82.44.023	REP	1	3
81.112.060	AMD	4 E2	32	82.44.025	REP	1	3
82.03.140	AMD	103	1	82.44.030	REP	1 E1	2
82.03.150	AMD	103	2	82.44.030	REP	1	3
82.03.160	AMD	103	3	82.44.041	REP	1	3
82.03.180	AMD	103	4	82.44.060	REP	1	3
82.04	ADD	40	4	82.44.065	REP	1	3
82.04	ADD	4 E2	24	82.44.080	REP	1	3
82.04.050	REMD	4 E2	23	82.44.090	REP	1	3
82.04.297	AMD	103	5	82.44.100	REP	1	3
82.04.310	AMD	245	2	82.44.110	REP	1	3
82.04.340	AMD	103	6	82.44.120	REP	1	3
82.04.4452	AMD	103	7	82.44.130	REP	1	3
82.04.4456	AMD	106	11	82.44.140	REP	1	3
82.04.4457	AMD	106	12	82.44.150	REP	1	3
82.08	ADD	40	2	82.44.155	REP	1	3
82.08	ADD	104	3	82.44.157	REP	1	3
82.08	ADD	4 E2	21	82.44.160	REP	1	3
82.08.020	AMD	4 E2	1	82.44.170	REP	1	3
82.08.0291	AMD	103	8	82.44.180	REP	1	3
82.08.812	REP	4	1	82.44.900	REP	1	3
82.12	ADD	40	3	82.45.010	AMD	4 E2	26
82.12	ADD	4 E2	22	82.45.060	AMD	103	15
82.12.812	REP	4	1	82.46.021	AMD	103	16
82.12.820	AMD	103	9	82.46.030	AMD	103	17
82.14	ADD	104	2	82.48.020	AMD	229	4
82.14.045	AMD	4 E2	16	82.49.010	AMD	229	5
82.14.070	AMD	104	5	82.49.030	AMD	103	18
82.14.360	AMD	103	10	82.50.010	REP	1	3
82.14.400	AMD	240	1	82.50.060	REP	1	3
82.14B.042	AMD	106	2	82.50.090	REP	1	3

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess.

[ 1944 ] "PV" Denotes partial veto by Governor

**RCW SECTIONS AFFECTED BY 2000 STATUTES**

RCW		CH.	SEC.	RCW		CH.	SEC.
82.50.170	REP	1	3	86.16.041	AMD	222	1
82.50.250	REP	1	3	86.26.100	AMD	20	1
82.50.400	REP	1	E1 2	88.02.118	AMD	229	6
82.50.400	REP	1	3	88.40.011	AMD	69	30
82.50.405	REP	1	E1 2	88.40.020	AMD	69	31
82.50.405	REP	1	3	88.40.030	AMD	69	32
82.50.410	REP	1	E1 2	88.40.040	AMD	69	33
82.50.410	REP	1	3	88.46.010	AMD	69	1
82.50.425	REP	1	3	88.46.020	AMD	69	2
82.50.435	REP	1	3	88.46.030	AMD	69	3
82.50.440	REP	1	3	88.46.040	AMD	69	4
82.50.460	REP	1	3	88.46.050	AMD	69	5
82.50.510	REP	1	3	88.46.060	AMD	69	6
82.50.520	REP	1	3	88.46.070	AMD	69	7
82.50.530	REP	1	3	88.46.080	AMD	69	8
82.50.540	REP	1	3	88.46.090	AMD	69	9
82.50.901	REP	1	3	88.46.100	AMD	69	10
82.60.049	AMD	106	8	88.46.120	AMD	69	11
82.60.060	AMD	106	5	88.46.140	REP	69	37
82.60.080	AMD	106	6	88.46.150	DECD	69	36
82.62.060	AMD	106	7	88.46.160	AMD	69	12
82.62.090	AMD	103	19	88.46.170	AMD	69	13
82.62.090	AMD	106	9	88.46.200	AMD	69	14
82.63.045	AMD	106	10	88.46.922	REP	69	37
82.80.020	AMD	103	20	88.46.924	DECD	69	36
82.80.050	AMD	103	21	88.46.925	DECD	69	36
83.100.070	AMD	105	1	88.46.927	DECD	69	36
83.110.010	AMD	129	1	89.08	ADD	45	2
83.110.020	AMD	129	2	89.08.210	AMD	45	1
83.110.030	AMD	129	3	90.03	ADD	251	7
83.110.050	AMD	129	4	90.03.370	AMD	98	3
83.110.060	AMD	129	5	90.44	ADD	98	1
83.110.090	AMD	129	6	90.44.035	AMD	98	2
84.14.010	AMD	242	1	90.56.010	AMD	69	15
84.26.080	AMD	103	22	90.56.060	AMD	69	16
84.33.042	REP	103	31	90.56.080	AMD	69	17
84.33.043	REP	103	31	90.56.100	AMD	69	18
84.33.044	REP	103	31	90.56.200	AMD	69	19
84.33.045	REP	103	31	90.56.210	AMD	69	20
84.34.065	AMD	103	23	90.56.310	AMD	69	34
84.36	ADD	40	5	90.56.370	AMD	69	21
84.36	ADD	246	1	90.56.510	AMD	69	22
84.36	ADD	136	1	90.56.540	AMD	69	23
84.36	ADD	4	E2 27	90.56.560	AMD	69	24
84.36.080	AMD	103	24	90.56.903	REP	69	37
84.36.379	AMD	103	25	90.64	ADD	147	1,2
84.38.100	AMD	103	26				
84.38.120	AMD	103	27				
84.40.405	AMD	103	28				
84.52.0502	AMD	103	29				
84.56.190	REP	103	31				
84.68.010	AMD	103	30				

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess.

"P" Denotes partial veto by Governor [ 1945 ]



**UNCODIFIED SESSION LAW SECTIONS AFFECTED BY 2000 STATUTES**

<u>LAWS 1995</u>			<u>LAWS 2000</u>		<u>LAWS 1999</u>			<u>LAWS 2000</u>	
<u>Ch.</u>	<u>Sec.</u>	<u>Action</u>	<u>Ch.</u>	<u>Sec.</u>	<u>Ch.</u>	<u>Sec.</u>	<u>Action</u>	<u>Ch.</u>	<u>Sec.</u>
361	4	AMD	53	1	309	110	AMD	1 E2	106
<u>LAWS 1997</u>			<u>LAWS 2000</u>		309	112	AMD	1 E2	107
<u>Ch.</u>	<u>Sec.</u>	<u>Action</u>	<u>Ch.</u>	<u>Sec.</u>	309	113	AMD	1 E2	108
8	3	AMD	16	5	309	114	AMD	1 E2	109
235	709	REP	65	2	309	115	AMD	1 E2	110
<u>LAWS 1998</u>			<u>LAWS 2000</u>		309	116	AMD	1 E2	111
<u>Ch.</u>	<u>Sec.</u>	<u>Action</u>	<u>Ch.</u>	<u>Sec.</u>	309	117	AMD	1 E2	112
245	178	AMD	16	4	309	120	AMD	1 E2	113
272	24	AMD	47	9	309	123	AMD	1 E2	114
<u>LAWS 1999</u>			<u>LAWS 2000</u>		309	124	AMD	1 E2	115
<u>Ch.</u>	<u>Sec.</u>	<u>Action</u>	<u>Ch.</u>	<u>Sec.</u>	309	125	AMD	1 E2	129
309		ADD	1 E2	104	309	127	AMD	1 E2	116
309		ADD	1 E2	204	309	129	AMD	1 E2	117
309		ADD	1 E2	711	309	131	AMD	1 E2	118
309		ADD	1 E2	712	309	136	AMD	1 E2	119
309		ADD	1 E2	713	309	137	AMD	1 E2	120
309		AMD	1 E2	714	309	140	AMD	1 E2	130
309		ADD	1 E2	715	309	142	AMD	1 E2	121
309		ADD	1 E2	719	309	143	AMD	1 E2	122
309		ADD	1 E2	720	309	144	AMD	1 E2	131
309		ADD	1 E2	723	309	145	AMD	1 E2	123
309		ADD	1 E2	724	309	148	AMD	1 E2	124
309		ADD	1 E2	725	309	149	AMD	1 E2	125
309		ADD	1 E2	726	309	151	AMD	1 E2	126
309		ADD	1 E2	727	309	154	AMD	1 E2	128
309		ADD	1 E2	728	309	201	AMD	1 E2	201
309		ADD	1 E2	729	309	202	AMD	1 E2	202
309		ADD	1 E2	730	309	203	AMD	1 E2	203
309		ADD	1 E2	731	309	205	AMD	1 E2	205
309		ADD	1 E2	802	309	206	AMD	1 E2	206
309		ADD	1 E2	910	309	208	AMD	1 E2	208
309	101	AMD	1 E2	101	309	209	AMD	1 E2	209
309	102	AMD	1 E2	102	309	211	AMD	1 E2	211
309	103	AMD	1 E2	103	309	212	AMD	1 E2	212
309	108	AMD	1 E2	105	309	213	AMD	1 E2	213
					309	214	AMD	1 E2	214
					309	215	AMD	1 E2	215

**UNCODIFIED SESSION LAW SECTIONS AFFECTED BY 2000 STATUTES**

<u>LAWS 1999</u>			<u>LAWS 2000</u>			<u>LAWS 1999</u>			<u>LAWS 2000</u>		
<u>Ch.</u>	<u>Sec.</u>	<u>Action</u>	<u>Ch.</u>	<u>Sec.</u>		<u>Ch.</u>	<u>Sec.</u>	<u>Action</u>	<u>Ch.</u>	<u>Sec.</u>	
309	217	AMD	1 E2	216		309	607	AMD	1 E2	606	
309	218	AMD	1 E2	217		309	608	AMD	1 E2	607	
309	220	AMD	1 E2	218		309	609	AMD	1 E2	608	
309	222	AMD	1 E2	220		309	610	AMD	1 E2	609	
309	224	AMD	1 E2	221		309	611	AMD	1 E2	610	
309	225	AMD	1 E2	222		309	612	AMD	1 E2	616	
309	302	AMD	1 E2	301		309	613	AMD	1 E2	611	
309	303	AMD	1 E2	302		309	614	AMD	1 E2	612	
309	306	AMD	1 E2	304		309	615	AMD	1 E2	613	
309	307	AMD	1 E2	305		309	617	AMD	1 E2	614	
309	308	AMD	1 E2	306		309	618	AMD	1 E2	615	
309	309	AMD	1 E2	307		309	701	AMD	1 E2	701	
309	401	AMD	1 E2	401		309	702	AMD	1 E2	702	
309	402	AMD	1 E2	402		309	703	AMD	1 E2	703	
309	501	AMD	1 E2	501		309	705	AMD	1 E2	704	
309	502	AMD	1 E2	502		309	710	AMD	1 E2	705	
309	503	AMD	1 E2	503		309	711	AMD	1 E2	706	
309	504	AMD	1 E2	504		309	713	AMD	1 E2	709	
309	505	AMD	1 E2	505		309	714	AMD	1 E2	710	
309	506	AMD	1 E2	506		309	718	AMD	1 E2	716	
309	507	AMD	1 E2	507		309	719	AMD	1 E2	717	
309	508	AMD	1 E2	508		309	720	AMD	1 E2	718	
309	509	AMD	1 E2	509		309	723	AMD	1 E2	721	
309	510	AMD	1 E2	510		309	727	AMD	1 E2	722	
309	511	AMD	1 E2	513		309	801	AMD	1 E2	801	
309	512	AMD	1 E2	511		309	907	AMD	1 E2	902	
309	513	AMD	1 E2	512		309	908	AMD	1 E2	904	
309	514	AMD	1 E2	514		376	3	AMD	1 E2	207	
309	515	AMD	1 E2	515		379		ADD	1 E2	707	
309	516	AMD	1 E2	516		379		ADD	1 E2	1005	
309	517	AMD	1 E2	517		379		ADD	1 E2	1006	
309	519	AMD	1 E2	519		379		ADD	1 E2	1007	
309	602	AMD	1 E2	601		379		ADD	1 E2	1008	
309	603	AMD	1 E2	602		379		ADD	1 E2	1012	
309	604	AMD	1 E2	603		379		ADD	1 E2	1013	
309	605	AMD	1 E2	604		379		ADD	1 E2	1036	
309	606	AMD	1 E2	605		379		ADD	1 E2	1043	



