

**VOLUME 2**  
**Titles 18 through 28A**

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**REVISED CODE OF WASHINGTON**

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Containing all laws of a general and permanent nature through the 1998 regular session, which adjourned sine die March 12, 1998.

**REVISED CODE OF WASHINGTON**  
**1998 Edition**

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• 1998 State of Washington

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**CERTIFICATE**

The 1998 edition of the Revised Code of Washington, published officially by the Statute Law Committee, is, in accordance with RCW 1.08.037, certified to comply with the current specifications of the committee.



MARY F. GALLAGHER DILLEY, Chair,  
STATUTE LAW COMMITTEE

## PREFACE

**Numbering system:** The number of each section of this code is made up of three parts, in sequence as follows: Number of title; number of chapter within the title; number of section within the chapter. Thus RCW 1.04.020 is Title 1, chapter 4, section 20. The section part of the number (.020) is initially made up of three digits, constitutes a true decimal, and provides a facility for numbering new sections to be inserted between old sections already consecutively numbered, merely by adding one or more digits at the end of the number. In most chapters of the code, sections have been numbered by tens (.010, .020, .030, .040, etc.), leaving nine vacant numbers between original sections so that for a time new sections may be inserted without extension of the section number beyond three digits.

**Citation to the Revised Code of Washington:** The code should be cited as RCW; see RCW 1.04.040. An RCW title should be cited Title 7 RCW. An RCW chapter should be cited chapter 7.24 RCW. An RCW section should be cited RCW 7.24.010. Through references should be made as RCW 7.24.010 through 7.24.100. Series of sections should be cited as RCW 7.24.010, 7.24.020, and 7.24.030.

**History of the Revised Code of Washington; Source notes:** The Revised Code of Washington was adopted by the legislature in 1950; see chapter 1.04 RCW. The original publication (1951) contained material variances from the language and organization of the session laws from which it was derived, including a variety of divisions and combinations of the session law sections. During 1953 through 1959, the Statute Law Committee, in exercise of the powers contained in chapter 1.08 RCW, completed a comprehensive study of these variances and, by means of a series of administrative orders or reenactment bills, restored each title of the code to reflect its session law source, but retaining the general codification scheme originally adopted. An audit trail of this activity has been preserved in the concluding segments of the source note of each section of the code so affected. The legislative source of each section is enclosed in brackets [ ] at the end of the section. Reference to session laws is abbreviated; thus "1891 c 23 § 1; 1854 p 99 § 135" refers to section 1, chapter 23, Laws of 1891 and section 135, page 99, Laws of 1854. "Prior" indicates a break in the statutory chain, usually a repeal and reenactment. "RRS or Rem. Supp.—" indicates the parallel citation in Remington's Revised Code, last published in 1949.

Where, before restoration, a section of this code constituted a consolidation of two or more sections of the session laws, or of sections separately numbered in Remington's, the line of derivation is shown for each component section, with each line of derivation being set off from the others by use of small Roman numerals, "(i)," "(ii)," etc.

Where, before restoration, only a part of a session law section was reflected in a particular RCW section the history note reference is followed by the word "part."

"Formerly" and its correlative form "FORMER PART OF SECTION" followed by an RCW citation preserves the record of original codification.

**Double amendments:** Some double or other multiple amendments to a section made without reference to each other are set out in the code in smaller (8-point) type. See RCW 1.12.025.

**Index:** Titles 1 through 91 are indexed in the RCW General Index. Separate indexes are provided for the Rules of Court and the State Constitution.

**Sections repealed or decodified; Disposition table:** Memorials to RCW sections repealed or decodified are tabulated in numerical order in the table entitled "Disposition of former RCW sections."

**Codification tables:** To convert a session law citation to its RCW number (for Laws of 1951 or later) consult the codification tables. A similar table is included to relate the disposition in RCW of sections of Remington's Revised Statutes.

**Errors or omissions:** (1) Where an obvious clerical error has been made in the law during the legislative process, the code reviser adds a corrected word, phrase, or punctuation mark in [brackets] for clarity. These additions do not constitute any part of the law.

(2) Although considerable care has been taken in the production of this code, within the limits of available time and facilities it is inevitable that in so large a work that there will be errors, both mechanical and of judgment. When those who use this code detect errors in particular sections, a note citing the section involved and the nature of the error may be sent to: Code Reviser, Box 40551, Legislative Building, Olympia, WA 98504-0551, so that correction may be made in a subsequent publication.

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## Chapter 18.04 ACCOUNTANCY

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**18.04.015 Purpose.** (1) It is the policy of this state and the purpose of this chapter:

(a) To promote the dependability of information which is used for guidance in financial transactions or for accounting for or assessing the status or performance of commercial

and noncommercial enterprises, whether public, private or governmental; and

(b) To protect the public interest by requiring that:

(i) Persons who hold themselves out to the public as certified public accountants who offer to perform, or perform for clients, professional services, including but not limited to one or more kinds of services involving the use of accounting or auditing skills, including the issuance of "audit reports," "review reports," or "compilation reports" on financial statements, or one or more kinds of management advisory, or consulting services, the preparation of tax returns, or the furnishing of advice on tax matters, perform such services in a competent and professional manner;

(ii) A public authority be established that is competent to prescribe and assess the qualifications of certified public accountants, including certificate holders who are not licensed for the practice of public accounting;

(iii) Persons other than certified public accountants refrain from using the words "audit," "review," and "compilation" when designating a report customarily prepared by someone knowledgeable in accounting; and

(iv) The use of accounting titles likely to confuse the public be prohibited.

(2) A purpose of chapter 103, Laws of 1992, revising provisions of chapter 234, Laws of 1983, is to clarify the authority of the board of accountancy with respect to the activities of persons holding certificates under this chapter. Furthermore, it is not the intent of chapter 103, Laws of 1992 to in any way restrict or limit the activities of persons not holding certificates under this chapter except as otherwise specifically restricted or limited by chapter 234, Laws of 1983. [1992 c 103 § 1; 1983 c 234 § 2.]

**18.04.025 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Board" means the board of accountancy created by RCW 18.04.035.

(2) "Certified public accountant" or "CPA" means a person holding a certified public accountant certificate.

(3) "State" includes the states of the United States, the District of Columbia, Puerto Rico, Guam, and the United States Virgin Islands.

(4) "Reports on financial statements" means any reports or opinions prepared by certified public accountants, based on services performed in accordance with generally accepted auditing standards, standards for attestation engagements, or standards for accounting and review services as to whether the presentation of information used for guidance in financial transactions or for accounting for or assessing the status or performance of commercial and noncommercial enterprises, whether public, private, or governmental, conforms with generally accepted accounting principles or other comprehensive bases of accounting.

(5) The "practice of public accounting" means performing or offering to perform by a person or firm holding itself out to the public as a licensee, for a client or potential client, one or more kinds of services involving the use of accounting or auditing skills, including the issuance of "audit reports," "review reports," or "compilation reports" on financial statements, or one or more kinds of management

advisory, or consulting services, or the preparation of tax returns, or the furnishing of advice on tax matters. The "practice of public accounting" shall not include practices that are permitted under the provisions of RCW 18.04.350(6) by persons or firms not required to be licensed under this chapter.

(6) "Firm" means a sole proprietorship, a corporation, or a partnership. "Firm" also means a limited liability company formed under chapter 25.15 RCW.

(7) "CPE" means continuing professional education.

(8) "Certificate" means a certificate as a certified public accountant issued under this chapter, or a corresponding certificate issued by another state or foreign jurisdiction that is recognized in accordance with the reciprocity provisions of RCW 18.04.180 and 18.04.183.

(9) "Licensee" means the holder of a valid license issued under this chapter.

(10) "License" means a biennial license to practice public accountancy issued to an individual or firm under this chapter.

(11) "Quality assurance review" means a process established by and conducted at the direction of the board of study, appraisal, or review of one or more aspects of the professional work of a person or firm in the practice of public accountancy, by a person or persons who hold certificates and who are not affiliated with the person or firm being reviewed.

(12) "Quality review" means a study, appraisal, or review of one or more aspects of the professional work of a person or firm in the practice of public accountancy, by a person or persons who hold certificates and who are not affiliated with the person or firm being reviewed, including a peer review, or any internal review or inspection intended to comply with quality control policies and procedures, but not including the "quality assurance review" under subsection (11) of this section.

(13) "Review committee" means any person carrying out, administering or overseeing a quality review authorized by the reviewee.

(14) "Rule" means any rule adopted by the board under authority of this chapter.

(15) "Holding out" means any representation to the public by the use of restricted titles as set forth in RCW 18.04.345 by a person or firm that the person or firm is a certified public accountant and that the person or firm offers to perform any professional services to the public as a certified public accountant. "Holding out" shall not affect or limit a person not required to hold a certificate under this chapter or a person or firm not required to hold a license under this chapter from engaging in practices identified in RCW 18.04.350(6). [1994 c 211 § 1401; 1992 c 103 § 2; 1986 c 295 § 1; 1983 c 234 § 3.]

**Effective date—Severability—1994 c 211:** See RCW 25.15.900 and 25.15.902.

**18.04.035 Board of accountancy—Members—Terms—Vacancies—Removal.** (1) There is created a board of accountancy for the state of Washington to be known as the Washington state board of accountancy. The board shall consist of seven members appointed by the governor. Members of the board shall include four persons who hold valid certified public accountant certificates and have been

in public practice as certified public accountants in this state continuously for the previous ten years and two persons who have held a valid certified public accountant's certificate in this state for at least ten years. The seventh member shall be the public member and shall be a person who is qualified to judge whether the qualifications, activities, and professional practice of those regulated under this chapter conform with standards to protect the public interest.

(2) The members of the board of accountancy shall be appointed by the governor to a term of three years. Vacancies occurring during a term shall be filled by appointment for the unexpired term. Upon the expiration of a member's term of office, the member shall continue to serve until a successor has been appointed and has assumed office. The governor shall remove from the board any member whose certificate or license to practice has been revoked or suspended and may, after hearing, remove any member of the board for neglect of duty or other just cause. No person who has served two successive complete terms is eligible for reappointment. Appointment to fill an unexpired term is not considered a complete term. In order to stagger their terms, of the two new appointments made to the board upon June 11, 1992, the first appointed member shall serve a term of two years initially. [1992 c 103 § 3; 1986 c 295 § 2; 1983 c 234 § 4.]

**18.04.045 Board—Officers and staff—Powers and duties.** (1) The board shall annually elect a chair, a vice-chair, and a secretary from its members.

(2) A majority of the board constitutes a quorum for the transaction of business.

(3) The board shall have a seal which shall be judicially noticed.

(4) The board shall keep records of its proceedings, and of any proceeding in court arising from or founded upon this chapter. Copies of these records certified as correct under the seal of the board are admissible in evidence as tending to prove the content of the records.

(5) The governor shall appoint an executive director of the board, who shall serve at the pleasure of the governor. The executive director may employ such personnel as is appropriate for carrying out the purposes of this chapter. The executive director shall hold a Washington CPA certificate. The board may arrange for such volunteer assistance as it requires to perform its duties. Individuals or committees assisting the board constitute volunteers for purposes of chapter 4.92 RCW.

(6) The board shall file an annual report of its activities with the governor. The report shall include, but not be limited to, a statement of all receipts and disbursements. Upon request, the board shall mail a copy of each annual report to any member of the public.

(7) In making investigations concerning alleged violations of the provisions of this chapter and in all proceedings under RCW 18.04.295 or chapter 34.05 RCW, the board chair, or a member of the board, or a board designee acting in the chair's place, may administer oaths or affirmations to witnesses appearing before the board, subpoena witnesses and compel their attendance, take testimony, and require that documentary evidence be submitted.

(8) The board may review the publicly available professional work of licensees on a general and random basis, without any requirement of a formal complaint or suspicion of impropriety on the part of any particular licensee. If as a result of such review the board discovers reasonable grounds for a more specific investigation, the board may proceed under its investigative and disciplinary rules. [1992 c 103 § 4; 1986 c 295 § 3; 1983 c 234 § 5.]

**18.04.055 Board—Rules.** The board may adopt and amend rules under chapter 34.05 RCW for the orderly conduct of its affairs. The board shall prescribe rules consistent with this chapter as necessary to implement this chapter. Included may be:

(1) Rules of procedure to govern the conduct of matters before the board;

(2) Rules of professional conduct for all certificate and license holders, in order to establish and maintain high standards of competence and ethics of certified public accountants including rules dealing with independence, integrity, objectivity, and freedom from conflicts of interest;

(3) Rules specifying actions and circumstances deemed to constitute holding oneself out as a licensee in connection with the practice of public accountancy;

(4) Rules specifying the manner and circumstances of the use of the titles "certified public accountant" and "CPA," by holders of certificates who do not also hold licenses under this chapter;

(5) Educational requirements to take the certified public accountant examination or for the issuance of the certificate or license of certified public accountant;

(6) Rules designed to ensure that certified public accountants' "reports on financial statements" meet the definitional requirements for that term as specified in RCW 18.04.025;

(7) Requirements for continuing professional education to maintain or improve the professional competence of certificate and license holders as a condition to maintaining their certificate or license to practice under RCW 18.04.215;

(8) Rules governing sole proprietors, partnerships, and corporations practicing public accounting including, but not limited to, rules concerning their style, name, title, and affiliation with any other organization, and establishing reasonable practice standards to protect the public interest;

(9) The board may by rule implement a quality assurance review program as a means to monitor licensees' quality of practice and compliance with professional standards. The board may exempt from such program, licensees who undergo periodic quality reviews in programs of the American Institute of Certified Public Accountants, National Association of State Boards of Accountancy, or other programs recognized and approved by the board;

(10) The board may by rule require firms to obtain professional liability insurance if in the board's discretion such insurance provides additional and necessary protection for the public; and

(11) Any other rule which the board finds necessary or appropriate to implement this chapter. [1992 c 103 § 5; 1986 c 295 § 4; 1983 c 234 § 6.]

**18.04.065 Board—Fees—Disposition.** The board shall set its fees at a level adequate to pay the costs of administering this chapter. Beginning in the 1993-95 biennium, all fees for certified public accountants' licenses, certificates, renewals of licenses, renewals of certificates, and delinquent filings received under the authority of this chapter shall be deposited in the certified public accountants' account created by RCW 18.04.105. Appropriation from such account shall be made only for the cost of administering the provisions of this chapter. [1992 c 103 § 6; 1983 c 234 § 24.]

**18.04.080 Compensation and travel expenses of members.** Each member of the board shall be compensated in accordance with RCW 43.03.240 and shall be reimbursed for travel expenses incurred in the discharge of such duties in accordance with RCW 43.03.050 and 43.03.060. [1984 c 287 § 20; 1983 c 234 § 22; 1975-'76 2nd ex.s. c 34 § 25; 1949 c 226 § 7; Rem. Supp. 1949 § 8269-14.]

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**Effective date—Severability—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

**18.04.105 Issuance of certificate—Requirements—Examination—Fees—Certified public accountants' account—Prior licensees—Continuing professional education.** (1) The certificate of "certified public accountant" shall be granted by the board to any person:

(a) Who is of good character. Good character, for purposes of this section, means lack of a history of dishonest or felonious acts. The board may refuse to grant a certificate on the ground of failure to satisfy this requirement only if there is a substantial connection between the lack of good character of the applicant and the professional responsibilities of a certified public accountant and if the finding by the board of lack of good character is supported by a preponderance of evidence. When an applicant is found to be unqualified for a certificate because of a lack of good character, the board shall furnish the applicant a statement containing the findings of the board and a notice of the applicant's right of appeal;

(b) Who has met the educational standards established by rule as the board determines to be appropriate;

The board may, in its discretion, waive the educational requirements for any person if it is satisfied through review of documentation of successful completion of an equivalency examination that the person's educational qualifications are an acceptable substitute for the requirements of (b) of this subsection; and

(c) Who has passed a written examination.

(2) The examination described in subsection (1)(c) of this section shall be in writing, shall be held twice a year, and shall test the applicant's knowledge of the subjects of accounting and auditing, and other related fields the board may specify by rule. The time for holding the examination is fixed by the board and may be changed from time to time. The board shall prescribe by rule the methods of applying for and taking the examination, including methods for grading papers and determining a passing grade required of an applicant for a certificate. The board shall to the extent

possible see to it that the grading of the examination, and the passing grades, are uniform with those applicable to all other states. The board may make use of all or a part of the uniform certified public accountant examination and advisory grading service of the American Institute of Certified Public Accountants and may contract with third parties to perform administrative services with respect to the examination as the board deems appropriate to assist it in performing its duties under this chapter.