**UNCODIFIED SESSION LAW SECTIONS AFFECTED BY 2000 STATUTES**

<u>LAWS 1999</u>			<u>LAWS 2000</u>		<u>LAWS 1999</u>			<u>LAWS 2000</u>	
<u>Ch.</u>	<u>Sec.</u>	<u>Action</u>	<u>Ch.</u>	<u>Sec.</u>	<u>Ch.</u>	<u>Sec.</u>	<u>Action</u>	<u>Ch.</u>	<u>Sec.</u>
379		ADD	1 E2	708	379	905	AMD	1 E2	1045
379	106	AMD	1 E2	1001	379	928	AMD	1 E2	1009
379	107	AMD	1 E2	1002	379	931	AMD	1 E2	1031
379	108	AMD	1 E2	1003	379	947	AMD	1 E2	127
379	110	AMD	1 E2	1004	384	1	AMD	120	1
379	215	AMD	1 E2	1010	392	2	AMD	1 E2	210
379	240	AMD	1 E2	1011					
379	252	AMD	1 E2	1014					
379	293	AMD	1 E2	1015					
379	301	AMD	1 E2	1016					
379	303	AMD	1 E2	1017					
379	305	AMD	1 E2	1018					
379	306	AMD	1 E2	1019					
379	308	AMD	1 E2	1020					
379	331	AMD	1 E2	1021					
379	335	AMD	1 E2	1022					
379	337	AMD	1 E2	1023					
379	348	AMD	1 E2	1024					
379	361	AMD	1 E2	1025					
379	373	AMD	1 E2	1026					
379	383	AMD	1 E2	1027					
379	384	AMD	1 E2	1028					
379	388	AMD	1 E2	1029					
379	390	AMD	1 E2	1030					
379	502	AMD	1 E2	1032					
379	603	AMD	1 E2	1033					
379	604	AMD	1 E2	1034					
379	605	AMD	1 E2	1035					
379	610	REP	1 E2	1046					
379	611	REP	1 E2	1046					
379	613	AMD	1 E2	1037					
379	615	AMD	1 E2	1038					
379	634	AMD	1 E2	1039					
379	641	AMD	1 E2	1040					
379	642	AMD	1 E2	1041					
379	686	AMD	1 E2	1042					
379	794	AMD	1 E2	1044					

<u>LAWS 1999 SP.S.</u>			<u>LAWS 2000</u>	
<u>Ch.</u>	<u>Sec.</u>	<u>Action</u>	<u>Ch.</u>	<u>Sec.</u>
1		ADD	3 E2	405
1		ADD	3 E2	406
1		ADD	3 E2	407
1		ADD	3 E2	601
1	101	AMD	3 E2	101
1	102	AMD	3 E2	102
1	103	AMD	3 E2	103
1	104	AMD	3 E2	104
1	105	AMD	3 E2	105
1	201	AMD	3 E2	201
1	202	AMD	3 E2	202
1	203	AMD	3 E2	203
1	204	AMD	3 E2	204
1	205	AMD	3 E2	205
1	206	AMD	3 E2	206
1	207	AMD	3 E2	207
1	208	AMD	3 E2	208
1	209	AMD	3 E2	209
1	210	AMD	3 E2	210
1	211	AMD	3 E2	211
1	212	AMD	3 E2	212
1	213	AMD	3 E2	213
1	214	AMD	3 E2	214
1	215	AMD	3 E2	215
1	216	AMD	3 E2	216
1	217	AMD	3 E2	217
1	218	AMD	3 E2	218
1	219	AMD	3 E2	219

**UNCODIFIED SESSION LAW SECTIONS AFFECTED BY 2000 STATUTES**

---

<u>LAWS 1999 S.P.S.</u>			<u>LAWS 2000</u>	
<u>Ch.</u>	<u>Sec.</u>	<u>Action</u>	<u>Ch.</u>	<u>Sec.</u>
1	220	AMD	3 E2	220
1	221	AMD	3 E2	221
1	222	AMD	3 E2	222
1	223	AMD	3 E2	223
1	224	AMD	3 E2	224
1	225	AMD	3 E2	226
1	226	AMD	3 E2	227
1	227	AMD	3 E2	228
1	228	AMD	3 E2	229
1	229	AMD	3 E2	230
1	230	AMD	3 E2	231
1	231	AMD	3 E2	232
1	303	AMD	3 E2	301
1	401	AMD	3 E2	401
1	402	AMD	3 E2	402
1	403	AMD	3 E2	403
1	407	AMD	3 E2	404
10	1	REP	1 E2	520
12	4	AMD	1 E2	219
13	21	AMD	1 E2	303

**SUBJECT INDEX OF 2000 STATUTES**

	<b>Chapter</b>
<b>911</b>	
Enhanced 911 advisory committee, expiration date extended . . . . .	34
<b>ABUSE (See also CHILD ABUSE)</b>	
Vulnerable adults, abuse and neglect protection provisions strengthened . . . . .	76
Withholding basic necessities of life from dependent person made criminal mistreatment in third degree . . . . .	76
<b>ACCOUNTABILITY IN GOVERNMENT</b>	
Sunset review, program and fiscal review of any entity scheduled for termination required . . . . .	189
<b>ACTIONS AND PROCEEDINGS (See also CIVIL PROCEDURE; CRIMINAL PROCEDURE)</b>	
Arbitration, fees for mandatory arbitration allowed . . . . .	170
Child dependency and termination of parental rights, provisions technically revised and clarified . . . . .	122
Counties, venue of actions by or against, provisions revised . . . . .	244
District court, civil jurisdiction expanded . . . . .	49
Eminent domain, joint legislative study group created to study the use of eminent domain and ways to expedite resolution of disputes in proceedings, public use dispute proceedings given precedence . . . . .	68
<b>ADMINISTRATIVE PROCEDURE</b>	
Agency rules, task force on local governments created to study the delivery of government services and allotment of revenues . . . . .	241
<b>ADULT FAMILY HOMES</b>	
Nurses, delegation of task protocols revised . . . . .	95
<b>ADVERTISING</b>	
Electronic communication, false or deceptive advertising prohibited . . . . .	33
<b>AGRICULTURE</b>	
Anhydrous ammonia, unlawful possession and storage and theft classified as class C felonies . . . . .	225
Burning, tax exemptions and credits provided to encourage alternatives to field burning of cereal grains and field and turf grass grown for seed . . . . .	40
Colostrum milk, prohibitions modified . . . . .	97
Dairy nutrient management, task force established and duties for monitoring and problem-solving set forth . . . . .	147
Flood plain management, construction provisions revised . . . . .	222
Meat, custom slaughter and preparation provisions revised . . . . .	99
Public lands, warehouse receipt provisions revised . . . . .	18
<b>AGRICULTURE, DEPARTMENT</b>	
Aquatic nuisance species committee created to minimize accidental or unauthorized introduction and spread of nonnative and nuisance species . . . . .	149
<b>AIR POLLUTION</b>	
Agricultural field burning, tax exemptions and credits provided to encourage alternatives to field burning of cereal grains and field and turf grass grown for seed . . . . .	40
Control authorities, cost-reimbursement agreements for environmental permits and reviews authorized . . . . .	251

## SUBJECT INDEX OF 2000 STATUTES

	Chapter
<b>AIR POLLUTION — con't.</b>	
Fire fighters, training fire provisions revised . . . . .	199
Oil and gas pipelines, environmental and public safety measures developed . . . .	191
<b>ALCOHOL AND DRUG ABUSE (See also DRIVING UNDER THE INFLUENCE)</b>	
Children, blended funding for youth projects authorized . . . . .	219
Offenders subject to deportation removed from the special drug offender sentencing alternative . . . . .	43
<b>ALCOHOLIC BEVERAGES (See also DRIVING UNDER THE INFLUENCE)</b>	
Beer, domestic brewery defined and provisions for contract-produced beer and price posting revised . . . . .	142
Bicycles, officer authorized to offer intoxicated cyclists a ride and impound bicycle . . . . .	85
Distillers allowed liquor licenses . . . . .	177
Licenses, financial information obtained in application exempt from public inspection and copying . . . . .	56
Out-of-state certificate holders allowed to furnish beer and wine to nonprofit organizations . . . . .	179
Wineries, licensing privileges may be exercised at more than one location under certain conditions . . . . .	141
<b>ANATOMIC GIFTS</b>	
Bone marrow, minors allowed to donate . . . . .	116
<b>ARBITRATION</b>	
Counties, fees for mandatory arbitration allowed . . . . .	170
<b>ASIAN AMERICANS</b>	
Asian Pacific American heritage month designated . . . . .	236
<b>AVIATION</b>	
Aircraft licenses, fraud made a criminal offense . . . . .	229
Search and rescue volunteer pilots, recognition and support by department of transportation authorized . . . . .	176
<b>AWARDS</b>	
Community and technical college exceptional faculty awards allowed to be used for faculty development and in-service training . . . . .	127
Medal of valor established for saving or attempting to save a life, committee created . . . . .	224
Search and rescue volunteer pilots, recognition and support by department of transportation authorized . . . . .	176
<b>BACKGROUND CHECKS</b>	
Gambling commission, dissemination of criminal history record information to commission authorized . . . . .	46
Horse racing commission allowed to receive information including nonconviction data . . . . .	204
<b>BALLOTS (See ELECTIONS)</b>	
<b>BEEF COMMISSION</b>	
Governance provisions revised . . . . .	146

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess. [ 1952 ]

## SUBJECT INDEX OF 2000 STATUTES

	Chapter
<b>BEES AND BEEKEEPING</b>	
Apiaries, provisions revised .....	100
<b>BICYCLES</b>	
Intoxicated riders, officer authorized to offer cyclists a ride and impound bicycle	85
Right of way, rights and responsibilities revised .....	85
<b>BIDS AND BIDDING</b>	
School districts, general contractor/construction manager contracting procedure authorized, conditions .....	209
<b>BLIND</b>	
Advisory council for the blind changed to rehabilitation council for the blind and provisions revised to conform with federal act .....	57
<b>BLIND, STATE SCHOOL</b>	
Child abuse, children attending state schools for the blind and deaf protected through staffing, training, and reporting requirements .....	125
<b>BOARDING HOMES</b>	
Caregiver training provisions enhanced .....	121
Nurses, delegation of task protocols revised .....	95
Social and health services department declared to have exclusive authority to regulate and license, advisory board established .....	47
<b>BOATS (See also COMMERCIAL VESSELS AND SHIPPING)</b>	
Cruise excursion services, regulation extended and review required .....	53
Licenses, fraud made a criminal offense .....	229
<b>BONDS (See also SURETYSHIP AND GUARANTY)</b>	
Community and technical college capital projects account, bond debt service payment provisions revised .....	65
Interest rates, state and local governments allowed to continue to lower their exposure to interest rate fluctuations with respect to financial obligations ..	184
Port commission authorized to delegate authority to chief executive officer . . .	181
<b>BORDER AREAS</b>	
Border county higher education opportunity pilot project expanded .....	160
<b>BUDGET</b>	
Cities and towns, debt limits increased to finance capital facilities .....	156
Emergency reserve fund, revenues in accounts transferred between accounts to reconcile actual revenues and expenditure limit .....	2 E2
Interagency revenue task force renamed transportation revenue forecast council .	4 E2
Limitations on state spending, expenditure limit committee established to determine and adjust limits .....	2 E2
Operating and capital budgets, 1999-2001 supplemental appropriations .....	1 E2
Transportation budget, 1999-2001 supplemental appropriations .....	3 E2
<b>BUSINESSES</b>	
Excise tax successor liability, release of information allowed .....	173
Insurance agents and brokers, notices to agents and brokers required within five days and allowed to be provided electronically .....	220
Promotional contests of chance, definition and regulation clarified .....	228
Quality award program revised .....	216
Sales and use tax, rate changes restricted and notification required, retailer liability limited .....	104

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess.

## SUBJECT INDEX OF 2000 STATUTES

	Chapter
<b>BUSINESSES — con't.</b>	
Service contracts, certain contracts exempted from regulation . . . . .	208
Trade names, registration provisions revised . . . . .	174
<b>CABLE TELECOMMUNICATIONS SYSTEMS (See TELECOMMUNICATIONS)</b>	
<b>CAMPAIGNS</b>	
Disclosure reports, electronic filing procedures simplified . . . . .	237
<b>CAMPERS (See RECREATIONAL VEHICLES)</b>	
<b>CHARITABLE DONATIONS</b>	
Student groups authorized to conduct charitable fund-raising . . . . .	157
<b>CHARITABLE ORGANIZATIONS (See also NONPROFIT ORGANIZATIONS)</b>	
Fund raising, vendors allowed to be hired . . . . .	178
<b>CHARTER BOATS (See BOATS)</b>	
<b>CHECKS AND CHECK CASHING</b>	
Dishonored checks, agents allowed to collect processing fees and costs . . . . .	215
<b>CHILD ABUSE</b>	
Blind and deaf children attending state schools protected through staffing, training, and reporting requirements . . . . .	125
Withholding basic necessities of life from dependent person made criminal mistreatment in third degree . . . . .	76
<b>CHILD CUSTODY</b>	
Parenting plan, notice requirements and standards for parental relocation established, supreme court case superseded . . . . .	21
Permanency planning, juvenile court jurisdiction in dependency proceedings extended . . . . .	135
<b>CHILD SUPPORT</b>	
Dishonored checks, department of social and health services authorized to collect processing fees and costs . . . . .	215
Federal personal responsibility and work opportunity reconciliation act, provisions relating to child support revised . . . . .	86
Horse racing, suspension of license required for child support noncompliance . .	86
Unemployment insurance deductions, employment security department prohibited from charging a processing fee . . . . .	29
<b>CHILDREN (See also CHILD CUSTODY; CHILD SUPPORT; JUVENILE OFFENDERS)</b>	
Abuse, withholding basic necessities of life from dependent person made criminal mistreatment in third degree . . . . .	76
At-risk youth, blended funding for youth projects authorized . . . . .	219
At-risk youth, family reconciliation act provisions technically revised and clarified . . . . .	123
At-risk-youth, confinement in secure facility authorized for contempt of court . .	162
Background checks required for individual in-home service providers paid by the state or by home care agencies . . . . .	87
Background checks required for potential employees of social and health services department for jobs with unsupervised access to children or vulnerable adults . . . . .	87

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess. [ 1954 ]



**SUBJECT INDEX OF 2000 STATUTES**

	Chapter
<b>CIVIL PROCEDURE</b>	
Arbitration, fees for mandatory arbitration allowed . . . . .	170
Court-ordered financial obligations, use of credit cards for payment authorized . .	202
Garnishment proceedings revised . . . . .	72
Used motor vehicles, unlawful sales by unlicensed parties, civil penalty authorized . . . . .	131
Warrants, state-wide jurisdiction granted to courts of limited jurisdiction, pilot program established . . . . .	111
<b>CIVIL RIGHTS (See DISCRIMINATION)</b>	
<b>CODE REVISER</b>	
Business and professions laws, technical corrections made . . . . .	171
Natural resource laws, technical corrections made . . . . .	11
Tax statutes, technical corrections made . . . . .	103
<b>COLLECTIVE BARGAINING</b>	
Appointed personnel, definitions clarified . . . . .	23
Higher education, exempt positions excluded from employee bargaining units . .	19
<b>COLLEGES AND UNIVERSITIES (See also COMMUNITY AND TECHNICAL COLLEGES)</b>	
Advanced college tuition payment program, provisions revised . . . . .	14
Border county higher education opportunity pilot project expanded . . . . .	160
Collective bargaining, exempt positions excluded from employee bargaining units	19
Distance education, study directed . . . . .	113
Information and technology literacy, achievement strategy, and financial assessment developed . . . . .	166
Military personnel considered residents in state in which they are stationed . . .	117
National guard scholarship program expanded . . . . .	159
Operating fees, waivers allowed . . . . .	152
Public works, small works roster procedure established for real property construction or remodeling by state or local governments . . . . .	138
Work-study, internships, and practicums included in public assistance work activity definitions . . . . .	10
<b>COMMERCIAL VESSELS AND SHIPPING (See also BOATS)</b>	
Ballast water monitoring program established, study directed . . . . .	108
Cruise excursion services, regulation extended and review required . . . . .	53
Oil spill prevention and response, technical revisions to statutes made . . . . .	69
<b>COMMUNITY AND TECHNICAL COLLEGES (See also COLLEGES AND UNIVERSITIES)</b>	
Advanced college tuition payment program, provisions revised . . . . .	14
Border county higher education opportunity pilot project expanded . . . . .	160
Capital projects account, bond debt service payment provisions revised . . . . .	65
Collective bargaining, exempt positions excluded from employee bargaining units	19
Distance education, study directed . . . . .	113
Exceptional faculty awards allowed to be used for faculty development and in-service training . . . . .	127
Information and technology literacy, achievement strategy, and financial assessment developed . . . . .	166
Military personnel considered residents in state in which they are stationed . . .	117
National guard scholarship program expanded . . . . .	159
Operating fees, waivers allowed . . . . .	152

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess. [ 1956 ]





**SUBJECT INDEX OF 2000 STATUTES**

	Chapter
<b>CONTRACTS</b>	
School districts, general contractor/construction manager contracting procedure authorized, conditions . . . . .	209
Service contracts, certain contracts exempted from regulation . . . . .	208
<b>CONTROLLED SUBSTANCES (See DRUGS)</b>	
<b>CORPORATIONS (See also NONPROFIT CORPORATIONS)</b>	
Proxies, electronic transmission authorized . . . . .	168
<b>CORRECTIONS, DEPARTMENT</b>	
Mental health records, disclosure of information authorized to facilitate sentencing procedures for criminal offenders . . . . .	75
Offender restitution and legal financial obligations, tolling provisions revised . .	226
Out-of-state housing facilities for felons, department authority to contract clarified and conditions for transfers established . . . . .	62
<b>COUGARS</b>	
Hunting with aid of dogs authorized . . . . .	248
<b>COUNSELORS AND COUNSELING</b>	
Mental health records, disclosure of information authorized to facilitate sentencing procedures for criminal offenders . . . . .	75
<b>COUNTIES (See also LOCAL GOVERNMENT)</b>	
Arbitration, fees for mandatory arbitration allowed . . . . .	170
Community empowerment zones, provisions revised . . . . .	212
Environmental permit streamlining process, workshop convened to evaluate existing transportation certification programs . . . . .	101
Flood plain management, construction provisions revised . . . . .	222
Growth management, population count need not include persons confined in correctional facilities located in county . . . . .	36
Historic towns, preservation and development of national historic towns outside urban growth areas authorized . . . . .	196
Jails, electronic state-wide booking and reporting system directed . . . . .	3
Lodging tax, use of proceeds clarified . . . . .	256
Prosecuting attorneys, appointed personnel definitions classified for collective bargaining purposes . . . . .	23
Public transportation, local sales and use tax cap raised . . . . .	4
Public works, small works roster procedure established for real property construction or remodeling by state or local governments . . . . .	138
Roads crossing county boundaries, construction and maintenance duties revised .	155
Telecommunications and cable television service facilities, regulations established for use of local rights of way . . . . .	83
Venue of actions by or against counties, provisions revised . . . . .	244
Water well delegation program made permanent . . . . .	32
<b>COUNTY CLERKS</b>	
Credit cards authorized for payment . . . . .	202
Harassment, filing fees for petition for unlawful harassment decreased . . . . .	9
<b>COURT OF APPEALS</b>	
Judge pro tempore authorized when judge serves on commission, board, or committee . . . . .	165

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess. [ 1958 ]

**SUBJECT INDEX OF 2000 STATUTES**

	Chapter
<b>COURTS (See also COURT OF APPEALS; DISTRICT COURT; MUNICIPAL COURT; SUPERIOR COURT)</b>	
Driving under the influence, defendant court appearance requirements revised . . .	52
Protection orders, entry of orders into judicial information system required . . . .	51
<b>COURTS OF LIMITED JURISDICTION (See DISTRICT COURT; MUNICIPAL COURT)</b>	
<b>CREDIT CARDS</b>	
Court fees and financial obligations, use of cards authorized for payment . . . . .	202
Protection from fraudulent use, retailer receipt requirements established . . . . .	163
<b>CREDIT UNIONS</b>	
Raffles conducted by credit unions allowed . . . . .	233
<b>CRIMES (See also CRIMINAL OFFENDERS; DRIVING UNDER THE INFLUENCE; JUVENILE OFFENDERS; SENTENCING; SEX OFFENSES AND OFFENDERS)</b>	
Abuse, withholding basic necessities of life from dependent person made criminal mistreatment in third degree . . . . .	76
Anhydrous ammonia, unlawful possession and storage and theft classified as class C felonies . . . . .	225
Domestic violence penalties increased, additional fines required and provisions revised . . . . .	119
Domestic violence, protection order procedures revised . . . . .	51
Ephedrine and pseudoephedrine, penalties enhanced for possession with the intent to manufacture if children are present . . . . .	132
Harassment, filing fees for petition for unlawful harassment decreased . . . . .	9
Hit and run where death occurs penalized as class B felony . . . . .	66
Mail, use of another person's identification to solicit undesired mail with intent to annoy or harass declared unlawful . . . . .	77
Methamphetamine, penalties enhanced for manufacture when children are present	132
Motor vehicles, hit and run where death occurs penalized as class B felony . . . .	66
Organized crime advisory board, membership revised . . . . .	38
Rural garbage dumping prohibited, penalties increased . . . . .	154
Vehicle license fraud made a criminal offense . . . . .	229
<b>CRIMINAL JUSTICE SERVICES</b>	
Gambling commission, dissemination of criminal history record information to commission authorized . . . . .	46
<b>CRIMINAL OFFENDERS (See also SEX OFFENSES AND OFFENDERS)</b>	
Criminally insane, release and admission terminology changed . . . . .	94
Drug offenders subject to deportation removed from the special drug offender sentencing alternative . . . . .	43
Interstate compact for adult offender supervision, task force to study . . . . .	235
Mental competency proceedings, timelines, information sharing, and evidentiary standards clarified . . . . .	74
Mental health records, disclosure of information authorized to facilitate sentencing procedures . . . . .	75
Restitution and legal financial obligations, tolling provisions revised . . . . .	226
Sentencing and community supervision, statutes reorganized and clarified . . . .	28
Sex offenders, registration provisions revised to comply with federal standards . .	91
Sexually violent predators, authority of secretary of department of social and health services established . . . . .	44

"E1" Denotes 2000 1st special sess.

[ 1959 ]

"E2" Denotes 2000 2nd special sess.

**SUBJECT INDEX OF 2000 STATUTES**

	<b>Chapter</b>
<b>CRIMINAL PROCEDURE (See also SENTENCING)</b>	
Court-ordered financial obligations, use of credit cards for payment authorized . .	202
Mental competency proceedings, timelines, information sharing, and evidentiary standards clarified . . . . .	74
Restitution and legal financial obligations, tolling provisions revised . . . . .	226
<b>DAIRIES (See AGRICULTURE)</b>	
<b>DEAF, STATE SCHOOL</b>	
Child abuse, children attending state schools for the blind and deaf protected through staffing, training, and reporting requirements . . . . .	125
<b>DEATH</b>	
Death certificates, persons authorized to certify cause of death expanded . . . . .	133
<b>DEBTORS</b>	
Garnishment proceedings revised . . . . .	72
<b>DEFENSES (See CRIMINAL PROCEDURE)</b>	
<b>DEPENDENT ADULTS (See also VULNERABLE ADULTS)</b>	
Abuse and neglect, protection provisions strengthened . . . . .	76
Background checks required for individual in-home service providers paid by the state or by home care agencies . . . . .	87
Background checks required for potential employees of social and health services department for jobs with unsupervised access to children or vulnerable adults . . . . .	87
Protection orders, penalties for violations specified . . . . .	119
Withholding basic necessities of life from dependent person made criminal mistreatment in third degree . . . . .	76
<b>DEVELOPMENTALLY DISABLED</b>	
Background checks required for individual in-home service providers paid by the state or by home care agencies . . . . .	87
Background checks required for potential employees of social and health services department for jobs with unsupervised access to children or vulnerable adults . . . . .	87
Endowment trust fund, amendment to allow investment of moneys . . . . .	SJR 8214
Endowment trust fund, provisions revised . . . . .	120
<b>DIABETES</b>	
Cost reduction act continued . . . . .	67
<b>DISASTER RELIEF (See EMERGENCY SERVICES)</b>	
<b>DISCRIMINATION</b>	
Japanese internment, civil liberties public education program created . . . . .	210
Racial profiling, report required on routine traffic stops . . . . .	118
Traffic enforcement, report required on routine traffic stops and information to be included in report specified . . . . .	118
<b>DISSOLUTION OF MARRIAGE (See also CHILD CUSTODY; CHILD SUPPORT)</b>	
Parenting plan, notice requirements and standards for parental relocation established, supreme court case superseded . . . . .	21

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess.      [ 1960 ]