(3) An applicant is required to pass all sections of the examination provided for in subsection (2) of this section in order to qualify for a certificate. If at a given sitting of the examination an applicant passes two or more but not all sections, then the applicant shall be given credit for those sections that he or she passed, and need not take those sections again: PROVIDED, That:

(a) The applicant took all sections of the examination at that sitting;

(b) The applicant attained a minimum grade of fifty on each section not passed at that sitting;

(c) The applicant passes the remaining sections of the examination within six consecutive examinations given after the one at which the first sections were passed;

(d) At each subsequent sitting at which the applicant seeks to pass additional sections, the applicant takes all sections not yet passed; and

(e) In order to receive credit for passing additional sections in a subsequent sitting, the applicant attains a minimum grade of fifty on sections written but not passed on the sitting.

(4) The board may waive or defer any of the requirements of subsection (3) of this section for candidates transferring conditional CPA exam credits from other states or for qualifying reciprocity certification applicants who met the conditioning requirements of the state or foreign jurisdiction issuing their original certificate.

(5) The board shall charge each applicant an examination fee for the initial examination under subsection (1) of this section, or for reexamination under subsection (3) of this section for each subject in which the applicant is reexamined. The applicable fee shall be paid by the person at the time he or she applies for examination, reexamination, or evaluation of educational qualifications. Fees for examination, reexamination, or evaluation of educational qualifications shall be determined by the board under chapter 18.04 RCW. There is established in the state treasury an account to be known as the certified public accountants' account. All fees received from candidates to take any or all sections of the certified public accountant examination shall be used only for costs related to the examination.

(6) Persons who on June 30, 1986, held certified public accountant certificates previously issued under the laws of this state shall not be required to obtain additional certificates under this chapter, but shall otherwise be subject to this chapter. Certificates previously issued shall, for all purposes, be considered certificates issued under this chapter and subject to its provisions.

(7) A certificate of a "certified public accountant" under this chapter is issued on a biennial basis with renewal subject to requirements of continuing professional education and payment of fees, prescribed by the board.

(8) The board shall adopt rules providing for continuing professional education for certified public accountants. The rules shall:

(a) Provide that a certified public accountant shall verify to the board that he or she has completed at least an accumulation of eighty hours of continuing professional education during the last two-year period to maintain the certificate;

(b) Establish continuing professional education requirements;

(c) Establish when newly certificated public accountants shall verify that they have completed the required continuing professional education; and

(d) Provide that failure to furnish verification of the completion of the continuing professional education requirement shall make the certificate invalid and subject to reinstatement, unless the board determines that the failure was due to retirement, reasonable cause, or excusable neglect. [1992 c 103 § 7; 1991 sp.s. c 13 § 20; 1986 c 295 § 6; 1985 c 57 § 3; 1983 c 234 § 7.]

**Effective dates—Severability—1991 sp.s. c 13:** See notes following RCW 18.08.240.

**Effective date—1985 c 57:** "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1985." [1985 c 57 § 91.]

**18.04.180 Reciprocity.** The board shall issue a certificate to a holder of a certificate issued by another state, or shall issue a certificate and license to a holder of a certificate/valid license issued by another state that entitles the holder to practice public accountancy, provided that:

(1) Such state makes similar provision to grant reciprocity to a holder of a certificate or certificate and valid license in this state; and

(2) The applicant meets the continuing professional education requirements of RCW 18.04.105(8); and

(3) If the application is for a certificate only:

(a) The applicant passed the examination required for issuance of his or her certificate with grades that would have been passing grades at that time in this state; and

(b) The applicant: Meets all current requirements in this state for issuance of a certificate at the time application is made; or at the time of the issuance of the applicant's certificate in the other state, met all the requirements then applicable in this state; or

(4) If the application is for a certificate and license:

(a) The applicant passed the examination required for issuance of his or her certificate with grades that would have been passing grades at that time in this state; and

(b) The applicant: Meets all current requirements in this state for issuance of a license at the time application is made; or at the time of the issuance of the applicant's license in the other state, met all the requirements then applicable in this state; or has had five years of experience within the ten years immediately preceding application in the practice of public accountancy that meets the requirements prescribed by the board. [1992 c 103 § 8; 1949 c 226 § 17; Rem. Supp. 1949 § 8269-24.]

**18.04.183 Accountants from foreign countries.** The board shall grant a certificate or license as a certified public

accountant to a holder of a permit, license, or certificate issued by a foreign country's board, agency, or institute, provided that:

(1) The foreign country where the foreign permit, license, or certificate was issued is a party to an agreement on trade with the United States that encourages the mutual recognition of licensing and certification requirements for the provision of covered services by the parties under the trade agreement; and

(2) Such foreign country's board, agency, or institute makes similar provision to allow a person who holds a valid certificate issued by this state to obtain such foreign country's comparable permit, license, or certificate; and

(3) The foreign permit, license, or certificate:

(a) Was duly issued by such foreign country's board, agency, or institute that regulates the practice of public accountancy; and

(b) Is in good standing at the time of the application; and

(c) Was issued upon the basis of educational, examination, and ethical requirements substantially equivalent currently or at the time of issuance of the foreign permit, license, or certificate to those in this state; and

(4) The applicant has within the twenty-four months prior to application completed an accumulation of eighty hours of continuing professional education as required under RCW 18.04.105(8); and

(5) If the application is for a certificate:

(a) The applicant's foreign permit, license, or certificate was the type of permit, license, or certificate requiring the most stringent qualifications if, in the foreign country, more than one type of permit, license, or certificate is issued. This state's board shall decide which are the most stringent qualifications; and

(b) The applicant has passed a written examination or its equivalent, approved by the board, that tests knowledge in the areas of United States accounting principles, auditing standards, commercial law, income tax law, and Washington state rules of professional ethics; or

(6) If the application is for a certificate and license:

(a) The requirements of subsections (1) through (5) of this section are satisfied; and

(b) The applicant has within the five years prior to applying for the certificate and license under this section, demonstrated, in accordance with the rules issued by the board, one year of public accounting experience, within the foreign country where the foreign permit, license, or certificate was issued, equivalent to the experience required under RCW 18.04.215(1)(a) or such other experience or employment which the board in its discretion regards as substantially equivalent. [1992 c 103 § 18.]

**18.04.185 Nonresidents—Application for certification or biennial license—Secretary of state agent for service of process.** (1) Application for certification as certified public accountants by persons who are not residents of this state constitutes appointment of the secretary of state as an agent for service of process in any action or proceeding against the applicants arising from any transaction, activity, or operation connected with or incidental to the

practice of public accounting in this state by nonresident holders of certified public accountant certificates.

(2) Application for a biennial license to practice public accounting in this state by a certified public accountant or CPA firm who holds a license or permit to practice issued by another state constitutes the appointment of the secretary of state as an agent for service of process in any action or proceeding against the applicant arising from any transaction or operation connected with or incidental to the practice of public accounting in this state by the holder of the biennial license to practice. [1986 c 295 § 7; 1983 c 234 § 8.]

**18.04.195 Biennial license required—Requirements—Application—Fees.** (1) A sole proprietorship engaged in this state in the practice of public accounting shall license biennially with the board as a firm.

(a) The principal purpose and business of the firm shall be to furnish services to the public which are consistent with this chapter and the rules of the board.

(b) The person shall be a certified public accountant holding a license to practice under RCW 18.04.215.

(c) Each resident licensee in charge of an office of the sole proprietorship engaged in this state in the practice of public accounting shall be a certified public accountant holding a license to practice under RCW 18.04.215.

(2) A partnership engaged in this state in the practice of public accounting shall license biennially with the board as a partnership of certified public accountants, and shall meet the following requirements:

(a) The principal purpose and business of the partnership shall be to furnish services to the public which are consistent with this chapter and the rules of the board;

(b) At least one general partner of the partnership shall be a certified public accountant holding a license to practice under RCW 18.04.215;

(c) Each resident licensee in charge of an office of the partnership in this state and each resident partner personally engaged within this state in the practice of public accounting shall be a certified public accountant holding a license to practice under RCW 18.04.215.

(3) A corporation organized for the practice of public accounting and engaged in this state in the practice of public accounting shall license biennially with the board as a corporation of certified public accountants and shall meet the following requirements:

(a) The principal purpose and business of the corporation shall be to furnish services to the public which are consistent with this chapter and the rules of the board; and

(b) Each shareholder of the corporation shall be a certified public accountant of some state holding a license to practice and shall be principally employed by the corporation or actively engaged in its business. No other person may have any interest in the stock of the corporation. The principal officer of the corporation and any officer or director having authority over the practice of public accounting by the corporation shall be a certified public accountant of some state holding a license to practice;

(c) At least one shareholder of the corporation shall be a certified public accountant holding a license to practice under RCW 18.04.215;

(d) Each resident licensee in charge of an office of the corporation in this state and each shareholder or director personally engaged within this state in the practice of public accounting shall be a certified public accountant holding a license to practice under RCW 18.04.215;

(e) A written agreement shall bind the corporation or its shareholders to purchase any shares offered for sale by, or not under the ownership or effective control of, a qualified shareholder, and bind any holder not a qualified shareholder to sell the shares to the corporation or its qualified shareholders. The agreement shall be noted on each certificate of corporate stock. The corporation may purchase any amount of its stock for this purpose, notwithstanding any impairment of capital, as long as one share remains outstanding; and

(f) The corporation shall comply with any other rules pertaining to corporations practicing public accounting in this state as the board may prescribe.

(4) A limited liability company engaged in this state in the practice of public accounting shall license biennially with the board as a limited liability company of certified public accountants, and shall meet the following requirements:

(a) The principal purpose and business of the limited liability company shall be to furnish services to the public which are consistent with this chapter and the rules of the board;

(b) At least one manager of the limited liability company shall be a certified public accountant holding a license to practice under RCW 18.04.215;

(c) Each resident manager or member in charge of an office of the limited liability company in this state and each resident manager or member personally engaged within this state in the practice of public accounting shall be a certified public accountant holding a license to practice under RCW 18.04.215.

(5) Application for a license as a firm shall be made upon the affidavit of the proprietor or person designated as managing partner or shareholder for Washington. This person shall be a certified public accountant holding a license to practice under RCW 18.04.215. The board shall determine in each case whether the applicant is eligible for a license. A partnership or corporation which is licensed to practice under RCW 18.04.215 may use the designation "certified public accountants" or "CPAs" in connection with its partnership or corporate name. The board shall be given notification within ninety days after the admission or withdrawal of a partner or shareholder engaged in this state in the practice of public accounting from any partnership or corporation so licensed.

(6) Fees for the license as a firm and for notification of the board of the admission or withdrawal of a partner or shareholder shall be determined by the board. Fees shall be paid by the firm at the time the license application form or notice of admission or withdrawal of a partner or shareholder is filed with the board. [1994 c 211 § 1402; 1986 c 295 § 8; 1983 c 234 § 9.]

**Effective date—Severability—1994 c 211:** See RCW 25.15.900 and 25.15.902.

**18.04.205 Registration of offices—Requirements—Rules—Fees.** (1) Each office established or maintained in this state for the practice of public accounting in this state by a certified public accountant, or a partnership or corporation

of certified public accountants, shall register with the board under this chapter biennially.

(2) Each office shall be under the direct supervision of a resident licensee holding a license under RCW 18.04.215 who may be a sole proprietor, partner, principal shareholder, or a staff employee.

(3) The board shall by rule prescribe the procedure to be followed to register and maintain offices established in this state for the practice of public accounting.

(4) Fees for the registration of offices shall be determined by the board. Fees shall be paid by the applicant at the time the registration form is filed with the board. [1992 c 103 § 9; 1986 c 295 § 9; 1983 c 234 § 10.]

**18.04.215 Biennial license—Issuance—Renewal—Continuing professional education.** (1) Biennial licenses shall be issued by the board:

(a) To holders of certificates as certified public accountants who have demonstrated, in accordance with rules issued by the board, one year of public accounting experience, or such other experience or employment which the board in its discretion regards as substantially equivalent and who, if their certificate was issued more than forty-eight months prior to application under this section, submit to the board satisfactory proof of having completed an accumulation of eighty hours of continuing professional education during the twenty-four months preceding the application;

(b) To firms under RCW 18.04.195, if all offices of the firm in this state are maintained and registered as required under RCW 18.04.205.

(2) The board shall, by rule, provide for a system of certificate and license renewal. Applicants for issuance or renewal of certificates or licenses shall, at the time of filing their applications, list with the board all states and foreign jurisdictions in which they hold or have applied for certificates, permits or licenses to practice.

(3) A certified public accountant who holds a permit or license issued by another state, and applies for a license in this state, may practice in this state from the date of filing a completed application with the board, until the board has acted upon the application provided the application is made prior to holding out as a certified public accountant in this state and no sanctions or investigations, deemed by the board to be pertinent to public accountancy, by other jurisdictions or agencies are in process.

(4) A certified public accountant shall submit to the board satisfactory proof of having completed an accumulation of eighty hours of continuing education recognized and approved by the board during the preceding two years. Failure to furnish this evidence as required shall make the certificate invalid and subject to reinstatement procedures, unless the board determines the failure to have been due to retirement, reasonable cause, or excusable neglect.

The board in its discretion may renew a certificate or license despite failure to furnish evidence of compliance with requirements of continuing professional education upon condition that the applicant follow a particular program of continuing professional education. In issuing rules and individual orders with respect to continuing professional education requirements, the board, among other considerations, may rely upon guidelines and pronouncements of

recognized educational and professional associations, may prescribe course content, duration, and organization, and may take into account the accessibility of continuing education to applicants and instances of individual hardship.

(5) Fees for issuance or renewal of certificates and licenses in this state shall be determined by the board under chapter 18.04 RCW. Fees shall be paid by the applicant at the time the application form is filed with the board. The board, by rule, may provide for proration of fees for certificates and licenses issued between normal renewal dates. [1992 c 103 § 10; 1986 c 295 § 10; 1983 c 234 § 11.]

**18.04.295 Actions against CPA license.** The board of accountancy shall have the power to revoke, suspend, [or] refuse to renew a certificate or license, and may impose a fine in an amount not to exceed one thousand dollars plus the board's investigative and legal costs in bringing charges against a certified public accountant, or impose conditions precedent to renewal of the certificate or license of any certified public accountant for any of the following causes:

(1) Fraud or deceit in obtaining a certificate as a certified public accountant, or in obtaining a license;

(2) Dishonesty, fraud, or negligence while representing oneself as a CPA;

(3) A violation of any provision of this chapter;

(4) A violation of a rule of professional conduct promulgated by the board under the authority granted by this chapter;

(5) Conviction of a crime or an act constituting a crime under:

(a) The laws of this state;

(b) The laws of another state, and which, if committed within this state, would have constituted a crime under the laws of this state; or

(c) Federal law;

(6) Cancellation, revocation, suspension, or refusal to renew the authority to practice as a certified public accountant by any other state for any cause other than failure to pay a fee or to meet the requirements of continuing education in the other state;

(7) Suspension or revocation of the right to practice matters relating to public accounting before any state or federal agency;

For purposes of subsections (6) and (7) of this section, a certified copy of such revocation, suspension, or refusal to renew shall be prima facie evidence;

(8) Failure to maintain compliance with the requirements for issuance, renewal, or reinstatement of the certificate or license, or to report changes to the board;

(9) Failure to cooperate with the board by:

(a) Failure to furnish any papers or documents requested or ordered by the board;

(b) Failure to furnish in writing a full and complete explanation covering the matter contained in the complaint filed with the board or the inquiry of the board;

(c) Failure to respond to subpoenas issued by the board, whether or not the recipient of the subpoena is the accused in the proceeding. [1992 c 103 § 11; 1986 c 295 § 11; 1983 c 234 § 12.]

**18.04.305 Actions against firm license.** The board of accountancy may revoke, suspend, or refuse to renew the license issued to a firm if at any time the firm does not meet the requirements of this chapter for licensing, or for any of the causes enumerated in RCW 18.04.295, or for any of the following additional causes:

(1) The revocation or suspension of the certificate as a certified public accountant or the revocation or suspension or refusal to renew the certificate or license of any partner or shareholder; or

(2) The revocation, suspension, or refusal to renew the license or permit of the firm, or any partner or shareholder thereof, to practice public accounting in any other state or foreign jurisdiction for any cause other than failure to pay a fee or to meet the requirements of continuing professional education in the other state or foreign jurisdiction. [1992 c 103 § 12; 1986 c 295 § 12; 1983 c 234 § 13.]