**SUBJECT INDEX OF 2000 STATUTES**

	Chapter
<b>DISTANCE EDUCATION (See also COLLEGES AND UNIVERSITIES; COMMUNITY AND TECHNICAL COLLEGES; SCHOOLS AND SCHOOL DISTRICTS)</b>	
Study directed .....	113
<b>DISTRICT COURT</b>	
Civil jurisdiction expanded .....	49
Judge pro tempore authorized when judge serves on commission, board, or committee .....	165
Transfer of cases from commissioners to judges, requirements clarified .....	164
Warrants, state-wide jurisdiction granted to courts of limited jurisdiction, pilot program established .....	111
<b>DNA (DEOXYRIBONUCLEIC ACID)</b>	
Prisoners sentenced to death or life imprisonment, procedure for testing to prove innocence provided .....	92
<b>DOGS</b>	
Cougar, hunting with aid of dogs authorized .....	248
<b>DOMESTIC RELATIONS (See also DISSOLUTION OF MARRIAGE)</b>	
Parenting plan, notice requirements and standards for parental relocation established, supreme court case superseded .....	21
<b>DOMESTIC VIOLENCE</b>	
Fatality review panels authorized and duties specified .....	50
Penalties increased, additional fines required and provisions revised .....	119
Protection orders, procedures revised .....	51
<b>DRIVERS' LICENSES</b>	
Intermediate licenses established for persons under age eighteen, conditions for issuance .....	115
<b>DRIVING UNDER THE INFLUENCE</b>	
Defendant court appearance requirements revised .....	52
<b>DRUGS</b>	
Advanced registered nurse practitioners, prescriptive authority extended .....	64
Anhydrous ammonia, unlawful possession and storage and theft classified as class C felonies .....	225
Children and psychiatric drugs, department of social and health services report required regarding children in out-of-home care .....	89
Controlled substances, dispensing of schedules II through IV limited to a maximum of a 72-hour supply of the prescribed substance .....	64
Ephedrine and pseudoephedrine, penalties enhanced for possession with the intent to manufacture if children are present .....	132
Methamphetamine, penalties enhanced for manufacture when children are present .....	132
Prescription drugs, methods for reducing medication errors developed and prescriptions required to be written legibly .....	8
<b>DRUNK DRIVING (See DRIVING UNDER THE INFLUENCE)</b>	
<b>E-MAIL (See INTERNET)</b>	

## SUBJECT INDEX OF 2000 STATUTES

	Chapter
<b>ECOLOGY, DEPARTMENT</b>	
Aquatic nuisance species committee created to minimize accidental or unauthorized introduction and spread of nonnative and nuisance species . . . . .	149
Ballast water monitoring program established, study directed . . . . .	108
Dairy nutrient management violations, report of penalties assessed on dairy producers required . . . . .	147
Environmental permit streamlining process, workshop convened to evaluate existing transportation certification programs . . . . .	101
Environmental permits and reviews, cost-reimbursement agreements with permitting agencies authorized . . . . .	251
Flood plain management, construction provisions revised . . . . .	222
Funds and accounts, obsolete accounts eliminated and remaining fund balances transferred to existing accounts . . . . .	150
Landfills, local government reserve account requirements waived . . . . .	114
Nuclear power plants, provisions for restoration of unfinished sites revised . . . .	243
Pipeline safety, utilities and transportation department hazardous liquid pipeline duties transferred to ecology effective upon receipt of federal authority over interstate pipelines . . . . .	191
Water well delegation program made permanent . . . . .	32
<b>ECONOMIC DEVELOPMENT</b>	
Cities and towns, debt limits increased to finance capital facilities . . . . .	156
Community empowerment zones, provisions revised . . . . .	212
Nuclear power plants, provisions for restoration of unfinished sites revised . . . .	243
Port districts, training and improvement of employees' public sector management skills for economic development programs through nonprofit corporation services authorized . . . . .	198
Quality award program revised . . . . .	216
<b>EDUCATION, STATE BOARD</b>	
Professional educator standards board created . . . . .	39
<b>ELECTIONS (See also VOTING)</b>	
Ballot title contents and preparation procedures specified . . . . .	197
Disclosure reports, electronic filing procedures simplified . . . . .	237
<b>ELECTRIC UTILITIES</b>	
Disclosure of characteristics including fuel mix required . . . . .	213
Net metering system definitions revised . . . . .	158
Taxation of electrical energy sales modified . . . . .	245
<b>ELECTRICITY</b>	
Disclosure of characteristics including fuel mix required . . . . .	213
Taxation of electrical energy sales clarified . . . . .	245
<b>EMERGENCY MEDICAL SERVICE DISTRICTS</b>	
Cities and towns, inclusion within districts authorized . . . . .	31
<b>EMERGENCY MEDICAL TECHNICIANS</b>	
Directives, department of health guidelines required to include a simple form to be used state-wide . . . . .	70
<b>EMERGENCY SERVICES</b>	
911, enhanced 911 advisory committee expiration date extended . . . . .	34
Flood control maintenance projects, state funding limit changed . . . . .	20

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess. [ 1962 ]



## SUBJECT INDEX OF 2000 STATUTES

	Chapter
<b>FEES — con't.</b>	
Traffic offenses, deferred findings and collection of administrative fee authorized	110
<b>FERTILIZERS</b>	
Anhydrous ammonia, unlawful possession and storage and theft classified as class C felonies	225
<b>FINANCIAL MANAGEMENT, OFFICE</b>	
Distance education, study directed	113
Local government, annual and bi-annual reports on fiscal impact of legislation required	182
<b>FIRE FIGHTERS</b>	
Training, provisions for setting fires revised	199
<b>FIRE PROTECTION</b>	
Technical corrections to statutes enacted	254
<b>FIREARMS</b>	
Schools, notification of firearm violations committed by students required	27
<b>FISH (See also SALMON)</b>	
Aquatic nuisance species committee created to minimize accidental or unauthorized introduction and spread of nonnative and nuisance species	149
Endangered and threatened species, killing of cougars, black bears, or bobcats authorized to protect species	248
Nonindigenous species, ballast water monitoring program established, study directed	108
Salmon recovery funding board, projects eligible for funding clarified	15
<b>FISH AND WILDLIFE, DEPARTMENT</b>	
Aquatic nuisance species committee created to minimize accidental or unauthorized introduction and spread of nonnative and nuisance species	149
Ballast water monitoring program established, study directed	108
Endangered and threatened species, killing of cougars, black bears, or bobcats authorized to protect species	248
Environmental permit streamlining process, workshop convened to evaluate existing transportation certification programs	101
Environmental permits and reviews, cost-reimbursement agreements with permitting agencies authorized	251
Funds and accounts, obsolete accounts eliminated and remaining fund balances transferred to existing accounts	150
Game and game fish, Title 77 RCW sections recodified	107
Informational and educational materials, funding provided and provisions for state wildlife fund revised	252
Salmon recovery funding board, projects eligible for funding clarified	15
Statutes, technical corrections made	11
Title 77 RCW and Title 75 RCW merged	107
<b>FISHING, RECREATIONAL (See also SALMON)</b>	
Informational and educational materials, funding provided	252
<b>FLOOD CONTROL</b>	
Flood plain management, construction provisions revised	222
Maintenance projects, state funding limit changed	20
<b>FORENSIC INVESTIGATIONS (See TOXICOLOGISTS)</b>	

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess. [ 1964 ]



**SUBJECT INDEX OF 2000 STATUTES**

	<b>Chapter</b>
<b>FOREST FIRES (See FIRE PROTECTION)</b>	
<b>FOREST LAND (See also TIMBER AND TIMBER INDUSTRIES)</b>	
Disposition or transfer of lands without public auction allowed, conditions . . . .	148
Lake Whatcom landscape management pilot project created . . . . .	205
<b>FOSTER CARE</b>	
Long-term care, study of evaluations for children needing care directed . . . . .	232
<b>FUELS</b>	
Oil and gas pipelines, environmental and public safety measures developed . . . .	191
<b>GAMBLING (See also LOTTERY)</b>	
Criminal history record information, dissemination to commission authorized . . .	46
Licenses, financial information obtained in application exempt from public inspection and copying . . . . .	56
Parimutuel wagering sunset provisions repealed . . . . .	145
Promotional contests of chance, definition and regulation clarified . . . . .	228
<b>GAMBLING COMMISSION</b>	
Criminal history record information, dissemination to commission authorized . . .	46
<b>GARNISHMENT</b>	
Proceedings revised . . . . .	72
<b>GASOLINE (See OIL AND GAS)</b>	
<b>GENETIC INFORMATION (See DNA)</b>	
<b>GEOLOGY AND GEOLOGISTS</b>	
Licensing of geologists required, standards adopted and licensing board and account created . . . . .	253
<b>GIFTS</b>	
Washington state parks gift foundation created to encourage monetary gifts to support and improve parks . . . . .	25
<b>GOVERNOR</b>	
Medal of valor established for saving or attempting to save a life, committee created . . . . .	224
<b>GROWTH MANAGEMENT (See also LAND USE PLANNING)</b>	
Counties, population count need not include persons confined in correctional facilities located in county . . . . .	36
Historic towns, preservation and development of national historic towns outside urban growth areas authorized . . . . .	196
Multiple-unit dwellings, eligible city population threshold lowered for property tax exemption . . . . .	242
<b>GUARDIANSHIP</b>	
Guardians ad litem, appointment procedures and provisions regarding duties revised . . . . .	124
<b>GUNS (See FIREARMS)</b>	
<b>HANDICAPPED PERSONS (See DEVELOPMENTALLY DISABLED)</b>	

**SUBJECT INDEX OF 2000 STATUTES**

	<b>Chapter</b>
<b>HANFORD</b>	
Radioactive tank waste, privatization contracts for treating waste at Hanford exempt from personal property tax . . . . .	246
<b>HARASSMENT (See also CRIMES)</b>	
Filing fees for petition for unlawful harassment decreased . . . . .	9
Mail, use of another person's identification to solicit undesired mail with intent to annoy or harass declared unlawful . . . . .	77
Protection orders, procedures revised . . . . .	51
<b>HEALTH CARE (See also HOSPICE CARE; LONG-TERM CARE)</b>	
Colostrum milk, prohibitions modified . . . . .	97
Coronary tertiary services, rural area access improved . . . . .	59
Diabetes cost reduction act continued . . . . .	67
In-home services, provisions revised for licensing, advertising, violation penalties and insurance coverage . . . . .	175
Insurance, individual and small group affordable coverage principles established . . . . .	79
Insurance, midwives' services required to be included . . . . .	7
Insurance, patient bill of rights adopted . . . . .	5
Insurance, task force created to study small group and individual affordable health care coverage principals, health insurance pool account created . . . . .	79
Insurance, technical and clarifying changes made to individual health insurance legislation (E2SSB 6067, CH 79) passed during 2000 session . . . . .	80
Rural areas, access to coronary tertiary services improved . . . . .	59
<b>HEALTH CARE FACILITIES</b>	
Mental hospitals and treatment centers, violence prevention training and safety plan developed . . . . .	22
Statutes, technical corrections made . . . . .	93
<b>HEALTH CARE PROFESSIONS</b>	
Advanced registered nurse practitioners, prescriptive authority extended . . . . .	64
Death certificates, persons authorized to certify cause of death expanded . . . . .	133
Emergency medical personnel, department of health guidelines for directives required to include a simple form to be used state-wide . . . . .	70
In-home services, provisions revised for licensing, advertising, violation penalties and insurance coverage . . . . .	175
Mental health records, disclosure of information authorized to facilitate sentencing procedures for criminal offenders . . . . .	75
Nurses, delegation of task protocols revised . . . . .	95
Prescription drugs, methods for reducing medication errors developed and prescriptions required to be written legibly . . . . .	8
Statutes, technical corrections made . . . . .	93
<b>HEALTH DISTRICTS</b>	
Water well delegation program made permanent . . . . .	32
<b>HEALTH, DEPARTMENT</b>	
Aquatic nuisance species committee created to minimize accidental or unauthorized introduction and spread of nonnative and nuisance species . . . . .	149
Coronary tertiary services, methodology applied to certificate of need applications revised . . . . .	59
Emergency medical personnel, guidelines for directives required to include a simple form to be used state-wide . . . . .	70

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess. [ 1966 ]

**SUBJECT INDEX OF 2000 STATUTES**

	<b>Chapter</b>
<b>HEALTH, DEPARTMENT — con't.</b>	
Environmental permits and reviews, cost-reimbursement agreements with permitting agencies authorized . . . . .	251
In-home services, provisions revised for licensing, advertising, violation penalties and insurance coverage . . . . .	175
Long-term caregivers, training provisions enhanced . . . . .	121
Prescription drugs, methods for reducing medication errors developed . . . . .	8
Statutes, technical corrections made . . . . .	93
<b>HIGHER EDUCATION (See COLLEGES AND UNIVERSITIES; COMMUNITY AND TECHNICAL COLLEGES)</b>	
<b>HIGHER EDUCATION COORDINATING BOARD</b>	
Advanced college tuition payment program, provisions revised . . . . .	14
Distance education, study directed . . . . .	113
Information and technology literacy, achievement strategy, and financial assessment developed . . . . .	166
<b>HIGHWAYS (See ROADS AND HIGHWAYS)</b>	
<b>HISTORIC PRESERVATION</b>	
Towns, preservation and development of national historic towns outside urban growth areas authorized . . . . .	196
<b>HOLIDAYS AND OBSERVANCES</b>	
Asian Pacific American heritage month designated . . . . .	236
Pearl Harbor remembrance day established . . . . .	60
<b>HORSE RACING COMMISSION</b>	
Background checks, information including nonconviction data allowed to be disseminated to commission . . . . .	204
<b>HORSES AND HORSE RACING</b>	
Child support, suspension of license required for child support noncompliance . .	86
Class 1 racing licenses, certain canceled races allowed to count toward licensing requirements . . . . .	223
Parimutuel wagering sunset provisions repealed . . . . .	145
<b>HORTICULTURE</b>	
Plant and facility regulations revised, board allowed to enter into agreements to eradicate pests and diseases . . . . .	144
<b>HOSPICE CARE</b>	
In-home services, provisions revised for licensing, advertising, violation penalties and insurance coverage . . . . .	175
<b>HOSPITALS</b>	
Licensing inspection and complaint investigations, disclosure procedures and exceptions set forth . . . . .	6
Rural areas, access to coronary tertiary services improved . . . . .	59
<b>HOTELS AND MOTELS (See also TAXES - LODGING TAX)</b>	
Taxes, use of proceeds clarified . . . . .	256
<b>HOUSING</b>	
Federally assisted housing, landlord and tenant provisions revised and notice concerning legal rights and responsibilities provided . . . . .	255

**SUBJECT INDEX OF 2000 STATUTES**

	<b>Chapter</b>
<b>HOUSING — con't.</b>	
Multiple-unit dwellings, eligible city population threshold lowered for property tax exemption . . . . .	242
Tribal housing authorities, tax exemption provided for properties designated for low-income uses . . . . .	187
<b>HUNTING</b>	
Cougar, hunting with aid of dogs authorized . . . . .	248
Informational and educational materials, funding provided . . . . .	252
Wildlife, holders of big and small game licenses allowed to hunt unclassified wildlife . . . . .	109
<b>IDENTIFICATION</b>	
Mail, use of another person's identification to solicit undesired mail with intent to annoy or harass declared unlawful . . . . .	77
<b>IMPERSONATION</b>	
Mail, use of another person's identification to solicit undesired mail with intent to annoy or harass declared unlawful . . . . .	77
<b>INDIANS</b>	
Tribal housing authorities, tax exemption provided for properties designated for low-income uses . . . . .	187
<b>INDUSTRIAL DEVELOPMENT (See ECONOMIC DEVELOPMENT)</b>	
<b>INDUSTRIAL SAFETY AND HEALTH</b>	
Flaggers, emergency and permanent safety rules required, Kim Vendl worker safety act enacted . . . . .	239
Mental hospitals and treatment centers, violence prevention training and safety plan developed . . . . .	22
<b>INFANTS (See CHILDREN)</b>	
<b>INFORMATION SERVICES, DEPARTMENT</b>	
Nonprofit organizations, department granted authority to provide services to public benefit nonprofit corporations . . . . .	180
<b>INITIATIVE 601</b>	
Emergency reserve fund, revenues in accounts transferred between accounts to reconcile actual revenues and expenditure limit . . . . .	2 E2
State expenditure limit committee established to determine and adjust limits . . .	2 E2
<b>INITIATIVE AND REFERENDUM (See also TAXES - REFERENDUM MEASURES)</b>	
Ballot titles, contents and preparation procedures specified . . . . .	197
1-695, vehicle license tab fees limited to \$30 per year, excise taxes repealed, and voter approval required for tax or fee increases . . . . .	1
<b>INSANITY, CRIMINAL</b>	
Competency proceedings, timelines, information sharing, and evidentiary standards clarified . . . . .	74
<b>INSURANCE</b>	
Agents and brokers, notices to agents and brokers required within five days and allowed to be provided electronically . . . . .	220
Disclaimer of affiliation with authorized insurer, filing required to be delivered to domestic insurers . . . . .	214

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess. [ 1968 ]



**SUBJECT INDEX OF 2000 STATUTES**

	<b>Chapter</b>
<b>JUVENILE COURT — con't.</b>	
Family reconciliation act, provisions technically revised and clarified . . . . .	123
Guardians ad litem, appointment procedures and provisions regarding duties revised . . . . .	124
Penalty assessments, court jurisdiction extended beyond offender's eighteenth birthday for enforcement purposes . . . . .	71
Truancy, judicial authority to set requirements expanded . . . . .	61
<b>JUVENILE OFFENDERS</b>	
Mental health records, disclosure of information authorized to facilitate sentenc- ing procedures . . . . .	75
Penalty assessments, juvenile court jurisdiction extended beyond offender's eighteenth birthday for enforcement purposes . . . . .	71
Sex offenders, registration provisions revised to comply with federal standards . .	91
<b>JUVENILES (See CHILDREN)</b>	
<b>LABOR</b>	
Public employees, appointed personnel definitions clarified . . . . .	23
<b>LABOR AND INDUSTRIES, DEPARTMENT</b>	
Flaggers, emergency and permanent safety rules required, Kim Vendl worker . safety act enacted . . . . .	239
<b>LABOR RELATIONS</b>	
Higher education, exempt positions excluded from employee bargaining units . .	19
<b>LAKE MANAGEMENT DISTRICTS</b>	
Time limits removed . . . . .	184
<b>LAKES AND RESERVOIRS</b>	
Underground artificial storage and recovery project defined, reservoir defined to include an underground geological formation . . . . .	98
<b>LAND USE PLANNING (See also GROWTH MANAGEMENT)</b>	
Growth management, population count need not include persons confined in correctional facilities located in county . . . . .	36
Historic towns, preservation and development of national historic towns outside urban growth areas authorized . . . . .	196
<b>LANDFILLS (See SOLID WASTE)</b>	
<b>LANDLORD AND TENANT</b>	
Federally assisted housing landlord and tenant provisions revised and notice concerning legal rights and responsibilities provided . . . . .	255
<b>LAW ENFORCEMENT (See also STATE PATROL)</b>	
Racial profiling, report required on routine traffic stops . . . . .	118
Sound recordings without prior consent, recordings from video cameras mounted in law enforcement vehicles authorized . . . . .	195
Traffic enforcement, report required on routine traffic stops and information to be included in report specified . . . . .	118
<b>LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM (See also RETIREMENT AND PENSIONS)</b>	
Actuarially equivalent survivor benefit options, additional options created . . . .	186
Disability boards, membership revised . . . . .	234
Early retirement and other provisions revised . . . . .	247

"E1" Denotes 2000 1st special sess.  
"E2" Denotes 2000 2nd special sess.            [ 1970 ]

**SUBJECT INDEX OF 2000 STATUTES**

	Chapter
<b>LEGISLATIVE AUDIT AND REVIEW COMMITTEE, JOINT</b>	
Sunset review, program and fiscal review of any entity scheduled for termination required .....	189
<b>LEGISLATURE</b>	
Eminent domain, joint legislative study group created to study the use of eminent domain and ways to expedite resolution of disputes in proceedings .....	68
Retirement, joint committee on pension policy directed to study the feasibility of providing an option of plan 2 or 3 to school employees and new teachers ..	230
Unemployment compensation, task force created to review system .....	2
<b>LICENSE PLATES</b>	
Fees limited to \$30 per year .....	1
I-695, fees limited to \$30 per year .....	1
Replacement, certain commercial vehicles exempted from requirement .....	37
<b>LICENSING, DEPARTMENT</b>	
Boxing, kickboxing, martial arts, and wrestling, license suspension or revocation for safety and welfare of participants authorized .....	151
Trade names, registration provisions revised .....	174
<b>LIMITED LIABILITY COMPANIES</b>	
Provisions revised .....	169
<b>LIQUOR (See ALCOHOLIC BEVERAGES)</b>	
<b>LIQUOR CONTROL BOARD</b>	
Distillers allowed liquor licenses .....	177
Liquor revolving fund disbursements to death investigation account established ..	192
<b>LITTER AND LITTERING</b>	
Rural garbage prohibited, penalties increased .....	154
<b>LOCAL GOVERNMENT (See also CITIES AND TOWNS; COUNTIES)</b>	
Agency rules, task force on local governments created to study the delivery of government services and allotment of revenues .....	241
Bonds, state and local governments allowed to continue to lower their exposure to interest rate fluctuations with respect to financial obligations .....	184
Community empowerment zones, provisions revised .....	212
Fiscal note process enhanced, annual and bi-annual reports on fiscal impact of legislation required .....	182
Landfills, reserve account requirements waived .....	114
Zoos and aquariums, contract and management provisions with nonprofit organizations established .....	206
<b>LOGS AND LOGGING (See TIMBER AND TIMBER INDUSTRIES)</b>	
<b>LONG-TERM CARE</b>	
Abuse and neglect, protection provisions strengthened .....	76
Caregiver training provisions enhanced .....	121
Family caregiver long-term information and support services, area agency on aging required to provide .....	207
Foster care, study of evaluations for children needing long-term care directed ..	232
Fred Mills act enacted .....	207
Withholding basic necessities of life from dependent person made criminal mistreatment in third degree .....	76

E1

**SUBJECT INDEX OF 2000 STATUTES**

	<b>Chapter</b>
<b>LOTTERY (See also GAMBLING)</b>	
Licenses, financial information obtained in application exempt from public inspection and copying . . . . .	56
<b>LOW-INCOME PERSONS</b>	
Federally assisted housing, landlord and tenant provisions revised and notice concerning legal rights and responsibilities provided . . . . .	255
Tribal housing authorities, tax exemption provided for properties designated for low-income uses . . . . .	187
<b>MAIL</b>	
Undesired mail, use of another person's identification to solicit with intent to annoy or harass declared unlawful . . . . .	77
<b>MATERNITY CARE (See PREGNANCY)</b>	
<b>MEAT</b>	
Custom meat slaughter and preparation, regulations revised . . . . .	99
<b>MEDICINE AND MEDICAL DEVICES</b>	
Atypical antipsychotic medications, program to promote access established . . . .	217
<b>MEMORIALS</b>	
National World War II account created to make contributions toward national memorial . . . . .	12
<b>MENTAL HEALTH</b>	
Atypical antipsychotic medications, program to promote access established . . . .	217
Children and psychiatric drugs, department of social and health services report required regarding children in out-of-home care . . . . .	89
Records, disclosure of information authorized to facilitate sentencing procedures for criminal offenders . . . . .	75
<b>MENTAL HOSPITALS</b>	
Workplace safety, violence prevention training and safety plan developed . . . . .	22
<b>MENTALLY ILL PERSONS</b>	
Atypical antipsychotic medications, program to promote access established . . . .	217
Competency proceedings, timelines, information sharing, and evidentiary standards clarified . . . . .	74
Involuntary commitment, release and admission terminology changed . . . . .	94
<b>METROPOLITAN MUNICIPAL CORPORATIONS</b>	
Public transportation, local sales and use tax cap raised . . . . .	4
Sewage capacity charges for connecting to facility, provisions revised . . . . .	161
<b>METROPOLITAN PARK DISTRICTS</b>	
Zoos, aquariums, wildlife preserves, and regional parks, sales and use tax revenues apportioned . . . . .	240
<b>MIDWIVES</b>	
Insurance, services required to be included . . . . .	7
<b>MILITARY (See also VETERANS)</b>	
Higher education, active personnel considered resident in state in which they are stationed . . . . .	117

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess. [ 1972 ]





## SUBJECT INDEX OF 2000 STATUTES

	Chapter
<b>MUNICIPAL RESEARCH COUNCIL</b>	
Funding provided, city and town research services account created . . . . .	227
Pipelines, model ordinance and model franchise agreement required . . . . .	191
<b>MUTUAL CORPORATIONS (See NONPROFIT CORPORATIONS)</b>	
<b>NAMES</b>	
Trade names, registration provisions revised . . . . .	174
<b>NATIONAL GUARD</b>	
Scholarship program expanded . . . . .	159
<b>NATURAL GAS</b>	
Pipelines, environmental and public safety measures developed . . . . .	191
<b>NATURAL RESOURCES, DEPARTMENT</b>	
Aquatic nuisance species committee created to minimize accidental or unauthorized introduction and spread of nonnative and nuisance species . . . . .	149
Environmental permits and reviews, cost-reimbursement agreements with permitting agencies authorized . . . . .	251
Forest lands, disposition or transfer without public auction allowed, conditions . .	148
Funds and accounts, obsolete accounts eliminated and remaining fund balances transferred to existing accounts . . . . .	150
Statutes, technical corrections made . . . . .	11
<b>NO-CONTACT ORDERS</b>	
Procedures revised . . . . .	51
<b>NONPROFIT CORPORATIONS (See also CORPORATIONS)</b>	
Information services department granted authority to provide services to public benefit nonprofits . . . . .	180
Miscellaneous and mutual corporations, electronic notice and electronic proxies authorized . . . . .	167
Port districts, training and improvement of employees' public sector management skills for economic development programs through nonprofit corporation services authorized . . . . .	198
<b>NONPROFIT ORGANIZATIONS (See also CHARITABLE ORGANIZATIONS)</b>	
Beer and wine, out-of-state certificate holder allowed to furnish . . . . .	179
Fund raising, vendors allowed to be hired . . . . .	178
Quality award council, award program revised . . . . .	216
Washington state parks gift foundation created to encourage monetary gifts to support and improve parks . . . . .	25
Zoos and aquariums, contract and management provisions with cities established	206
<b>NOXIOUS WEED CONTROL BOARD</b>	
Aquatic nuisance species committee created to minimize accidental or unauthorized introduction and spread of nonnative and nuisance species . . . . .	149
<b>NUCLEAR POWER</b>	
Restoration of unfinished sites, provisions revised . . . . .	243
<b>NUISANCES</b>	
Aquatic nuisance species committee created to minimize accidental or unauthorized introduction and spread of nonnative and nuisance species . . . . .	149