**18.04.320 Actions against license—Procedures.** In the case of the refusal, revocation, or suspension of a certificate or a license by the board under the provisions of this chapter, such proceedings and any appeal therefrom shall be taken in accordance with the administrative procedure act, chapter 34.05 RCW. [1986 c 295 § 13; 1983 c 234 § 14; 1949 c 226 § 31; Rem. Supp. 1949 § 8269-38.]

**18.04.335 Reissuance or modification of suspension of license or certificate.** (1) Upon application in writing and after hearing pursuant to notice, the board may:

(a) Modify the suspension of, or reissue a certificate or license to, an individual whose certificate has been revoked or suspended; or

(b) Modify the suspension of, or reissue a license to a firm whose license has been revoked, suspended, or which the board has refused to renew.

(2) In the case of suspension for failure to comply with a support order under chapter 74.20A RCW or a \*residential or visitation order under chapter 26.09 RCW, if the person has continued to meet all other requirements for reinstatement during the suspension, reissuance of a certificate or license shall be automatic upon the board's receipt of a release issued by the department of social and health services stating that the individual is in compliance with the order. [1997 c 58 § 812; 1992 c 103 § 13; 1986 c 295 § 14; 1983 c 234 § 15.]

\*Reviser's note: 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58: See RCW 74.08A.900 through 74.08A.904.

Effective dates—Intent—1997 c 58: See notes following RCW 74.20A.320.

**18.04.345 Prohibited practices.** (1) No person may assume or use the designation "certified public accountant" or "CPA" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the

person is a certified public accountant or CPA unless the person holds a valid certificate as a certified public accountant.

(2) No person may hold himself or herself out to the public and assume or use the designation "certified public accountant" or "CPA" or any other title, designation, words, letters, abbreviation, sign, card, or devise [device] tending to indicate that the person is a certified public accountant or CPA unless the person holds a valid certificate as a certified public accountant and holds a valid license to practice under RCW 18.04.215.

(3) No firm may hold itself out to the public, or assume or use the designation "certified public accountant" or "CPA" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the firm is composed of certified public accountants or CPAs, unless the firm is licensed under RCW 18.04.195, holds a valid license to practice under RCW 18.04.215, and all offices of the firm in this state for the practice of public accounting are maintained and registered under RCW 18.04.205.

(4) No person, partnership, or corporation may hold himself, herself, or itself out to the public, or assume or use along, or in connection with his, hers, or its name, or any other name the title or designation "certified accountant," "chartered accountant," "licensed accountant," "licensed public accountant," "public accountant," or any other title or designation likely to be confused with "certified public accountant" or any of the abbreviations "CA," "LA," "LPA," or "PA," or similar abbreviations likely to be confused with "CPA." However, nothing in this chapter prohibits use of the title "accountant" by any person regardless of whether the person has been granted a certificate or holds a license under this chapter.

(5) No person may sign, affix, or associate his or her name or any trade or assumed name used by the person in his or her business to any report designated as an "audit," "review," or "compilation," unless the person holds a biennial license to practice under RCW 18.04.215 and all of the person's offices in this state for the practice of public accounting are maintained and licensed under RCW 18.04.205.

(6) No person may sign, affix, or associate a firm name to any report designated as an "audit," "review," or "compilation," unless the firm is licensed under RCW 18.04.195 and 18.04.215, and all of its offices in this state for the practice of public accounting are maintained and registered under RCW 18.04.205.

(7) No person, partnership, or corporation not holding a license to practice under RCW 18.04.215 may hold himself, herself, or itself out to the public as an "auditor" with or without any other description or designation by use of such word on any sign, card, letterhead, or in any advertisement or directory.

(8) No person may assume or use the designation "certified public accountant" or "CPA" in conjunction with names indicating or implying that there is a partnership or corporation, if there is in fact no bona fide partnership or corporation registered under RCW 18.04.195.

(9) No person, partnership, or corporation holding a license under RCW 18.04.215 may hold himself, herself, or itself out to the public in conjunction with the designation "and Associates" or "and Assoc." unless he or she has in fact

a partner or employee who holds a license under RCW 18.04.215. [1992 c 103 § 14; 1986 c 295 § 15; 1983 c 234 § 16.]

**18.04.350 Practices not prohibited.** (1) Nothing in this chapter prohibits any person not a certified public accountant from serving as an employee of, or as assistant to, a certified public accountant or partnership composed of certified public accountants or corporation of certified public accountants holding a valid license under RCW 18.04.215. However, the employee or assistant shall not issue any accounting or financial statement over his or her name.

(2) Nothing in this chapter prohibits a certified public accountant registered in another state, or any accountant of a foreign country holding a certificate, degree or license which permits him to practice therein from temporarily practicing in this state on professional business incident to his regular practice.

(3) Nothing in this chapter prohibits a certified public accountant, a partnership, or corporation of certified public accountants, or any of their employees from disclosing any data in confidence to other certified public accountants, quality or peer review teams, partnerships, or corporations of public accountants or to the board or any of its employees engaged in conducting quality, quality assurance, or peer reviews, or any one of their employees in connection with quality or peer reviews of that accountant's accounting and auditing practice conducted under the auspices of recognized professional associations.

(4) Nothing in this chapter prohibits a certified public accountant, a partnership, or corporation of certified public accountants, or any of their employees from disclosing any data in confidence to any employee, representative, officer, or committee member of a recognized professional association, or to the board of accountancy, or any of its employees or committees in connection with a professional investigation held under the auspices of recognized professional associations or the board of accountancy.

(5) Nothing in this chapter prohibits any officer, employee, partner, or principal of any organization:

(a) From affixing his or her signature to any statement or report in reference to the affairs of the organization with any wording designating the position, title, or office which he or she holds in the organization; or

(b) From describing himself or herself by the position, title, or office he or she holds in such organization.

(6) Nothing in this chapter prohibits any person, or partnership or corporation composed of persons not holding a license under RCW 18.04.215 from offering or rendering to the public bookkeeping, accounting, tax services, the devising and installing of financial information systems, management advisory, or consulting services, the preparation of tax returns, or the furnishing of advice on tax matters, the preparation of financial statements, written statements describing how such financial statements were prepared, or similar services, provided that persons, partnerships, or corporations not holding a license under RCW 18.04.215 who offer or render these services do not designate any written statement as an "audit report," "review report," or "compilation report," do not issue any written statement which purports to express or disclaim an opinion on financial

statements which have been audited, and do not issue any written statement which expresses assurance on financial statements which have been reviewed.

(7) Nothing in this chapter prohibits any act of or the use of any words by a public official or a public employee in the performance of his or her duties.

(8) Nothing contained in this chapter prohibits any person who holds only a valid certified public accountant certificate from assuming or using the designation "certified public accountant" or "CPA" or any other title, designation, words, letters, sign, card, or device tending to indicate the person is a certified public accountant, provided, that such person shall not hold himself or herself out to the public as engaged in the practice of public accounting unless that person holds a valid license in addition to the certificate under RCW 18.04.215. [1992 c 103 § 15; 1986 c 295 § 16; 1983 c 234 § 17; 1969 c 114 § 7; 1949 c 226 § 34; Rem. Supp. 1949 § 8269-41.]

**18.04.360 Practices may be enjoined.** If, in the judgment of the board any person has engaged, or is about to engage, in any acts or practices which constitute, or will constitute, a violation of this chapter, the board may make application to the appropriate court for an order enjoining such acts or practices and upon a showing by the board that such person has engaged, or is about to engage, in any such acts or practices, an injunction, restraining order, or such other order as may be appropriate may be granted by such court. [1983 c 234 § 18; 1949 c 226 § 35; Rem. Supp. 1949 § 8269-42.]

*Injunctions: Chapter 7.40 RCW.*

**18.04.370 Penalty.** Any person who violates any provision of this chapter, shall be guilty of a misdemeanor, and upon conviction thereof, shall be subject to a fine of not more than one thousand dollars, or to imprisonment for not more than six months, or to both such fine and imprisonment. Whenever the board has reason to believe that any person is violating the provisions of this chapter it shall certify the facts to the prosecuting attorney of the county in which such person resides or may be apprehended and the prosecuting attorney shall cause appropriate proceedings to be brought against such person. Nothing herein contained shall be held to in any way affect the power of the courts to grant injunctive or other relief as above provided. [1983 c 234 § 19; 1949 c 226 § 36; Rem. Supp. 1949 § 8269-43.]

**18.04.380 Advertising falsely—Effect.** The display or presentation by a person of a card, sign, advertisement, or other printed, engraved or written instrument or device, bearing a person's name in conjunction with the words "certified public accountant" or any abbreviation thereof, or "licensed public accountant" or any abbreviation thereof, or "public accountant" or any abbreviation thereof, shall be prima facie evidence in any action brought under this chapter that the person whose name is so displayed, caused or procured the display or presentation of the card, sign, advertisement, or other printed, engraved, or written instrument or device, and that the person is holding himself or herself out to be a certified public accountant or a public accountant holding a license to practice under this chapter.

In any such action, evidence of the commission of a single act prohibited by this chapter is sufficient to justify an injunction or a conviction without evidence of a general course of conduct. [1986 c 295 § 17; 1983 c 234 § 20; 1949 c 226 § 37; Rem. Supp. 1949 § 8269-44.]

*False advertising: Chapter 9.04 RCW.*

**18.04.390 Papers, records, schedules, etc., property of the accountant—Prohibited practices—Rights of client.**

(1) In the absence of an express agreement between the certified public accountant and the client to the contrary, all statements, records, schedules, working papers, and memoranda made by a certified public accountant incident to or in the course of professional service to clients, except reports submitted by a certified public accountant to a client, are the property of the certified public accountant.

(2) No statement, record, schedule, working paper, or memorandum may be sold, transferred, or bequeathed without the consent of the client or his or her personal representative or assignee, to anyone other than one or more surviving partners, shareholders, or new partners or new shareholders of the accountant or corporation, or any combined or merged partnership or corporation, or successor in interest.

(3) A licensee shall furnish to the board or to his or her client or former client, upon request and reasonable notice:

(a) A copy of the licensee's working papers, to the extent that such working papers include records that would ordinarily constitute part of the client's records and are not otherwise available to the client; and

(b) Any accounting or other records belonging to, or obtained from or on behalf of, the client that the licensee removed from the client's premises or received for the client's account; the licensee may make and retain copies of such documents of the client when they form the basis for work done by him or her.

(4) Nothing in this section shall require a licensee to keep any work paper beyond the period prescribed in any other applicable statute. [1992 c 103 § 16; 1986 c 295 § 18; 1983 c 234 § 21; 1949 c 226 § 38; Rem. Supp. 1949 § 8269-45.]

**18.04.405 Confidential information—Disclosure, when—Subpoenas.**

(1) A certified public accountant, a partnership or corporation of certified public accountants, or any of their employees shall not disclose any confidential information obtained in the course of a professional transaction except with the consent of the client or former client or as disclosure may be required by law, legal process, the standards of the profession, or as disclosure of confidential information is permitted by RCW 18.04.350 (3) and (4), 18.04.295(8), 18.04.390, and this section in connection with quality, quality assurance, or peer reviews, investigations, and any proceeding under chapter 34.05 RCW.

(2) This section shall not be construed as limiting the authority of this state or of the United States or an agency of this state, the board, or of the United States to subpoena and use such information in connection with any investigation, public hearing, or other proceeding, nor shall this section be construed as prohibiting a certified public accountant whose professional competence has been challenged in a court of

law or before an administrative agency from disclosing confidential information as a part of a defense to the court action or administrative proceeding.

(3) The proceedings, records, and work papers of a review committee shall be privileged and shall not be subject to discovery, subpoena, or other means of legal process or introduction into evidence in any civil action, arbitration, administrative proceeding, or state accountancy board proceeding and no member of the review committee or person who was involved in the quality review process shall be permitted or required to testify in any such civil action, arbitration, administrative proceeding, or state accountancy board proceeding as to any matter produced, presented, disclosed, or discussed during or in connection with the quality review process, or as to any findings, recommendations, evaluations, opinions, or other actions of such committees, or any members thereof. Information, documents, or records that are publicly available are not to be construed as immune from discovery or use in any civil action, arbitration, administrative proceeding, or state accountancy board proceeding merely because they were presented or considered in connection with the quality review process. [1992 c 103 § 17; 1986 c 295 § 19; 1983 c 234 § 23.]

**18.04.420 License or certificate suspension—Nonpayment or default on educational loan or scholarship.** The board shall suspend the license or certificate of any person who has been certified by a lending agency and reported to the board for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's license or certificate shall not be reissued until the person provides the board a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for licensure or certification during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the board may impose. [1996 c 293 § 2.]

**Severability—1996 c 293:** "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." [1996 c 293 § 28.]

**18.04.430 License or certificate suspension—Noncompliance with support order—Reissuance.** The board shall immediately suspend the certificate or license 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 board's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order. [1997 c 58 § 811.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.04.901 Severability.** If any provision of this chapter or its application to any person or circumstance is held invalid, the remainder of the chapter or the application of the provision to other persons or circumstances is not affected. [1986 c 295 § 20; 1983 c 234 § 34.]

**18.04.910 Effective date—1983 c 234.** This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect on July 1, 1983. [1983 c 234 § 35.]

**18.04.911 Effective date—1986 c 295.** This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect on July 1, 1986, except as provided in this section. \*Section 5 of this act shall not become effective if sections 90(1) and 4 of Engrossed Substitute House Bill No. 1758 become law. [1986 c 295 § 24.]

**\*Reviser's note:** Section 5 of this act was vetoed by the governor.

**18.04.920 Short title.** This chapter may be cited as the public accountancy act. [1986 c 295 § 22; 1983 c 234 § 1.]

## Chapter 18.06 ACUPUNCTURE

### Sections

- 18.06.010 Definitions.
- 18.06.020 Practice without license unlawful.
- 18.06.045 Exemptions from chapter.
- 18.06.050 Applications for examination—Qualifications.
- 18.06.060 Approval of educational programs.
- 18.06.070 Approval of applications—Examination fee.
- 18.06.080 Authority of secretary—Examination—Contents—Ad hoc committee—Immunity.
- 18.06.090 Fluency in English required.
- 18.06.100 Investigation of applicant's background.
- 18.06.110 Application of Uniform Disciplinary Act.
- 18.06.120 Compliance with administrative procedures—Fees.
- 18.06.130 Patient information form.
- 18.06.140 Consultation and referral to other health care practitioners.
- 18.06.150 Violations of RCW 18.06.130 or 18.06.140—Penalty.
- 18.06.160 Adoption of rules.
- 18.06.180 Application of chapter to previously registered acupuncture assistants.
- 18.06.190 Licensing by endorsement.
- 18.06.200 Health care insurance benefits not mandatory.
- 18.06.210 Prescription of drugs and practice of medicine not authorized.

*Performance of acupuncture by physician assistants and osteopathic physician assistants: RCW 18.57A.070.*

**18.06.010 Definitions.** The following terms in this chapter shall have the meanings set forth in this section unless the context clearly indicates otherwise:

(1) "Acupuncture" means a health care service based on an Oriental system of medical theory utilizing Oriental diagnosis and treatment to promote health and treat organic or functional disorders by treating specific acupuncture points or meridians. Acupuncture includes the following techniques:

- (a) Use of acupuncture needles to stimulate acupuncture points and meridians;
- (b) Use of electrical, mechanical, or magnetic devices to stimulate acupuncture points and meridians;
- (c) Moxibustion;
- (d) Acupressure;
- (e) Cupping;
- (f) Dermal friction technique;
- (g) Infra-red;
- (h) Sonopuncture;
- (i) Laserpuncture;
- (j) Point injection therapy (aquapuncture); and
- (k) Dietary advice based on Oriental medical theory provided in conjunction with techniques under (a) through (j) of this subsection.

(2) "Acupuncturist" means a person licensed under this chapter.

(3) "Department" means the department of health.

(4) "Secretary" means the secretary of health or the secretary's designee. [1995 c 323 § 4; 1992 c 110 § 1; 1991 c 3 § 4; 1985 c 326 § 1.]

**18.06.020 Practice without license unlawful.** (1) No one may hold themselves out to the public as an acupuncturist or licensed acupuncturist or any derivative thereof which is intended to or is likely to lead the public to believe such a person is an acupuncturist or licensed acupuncturist unless licensed as provided for in this chapter.