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess.      [ 1974 ]



## SUBJECT INDEX OF 2000 STATUTES

	Chapter
<b>PEST CONTROL</b>	
Horticultural plant and facility regulations revised, board allowed to enter into agreements to eradicate pests and diseases . . . . .	144
Structural pest control inspection provisions revised, surety bond or insurance required for inspectors . . . . .	96
<b>PHARMACY, BOARD</b>	
Medication errors, methods for reducing developed . . . . .	8
<b>PHYSICIAN ASSISTANTS</b>	
Prescription drugs, methods for reducing medication errors developed and prescriptions required to be written legibly . . . . .	8
<b>PHYSICIANS</b>	
Prescription drugs, methods for reducing medication errors developed and prescriptions required to be written legibly . . . . .	8
<b>PISTOLS (See FIREARMS)</b>	
<b>POLLUTION (See also AIR POLLUTION; WATER POLLUTION)</b>	
Underground petroleum storage tanks and oil spills, pollution liability insurance programs expiration dates extended . . . . .	16
<b>PORT DISTRICTS</b>	
Bonds, commission authorized to delegate authority to chief executive officer . .	181
Economic development programs, training and improvement of employees' public sector management skills through services of a nonprofit corporation authorized . . . . .	198
Insurance coverage acquisition authorized . . . . .	143
Interstate 90 corridor, annexation authority extended . . . . .	200
Telecommunications services, rural port districts and public utility districts authorized to provide . . . . .	81
<b>POULTRY (See AGRICULTURE)</b>	
<b>POVERTY (See LOW-INCOME PERSONS)</b>	
<b>PREGNANCY</b>	
Midwives' services required to be covered by insurance . . . . .	7
<b>PRESCRIPTION DRUGS (See DRUGS)</b>	
<b>PRISONS AND PRISONERS</b>	
DNA testing for prisoners sentenced to death or life imprisonment, procedure for testing to prove innocence provided . . . . .	92
Growth management, population count need not include persons confined in correctional facilities located in county . . . . .	36
Out-of-state housing facilities for felons, department authority to contract clarified and conditions for transfers established . . . . .	62
<b>PRIVACY</b>	
Educational records, availability of records to department of social and health services clarified . . . . .	88
Financial information obtained in liquor, gambling, or lottery license application exempt from public inspection and copying . . . . .	56
Financial information supplied to state agencies for electronic transfer of funds exempt from public inspection and copying . . . . .	56

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess. [ 1976 ]

**SUBJECT INDEX OF 2000 STATUTES**

	Chapter
<b>PRIVACY — con't.</b>	
Law enforcement sound recordings without prior consent, recordings from video cameras mounted in law enforcement vehicles authorized . . . . .	195
Mental health records, disclosure of information authorized to facilitate sentencing procedures for criminal offenders . . . . .	75
Unemployment compensation records and information exchange allowed for certain purposes . . . . .	134
<b>PRIVATE SCHOOLS (See SCHOOLS AND SCHOOL DISTRICTS)</b>	
<b>PROBATE (See also ESTATES)</b>	
Disclaimer of interest, provisions modified . . . . .	24
Internal revenue code section 2033A references updated . . . . .	130
Tax apportionment modified . . . . .	129
<b>PROBATION AND PAROLE (See also COMMUNITY CORRECTIONS)</b>	
Interstate compact for adult offender supervision, task force to study . . . . .	235
<b>PRODUCTIVITY BOARD</b>	
Name expanded to also mean employee involvement and recognition board, administrative provisions revised . . . . .	139
<b>PROPERTY (See PERSONAL PROPERTY; REAL ESTATE AND REAL PROPERTY)</b>	
<b>PROTECTION ORDERS (See DOMESTIC VIOLENCE)</b>	
<b>PUBLIC ASSISTANCE</b>	
Blended funding projects for youth authorized . . . . .	219
Eligibility, definitions of income and resources revised . . . . .	218
Federal personal responsibility and work opportunity reconciliation act, provisions relating to child support revised . . . . .	86
Income and resources, definitions revised . . . . .	218
TANF, higher education programs included in work activity definition . . . . .	10
<b>PUBLIC DISCLOSURE</b>	
Campaign finance and lobbyist reports, electronic filing procedures simplified . . . . .	237
Financial information obtained in liquor, gambling, or lottery license application exempt from public inspection and copying . . . . .	56
Financial information supplied to state agencies for electronic transfer of funds exempt from public inspection and copying . . . . .	56
Hospital licensing inspection and complaint investigations, disclosure procedures and exceptions set forth . . . . .	6
<b>PUBLIC EMPLOYEES (See PUBLIC OFFICERS AND EMPLOYEES)</b>	
<b>PUBLIC EMPLOYEES' RETIREMENT SYSTEM (See also RETIREMENT AND PENSIONS)</b>	
Actuarially equivalent survivor benefit options, additional options created . . . . .	186
Plan 3 option created and procedures for transfer from plan 2 established, early retirement and other provisions revised . . . . .	247
<b>PUBLIC FUNDS AND ACCOUNTS</b>	
City and town research services account created . . . . .	227
Community and technical college capital projects account, bond debt service payment provisions revised . . . . .	65

## SUBJECT INDEX OF 2000 STATUTES

PUBLIC FUNDS AND ACCOUNTS — con't.	Chapter
Community outdoor athletic fields funded through youth athletic facility account, loans authorized . . . . .	137
Conservation district supervisors allowed to designate treasurers, duties specified	45
Developmental disabilities endowment trust fund, amendment to allow investment of moneys . . . . .	SJR 8214
Developmental disabilities endowment trust fund, provisions revised . . . . .	120
Domestic violence reduction account created . . . . .	119
Education construction fund, emergency reserve fund transfer provisions revised	2 E2
Emergency reserve fund, earnings deposited into multimodal transportation account to support state transportation programs . . . . .	5 E2
Emergency reserve fund, revenues in accounts transferred between accounts to reconcile actual revenues and expenditure limit . . . . .	2 E2
Geologists' account created . . . . .	253
Health insurance pool account created . . . . .	79
Jail booking system grant fund established to offset local costs associated with implementation of state-wide electronic booking system . . . . .	3
Liquor revolving fund disbursements to death investigation account established	192
Multimodal transportation account created, car rental sales and use tax moneys deposited into account . . . . .	4 E2
Multimodal transportation account, earnings from emergency reserve fund deposited into account to support state transportation programs . . . . .	5 E2
National World War II account created to make contributions toward national memorial . . . . .	12
Natural resources accounts, obsolete accounts eliminated and remaining fund balances transferred to existing accounts . . . . .	150
Pipelines, hazardous liquid pipeline safety account created . . . . .	191
Public works, funds for projects recommended by board authorized . . . . .	30
Wildlife fund, provisions revised . . . . .	252
<b>PUBLIC HEALTH</b>	
Rural garbage dumping prohibited, penalties increased . . . . .	154
<b>PUBLIC INSTRUCTION, SUPERINTENDENT</b>	
Blended funding for youth projects authorized . . . . .	219
Career and technical student organizations, program staff support provided . . . .	84
Japanese internment, civil liberties public education program created . . . . .	210
Professional educator standards board created . . . . .	39
<b>PUBLIC LANDS</b>	
Forest lands, disposition or transfer without public auction allowed, conditions . .	148
Lake Whatcom landscape management pilot project created . . . . .	205
Mount St. Helens, revenues from the disposal of dredge spoils from Castle Rock CR601F site required to be used for recreational purposes . . . . .	13
Parks and recreation commission, disposal of real property without auction allowed, conditions . . . . .	42
Warehouse receipt provisions revised . . . . .	18
<b>PUBLIC LANDS, COMMISSIONER</b>	
Forest lands, disposition or transfer without public auction allowed, conditions . .	148
<b>PUBLIC OFFICERS AND EMPLOYEES</b>	
Collective bargaining, appointed personnel definitions clarified . . . . .	23
Ethics board review of complaints, order of dismissal allowed and provisions revised . . . . .	211

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess. [ 1978 ]



**SUBJECT INDEX OF 2000 STATUTES**

	Chapter
<b>RECORDS</b>	
Children, availability of educational records to department of social and health services clarified . . . . .	88
Educational records, availability of records to department of social and health services clarified . . . . .	88
Racial profiling, report required on routine traffic stops . . . . .	118
Unemployment compensation records and information exchange allowed for certain purposes . . . . .	134
<b>RECREATION (See also OUTDOOR RECREATION)</b>	
Athletic fields, community outdoor athletic fields funded through youth athletic facility account, loans authorized . . . . .	137
Winter recreation advisory committee, termination date eliminated . . . . .	48
<b>RECREATIONAL VEHICLES</b>	
Licenses, fraud made a criminal offense . . . . .	229
Motor homes, size limits revised . . . . .	102
Property tax exemption reinstated . . . . .	136
<b>RESEARCH AND DEVELOPMENT</b>	
Municipal research council funding provided, city and town research services account created . . . . .	227
<b>RESIDENCY</b>	
Military personnel considered residents in state in which they are stationed . . . .	117
<b>RESIDENTIAL HABILITATION CENTERS (See DEVELOPMENTALLY DISABLED)</b>	
<b>RESTRAINING ORDERS</b>	
Procedures revised . . . . .	51
<b>RETIREMENT AND PENSIONS (See also LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM; PUBLIC EMPLOYEES' RETIREMENT SYSTEM)</b>	
Actuarially equivalent survivor benefit options, additional options created . . . . .	186
Law enforcement officers' and fire fighters', early retirement and other provisions revised . . . . .	247
Public employees plan 3 option created, early retirement and other provisions revised . . . . .	247
School employees, early retirement and other provisions revised . . . . .	247
School employees and teachers, joint committee on pension policy directed to study the feasibility of providing an option of plan 2 or 3 . . . . .	230
School employees, plans 2 and 3 modified . . . . .	230
State patrol, employee contribution rate decreased . . . . .	17
State patrol, service credit established for member on authorized leave of absence . . . . .	78
Teachers, early retirement and other provisions revised . . . . .	247
<b>REVENUE, DEPARTMENT</b>	
Excise tax codes simplified . . . . .	106
Sales and use tax, rate changes restricted and notification required, retailer liability limited . . . . .	104
Successor tax liability, release of information authorized . . . . .	173
Tax statutes, technical corrections made . . . . .	103

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess.      [ 1980 ]



**SUBJECT INDEX OF 2000 STATUTES**

	Chapter
<b>REVISED CODE OF WASHINGTON</b>	
Business and professions laws, technical corrections made . . . . .	171
Excise tax codes simplified . . . . .	106
Fire protection laws, technical corrections enacted . . . . .	254
Game and game fish, Title 77 RCW sections recodified . . . . .	107
Health department statutes, technical corrections made . . . . .	93
Natural resource laws, technical corrections made . . . . .	11
Oil spill prevention and response, technical revisions to statutes made . . . . .	69
Tax statutes, technical corrections made . . . . .	103
Title 77 RCW and Title 75 RCW merged . . . . .	107
Uniform commercial code, Article 9 revised . . . . .	250
<b>ROADS AND HIGHWAYS</b>	
County roads crossing county boundaries, construction and maintenance duties revised . . . . .	155
Flaggers, emergency and permanent safety rules required, Kim Vendl worker safety act enacted . . . . .	239
Funding for projects increased, bond sale request reporting requirements revised . . . . .	6 E2
Interstate 90 corridor, port district annexation authority extended . . . . .	200
Telecommunications and cable television service facilities, regulations established for use of local rights of way . . . . .	83
<b>RULE MAKING (See ADMINISTRATIVE PROCEDURE)</b>	
<b>RUNAWAY YOUTH (See CHILDREN)</b>	
<b>RURAL DEVELOPMENT</b>	
Telecommunications services, rural port districts and public utility districts authorized to provide . . . . .	81
<b>RURAL HEALTH</b>	
Coronary tertiary services, rural area access improved . . . . .	59
<b>SAFETY AND HEALTH (See INDUSTRIAL SAFETY AND HEALTH; PUBLIC HEALTH)</b>	
<b>SALES</b>	
Credit cards, retailer receipt requirements established to protect consumers from fraudulent use of cards . . . . .	163
Motor vehicles, unfair competition by dealers and manufacturers prohibited . . . . .	203
<b>SALES TAX (See TAXES - SALES TAX)</b>	
<b>SALMON (See also FISH AND WILDLIFE, DEPARTMENT; FISHING, RECREATIONAL)</b>	
Endangered and threatened species, killing of cougars, black bears, or bobcats authorized to protect species . . . . .	248
Recovery funding board, projects eligible for funding clarified . . . . .	15
<b>SATELLITES (See TELECOMMUNICATIONS)</b>	
<b>SCHOLARSHIPS</b>	
National guard scholarship program expanded . . . . .	159
<b>SCHOOLS AND SCHOOL DISTRICTS (See also TEACHERS)</b>	
Capital projects, general contractor/construction manager contracting procedure authorized, school district project review board established . . . . .	209

"E1" Denotes 2000 1st special sess.  
 [ 1981 ] "E2" Denotes 2000 2nd special sess.