(2) A person may not practice acupuncture if the person is not licensed under this chapter.

(3) No one may use any configuration of letters after their name (including Ac.) which indicates a degree or formal training in acupuncture unless licensed as provided for in this chapter.

(4) The secretary may by rule proscribe or regulate advertising and other forms of patient solicitation which are likely to mislead or deceive the public as to whether someone is licensed under this chapter. [1995 c 323 § 5; 1991 c 3 § 5; 1985 c 326 § 2.]

**18.06.045 Exemptions from chapter.** Nothing in this chapter shall be construed to prohibit or restrict:

(1) The practice by an individual credentialed under the laws of this state and performing services within such individual's authorized scope of practice;

(2) The practice by an individual employed by the government of the United States while engaged in the performance of duties prescribed by the laws of the United States;

(3) The practice by a person who is a regular student in an educational program approved by the secretary, and whose performance of services is pursuant to a regular course of instruction or assignments from an instructor and under the general supervision of the instructor;

(4) The practice of acupuncture by any person credentialed to perform acupuncture in any other jurisdiction where such person is doing so in the course of regular instruction of a school of acupuncture approved by the secretary or in an educational seminar by a professional organization of acupuncture, provided that in the latter case, the practice is supervised directly by a person licensed under this chapter or licensed under any other healing art whose scope of practice includes acupuncture. [1995 c 323 § 6; 1992 c 110 § 2.]

**18.06.050 Applications for examination—Qualifications.** Any person seeking to be examined shall present to the secretary at least forty-five days before the commencement of the examination:

(1) A written application on a form or forms provided by the secretary setting forth under affidavit such information as the secretary may require; and

(2) Proof that the candidate has:

(a) Successfully completed a course, approved by the secretary, of didactic training in basic sciences and acupuncture over a minimum period of two academic years. The training shall include such subjects as anatomy, physiology, bacteriology, biochemistry, pathology, hygiene, and a survey of western clinical sciences. The basic science classes must be equivalent to those offered at the collegiate level. However, if the applicant is a licensed chiropractor under chapter 18.25 RCW or a naturopath licensed under chapter 18.36A RCW, the requirements of this subsection relating to basic sciences may be reduced by up to one year depending upon the extent of the candidate's qualifications as determined under rules adopted by the secretary;

(b) Successfully completed a course, approved by the secretary, of clinical training in acupuncture over a minimum period of one academic year. The training shall include a minimum of: (i) Twenty-nine quarter credits of supervised practice, consisting of at least four hundred separate patient treatments involving a minimum of one hundred different patients, and (ii) one hundred hours or nine quarter credits of observation which shall include case presentation and discussion. [1991 c 3 § 7; 1987 c 447 § 15; 1985 c 326 § 5.]

**Severability—1987 c 447:** See RCW 18.36A.901.

**18.06.060 Approval of educational programs.** The department shall consider for approval any school, program, apprenticeship, or tutorial which meets the requirements outlined in this chapter and provides the training required under RCW 18.06.050. Clinical and didactic training may be approved as separate programs or as a joint program. The process for approval shall be established by the secretary by rule. [1991 c 3 § 8; 1985 c 326 § 6.]

**18.06.070 Approval of applications—Examination fee.** No applicant may be permitted to take an examination under this chapter until the secretary has approved his or her

application and the applicant has paid an examination fee as prescribed under RCW 43.70.250. The examination fee shall accompany the application. [1991 c 3 § 9; 1985 c 326 § 7.]

**18.06.080 Authority of secretary—Examination—Contents—Ad hoc committee—Immunity.** (1) The secretary is hereby authorized and empowered to execute the provisions of this chapter and shall offer examinations in acupuncture at least twice a year at such times and places as the secretary may select. The examination shall be a written examination and may include a practical examination.

(2) The secretary shall develop or approve a licensure examination in the subjects that the secretary determines are within the scope of and commensurate with the work performed by licensed acupuncturists and shall include but not necessarily be limited to anatomy, physiology, microbiology, biochemistry, pathology, hygiene, and acupuncture. All application papers shall be deposited with the secretary and there retained for at least one year, when they may be destroyed.

(3) If the examination is successfully passed, the secretary shall confer on such candidate the title of Licensed Acupuncturist.

(4) The secretary may appoint members of the profession to serve in an ad hoc advisory capacity to the secretary in carrying out this chapter. The members will serve for designated times and provide advice on matters specifically identified and requested by the secretary. The members shall be compensated in accordance with RCW 43.03.220 and reimbursed for travel expenses under RCW 43.03.040 and 43.03.060.

(5) The secretary, ad hoc committee members, or individuals acting in their behalf are immune from suit in a civil action based on any certification or disciplinary proceedings or other official acts performed in the course of their duties. [1995 c 323 § 7; 1994 sp.s. c 9 § 502; 1992 c 110 § 3; 1991 c 3 § 10; 1985 c 326 § 8.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

*Health professions advisory committee: RCW 18.138.120.*

**18.06.090 Fluency in English required.** Before licensure, each applicant shall demonstrate sufficient fluency in reading, speaking, and understanding the English language to enable the applicant to communicate with other health care providers and patients concerning health care problems and treatment. [1995 c 323 § 8; 1985 c 326 § 9.]

**18.06.100 Investigation of applicant's background.** Each applicant shall, as part of his or her application, furnish written consent to an investigation of his or her personal background, professional training, and experience by the department or any person acting on its behalf. [1985 c 326 § 10.]

**18.06.110 Application of Uniform Disciplinary Act.** The Uniform Disciplinary Act, chapter 18.130 RCW, governs uncertified practice, the issuance and denial of licenses, and the disciplining of license holders under this chapter. The secretary shall be the disciplining authority

under this chapter. [1995 c 323 § 9; 1991 c 3 § 11; 1987 c 150 § 9; 1985 c 326 § 11.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.06.120 Compliance with administrative procedures—Fees.** (1) Every person licensed in acupuncture shall comply with the administrative procedures and administrative requirements for registration and renewal set by the secretary under RCW 43.70.250 and 43.70.280.

(2) All fees collected under this section and RCW 18.06.070 shall be credited to the health professions account as required under RCW 43.70.320. [1996 c 191 § 3; 1995 c 323 § 10; 1992 c 110 § 4; 1991 c 3 § 12; 1985 c 326 § 12.]

**18.06.130 Patient information form.** The secretary shall develop a form to be used by an acupuncturist to inform the patient of the acupuncturist's scope of practice and qualifications. All license holders shall bring the form to the attention of the patients in whatever manner the secretary, by rule, provides. [1995 c 323 § 11; 1991 c 3 § 13; 1985 c 326 § 13.]

**18.06.140 Consultation and referral to other health care practitioners.** Every licensed acupuncturist shall develop a written plan for consultation, emergency transfer, and referral to other health care practitioners operating within the scope of their authorized practices. The written plan shall be submitted with the initial application for licensure as well as annually thereafter with the license renewal fee to the department. The department may withhold licensure or renewal of licensure if the plan fails to meet the standards contained in rules adopted by the secretary.

When the acupuncturist sees patients with potentially serious disorders such as cardiac conditions, acute abdominal symptoms, and such other conditions, the acupuncturist shall immediately request a consultation or recent written diagnosis from a physician licensed under chapter 18.71 or 18.57 RCW. In the event that the patient with the disorder refuses to authorize such consultation or provide a recent diagnosis from such physician, acupuncture treatment shall not be continued. [1995 c 323 § 12; 1991 c 3 § 14; 1985 c 326 § 14.]

**18.06.150 Violations of RCW 18.06.130 or 18.06.140—Penalty.** Any person violating the provisions of RCW 18.06.130 or 18.06.140 shall be guilty of a misdemeanor and shall be punished as provided in RCW 9.92.030. [1985 c 326 § 15.]

**18.06.160 Adoption of rules.** The secretary shall adopt rules in the manner provided by chapter 34.05 RCW as are necessary to carry out the purposes of this chapter. [1991 c 3 § 15; 1985 c 326 § 16.]

**18.06.180 Application of chapter to previously registered acupuncture assistants.** All persons registered as acupuncture assistants pursuant to chapter 18.71A or 18.57A RCW on July 28, 1985, shall be certified under this

chapter by the secretary without examination if they otherwise would qualify for certification under this chapter and apply for certification within one hundred twenty days of July 28, 1985. [1991 c 3 § 17; 1985 c 326 § 18.]

**18.06.190 Licensing by endorsement.** The secretary may license a person without examination if such person is credentialed as an acupuncturist in another jurisdiction if, in the secretary's judgment, the requirements of that jurisdiction are equivalent to or greater than those of Washington state. [1995 c 323 § 13; 1991 c 3 § 18; 1985 c 326 § 19.]

**18.06.200 Health care insurance benefits not mandatory.** Nothing in this chapter may be construed to require that individual or group policies or contracts of an insurance carrier, health care service contractor, or health maintenance organization provide benefits or coverage for services and supplies provided by a person licensed under this chapter. [1995 c 323 § 14; 1985 c 326 § 20.]

**18.06.210 Prescription of drugs and practice of medicine not authorized.** This chapter shall not be construed as permitting the administration or prescription of drugs or in any way infringing upon the practice of medicine and surgery as defined in chapter 18.71 or 18.57 RCW, except as authorized in this chapter. [1985 c 326 § 21.]

## Chapter 18.08 ARCHITECTS

### Sections

18.08.150	Application for examination—Fee.
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18.08.240	Architects' license account.
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18.08.900	Severability—1985 c 37.

*Public contracts for architectural services: Chapter 39.80 RCW  
Safety requirements as to doors, public buildings, and places of entertainment: RCW 70.54.070.*

### 18.08.150 Application for examination—Fee.

**Reviser's note:** RCW 18.08.150 was amended by 1985 c 7 § 5 without reference to its repeal by 1985 c 37 § 18. It has been decodified for publication purposes pursuant to RCW 1.12.025.

### 18.08.190 Expiration of certificate—Renewal—Fee—Withdrawal of registrant.

**Reviser's note:** RCW 18.08.190 was amended by 1985 c 7 § 6 without reference to its repeal by 1985 c 37 § 18. It has been decodified for publication purposes pursuant to RCW 1.12.025.

### 18.08.220 Reinstatement of certificate—Replacement of lost or destroyed certificate, charge.

**Reviser's note:** RCW 18.08.220 was amended by 1985 c 7 § 7 without reference to its repeal by 1985 c 37 § 18. It has been decodified for publication purposes pursuant to RCW 1.12.025.

**18.08.235 Legislative findings—1985 c 37.** The legislature finds that in order to safeguard life, health, and property and to promote the public welfare, it is necessary to regulate the practice of architecture. [1985 c 37 § 1.]

**18.08.240 Architects' license account.** There is established in the state treasury the architects' license account, into which all fees paid pursuant to this chapter shall be paid. [1991 sp.s. c 13 § 2; 1985 c 57 § 4; 1959 c 323 § 15.]

**Effective dates—1991 sp.s. c 13:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions.

(1) On or before June 30, 1991, the balances remaining in the local jail improvement and construction account, the 1979 handicapped facilities construction account, the salmon enhancement construction account, the community college capital improvements accounts, and the fisheries capital projects account shall be transferred to the state building construction account and the balance remaining in the Washington State University construction account shall be transferred to the Washington State University building account.

(2) Except for subsection (1) of this section, sections 1 through 47, 49 through 64, 66 through 108, and 110 through 122 of this act shall take effect July 1, 1991, but shall not be effective for earnings on balances prior to July 1, 1991, regardless of when a distribution is made.

(3) Sections 48 and 109 of this act shall take effect September 1, 1991.

(4) Section 65 of this act shall take effect January 1, 1992.

(5) \*Sections 123 through 139 of this act shall take effect July 1, 1993, and shall be effective for earnings on balances beginning July 1, 1993, regardless of when a distribution is made." [1991 sp.s. c 13 § 141.]

**\*Reviser's note:** "Sections 123 through 139 of this act" [1991 sp.s. c 13] were vetoed by the governor.

**Severability—1991 sp.s. c 13:** "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." [1991 sp.s. c 13 § 140.]

**Effective date—1985 c 57:** See note following RCW 18.04.105.

**18.08.310 Registration or authorization to practice required.** It is unlawful for any person to practice or offer to practice in this state, architecture, or to use in connection with his or her name or otherwise assume, use, or advertise any title or description including the word "architect," "architecture," "architectural," or language tending to imply that

he or she is an architect, unless the person is registered or authorized to practice in the state of Washington under this chapter. The provisions of this section shall not affect the use of the words "architect," "architecture," or "architectural" where a person does not practice or offer to practice architecture. [1985 c 37 § 2.]

**18.08.320 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Administration of the construction contract" means the periodic observation of materials and work to observe the general compliance with the construction contract documents, and does not include responsibility for supervising construction methods and processes, site conditions, equipment operations, personnel, or safety on the work site.

(2) "Architect" means an individual who is registered under this chapter to practice architecture.

(3) "Board" means the state board of registration for architects.

(4) "Certificate of authorization" means a certificate issued by the director to a corporation or partnership that authorizes the entity to practice architecture.

(5) "Certificate of registration" means the certificate issued by the director to newly registered architects.

(6) "Department" means the department of licensing.

(7) "Director" means the director of licensing.

(8) "Engineer" means an individual who is registered as an engineer under chapter 18.43 RCW.

(9) "Person" means any individual, partnership, professional service corporation, corporation, joint stock association, joint venture, or any other entity authorized to do business in the state.

(10) "Practice of architecture" means the rendering of services in connection with the art and science of building design for construction of any structure or grouping of structures and the use of space within and surrounding the structures or the design for construction of alterations or additions to the structures, including but not specifically limited to schematic design, design development, preparation of construction contract documents, and administration of the construction contract.

(11) "Registered" means holding a currently valid certificate of registration or certificate of authorization issued by the director authorizing the practice of architecture.

(12) "Structure" means any construction consisting of load-bearing members such as the foundation, roof, floors, walls, columns, girders, and beams or a combination of any number of these parts, with or without other parts or appurtenances. [1985 c 37 § 3.]

**18.08.330 Board of registration—Appointment, terms, vacancies, removal—Officers—Travel expenses.** There is hereby created a state board of registration for architects consisting of seven members who shall be appointed by the governor. Six members shall be registered architects who are residents of the state and have at least eight years' experience in the practice of architecture as registered architects in responsible charge of architectural work or responsible charge of architectural teaching. One member shall be a public member, who is not and has never

been a registered architect and who does not employ and is not employed by or professionally or financially associated with an architect.

The terms of each newly appointed member shall be six years. The members of the board of registration for architects serving on July 28, 1985, shall serve out the remainders of their existing five-year terms. The term of the public member shall coincide with the term of an architect.

Every member of the board shall receive a certificate of appointment from the governor. On the expiration of the term of each member, the governor shall appoint a successor to serve for a term of six years or until the next successor has been appointed.

The governor may remove any member of the board for cause. Vacancies in the board for any reason shall be filled by appointment for the unexpired term.

The board shall elect a chairman, a vice-chairman, and a secretary. The secretary may delegate his or her authority to the executive secretary.

Members of the board shall be compensated 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. [1985 c 37 § 4.]

**18.08.340 Board of registration—Rules—Executive secretary—Staff support—Investigations—Subpoenas.**

(1) The board may adopt such rules under chapter 34.05 RCW as are necessary for the proper performance of its duties under this chapter.

(2) The director shall employ an executive secretary subject to approval by the board. The director shall provide such secretarial and administrative support as may be required to carry out the purposes of this chapter.

(3) The board or the director may conduct investigations concerning alleged violations of this chapter. In making such investigations and in all proceedings of the board under this chapter, the chairman or any member of the board acting in place of the chairman may administer oaths or affirmations to witnesses appearing before the board, subpoena witnesses and compel their attendance, and require the production of books, records, papers, and documents. If any person refuses to obey a subpoena so issued, or refuses to testify or produce any books, records, papers, or documents so required to be produced, the board may present its petition in the superior court of Thurston county or the county in which the person resides, setting forth the facts, and thereupon the court shall, in a proper case, enter a suitable order compelling compliance with this chapter and imposing such other terms and conditions as the court finds equitable. [1985 c 37 § 5.]

**18.08.350 Certificate of registration—Application—Qualifications.** (*Effective until July 29, 2001.*) (1) A certificate of registration shall be granted by the director to all qualified applicants who are certified by the board as having passed the required examination and as having given satisfactory proof of completion of the required experience.

(2) Applications for examination shall be filed as the board prescribes by rule. The application and examination fees shall be determined by the director under RCW 43.24.086.

(3) An applicant for registration as an architect shall be of a good moral character, at least eighteen years of age, and shall possess any of the following qualifications:

(a) Have an accredited architectural degree and three years' practical architectural work experience approved by the board, which may include designing buildings as a principal activity. At least two years' work experience must be supervised by an architect with detailed professional knowledge of the work of the applicant;

(b) Have eight years' practical architectural work experience approved by the board. Each year spent in an accredited architectural program approved by the board shall be considered one year of practical experience. At least four years' practical work experience shall be under the direct supervision of an architect; or

(c) Be a person who has been designing buildings as a principal activity for eight years, or has an equivalent combination of education and experience, but who was not registered under chapter 323, Laws of 1959, as amended, as it existed before July 28, 1992, provided that application is made within four years after July 28, 1992. Nothing in this chapter prevents such a person from designing buildings for four years after July 28, 1992, or the five-year period allowed for completion of the examination process, after that person has applied for registration. A person who has been designing buildings and is qualified under this subsection shall, upon application to the board of registration for architects, be allowed to take the examination for architect registration on an equal basis with other applicants. [1993 c 475 § 1; 1985 c 37 § 6.]

**18.08.350 Certificate of registration—Application—Qualifications.** (*Effective July 29, 2001.*) (1) A certificate of registration shall be granted by the director to all qualified applicants who are certified by the board as having passed the required examination and as having given satisfactory proof of completion of the required experience.

(2) Applications for examination shall be filed as the board prescribes by rule. The application and examination fees shall be determined by the director under RCW 43.24.086.

(3) An applicant for registration as an architect shall be of a good moral character, at least eighteen years of age, and shall possess either of the following qualifications:

(a) Have an accredited architectural degree and three years' practical architectural work experience and have completed the requirements of a structured intern training program approved by the board; or

(b) Have eight years' practical architectural work experience, which may include designing buildings as a principal activity, and have completed the requirements of a structured intern training program approved by the board. Each year spent in an accredited architectural education program approved by the board shall be considered one year of practical experience. At least four years' practical work experience shall be under the direct supervision of an architect. [1997 c 169 § 1; 1993 c 475 § 2; 1993 c 475 § 1; 1985 c 37 § 6.]

**Effective date—1997 c 169 § 1:** "Section 1 of this act takes effect July 29, 2001." [1997 c 169 § 2.]

**Effective date—1993 c 475 § 2:** "Section 2 of this act shall take effect July 29, 2001." [1993 c 475 § 3.]

**18.08.360 Examinations.** (1) The examination for an architect's certificate of registration shall be held at least annually at such time and place as the board determines.

(2) The board shall determine the content, scope, and grading process of the examination. The board may adopt an appropriate national examination and grading procedure.

(3) Applicants who fail to pass any section of the examination shall be permitted to retake the parts failed as prescribed by the board. If the entire examination is not successfully completed within five years, a retake of the entire examination shall be required. [1985 c 37 § 7.]

**18.08.370 Issuance of certificates of registration—Seal, use.** (1) The director shall issue a certificate of registration to any applicant who has, to the satisfaction of the board, met all the requirements for registration upon payment of the registration fee as provided in this chapter. All certificates of registration shall show the full name of the registrant, have the registration number, and shall be signed by the chairman of the board and by the director. The issuance of a certificate of registration by the director is prima facie evidence that the person named therein is entitled to all the rights and privileges of a registered architect.

(2) Each registrant shall obtain a seal of the design authorized by the board bearing the architect's name, registration number, the legend "Registered Architect," and the name of this state. Drawings prepared by the registrant shall be sealed and signed by the registrant when filed with public authorities. It is unlawful to seal and sign a document after a registrant's certificate of registration or authorization has expired, been revoked, or is suspended. [1985 c 37 § 8.]

**18.08.380 Reinstatement of revoked certificates of registration—Replacement of lost, destroyed, or mutilated certificates.** (1) The director may reinstate a certificate of registration to any person or a certificate of authorization to any corporation or joint stock association whose certificate has been revoked, if a majority of the board vote in favor of such reissuance, if the board finds that the circumstances or conditions that brought about the revocation are not likely to recur and that the person, corporation, or joint stockholders' association is then sufficiently trustworthy and reliable at the time reinstatement is sought, and that the best interests of the public will be served by reinstatement of the registration.

(2) A new certificate of registration or certificate of authorization to replace any certificate lost, destroyed, or mutilated may be issued by the director. A charge, determined as provided in RCW 43.24.086, shall be made for such issuance. [1985 c 37 § 9.]

**18.08.390 Registration of prior registrants.** All persons registered as architects under chapter 205, Laws of 1919, or registered as architects under chapter 323, Laws of 1959, as amended, before July 28, 1985, shall be registered as architects without examination. [1985 c 37 § 10.]

**18.08.400 Registration of out-of-state registrants.** The director may, upon receipt of the current registration fee, grant a certificate of registration to an applicant who is a registered architect in another state or territory of the United

States, the District of Columbia, or another country, if that individual's qualifications and experience are determined by the board to be equivalent to the qualifications and experience required of a person registered under RCW 18.08.350. [1985 c 37 § 11.]

**18.08.410 Application of chapter.** This chapter shall not affect or prevent:

(1) The practice of naval architecture, landscape architecture, engineering, space planning, interior design, or any legally recognized profession or trade by persons not registered as architects;

(2) Drafters, clerks, project managers, superintendents, and other employees of architects, engineers, naval architects, or landscape architects from acting under the instructions, control, or supervision of their employers;

(3) The construction, alteration, or supervision of construction of buildings or structures by contractors or superintendents employed by contractors or the preparation of shop drawings in connection therewith;

(4) Owners or contractors from engaging persons who are not architects to observe and supervise construction of a project;

(5) Any person from doing design work including preparing construction contract documents and administration of the construction contract for the erection, enlargement, repair, or alteration of a structure or any appurtenance to a structure, if the structure is to be used for a residential building of up to and including four dwelling units or a farm building or is a structure used in connection with or auxiliary to such residential building or farm building such as a garage, barn, shed, or shelter for animals or machinery;

(6) Any person from doing design work including preparing construction contract documents and administering the contract for construction, erection, enlargement, alteration, or repairs of or to a building of any occupancy up to four thousand square feet of construction;

(7) Design-build construction by registered general contractors if the structural design services are performed by a registered engineer;

(8) Any person from designing buildings or doing other design work for any structure prior to the time of filing for a building permit; or

(9) Any person from designing buildings or doing other design work for structures larger than those exempted under subsections (5) and (6) of this section, if the plans, which may include such design work, are stamped by a registered engineer or architect. [1985 c 37 § 12.]

**18.08.420 Organization as corporation or joint stock association—Procedure—Requirements.** (1) An architect or architects may organize a corporation formed either as a business corporation under the provisions of Title 23B RCW or as a professional corporation under the provisions of chapter 18.100 RCW. For an architect or architects to practice architecture through a corporation or joint stock association organized by any person under Title 23B RCW, the corporation or joint stock association shall file with the board:

(a) The application for certificate of authorization upon a form to be prescribed by the board and containing informa-

tion required to enable the board to determine whether the corporation is qualified under this chapter to practice architecture in this state;

(b) Its notices of incorporation and bylaws and a certified copy of a resolution of the board of directors of the corporation that designates individuals registered under this chapter as responsible for the practice of architecture by the corporation in this state and that provides that full authority to make all final architectural decisions on behalf of the corporation with respect to work performed by the corporation in this state shall be granted and delegated by the board of directors to the individuals designated in the resolution. The filing of the resolution shall not relieve the corporation of any responsibility or liability imposed upon it by law or by contract; and

(c) A designation in writing setting forth the name or names of the person or persons registered under this chapter who are responsible for the architecture of the firm. If there is a change in the person or persons responsible for the architecture of the firm, the changes shall be designated in writing and filed with the board within thirty days after the effective date of the changes.

(2) Upon the filing with the board of the application for certificate of authorization, the certified copy of the resolution, and the information specified in subsection (1) of this section, the board shall authorize the director to issue to the corporation a certificate of authorization to practice architecture in this state upon a determination by the board that:

(a) The bylaws of the corporation contain provisions that all architectural decisions pertaining to any project or architectural activities in this state shall be made by the specified architects responsible for the project or architectural activities, or other responsible architects under the direction or supervision of the architects responsible for the project or architectural activities;

(b) The applicant corporation has the ability to provide, through qualified personnel, professional services or creative work requiring architectural experience, and with respect to the architectural services that the corporation undertakes or offers to undertake, the personnel have the ability to apply special knowledge to the professional services or creative work such as consultation, investigation, evaluation, planning, design, and administration of the construction contract in connection with any public or private structures, buildings, equipment, processes, works, or projects;

(c) The application for certificate of authorization contains the professional records of the designated person or persons who are responsible;

(d) The application for certificate of authorization states the experience of the corporation, if any, in furnishing architectural services during the preceding five-year period;

(e) The applicant corporation meets such other requirements related to professional competence in the furnishing of architectural services as may be established and promulgated by the board in furtherance of the purposes of this chapter; and

(f) The applicant corporation is possessed of the ability and competence to furnish architectural services in the public interest.

(3) Upon recommendation of the board, the director shall refuse to issue or may suspend or revoke a certificate of authorization to a corporation if the board finds that any

of the officers, directors, incorporators, or the stockholders holding a majority of stock of the corporation have committed an act prohibited under RCW 18.08.440 or have been found personally responsible for misconduct under subsection (6) or (7) of this section.

(4) In the event a corporation, organized solely by a group of architects each registered under this chapter, applies for a certificate of authorization, the board may, in its discretion, grant a certificate of authorization to that corporation based on a review of the professional records of such incorporators, in lieu of the required qualifications set forth in subsections (1) and (2) of this section. In the event the ownership of such corporation is altered, the corporation shall apply for a revised certificate of authorization, based upon the professional records of the owners if exclusively architects, under the qualifications required by subsections (1) and (2) of this section.

(5) Any corporation authorized to practice architecture under this chapter, together with its directors and officers for their own individual acts, are responsible to the same degree as an individual registered architect and shall conduct their business without misconduct or malpractice in the practice of architecture as defined in this chapter.

(6) Any corporation that has been certified under this chapter and has engaged in the practice of architecture shall have its certificate of authorization either suspended or revoked by the board if, after a proper hearing, the board finds that the corporation has committed misconduct or malpractice under RCW 18.08.440. In such a case, any individual architect registered under this chapter who is involved in such misconduct is also subject to disciplinary measures provided in this chapter.

(7) All plans, specifications, designs, and reports when issued in connection with work performed by a corporation under its certificate of authorization shall be prepared by or under the direction of the designated architects and shall be signed by and stamped with the official seal of the designated architects in the corporation authorized under this chapter.

(8) For each certificate of authorization issued under this section there shall be paid a certification fee and an annual certification renewal fee as prescribed by the director under RCW 43.24.086.

(9) This chapter shall not affect the practice of architecture as a professional service corporation under chapter 18.100 RCW. [1991 c 72 § 2; 1985 c 37 § 13.]

**18.08.430 Renewal of certificates of registration—Withdrawal.** (1) The renewal date for certificates of registration shall be set by the director in accordance with RCW 43.24.086. Registrants who fail to pay the renewal fee within thirty days of the due date shall pay all delinquent fees plus a penalty fee equal to one-third of the renewal fee. A registrant who fails to pay a renewal fee for a period of five years may be reinstated under such circumstances as the board determines. The renewal and penalty fees and the frequency of renewal assessment shall be authorized under this chapter. Renewal date for certificates of authorization shall be the anniversary of the date of authorization.

(2) Any registrant in good standing may withdraw from the practice of architecture by giving written notice to the director, and may within five years thereafter resume active

practice upon payment of the then-current renewal fee. A registrant may be reinstated after a withdrawal of more than five years under such circumstances as the board determines. [1985 c 37 § 14.]

**18.08.440 Actions against certificate—Grounds—Penalties.** The board shall have the power to impose fines on any person practicing architecture in an amount not to exceed one thousand dollars for each offense and may reprimand a registrant and may suspend, revoke, or refuse to issue or renew a certificate of registration or authorization to practice architecture in this state upon the following grounds:

(1) Offering to pay, paying, or accepting, either directly or indirectly, any substantial gift, bribe, or other consideration to influence the award of professional work;

(2) Being wilfully untruthful or deceptive in any professional report, statement, or testimony;

(3) Having conviction in any court of any offense involving moral turpitude or fraud;

(4) Having a financial interest in the bidding for or the performance of a contract to supply labor or materials for or to construct a project for which employed or retained as an architect except with the consent of the client or employer after disclosure of such facts; or allowing an interest in any business to affect a decision regarding architectural work for which retained, employed, or called upon to perform;

(5) Signing or permitting a seal to be affixed to any drawings or specifications that were not prepared or reviewed by the architect or under the architect's personal supervision by persons subject to the architect's direction and control;

(6) Aiding or abetting any person not authorized to practice architecture under this chapter;

(7) Wilfully evading or trying to evade any law, ordinance, code, or regulation governing construction of buildings; or

(8) Violating any provision of this chapter or any regulation adopted under it. [1985 c 37 § 15.]

**18.08.450 Actions against certificate—Discipline—Board's authority—Procedure.** (1) The board may revoke or suspend a certificate of registration or a certificate of authorization to practice architecture in this state, or otherwise discipline a registrant or person authorized to practice architecture, as provided in this chapter.

(2) Proceedings for the revocation, suspension, refusal to issue, or imposition of a monetary fine may be initiated by the board on its own motion based on the complaint of any person. A copy of the charge or charges, along with a notice of the time and place of the hearing before the board shall be served on the registrant as provided for in chapter 34.05 RCW.

(3) All procedures related to hearings on such charges shall be in accordance with provisions relating to adjudicative proceedings in chapter 34.05 RCW, the Administrative Procedure Act.

(4) If, after such hearing, the majority of the board vote in favor of finding the registrant guilty, the board shall take such disciplinary action as it deems appropriate under this chapter.

(5) The provisions of this section are in addition to and not in lieu of any other penalty or sanction provided by law. [1989 c 175 § 59; 1985 c 37 § 16.]

**Effective date—1989 c 175:** See note following RCW 34.05.010.

**18.08.460 Violation of chapter—Penalties—Enforcement—Injunctions—Persons who may initiate proceedings.** Any person who violates any provision of this chapter or any rule promulgated under it is guilty of a misdemeanor and may also be subject to a civil penalty in an amount not to exceed one thousand dollars for each offense.

(1) It shall be the duty of all officers in the state or any political subdivision thereof to enforce this chapter. Any public officer may initiate an action before the board to enforce the provisions of this chapter.

(2) The board may apply for relief by injunction without bond to restrain a person from committing any act that is prohibited by 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 irreparable damage would result from the continued violation thereof. The members of the board shall not be personally liable for their actions in any such proceeding or in any other proceeding instituted by the board under this chapter. The board in any proper case shall cause prosecution to be instituted in any county or counties where any violation of this chapter occurs, and shall aid the prosecution of the violator.

(3) No person practicing architecture is entitled to maintain a proceeding in any court of this state relating to services in the practice of architecture unless it is alleged and proved that the person was registered or authorized under this chapter to practice or offer to practice architecture at the time the architecture services were offered or provided. [1985 c 37 § 17.]

**18.08.470 Certificate or registration suspension—Nonpayment or default on educational loan or scholarship.** The board shall suspend the certificate or registration of any person who has been certified by a lending agency and reported to the board for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's certificate or registration shall not be reissued until the person provides the board a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for certification or registration during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the board may impose. [1996 c 293 § 3.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.08.480 Certificate of registration or authorization suspension—Noncompliance with support order—Reissuance.** The board shall immediately suspend the

certificate of registration or certificate of authorization to practice architecture 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 other requirements for reinstatement during the suspension, reissuance of the certificate shall be automatic upon the board's receipt of a release issued by the department of social and health services stating that the individual is in compliance with the order. [1997 c 58 § 813.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.08.900 Severability—1985 c 37.** 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. [1985 c 37 § 20.]

## Chapter 18.09

### ATTORNEYS AT LAW

See chapter 2.44 RCW, attorneys at law.