## SUBJECT INDEX OF 2000 STATUTES

SCHOOLS AND SCHOOL DISTRICTS (See also TEACHERS) — con't.	Chapter
Career and technical student organizations, program staff support provided . . . .	84
Distance education, study directed . . . . .	113
Education construction fund, emergency reserve fund transfer provisions revised . . . .	2 E2
Employee attendance incentive program, eligibility provisions established . . . . .	231
Employees' retirement system, early retirement and other provisions revised . . .	247
Employees' retirement system, plans 2 and 3 modified . . . . .	230
Firearms, notification of violations committed by students required . . . . .	27
Fund-raising, student groups authorized to conduct charitable fund-raising . . . . .	157
High schools, parent notification of availability of courses leading to college credit required . . . . .	126
Japanese internment, civil liberties public education program created . . . . .	210
Medications, health professionals authorized to request administration of oral medication at school expanded . . . . .	63
Professional educator standards board created . . . . .	39
Public works, small works roster procedure established for real property construction or remodeling by state or local governments . . . . .	138
Retirement, additional actuarially equivalent survivor benefit options created . . .	186
Retirement, eligibility provisions established for employee attendance incentive program . . . . .	231
Running start program, parent notification of availability of courses leading to college credit required . . . . .	126
Student groups authorized to conduct charitable fund-raising . . . . .	157
Students, notification of firearms violations required . . . . .	27
Truancy, judicial authority to set requirements expanded . . . . .	61
World War II oral history project established . . . . .	112
 <b>SEARCH AND RESCUE</b>	
Volunteer pilots, recognition and support by department of transportation authorized . . . . .	176
 <b>SECRETARY OF STATE</b>	
Quality award program revised . . . . .	216
 <b>SENTENCING (See also CRIMINAL PROCEDURE)</b>	
Community supervision and sentencing, statutes reorganized and clarified . . . . .	28
Drug offenders subject to deportation removed from the special drug offender sentencing alternative . . . . .	43
Ephedrine and pseudoephedrine, penalties enhanced for possession with the intent to manufacture if children are present . . . . .	132
Mental health records, disclosure of information authorized to facilitate procedures . . . . .	75
Methamphetamine, penalties enhanced for manufacture when children are present	132
Prior convictions, effect of supreme court's decision in state vs. Cruz clarified . .	26
Restitution and legal financial obligations, tolling provisions revised . . . . .	226
Statutes relating to community supervision and sentencing reorganized and clarified . . . . .	28
 <b>SERVICE CONTRACTS (See CONTRACTS)</b>	
 <b>SERVICE OF PROCESS (See CIVIL PROCEDURE)</b>	
 <b>SEWAGE</b>	
Capacity charges for connecting to metropolitan municipal facility, provisions revised . . . . .	161

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess. [ 1982 ]

**SUBJECT INDEX OF 2000 STATUTES**

	<b>Chapter</b>
<b>SEX OFFENSES AND OFFENDERS</b>	
Juvenile offenders, registration provisions revised to comply with federal standards . . . . .	91
Real estate appraisers, registered offenders may be prohibited from holding real estate licenses or certificates . . . . .	35
Registration, provisions revised to comply with federal standards . . . . .	91
Sexually violent predators, authority of secretary of department of social and health services established . . . . .	44
Victims, core services to include prevention for potential victims of sexual assault	54
<b>SHERIFFS AND POLICE CHIEFS, ASSOCIATION OF</b>	
Jails, electronic state-wide booking and reporting system directed . . . . .	3
<b>SMALL BUSINESSES (See BUSINESSES)</b>	
<b>SMALL WORKS ROSTER (See PUBLIC WORKS)</b>	
<b>SOCIAL AND HEALTH SERVICES, DEPARTMENT</b>	
Atypical antipsychotic medications, program to promote access established . . . .	217
Background checks required for individual in-home service providers paid by the state or by home care agencies . . . . .	87
Background checks required for potential employees of social and health services department for jobs with unsupervised access to children or vulnerable adults . . . . .	87
Blended funding projects for youth authorized . . . . .	219
Boarding homes, department declared to have exclusive authority to regulate and license, advisory board established . . . . .	47
Child support, department authorized to collect processing fees and costs . . . .	215
Children and psychiatric drugs, department of social and health services report required regarding children in out-of-home care . . . . .	89
Domestic violence fatality review panels authorized and duties specified . . . . .	50
Educational records, availability of records to department of social and health services clarified . . . . .	88
Family long-term caregiver information and support services, area agency on aging required to provide . . . . .	207
Federal personal responsibility and work opportunity reconciliation act, provisions relating to child support revised . . . . .	86
Foster care, study of evaluations for children needing long-term care directed . .	232
Fred Mills act enacted . . . . .	207
Long-term caregivers, training provisions enhanced and steering committee for community long-term care training and education created . . . . .	121
Sexually violent predators, authority of secretary established . . . . .	44
Vulnerable adults, abuse and neglect protection provisions strengthened . . . . .	76
<b>SOFTWARE (See COMPUTERS)</b>	
<b>SOLID WASTE</b>	
Landfills, local government reserve account requirements waived . . . . .	114
Rural garbage dumping prohibited, penalties increased . . . . .	154
<b>SPORTS</b>	
Athletic fields, community outdoor athletic fields funded through youth athletic facility account, loans authorized . . . . .	137
Boxing, kickboxing, martial arts, and wrestling, license suspension or revocation for safety and welfare of participants authorized . . . . .	151

## SUBJECT INDEX OF 2000 STATUTES

	Chapter
<b>SPORTS — con't.</b>	
Boxing, kickboxing, martial arts, and wrestling, number of allowed untaxed complimentary tickets increased . . . . .	151
<b>STALKING (See CRIMES; HARASSMENT)</b>	
<b>STATE AGENCIES AND DEPARTMENTS (See also STATE GOVERNMENT)</b>	
Beef commission, governance provisions revised . . . . .	146
Financial information obtained in liquor, gambling, or lottery license application exempt from public inspection and copying . . . . .	56
Financial information supplied to state agencies for electronic transfer of funds exempt from public inspection and copying . . . . .	56
Rules, task force on local governments created to study the delivery of government services and allotment of revenues . . . . .	241
Sunset review, program and fiscal review of any entity scheduled for termination required . . . . .	189
Surplus property, interagency transfers simplified and limitations established . . .	183
<b>STATE EMPLOYEES (See PUBLIC OFFICERS AND EMPLOYEES)</b>	
<b>STATE FUNDS AND ACCOUNTS (See PUBLIC FUNDS AND ACCOUNTS)</b>	
<b>STATE GOVERNMENT (See also STATE AGENCIES AND DEPARTMENTS)</b>	
Bonds, state and local governments allowed to continue to lower their exposure to interest rate fluctuations with respect to financial obligations . . . . .	184
Budgets, interagency revenue task force renamed transportation revenue forecast council . . . . .	4 E2
Emergency reserve fund, revenues in accounts transferred between accounts to reconcile actual revenues and expenditure limit . . . . .	2 E2
Limitations on state spending, expenditure limit committee established to determine and adjust limits . . . . .	2 E2
Veterans, scoring criteria for public employment examinations revised . . . . .	140
<b>STATE INVESTMENT BOARD</b>	
Advanced college tuition payment program, provisions revised . . . . .	14
Applicants, travel expenses paid . . . . .	153
Criminal record checks for finalist candidates, requirements revised . . . . .	188
<b>STATE LANDS (See PUBLIC LANDS)</b>	
<b>STATE OFFICERS AND EMPLOYEES (See PUBLIC OFFICERS AND EMPLOYEES)</b>	
<b>STATE PARKS (See also PARKS)</b>	
Gift foundation created to encourage monetary gifts to support and improve parks	25
Parks and recreation commission, disposal of real property without auction allowed, conditions . . . . .	42
<b>STATE PATROL</b>	
Aquatic nuisance species committee created to minimize accidental or unauthorized introduction and spread of nonnative and nuisance species . . . . .	149
Licenses, fraud made a criminal offense . . . . .	229
Organized crime advisory board, membership revised . . . . .	38
Retirement system, employee contribution rate decreased . . . . .	17
Retirement system, service credit established for member on authorized leave of absence . . . . .	78
<b>STATE ROUTES (See ROADS AND HIGHWAYS)</b>	

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess. [ 1984 ]



**SUBJECT INDEX OF 2000 STATUTES**

	Chapter
<b>TAXES - GENERAL</b>	
I-695, voter approval required for tax or fee increases . . . . .	1
Statutes, technical corrections made . . . . .	103
<b>TAXES - LODGING TAX</b>	
Proceeds, use of proceeds clarified . . . . .	256
<b>TAXES - MOTOR VEHICLE EXCISE TAX</b>	
I-695, tax repealed . . . . .	1
Repealed . . . . .	1 E1
<b>TAXES - OIL SPILL RESPONSE TAX</b>	
Expiration date extended . . . . .	16
<b>TAXES - PROPERTY TAX</b>	
Hanford, privatization contracts for treating radioactive tank waste exempt from personal property tax . . . . .	246
Motor vehicles, travel trailers, and campers, exemption reinstated . . . . .	136
Multiple-unit dwellings, eligible city population threshold lowered for tax exemption . . . . .	242
Tribal housing authorities, tax exemption provided for properties designated for low-income uses . . . . .	187
<b>TAXES - PUBLIC UTILITY TAX</b>	
Electrical energy sales, taxation clarified . . . . .	245
<b>TAXES - SALES TAX</b>	
Agricultural field burning, exemption for sales of machinery, equipment and construction used to reduce field burning . . . . .	40
Car rentals, multimodal transportation account created and tax moneys deposited into account . . . . .	4 E2
Coal-fired thermal electric generating facility, sales and use tax exemption requirement for purchase of local coal repealed . . . . .	4
Public transportation, local sales and use tax cap raised . . . . .	4 E2
Rate changes restricted and notification required, retailer liability limited . . . . .	104
Zoos, aquariums, wildlife preserves, and regional parks, sales and use tax reve- nues apportioned . . . . .	240
<b>TAXES - USE TAX</b>	
Agricultural field burning, exemption for use of machinery, equipment and construction used to reduce field burning . . . . .	40
Car rentals, multimodal transportation account created and tax moneys deposited into account . . . . .	4 E2
Coal-fired thermal electric generating facility, sales and use tax exemption requirement for purchase of local coal repealed . . . . .	4 E2
Public transportation, local sales and use tax cap raised . . . . .	4
Rate changes restricted and notification required, retailer liability limited . . . . .	104
Zoos, aquariums, wildlife preserves, and regional parks, sales and use tax reve- nues apportioned . . . . .	240
<b>TEACHERS (See also SCHOOLS AND SCHOOL DISTRICTS)</b>	
Professional educator standards board created . . . . .	39
Retirement system, early retirement and other provisions revised . . . . .	247
Retirement, additional actuarially equivalent survivor benefit options created . . .	186
Retirement, eligibility provisions established for employee attendance incentive program . . . . .	231

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess. [ 1986 ]