## Chapter 18.11

### AUCTIONEERS

#### Sections

- 18.11.050 Definitions.
- 18.11.060 Administration of chapter—Fees.
- 18.11.070 License required—Exceptions.
- 18.11.075 Second-hand property, when exempt.
- 18.11.085 Auctioneer certificate of registration—Requirements.
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- 18.11.100 Nonresident auctioneers and auction companies.
- 18.11.121 Surety bond or security required.
- 18.11.130 Written contract required—Penalty.
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- 18.11.150 Display of certificate of registration or renewal card required—Penalty.
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- 18.11.180 Compensation of nonlicensed person—Penalties.
- 18.11.190 Actions for compensation for services.
- 18.11.200 Director—Authority to adopt rules.
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- 18.11.210 Newspaper advertisements—Name and license number required—Penalty.
- 18.11.220 Rights of clients.
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- 18.11.250 Limitation on real estate auctions.
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- 18.11.270 License, certificate, or registration suspension—Nonpayment or default on educational loan or scholarship.

- 18.11.901 Short title.  
 18.11.902 Severability—1986 c 324.  
 18.11.903 Effective date—1986 c 324.  
 18.11.920 Severability—1982 c 205.

*Limitations on power of*

*cities and towns to regulate auctioneers: RCW 35.21.690.*  
*counties to regulate auctioneers: RCW 36.71.070.*

*Mock auctions: RCW 9.45.070.*

*Motor vehicle auction companies, place of business: RCW 46.70.023.*

*Pawnbrokers and second-hand dealers: Chapter 19.60 RCW.*

**18.11.050 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Auctioneer" means an individual who calls bids at an auction.

(2) "Auction" means a transaction conducted by means of exchanges between an auctioneer and the members of his or her audience, constituting a series of invitations for offers for the purchase of goods or real property made by the auctioneer, offers by members of the audience, and the acceptance of the highest or most favorable offer.

(3) "Auction mart" means any fixed or established place designed, intended, or used for the conduct of auctions.

(4) "Auction company" means a sole proprietorship, partnership, corporation, or other legal or commercial entity that sells or offers to sell goods or real estate at auction or arranges, sponsors, or manages auctions. The term "auction company" shall exclude any sole proprietorship owned by an auctioneer licensed under this chapter whose gross annual sales do not exceed twenty-five thousand dollars.

(5) "Department" means the department of licensing.

(6) "Director" means the director of licensing.

(7) "Person" means an individual, partnership, association, corporation, or any other form of business enterprise.

(8) "Goods" mean wares, chattels, merchandise, or personal property owned or consigned, which may be lawfully kept or offered for sale.

(9) "License" means state authority to operate as an auctioneer or auction company, which authority is conferred by issuance of a certificate of registration subject to annual renewal.

(10) "Licensee" means an auctioneer or auction company registered under this chapter. [1986 c 324 § 2; 1982 c 205 § 5.]

**18.11.060 Administration of chapter—Fees.** This chapter shall be administered under chapter 43.24 RCW. The director shall set registration and renewal fees in accordance with RCW 43.24.086. If an auctioneer or auction company does not renew a license before it expires, the renewal shall be subject to payment of a penalty fee. [1986 c 324 § 3; 1982 c 205 § 2.]

**18.11.070 License required—Exceptions.** (1) It is unlawful for any person to act as an auctioneer or for an auction company to engage in any business in this state without a license.

(2) This chapter does not apply to:

(a) An auction of goods conducted by an individual who personally owns those goods and who did not acquire those goods for resale;

(b) An auction conducted by or under the direction of a public authority;

(c) An auction held under judicial order in the settlement of a decedent's estate;

(d) An auction which is required by law to be at auction;

(e) An auction conducted by or on behalf of a political organization or a charitable corporation or association if the person conducting the sale receives no compensation;

(f) An auction of livestock or agricultural products which is conducted under chapter 16.65 or 20.01 RCW. Auctions not regulated under chapter 16.65 or 20.01 RCW shall be fully subject to the provisions of this chapter;

(g) An auction held under chapter 19.150 RCW; or

(h) An auction of fur pelts conducted by any cooperative association organized under chapter 23.86 RCW or its wholly owned subsidiary. In order to qualify for this exemption, the fur pelts must be from members of the association. However, the association, without loss of the exemption, may auction pelts that it purchased from non-members for the purpose of completing lots or orders, so long as the purchased pelts do not exceed fifteen percent of the total pelts auctioned. [1989 c 307 § 43; 1988 c 240 § 19; 1986 c 324 § 4; 1982 c 205 § 6.]

**Legislative finding—1989 c 307:** See note following RCW 23.86.007.

**Application—1989 c 307:** See RCW 23.86.900.

**Severability—1988 c 240:** See RCW 19.150.904.

**18.11.075 Second-hand property, when exempt.** The department of licensing may exempt, by rule, second-hand property bought or received on consignment or sold at an auction conducted by a licensed auctioneer or auction company from RCW 19.60.050 or 19.60.055. [1993 c 348 § 1.]

**18.11.085 Auctioneer certificate of registration—Requirements.** Every individual, before acting as an auctioneer, shall obtain an auctioneer certificate of registration. To be licensed as an auctioneer, an individual shall meet all of the following requirements:

(1) Be at least eighteen years of age or sponsored by a licensed auctioneer.

(2) File with the department a completed application on a form prescribed by the director.

(3) Show that the proper tax registration certificate required by RCW 82.32.030 has been obtained from the department of revenue.

(4) Pay the auctioneer registration fee required under the agency rules adopted pursuant to this chapter.

(5) Except as otherwise provided under RCW 18.11.121, file with the department an auctioneer surety bond in the amount and form required by RCW 18.11.121 and the agency rules adopted pursuant to this chapter.

(6) Have no disqualifications under RCW 18.11.160. [1987 c 336 § 1; 1986 c 324 § 5.]

**18.11.095 Auction company certificate of registration—Requirements.** Every person, before operating an auction company as defined in RCW 18.11.050, shall obtain an auction company certificate of registration.

(1) Except as provided in subsection (2) of this section, to be licensed as an auction company, a person shall meet all of the following requirements:

(a) File with the department a completed application on a form prescribed by the director.

(b) Sign a notarized statement included on the application form that all auctioneers hired by the auction company to do business in the state shall be properly registered under this chapter.

(c) Show that the proper tax registration certificate required by RCW 82.32.030 has been obtained from the department of revenue.

(d) Pay the auction company registration fee required under the agency rules adopted pursuant to this chapter.

(e) File with the department an auction company surety bond in the amount and form required by RCW 18.11.121 and the agency rules adopted pursuant to this chapter.

(f) Have no disqualifications under RCW 18.11.160.

(2) An auction company shall not be charged a license fee if it is a sole proprietorship or a partnership owned by an auctioneer or auctioneers, each of whom is licensed under this chapter, and if it has in effect a surety bond or bonds or other security approved by the director in the amount that would otherwise be required for an auction company to be granted or to retain a license under RCW 18.11.121. [1987 c 336 § 5; 1986 c 324 § 6.]

**18.11.100 Nonresident auctioneers and auction companies.** (1) Nonresident auctioneers and auction companies are required to comply with the provisions of this chapter and the rules of the department as a condition of conducting business in the state.

(2) The application of a nonresident under this chapter shall constitute the appointment of the secretary of state as the applicant's agent upon whom process may be served in any action or proceeding against the applicant arising out of a transaction or operation connected with or incidental to the business of an auctioneer or an auction company. [1986 c 324 § 7; 1985 c 7 § 9; 1982 c 205 § 8.]

**18.11.121 Surety bond or security required.** (1) Except as provided in this section, each auctioneer and each auction company shall as a condition to the granting and retention of a license have on file with the department an approved surety bond or other security in lieu of a bond. However, if an auction company is a sole proprietorship or a partnership and has on file with the department a surety bond or other security approved by the director in the amount that would otherwise be required for an auction company to be granted or to retain a license under this section, then no separate bond or bonds shall be required for the sole proprietor or any individual partner to act as an auctioneer for the sole proprietorship or partnership. The bond or other security of an auctioneer shall be in the amount of five thousand dollars.

(2) The bond or other security of an auction company shall be in an amount not less than five thousand dollars and not more than twenty-five thousand dollars. The amount shall be based on the value of the goods and real estate sold at auctions conducted, supervised, arranged, sponsored, or managed by the auction company during the previous

calendar year or, for a new auction company, the estimated value of the goods and real estate to be sold at auction during the current calendar year. The director shall establish by rule the procedures to be used for determining the amount of auction company bonds or other security.

(3) In lieu of a surety bond, an auctioneer or auction company may deposit with the department any of the following:

(a) Savings accounts assigned to the director;

(b) Certificates of deposit payable to the director;

(c) Investment certificates or share accounts assigned to the director; or

(d) Any other security acceptable to the director.

All obligations and remedies relating to surety bonds authorized by this section shall apply to deposits filed with the director.

(4) Each bond shall comply with all of the following:

(a) Be executed by the person seeking the license as principal and by a corporate surety licensed to do business in the state;

(b) Be payable to the state;

(c) Be conditioned on compliance with all provisions of this chapter and the agency rules adopted pursuant to this chapter, including payment of any administrative fines assessed against the licensee; and

(d) Remain in effect for one year after expiration, revocation, or suspension of the license.

(5) If any licensee fails or is alleged to have failed to comply with the provisions of this chapter or the agency rules adopted pursuant to this chapter, the director may hold a hearing in accordance with chapter 34.05 RCW, determine those persons who are proven claimants under the bond, and, if appropriate, distribute the bond proceeds to the proven claimants. The state or an injured person may also bring an action against the bond in superior court. The liability of the surety shall be only for actual damages and shall not exceed the amount of the bond.

(6) Damages that exceed the amount of the bond may be remedied by actions against the auctioneer or the auction company under RCW 18.11.260 or other available remedies at law. [1987 c 336 § 2; 1986 c 324 § 8.]

**18.11.130 Written contract required—Penalty.** No goods or real estate shall be sold at auction until the auctioneer or auction company has entered into a written contract or agreement with the owner or consignor in duplicate which contains the terms and conditions upon which the licensee receives or accepts the property for sale at auction.

A person who violates this section shall be subject to an administrative fine in a sum not exceeding five hundred dollars for each violation. [1986 c 324 § 9; 1982 c 205 § 11.]

**18.11.140 Written records required—Penalty.** Every person engaged in the business of selling goods or real estate at auction shall keep written records for a period of three years available for inspection which indicate clearly the name and address of the owner or consignor of the goods or real estate, the terms of acceptance and sale, and a copy of the signed written contract required by RCW 18.11.130. A person who violates this section shall be subject to an

administrative fine in a sum not exceeding five hundred dollars for each violation. [1986 c 324 § 10; 1982 c 205 § 12.]

**18.11.150 Display of certificate of registration or renewal card required—Penalty.** All auctioneers and auction companies shall have their certificates of registration prominently displayed in their offices and the current renewal card or a facsimile available on demand at all auctions conducted or supervised by the licensee.

A person who violates this section shall be subject to an administrative fine in a sum not exceeding one hundred dollars for each violation. [1986 c 324 § 11; 1982 c 205 § 13.]

**18.11.160 Actions against license—Grounds.** (1) No license shall be issued by the department to any person who has been convicted of forgery, embezzlement, obtaining money under false pretenses, extortion, criminal conspiracy, fraud, theft, receiving stolen goods, unlawful issuance of checks or drafts, or other similar offense, or to any partnership of which the person is a member, or to any association or corporation of which the person is an officer or in which as a stockholder the person has or exercises a controlling interest either directly or indirectly.

(2) The following shall be grounds for denial, suspension, or revocation of a license, or imposition of an administrative fine by the department:

(a) Misrepresentation or concealment of material facts in obtaining a license;

(b) Underreporting to the department of sales figures so that the auctioneer or auction company surety bond is in a lower amount than required by law;

(c) Revocation of a license by another state;

(d) Misleading or false advertising;

(e) A pattern of substantial misrepresentations related to auctioneering or auction company business;

(f) Failure to cooperate with the department in any investigation or disciplinary action;

(g) Nonpayment of an administrative fine prior to renewal of a license;

(h) Aiding an unlicensed person to practice as an auctioneer or as an auction company; and

(i) Any other violations of this chapter.

(3) The department shall immediately suspend the license 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 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. [1997 c 58 § 814; 1986 c 324 § 12; 1982 c 205 § 14.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.11.170 Unauthorized practice—Penalties.** Any auctioneer and any auction company that conducts business within this state without a license or after the suspension or revocation of his or her license shall be fined by the department five hundred dollars for the first offense and one thousand dollars for the second or subsequent offense. [1986 c 324 § 13; 1982 c 205 § 15.]

**18.11.180 Compensation of nonlicensed person—Penalties.** It shall be unlawful for a licensed auctioneer or licensed auction company to pay compensation in money or otherwise to anyone not licensed under this chapter to render any service or to do any act forbidden under this chapter to be rendered or performed except by licensees. The department shall fine any person who violates this section five hundred dollars for the first offense and one thousand dollars for the second or subsequent offense. Furthermore, the violation of this section by any licensee shall be, in the discretion of the department, sufficient cause for license suspension or revocation. [1986 c 324 § 14; 1982 c 205 § 16.]

**18.11.190 Actions for compensation for services.** No action or suit may be instituted in any court of this state by any person, partnership, association, or corporation not licensed as an auctioneer and as an auction company to recover compensation for an act done or service rendered which is prohibited under this chapter. [1986 c 324 § 15; 1982 c 205 § 17.]

**18.11.200 Director—Authority to adopt rules.** The director shall adopt rules for the purpose of carrying out and developing this chapter, including rules governing the conduct of investigations and inspections and the imposition of administrative penalties. [1986 c 324 § 16; 1982 c 205 § 18.]

**18.11.205 Director—Authority to impose administrative fines.** The director shall impose and collect the administrative fines authorized by this chapter. Any administrative fine imposed under this chapter or the agency rules adopted pursuant to this chapter may be appealed under chapter 34.05 RCW, the administrative procedure act. Assessment of an administrative fine shall not preclude the initiation of any disciplinary, civil, or criminal action for the same or similar violations. [1986 c 324 § 17.]

**18.11.210 Newspaper advertisements—Name and license number required—Penalty.** All newspaper advertising regarding auctions that is purchased by an auctioneer or an auction company licensed under this chapter shall include the auctioneer's or auction company's name and license number. Any auctioneer or auction company that violates this section is subject to an administrative fine

of one hundred dollars per violation. [1986 c 324 § 19; 1984 c 189 § 1.]

**18.11.220 Rights of clients.** The client of an auctioneer or auction company has a right to (1) an accounting for any money that the auctioneer or auction company receives from the sale of the client's goods, (2) payment of all money due to the client within twenty-one calendar days unless the parties have mutually agreed in writing to another time of payment, and (3) bring an action against the surety bond or other security filed in lieu of the surety bond for any violation of this chapter or the rules adopted pursuant to this chapter. [1987 c 336 § 3; 1986 c 324 § 20.]

**18.11.230 Trust account required for client funds.** Auction proceeds due to a client that are received by the auctioneer or auction company and not paid to the client within twenty-four hours of the sale shall be deposited no later than the next business day by the auctioneer or auction company in a trust account for clients in a bank, savings and loan association, mutual savings bank, or licensed escrow agent located in the state. The auctioneer or auction company shall draw on the trust account only to pay proceeds to clients, or such other persons who are legally entitled to such proceeds, and to obtain the sums due to the auctioneer or auction company for services as set out in the written contract required under RCW 18.11.130. Funds in the trust account shall not be subject to the debt of the auctioneer or auction company and shall not be used for personal reasons or other business reasons. [1987 c 336 § 4; 1986 c 324 § 21.]

**18.11.240 Bidding—Prohibited practices—Penalty.** The following requirements shall apply to bidding at auctions:

(1) An auctioneer conducting an auction and an auction company where an auction is being held shall not bid on or offer to buy any goods or real property at the auction unless the auctioneer or the auction company discloses the name of the person on whose behalf the bid or offer is being made.

(2) An auctioneer and an auction company shall not use any method of bidding at an auction that will allow goods or real property to be purchased in an undisclosed manner on behalf of the auctioneer or auction company.

(3) At a public auction conducted or supervised by an auctioneer or auction company, the auctioneer or auction company shall not fictitiously raise any bid, knowingly permit any person to make a fictitious bid, or employ or use another person to act as a bidder or buyer.

(4) All goods or real property offered for sale at an auction shall be subject to a reserve or a confirmation from the owner or consignor unless otherwise indicated by the auctioneer or auction company. Except as provided in this subsection, an auctioneer or auction company shall not use any method of bidding at an auction that allows the auctioneer or auction company to avoid selling any property offered for sale at auction.

(5) A licensee who violates any provision of this section shall be subject to an administrative fine in a sum not exceeding five hundred dollars for each violation. [1986 c 324 § 22.]

**18.11.250 Limitation on real estate auctions.** Auctioneers and auction companies may call for bids on real estate but only persons licensed under chapter 18.85 RCW may perform activities regulated under that chapter. [1986 c 324 § 23.]

**18.11.260 Application of Consumer Protection Act.** A violation of this chapter is hereby declared to affect the public interest and to offend public policy. Any violation, act, or practice by an auctioneer or auction company which is unfair or deceptive, shall constitute an unfair or deceptive act or practice in violation of RCW 19.86.020. The remedies and sanctions provided in this section shall not preclude application of other available remedies and sanctions. [1986 c 324 § 25.]

**18.11.270 License, certificate, or registration suspension—Nonpayment or default on educational loan or scholarship.** The director shall suspend the license, certificate, or registration of any person who has been certified by a lending agency and reported to the director for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's license, certificate, or registration shall not be reissued until the person provides the director a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for licensure, certification, or registration during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the director may impose. [1996 c 293 § 4.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.11.901 Short title.** This chapter may be known and cited as the "auctioneer registration act." [1986 c 324 § 1.]

**18.11.902 Severability—1986 c 324.** If any provision of this chapter or its application to any person or circumstance is held invalid, the remainder of the chapter or the application of the provision to other persons or circumstances is not affected. [1986 c 324 § 27.]

**18.11.903 Effective date—1986 c 324.** This act shall take effect on July 1, 1986. [1986 c 324 § 29.]

**18.11.920 Severability—1982 c 205.** 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. [1982 c 205 § 20.]

**Chapter 18.16**  
**COSMETOLOGISTS, BARBERS, AND**  
**MANICURISTS**

## Sections

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**18.16.010 Intent.** The legislature recognizes that the practice of cosmetology involves the use of tools and chemicals which may be dangerous when mixed or applied improperly, and therefore finds it necessary in the interest of the public health, safety, and welfare to regulate the practice of cosmetology in this state. [1984 c 208 § 1.]

**18.16.020 Definitions.** As used in this chapter, the following terms have the meanings indicated unless the context clearly requires otherwise:

(1) "Board" means the cosmetology, barbering, esthetics, and manicuring advisory board.

(2) "Director" means the director of the department of licensing or the director's designee.

(3) "The practice of cosmetology" means the practice of cutting, trimming, styling, shampooing, permanent waving, chemical relaxing or straightening, bleaching, or coloring of the hair of the face, neck, and scalp and manicuring and esthetics.

(4) "Cosmetologist" means a person licensed under this chapter to engage in the practice of cosmetology and who has completed sixteen hundred hours of instruction at a school licensed under this chapter.

(5) "The practice of barbering" means the cutting, trimming, arranging, dressing, curling, waving and shampooing hair of the face, neck and scalp.

(6) "Barber" means a person licensed under this chapter to engage in the practice of barbering.

(7) "Practice of manicuring" means the cleaning, shaping, or polishing of the nails of the hands or feet, and the application and removal of artificial nails.

(8) "Manicurist" means a person licensed under this chapter to engage in the practice of manicuring.

(9) "Practice of esthetics" means skin care of the face, neck, and hands involving hot compresses, massage, or the use of approved electrical appliances or nonabrasive chemical compounds formulated for professional application only, and the temporary removal of superfluous hair by means of lotions, creams, or mechanical or electrical apparatus or appliance on another person.

(10) "Esthetician" means a person licensed under this chapter to engage in the practice of esthetics.

(11) "Instructor-trainee" means a person who is currently licensed in this state as a cosmetologist, barber, manicurist, or esthetician, and is enrolled in an approved instructor-trainee program in a school licensed under this chapter.

(12) "School" means any establishment offering instruction in the practice of cosmetology, or barbering, or esthetics, or manicuring, or instructor-trainee to students and licensed under this chapter.

(13) "Student" means a person sixteen years of age or older who is enrolled in a school licensed under this chapter and receives any phase of cosmetology, barbering, esthetics or manicuring instruction with or without tuition, fee, or cost, and who does not receive any wage or commission.

(14) "Instructor-operator-cosmetology" means a person who gives instruction in the practice of cosmetology and instructor-training in a school and who has the same qualifications as a cosmetologist, has completed at least five hundred hours of instruction in teaching techniques and lesson planning in a school, and has passed an examination prepared or selected by the board and administered by the director. An applicant who holds a degree in education from an accredited postsecondary institution and who is otherwise qualified shall upon application be licensed as an instructor-operator with a cosmetology endorsement.

(15) "Instructor-operator-barber" means a person who gives instruction in the practice of barbering and instructor training in a school, has the same qualifications as a barber, has completed at least five hundred hours of instruction in teaching techniques and lesson planning in a school, and has passed an examination prepared or selected by the board and administered by the director. An applicant who holds a degree in education from an accredited postsecondary institution and who is otherwise qualified shall upon application be licensed as an instructor-operator with a barber endorsement.

(16) "Instructor-operator-manicure" means a person who gives instruction in the practice of manicuring and instructor training in a school, has the same qualifications as a manicurist, has completed at least five hundred hours of instruction in teaching techniques and lesson planning in a school, and has passed an examination prepared or selected by the board and administered by the director. An applicant who holds a degree in education from an accredited postsecondary institution and who is otherwise qualified shall upon application be licensed as an instructor-operator with a manicurist endorsement.

(17) "Instructor-operator-esthetics" means a person who gives instruction in the practice of esthetics and instructor training in a school, has the same qualifications as an esthetician, has completed at least five hundred hours of instruction in teaching techniques and lesson planning in a school, and has passed an examination prepared or selected by the board and administered by the director. An applicant who holds a degree in education from an accredited postsecondary institution and who is otherwise qualified shall upon application be licensed as an instructor-operator with an esthetics endorsement.

(18) "Vocational student" is a person who in cooperation with any senior high, vocational technical institute, community college, or prep school, attends a cosmetology school and participates in its student course of instruction and has the same rights and duties as a student as defined in this chapter. The person must have academically completed the eleventh grade of high school. Every such vocational student shall receive credit for all creditable hours of the approved course of instruction received in the school of cosmetology upon graduation from high school. Hours shall be credited to a vocational student if the student graduates from an accredited high school or receives a certificate of educational competence.

(19) "Booth renter" means a person who performs cosmetology, barbering, esthetics, or manicuring services where the use of the salon/shop facilities is contingent upon compensation to the owner of the salon/shop facilities and the person receives no compensation or other consideration from the owner for the services performed.

(20) "Person" means any individual, partnership, professional service corporation, joint stock association, joint venture, or any other entity authorized to do business in this state.

(21) "Salon/shop" means any building, structure, or motor home or any part thereof, other than a school, where the commercial practice of cosmetology, barbering, esthetics, or manicuring is conducted.

(22) "Crossover training" means training approved by the director as training hours that may be credited to current licensees for similar training received in another profession licensed under this chapter.

(23) "Approved security" means surety bond, savings assignment, or irrevocable letter of credit.

(24) "Mobile operator" means any person possessing a valid cosmetology, barbering, manicuring, or esthetician's license that provides services in a mobile salon/shop.

(25) "Personal service operator" means any person possessing a valid cosmetology, barbering, manicuring, or esthetician's license that provides services for clients in the client's home, office, or other location that is convenient for the client. [1991 c 324 § 1; 1984 c 208 § 2.]

**18.16.030 Director—Powers and duties.** In addition to any other duties imposed by law, the director shall have the following powers and duties:

(1) To set all license, examination, and renewal fees in accordance with RCW 43.24.086;

(2) To adopt rules necessary to implement this chapter;

(3) To investigate alleged violations of this chapter and consumer complaints involving the practice of cosmetology,

barbering, esthetics, or manicuring, schools offering training in these areas, and salons/shops and booth renters offering these services;

(4) To issue subpoenas, statements of charges, statements of intent, final orders, stipulated agreements, and any other legal remedies necessary to enforce this chapter;

(5) To issue cease and desist letters and letters of warning for infractions of this chapter;

(6) To conduct all disciplinary proceedings, impose sanctions, and assess fines for violations of this chapter or any rules adopted under it;

(7) To prepare and administer or approve the preparation and administration of licensing examinations;

(8) To establish minimum safety and sanitation standards for schools, cosmetologists, barbers, manicurists, estheticians, and salons/shops;

(9) To establish minimum instruction guidelines for the training of students;

(10) To maintain the official department record of applicants and licensees;

(11) To delegate in writing to a designee the authority to issue subpoenas, statements of charges, and any other documents necessary to enforce this chapter;

(12) To establish by rule the procedures for an appeal of an examination failure;

(13) To employ such administrative, investigative, and clerical staff as needed to implement this chapter;

(14) To set license expiration dates and renewal periods for all licenses consistent with this chapter; and

(15) To make information available to the department of revenue to assist in collecting taxes from persons required to be licensed under this chapter. [1991 c 324 § 2; 1984 c 208 § 7.]

**18.16.050 Advisory board—Members—Compensation.**

(1) There is created a state cosmetology, barbering, esthetics, and manicuring advisory board consisting of nine members appointed by the director. These members of the board shall include: A representative of a private cosmetology school; a representative of a public vocational technical school involved in cosmetology training; a consumer who is unaffiliated with the cosmetology, barbering, esthetics, or manicuring industry; and six members who are currently practicing licensees who have been engaged in the practice of manicuring, esthetics, barbering, or cosmetology for at least three years. Members shall serve a term of three years. Any board member may be removed for just cause. The director may appoint a new member to fill any vacancy on the board for the remainder of the unexpired term.

(2) Board members shall be entitled to compensation pursuant to RCW 43.03.240 for each day spent conducting official business and to reimbursement for travel expenses as provided by RCW 43.03.050 and 43.03.060.

(3) The board may seek the advice and input of officials from the following state agencies: (a) The work force training and education coordinating board; (b) the department of employment security; (c) the department of labor and industries; (d) the department of health; (e) the department of licensing; and (f) the department of revenue. [1998 c 245

§ 5; 1998 c 20 § 1; 1997 c 179 § 1; 1995 c 269 § 402; 1991 c 324 § 3; 1984 c 208 § 9.]

**Reviser's note:** This section was amended by 1998 c 20 § 1 and by 1998 c 245 § 5, each without reference to the other. Both amendments are incorporated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Findings—1995 c 269:** "The legislature finds that the economic opportunities for cosmetologists, barbers, estheticians, and manicurists have deteriorated in this state as a result of the lack of skilled practitioners, inadequate licensing controls, and inadequate enforcement of health standards. To increase the opportunities for individuals to earn viable incomes in these professions and to protect the general health of the public, the state cosmetology, barbering, esthetics, and manicuring advisory board should be reconstituted and given a new charge to develop appropriate responses to this situation, including legislative proposals." [1995 c 269 § 401.]

**Effective date—1995 c 269:** See note following RCW 9.94A.040.

**Part headings not law—Severability—1995 c 269:** See notes following RCW 13.40.005.

**18.16.060 Licenses required—Penalty—Exemptions.**

(1) The director shall impose a fine of one thousand dollars on any person who does any of the following without first obtaining the license required by this chapter:

(a) Except as provided in subsection (2) of this section, commercial practice of cosmetology, barbering, esthetics, manicuring, or instructing;

(b) Instructs in a school;

(c) Operates a school; or

(d) Operates a salon/shop. Each booth renter shall be considered to be operating an independent salon/shop and shall obtain a separate salon/shop license.

(2) A person licensed as a cosmetology instructor-operator may engage in the commercial practice of cosmetology without maintaining a cosmetologist license. A person licensed as a barbering instructor-operator may engage in the commercial practice of barbering without maintaining a barber license. A person licensed as a manicuring instructor-operator may engage in the commercial practice of manicuring without maintaining a manicurist license. A person licensed as an esthetician instructor-operator may engage in the commercial practice of esthetics without maintaining an esthetician license. [1991 c 324 § 4; 1984 c 208 § 3.]

**18.16.070 Licensing—Persons to whom chapter inapplicable.** This chapter shall not apply to persons licensed under other laws of this state who are performing services within their authorized scope of practice and shall not be construed to require a license for students enrolled in a school. [1984 c 208 § 4.]

**18.16.080 Licensing—Other persons to whom chapter inapplicable.** Nothing in this chapter prohibits any person authorized under the laws of this state from performing any service for which the person may be licensed, nor prohibits any person from performing services as an electrologist if that person has been otherwise certified, registered, or trained as an electrologist.

This chapter does not apply to persons employed in the care or treatment of patients in hospitals or employed in the care of residents of nursing homes and similar residential care facilities. [1984 c 208 § 19.]

**18.16.090 Examinations.** Examinations for licensure under this chapter shall be conducted monthly at such times and places as the director determines appropriate. Examinations shall consist of tests designed to reasonably measure the applicant's knowledge of safe and sanitary practice. The director shall establish by rule the minimum passing score for all examinations and the requirements for reexamination of applicants who fail the examination or examinations.

The director shall take steps to ensure that after completion of the required course, applicants may promptly take the examination and receive the results of the examination. [1991 c 324 § 5; 1984 c 208 § 10.]

**18.16.100 Issuance of licenses—Requirements. (1)**

Upon payment of the proper fee, the director shall issue the appropriate license to any person who:

(a) Is at least seventeen years of age or older;

(b) Has completed and graduated from a course approved by the director of sixteen hundred hours of training in cosmetology, one thousand hours of training in barbering, five hundred hours of training in manicuring, five hundred hours of training in esthetics, and/or five hundred hours of training as an instructor-trainee; and

(c) Has received a passing grade on the appropriate licensing examination approved or administered by the director.

(2) A person currently licensed under this chapter may qualify for examination and licensure, after the required examination is passed, in another category if he or she has completed the crossover training course approved by the director.

(3) Upon payment of the proper fee, the director shall issue a salon/shop license to the operator of a salon/shop if the salon/shop meets the other requirements of this chapter as demonstrated by information submitted by the operator.

(4) The director may consult with the state board of health and the department of labor and industries in establishing training and examination requirements. [1991 c 324 § 6; 1984 c 208 § 5.]

**18.16.110 Issuance of licenses—Renewals—**

**Duplicates. (1)** The director shall issue the appropriate license to any applicant who meets the requirements as outlined in this chapter. Failure to renew a license before its expiration date subjects the holder to a penalty fee and payment of each year's renewal fee, at the current rate, up to a maximum of four years as established by the director in accordance with RCW 43.24.086. A person whose license has not been renewed for four years shall be required to submit an application, fee, meet current licensing requirements, and pass the applicable examination or examinations before the license may be reinstated: PROVIDED, That the director may waive this requirement for good cause shown. To renew a salon/shop license, the licensee shall provide proof of insurance as required by RCW 18.16.175(1)(h).

(2) Upon request and payment of an additional fee to be established by the director, the director shall issue a duplicate license to an applicant. [1991 c 324 § 7; 1984 c 208 § 12.]

**18.16.130 Issuance of licenses—Persons licensed in other jurisdictions.** Any person who is properly licensed in any state, territory, or possession of the United States, or foreign country shall be eligible for examination if the applicant submits the approved application and fee and provides proof to the director that he or she is currently licensed in good standing as a cosmetologist, barber, manicurist, esthetician, instructor, or the equivalent in that jurisdiction. Upon passage of the required examinations the appropriate license will be issued. [1991 c 324 § 10; 1984 c 208 § 11.]

**18.16.140 School licenses—Application—Approved security—Issuance—Changes in application information—Changes in controlling interest.** (1) Any person wishing to operate a school shall, before opening such a school, file with the director for approval a license application and fee containing the following information:

(a) The names and addresses of all owners, managers, and instructors;

(b) A copy of the school's curriculum satisfying the training guidelines established by the director;

(c) A sample copy of the school's catalog, brochure, enrollment contract, and cancellation and refund policies that will be used or distributed by the school to students and the public;

(d) A description and floor plan of the school's physical equipment and facilities;

(e) A surety bond, irrevocable letter of credit, or savings assignment in an amount not less than ten thousand dollars, or ten percent of the annual gross tuition collected by the school, whichever is greater. The approved security shall not exceed fifty thousand dollars and shall run to the state of Washington for the protection of unearned prepaid student tuition. The school shall attest to its gross tuition at least annually on forms provided by the department. When a new school license is being applied for, the applicant will estimate its annual gross tuition to establish a bond amount. This subsection shall not apply to community colleges and vocational technical schools.