**SUBJECT INDEX OF 2000 STATUTES**

	<b>Chapter</b>
<b>TRANSPORTATION — con't.</b>	
Regional transit authorities, alternative financing mechanisms and insurance coverage authorized, multimodal transportation account created . . . . .	4 E2
<b>TRANSPORTATION BENEFITS AREAS</b>	
Local sales and use tax cap raised . . . . .	4 E2
<b>TRANSPORTATION COMMISSION</b>	
Flaggers, emergency and permanent safety rules required, Kim Vendl worker safety act enacted . . . . .	239
<b>TRANSPORTATION IMPROVEMENT BOARD</b>	
Funding for projects increased, bond sale request reporting requirements revised	6 E2
<b>TRANSPORTATION, DEPARTMENT</b>	
Environmental permit streamlining process, workshop convened to evaluate existing transportation certification programs . . . . .	101
Funding for projects increased, bond sale request reporting requirements revised	6 E2
Mount St. Helens, revenues from the disposal of dredge spoils from Castle Rock CR601F site required to be used for recreational purposes . . . . .	13
Search and rescue volunteer pilots, recognition and support authorized . . . . .	176
<b>TRAUMA CARE (See EMERGENCY SERVICES)</b>	
<b>TRAVEL TRAILERS AND CAMPERS (See RECREATIONAL VEHICLES)</b>	
<b>TRUANCY (See SCHOOLS AND SCHOOL DISTRICTS)</b>	
<b>TRUCKS AND TRUCKING (See also MOTOR VEHICLES)</b>	
License plates, certain commercial vehicles exempted from replacement requirement . . . . .	37
Property tax exemption reinstated . . . . .	136
<b>UNDERGROUND STORAGE TANKS</b>	
Pollution liability insurance programs, expiration dates extended . . . . .	16
<b>UNEMPLOYMENT COMPENSATION</b>	
Child support deductions, employment security department prohibited from charging a processing fee . . . . .	29
Employer taxes, system modified and task force created to review and make recommendations . . . . .	2
Records and information exchange allowed for certain purposes . . . . .	134
Training benefits program established, work force training and education coordinating board review of program required . . . . .	2
<b>UNIFORM COMMERCIAL CODE</b>	
Article 9 revised . . . . .	250
<b>UTILITIES (See also ELECTRIC UTILITIES)</b>	
Electricity, net metering system definitions revised . . . . .	158
Nuclear power plants, provisions for restoration of unfinished sites revised . . . . .	243
Telecommunications and cable television service facilities, regulations established for use of local rights of way . . . . .	83
Telecommunications, new procedures established for alternative forms of regulation . . . . .	82

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess.





## SUBJECT INDEX OF 2000 STATUTES

	Chapter
<b>WATER</b>	
Ballast water monitoring program established, study directed .....	108
Lake Whatcom landscape management pilot project created .....	205
Underground artificial storage and recovery project defined, reservoir defined to include an underground geological formation .....	98
Well delegation program made permanent .....	32
<b>WATER POLLUTION</b>	
Dairy nutrient management, task force established and duties for monitoring and problem-solving set forth .....	147
Oil spill prevention and response, technical revisions to statutes made .....	69
<b>WATER RIGHTS</b>	
Applications, cost-reimbursement agreements authorized to provide expedited review, conditions .....	251
Cost-reimbursement agreements authorized to provide expedited review of applications .....	251
<b>WATERCRAFT (See BOATS; COMMERCIAL VESSELS AND SHIPPING)</b>	
<b>WEAPONS (See FIREARMS)</b>	
<b>WEEDS</b>	
Aquatic nuisance species committee created to minimize accidental or unauthorized introduction and spread of nonnative and nuisance species .....	149
<b>WELFARE (See PUBLIC ASSISTANCE)</b>	
<b>WELLS</b>	
Delegation program made permanent .....	32
<b>WILDLIFE</b>	
Cougar, hunting with aid of dogs authorized .....	248
Endangered and threatened species, killing of cougars, black bears, or bobcats authorized to protect species .....	248
Hunting, holders of big and small game licenses allowed to hunt unclassified wildlife .....	109
Informational and educational materials, funding provided .....	252
<b>WOMEN</b>	
Midwives' services required to be covered by insurance .....	7
<b>WOOD PRODUCTS INDUSTRY (See TIMBER AND TIMBER INDUSTRIES)</b>	
<b>WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD</b>	
Unemployment compensation training benefits program established, board review of program required .....	2
<b>WORKFIRST (See PUBLIC ASSISTANCE)</b>	
<b>YOUTH (See CHILDREN)</b>	
<b>ZONING (See LAND USE PLANNING)</b>	
<b>ZOOS AND AQUARIUMS</b>	
Zoos and aquariums, contract and management provisions with cities established .....	206
Zoos, aquariums, wildlife preserves, and regional parks, sales and use tax revenues apportioned .....	240

"E1" Denotes 2000 1st special sess.

"E2" Denotes 2000 2nd special sess. [ 1990 ]

# HISTORY OF INITIATIVES, REFERENDUMS, AND CONSTITUTIONAL AMENDMENTS

<b>Initiatives, history</b>	<i>Page</i>
<b>Initiatives to the People .....</b>	<b>1991</b>
<b>Initiatives to the Legislature .....</b>	<b>1993</b>
<b>Constitutional Amendments</b>	
<b>History of amendments adopted since statehood .....</b>	<b>1995</b>



## HISTORY OF STATE MEASURES FILED WITH THE SECRETARY OF STATE

### INITIATIVES TO THE PEOPLE (SUPPLEMENTING 1999 LAWS, PAGE 2536)

**\*INITIATIVE MEASURE NO. 695 (Shall voter approval be required for any tax increase, license tab fees be \$30 per year for motor vehicles, and existing vehicle taxes be repealed?)**—Filed on January 4, 1999 by Tim D. Eyman of Mukilteo. 514,141 signatures were submitted and found sufficient. The measure was submitted to the voters at the November 2, 1999 general election and approved by the following vote: **For—992,715 Against—775,054.**

**INITIATIVE MEASURE NO. 696 (Shall commercial net, troll, and trawl fishing be prohibited in Washington state fresh and marine waters, except tribal fisheries conducted under a valid treaty right?)**—Filed on January 4, 1999 by Thomas E. Nelson of Seattle. 234,750 signatures were submitted and found sufficient. The measure was submitted to the voters at the November 2, 1999 general election and rejected by the following vote: **For—682,380 Against—1,044,872.**

**INITIATIVE MEASURE NO. 697 (Shall existing vehicle taxes and licensing fees be repealed, and replaced with annual fees of \$10 to \$150, depending on weight, length, and vehicle type?)**—Filed on January 7, 1999 by Winton G. Cannon of Redmond. No signature petitions presented for checking.

**INITIATIVE MEASURE NO. 698 (Shall property tax laws be revised including: rollback to 1990 valuation levels; valuation at 80% of true value; and 60% voter approval required for changes?)**—Filed on January 7, 1999 by Winton G. Cannon of Redmond. No signature petitions presented for checking.

**INITIATIVE MEASURE NO. 699 (Shall state property tax rates be reduced and local real estate sales taxes be revised, with limitations on local government development impact fees and conditions?)**—Filed on January 4, 1999 by Michael N. Matson of Tumwater. No signature petitions presented for checking.

**INITIATIVE MEASURE NO. 700 (Shall counties with a population of less than fifteen thousand be authorized to license or permit electronic gaming devices, including slot machines?)**—Filed on January 5, 1999 by Linda L. Tatlow of Republic. No signature petitions presented for checking.

**INITIATIVE MEASURE NO. 701 (Shall the people of Washington censure those members of the Washington state congressional delegation who voted for articles of impeachment against President William Jefferson Clinton?)**—Filed on January 22, 1999 by Stephen T. Parkinson of Fall City. No signature petitions presented for checking.

**INITIATIVE MEASURE NO. 702 (Shall labor organizations operating in this state be required to include certain provisions in their constitutions concerning rights of members, election procedures, and officer accountability?)**—Filed on January 28, 1999 by Jamie B. Newman of Seattle. No signature petitions presented for checking.

**INITIATIVE MEASURE NO. 703 (Shall the state apply to Congress to convene a federal constitutional convention to consider an amendment allowing referendums on federal legislative, executive, and judicial acts?)**—Filed on February 12, 1999 by William R. Walker of Auburn. The initiative was withdrawn by the sponsor.

## INITIATIVES TO THE PEOPLE

---

- INITIATIVE MEASURE NO. 704 (Shall all ground water development for domestic use, and all well drilling with the consent of the landowner, be exempt from government regulation and tax?)—Filed on March 15, 1999 by Henry R. Stephenson of Colville. No signature petitions presented for checking.
- INITIATIVE MEASURE NO. 705 (Shall liquor taxes be repealed, except the existing \$.07 per liter sales tax on spirits and a new tax of \$2.00 per pure alcohol liter?)—Filed on March 3, 1999 by Rachel Hawkrige of Kirkland. No signature petitions presented for checking.
- INITIATIVE MEASURE NO. 706 (Shall the existing system of state-owned liquor stores be abolished, and shall liquor be sold by private businesses regulated by the state liquor control board?)—Filed on April 8, 1999 by Rachel Hawkrige of Kirkland. No signature petitions presented for checking.
- INITIATIVE MEASURE NO. 707 (Shall the state investment board be directed not to make investments that benefit the federal reserve system, unless either of two stated conditions is met?)—Filed on March 15, 1999 by Michael T. Bell of Lake Forest Park. No signature petitions presented for checking.
- INITIATIVE MEASURE NO. 708 (Shall public school teachers, other school district employees, and community and technical college faculty receive a cost-of-living salary increase each year, to begin in 2001?)—Filed on April 8, 1999 by Lee Ann Prielipp of Federal Way. The initiative was withdrawn by the sponsor.
- INITIATIVE MEASURE NO. 709 (Shall unemployment benefits be extended to employees who are separated from employment due to lockouts commencing on or after January 1, 1999, with certain exceptions?)—Filed on May 6, 1999 by James Andrew McPhee of Spokane. No signature petitions presented for checking.

## INITIATIVES TO THE LEGISLATURE

(SUPPLEMENTING 1999 LAWS, PAGE 2557)

- INITIATIVE TO THE LEGISLATURE NO. 220 (Shall government officials be subject to limitations on salary, criminal prosecution with no limitation period, loss of pension rights for misconduct, and mandatory polygraph examinations?)—Filed on March 23, 1999 by Patrick M. Crawford of Litterlock. No signature petitions were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 221 (Shall the Office of State Inspector General be created, with authority to conduct hearings, order corrective action, levy fines for wrongdoing, and revise government decisions?)—Filed on March 15, 1999 by Maximus T. Englerius of Seattle. No signature petitions were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 222 (Shall the existing state expenditure limit be replaced by a new state revenue limit, calculated each year and based on changes in state personal income?)—Filed on April 7, 1999 by Alan Merson of Bainbridge Island. No signature petitions were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 223 (Shall the state apply to Congress to convene a federal constitutional convention to consider an amendment allowing referendums on federal legislative, executive, and judicial acts?)—Filed on May 12, 1999 by William R. Walker of Auburn. No signature petitions were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 224 (Shall the Office of State Inspector General be created, with authority to conduct hearings, order corrective action, levy fines, and resolve conflicts concerning government action?)—Filed on May 13, 1999 by Maximus T. Englerius of Seattle. No signature petitions were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 225 (Shall public schools allow prayer and bible reading, and shall they provide religious teaching that God created the world and of values taught by God?)—Filed on June 14, 1999 by Deborah Lynn Berkley of Yakima. No signature petitions were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 226 (Relating to taxes)—Filed on July 16, 1999 by Dave C. McGregor of Seattle. The initiative was withdrawn by the sponsor.
- INITIATIVE TO THE LEGISLATURE NO. 227 (Shall a statewide health insurance plan be created, available to all state residents, and shall certain requirements be imposed on public and private health plans?)—Filed on July 29, 1999 by Raleigh K. Stitt of Seattle. No signature petitions were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 228 (Shall voter approval be required for any state or local tax increases, and shall a \$500 credit be provided for each parcel of real property?)—Filed on August 10, 1999 by Dave C. McGregor of Seattle. No signature petitions were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 229 (Shall the cultivation and use of cannabis (marijuana) be legalized, and shall cannabis be sold, taxed, and regulated by a cannabis and liquor control commission?)—Filed on August 2, 1999 by Flonie Green of Seattle. No signature petitions were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 230 (Shall the state property tax be phased-out using immediate reductions and excess revenues; property tax levies be further limited; and certain homeowner tax deferrals provided?)—Filed on October 5, 1999 by Gerald D. Schaefer of Aberdeen. No signature petitions were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 231 (Shall certain 1999 tax and fee increases be nullified, motor vehicles exempted from property taxes, property valuations limited, and

## INITIATIVES TO THE LEGISLATURE

---

**property tax levy increases further restricted?)**—Filed on November 23, 1999 by Tim D. Eyman of Mukilteo. No signature petitions were presented for checking.



**HISTORY OF CONSTITUTIONAL AMENDMENTS  
ADOPTED SINCE STATEHOOD  
(SUPPLEMENTING 1999 LAWS, PAGE 2572)**

No. 92. Section 1, Article VIII. Re: **State debt**. Adopted November, 1999.