Upon approval of the application and documents, the director shall issue a license to operate a school with the appropriate certification or certifications.

(2) Changes to the information provided by schools shall be submitted to the department within fifteen days of the implementation date.

(3) A change involving the controlling interest of the school requires a new license application and fee. The new application shall include all required documentation, proof of ownership change, and be approved prior to a license being issued. [1991 c 324 § 11; 1987 c 445 § 1; 1984 c 208 § 6.]

**18.16.150 Schools—Compliance with chapter.**

Schools shall be audited and inspected by the director or the director's designee for compliance with this chapter at least once a year. If the director determines that a licensed school is not maintaining the standards required according to this chapter, written notice thereof shall be given to the school. A school which fails to correct these conditions to the satisfaction of the director within a reasonable time shall be

subject to penalties imposed under RCW 18.16.210. [1997 c 178 § 1; 1991 c 324 § 12; 1984 c 208 § 8.]

**18.16.160 Schools—Claims against—Procedure.** In addition to any other legal remedy, any student or instructor-trainee having a claim against a school may bring suit upon the approved security required in RCW 18.16.140(1)(e) in the superior or district court of Thurston county or the county in which the educational services were offered by the school. Action upon the approved security shall be commenced by filing the complaint with the clerk of the appropriate superior or district court within one year from the date of the cancellation of the approved security: PROVIDED, That no action shall be maintained upon the approved security for any claim which has been barred by any nonclaim statute or statute of limitations of this state. Service of process in an action upon the approved security shall be exclusively by service upon the director. Two copies of the complaint shall be served by registered or certified mail upon the director at the time the suit is started. Such service shall constitute service on the approved security and the school. The director shall transmit the complaint or a copy thereof to the school at the address listed in the director's records and to the surety within forty-eight hours after it has been received. The approved security shall not be liable in an aggregate amount in excess of the amount named in the approved security. In any action on an approved security, the prevailing party is entitled to reasonable attorney's fees and costs.

The director shall maintain a record, available for public inspection, of all suits commenced under this chapter upon approved security. [1991 c 324 § 13; 1984 c 208 § 16.]

**18.16.165 Licenses issued, students enrolled before January 1, 1992—Curricula updates.** (1) All licenses issued prior to January 1, 1992, shall remain in effect until renewal or January 1, 1993, whichever is earlier.

(a) On or before renewal of each individual's license the licensee will be allowed to designate the license to be issued. A licensed cosmetologist may request licenses in cosmetology, barbering, manicuring, and esthetics. A manicurist may request licenses in manicuring and esthetics. An instructor may request endorsements in cosmetology, barbering, manicuring, and esthetics.

(b) A renewal fee is required for each license type requested. A licensed cosmetologist requesting all four licenses shall pay four renewal fees. An instructor shall be issued one license with endorsements for the multiple areas that they teach with only one renewal fee required.

(c) After January 1, 1993, any licensee wishing to obtain additional licenses or endorsements to their licenses shall meet the training and examination requirements of this chapter.

(2) Students currently enrolled in a licensed school in an approved course as of January 1, 1992, may apply for the examination or examinations in any type or any combination of types of licenses when they complete the appropriate course.

(3) Schools must update their curricula to comply with this chapter by July 1, 1992. No students may be enrolled in the programs under the previous law if they cannot

complete their training prior to January 1, 1993, to allow them to apply for examination under subsection (2) of this section. [1991 c 324 § 8.]

**18.16.170 Expiration of licenses.** (1) Subject to subsection (2) of this section, licenses issued under this chapter expire as follows:

(a) A salon/shop license expires one year from issuance or when the insurance required by RCW 18.16.175(1)(h) expires, whichever occurs first;

(b) A school license expires one year from issuance; and

(c) Cosmetologist, barber, manicurist, and instructor licenses expire two years from issuance.

(2) The director may provide for expiration dates other than those set forth in subsection (1) of this section for the purpose of establishing staggered renewal periods. [1991 c 324 § 9.]

**18.16.175 Salon/shop requirements—Complaints—Inspection—Registration—Use of motor homes.** (1) A salon/shop shall meet the following minimum requirements:

(a) Maintain an outside entrance separate from any rooms used for sleeping or residential purposes;

(b) Provide and maintain for the use of its customers adequate toilet facilities located within or adjacent to the salon/shop;

(c) Be operated under the direct supervision of a licensed cosmetologist except that a salon/shop that is limited to barbering may be directly supervised by a barber, a salon/shop that is limited to manicuring may be directly supervised by a manicurist, and a salon/shop that is limited to esthetics may be directly supervised by an esthetician;

(d) Any room used wholly or in part as a salon/shop shall not be used for residential purposes, except that toilet facilities may be used jointly for residential and business purposes;

(e) Meet the zoning requirements of the county, city, or town, as appropriate;

(f) Provide for safe storage and labeling of chemicals used in the practice of cosmetology;

(g) Meet all applicable local and state fire codes;

(h) Provide proof that the salon/shop is covered by a public liability insurance policy in an amount not less than one hundred thousand dollars for combined bodily injury and property damage liability; and

(i) Other requirements which the director determines are necessary for safety and sanitation of salons/shops. The director may consult with the state board of health and the department of labor and industries in establishing minimum salon/shop safety requirements.

(2) A salon/shop shall post the notice to customers described in RCW 18.16.180.

(3) Upon receipt of a written complaint that a salon/shop has violated any provisions of this chapter or the rules adopted under this chapter or at least once every two years, the director or the director's designee shall inspect each salon/shop. If the director determines that any salon/shop is not in compliance with this chapter, the director shall send written notice to the salon/shop. A salon/shop which fails to correct the conditions to the satisfaction of the director within a reasonable time shall, upon due notice, be

subject to the penalties imposed by the director under RCW 18.16.210. The director may enter any salon/shop during business hours for the purpose of inspection. The director may contract with health authorities of local governments to conduct the inspections under this subsection.

(4) A salon/shop, including a salon/shop operated by a booth renter, shall obtain a certificate of registration from the department of revenue.

(5) This section does not prohibit the use of motor homes as mobile salon/shops if the motor home meets the health and safety standards of this section. [1997 c 178 § 2; 1991 c 324 § 15.]

**18.16.180 Salon/shop—Notice required.** The director shall prepare and provide to all licensed salons/shops a notice to consumers. At a minimum, the notice shall state that cosmetology, barber, esthetics, and manicure salons/shops are required to be licensed, that salons/shops are required to maintain minimum safety and sanitation standards, that customer complaints regarding salons/shops may be reported to the department, and a telephone number and address where complaints may be made. [1991 c 324 § 16.]

**18.16.190 Location of practice—Penalty—Placebound clients.** It is a violation of this chapter for any person to engage in the commercial practice of cosmetology, barbering, esthetics, or manicuring, except in a licensed salon/shop or the home, office, or other location selected by the client for obtaining the services of a personal service operator, or with the appropriate individual license when delivering services to placebound clients. Placebound clients are defined as persons who are ill, disabled, or otherwise unable to travel to a salon/shop. [1991 c 324 § 20.]

**18.16.200 Disciplinary action—Grounds.** Any applicant or licensee under this chapter may be subject to disciplinary action by the director if the licensee or applicant:

(1) Has been found guilty of a crime related to the practice of cosmetology, barbering, esthetics, manicuring, or instructing;

(2) Has made a material misstatement or omission in connection with an original application or renewal;

(3) Has engaged in false or misleading advertising;

(4) Has performed services in an unsafe or unsanitary manner;

(5) Has aided and abetted unlicensed activity;

(6) Has engaged in the commercial practice of cosmetology, barbering, manicuring, esthetics, or instructed in or operated a school without first obtaining the license required by this chapter;

(7) Has engaged in the commercial practice of cosmetology in a school;

(8) Has not provided a safe, sanitary, and good moral environment for students and public;

(9) Has not provided records as required by this chapter;

(10) Has not cooperated with the department in supplying records or assisting in an investigation or disciplinary procedure; or

(11) Has violated any provision of this chapter or any rule adopted under it. [1991 c 324 § 14; 1984 c 208 § 13.]

**18.16.210 Violations—Penalties.** If, following a hearing, the director finds that an applicant or licensee has violated any provision of this chapter or any rule adopted under it, the director may impose one or more of the following penalties:

- (1) Denial of a license or renewal;
- (2) Revocation or suspension of a license;
- (3) A fine of not more than five hundred dollars per violation;
- (4) Issuance of a reprimand or letter of censure;
- (5) Placement of the licensee on probation for a fixed period of time;
- (6) Restriction of the licensee's authorized scope of practice;
- (7) Requiring the licensee to make restitution or a refund as determined by the director to any individual injured by the violation; or
- (8) Requiring the licensee to obtain additional training or instruction. [1984 c 208 § 14.]

**18.16.220 Appeal—Procedure.** Any person aggrieved by the refusal of the director to issue any license provided for in this chapter, or to renew the same, or by the revocation or suspension of any license issued under this chapter or by the application of any penalty under RCW 18.16.210, shall have the right to appeal the decision of the director to the superior court of the county in which the person maintains his or her place of business. Such appeal shall be filed within thirty days of the director's decision. [1984 c 208 § 15.]

**18.16.230 License suspension—Nonpayment or default on educational loan or scholarship.** The director shall suspend the license of any person who has been certified by a lending agency and reported to the director for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's license shall not be reissued until the person provides the director a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for licensure during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the director may impose. [1996 c 293 § 5.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.16.240 License suspension—Noncompliance with support order—Reissuance.** The department shall immediately suspend the license 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

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. [1997 c 58 § 815.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.16.900 Short title—1984 c 208.** This act shall be known and may be cited as the "Washington cosmetologists, barbers, and manicurists act" [1984 c 208 § 20.]

**18.16.905 Severability—1984 c 208.** 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. [1984 c 208 § 22.]

**18.16.907 Effective date—1984 c 208.** This act shall take effect July 1, 1984. [1984 c 208 § 23.]

**18.16.910 Severability—1991 c 324.** 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. [1991 c 324 § 22.]

## Chapter 18.19 COUNSELORS

### Sections

- 18.19.010 Legislative findings—Insurance benefits not mandated.
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- 18.19.030 Registration or certification required.
- 18.19.040 Exemptions.
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- 18.19.080 Official records.
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- 18.19.120 Certification of mental health counselors—Practice defined—Continuing education.
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- 18.19.190 Other professions not affected.
- 18.19.900 Short title.

18.19.901 Severability—1987 c 512.

**18.19.010 Legislative findings—Insurance benefits not mandated.** The qualifications and practices of counselors in this state are virtually unknown to potential clients. Beyond the regulated practices of psychiatry and psychology, there are a considerable variety of disciplines, theories, and techniques employed by other counselors under a number of differing titles. The legislature recognizes the right of all counselors to practice their skills freely, consistent with the requirements of the public health and safety, as well as the right of individuals to choose which counselors best suit their needs and purposes. This chapter shall not be construed to require or prohibit that individual or group policies or contracts of an insurance carrier, health care service contractor, or health maintenance organization provide benefits or coverage for services and supplies provided by a person registered or certified under this chapter. [1987 c 512 § 1.]

**18.19.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Certified marriage and family therapist" means a person certified to practice marriage and family therapy pursuant to RCW 18.19.130.

(2) "Certified mental health counselor" means a person certified to practice mental health counseling pursuant to RCW 18.19.120.

(3) "Certified social worker" means a person certified to practice social work pursuant to RCW 18.19.110.

(4) "Client" means an individual who receives or participates in counseling or group counseling.

(5) "Counseling" means employing any therapeutic techniques, including but not limited to social work, mental health counseling, marriage and family therapy, and hypnotherapy, for a fee that offer, assist or attempt to assist an individual or individuals in the amelioration or adjustment of mental, emotional, or behavioral problems, and includes therapeutic techniques to achieve sensitivity and awareness of self and others and the development of human potential. For the purposes of this chapter, nothing may be construed to imply that the practice of hypnotherapy is necessarily limited to counseling.

(6) "Counselor" means an individual, practitioner, therapist, or analyst who engages in the practice of counseling to the public for a fee, including for the purposes of this chapter, hypnotherapists.

(7) "Department" means the department of health.

(8) "Secretary" means the secretary of the department or the secretary's designee. [1991 c 3 § 19; 1987 c 512 § 3.]

**18.19.030 Registration or certification required.** No person may, for a fee or as a part of his or her position as an employee of a state agency, practice counseling without being registered to practice by the department under this chapter unless exempt under RCW 18.19.040. No person may represent himself or herself as a certified social worker, certified mental health counselor, or certified marriage and family therapist without being so certified by the department under this chapter. [1991 c 3 § 20; 1987 c 512 § 2.]

**18.19.040 Exemptions.** Nothing in this chapter may be construed to prohibit or restrict:

(1) The practice of a profession by a person who is either registered, certified, licensed, or similarly regulated under the laws of this state and who is performing services within the person's authorized scope of practice, including any attorney admitted to practice law in this state when providing counseling incidental to and in the course of providing legal counsel;

(2) The practice of counseling by an employee or trainee of any federal agency, or the practice of counseling by a student of a college or university, if the employee, trainee, or student is practicing solely under the supervision of and accountable to the agency, college, or university, through which he or she performs such functions as part of his or her position for no additional fee other than ordinary compensation;

(3) The practice of counseling by a person without a mandatory charge;

(4) The practice of counseling by persons offering services for public and private nonprofit organizations or charities not primarily engaged in counseling for a fee when approved by the organizations or agencies for whom they render their services;

(5) Evaluation, consultation, planning, policy-making, research, or related services conducted by social scientists for private corporations or public agencies;

(6) The practice of counseling by a person under the auspices of a religious denomination, church, or organization, or the practice of religion itself;

(7) Counselors whose residency is not Washington state from providing up to ten days per quarter of training or workshops in the state, as long as they don't hold themselves out to be registered or certified in Washington state. [1987 c 512 § 4.]

**18.19.050 Powers of secretary—Application of uniform disciplinary act—Public education program.** (1) In addition to any other authority provided by law, the secretary has the following authority:

(a) To adopt rules, in accordance with chapter 34.05 RCW, necessary to implement this chapter;

(b) To set all certification, registration, and renewal fees in accordance with RCW 43.70.250 and to collect and deposit all such fees in the health professions account established under RCW 43.70.320;

(c) To establish forms and procedures necessary to administer this chapter;

(d) To hire clerical, administrative, and investigative staff as needed to implement this chapter;

(e) To issue a registration to any applicant who has met the requirements for registration;

(f) To set educational, ethical, and professional standards of practice for certification;

(g) To prepare and administer or cause to be prepared and administered an examination for all qualified applicants for certification;

(h) To establish criteria for evaluating the ability and qualifications of persons applying for a certificate, including standards for passing the examination and standards of qualification for certification to practice;

(i) To evaluate and designate those schools from which graduation will be accepted as proof of an applicant's eligibility to receive a certificate and to establish standards and procedures for accepting alternative training in lieu of such graduation;

(j) To issue a certificate to any applicant who has met the education, training, and conduct requirements for certification;

(k) To set competence requirements for maintaining certification; and

(l) To develop a dictionary of recognized professions and occupations providing counseling services to the public included under this chapter.

(2) The uniform disciplinary act, chapter 18.130 RCW, governs the issuance and denial of certifications and registrations and the discipline of certified practitioners and registrants under this chapter. The secretary shall be the disciplining authority under this chapter. The absence of educational or training requirements for counselors registered under this chapter or the counselor's use of nontraditional nonabusive therapeutic techniques shall not, in and of itself, give the secretary authority to unilaterally determine the training and competence or to define or restrict the scope of practice of such individuals.

(3) The department shall publish and disseminate information in order to educate the public about the responsibilities of counselors and the rights and responsibilities of clients established under this chapter. Solely for the purposes of administering this education requirement, the secretary shall assess an additional fee for each registration and certification application and renewal, equal to five percent of the fee. The revenue collected from the assessment fee may be appropriated by the legislature for the department's use in educating consumers pursuant to this section. The authority to charge the assessment fee shall terminate on June 30, 1994. [1991 c 3 § 21; 1987 c 512 § 5.]

**18.19.060 Information disclosure to clients.** Persons registered or certified under this chapter shall provide clients at the commencement of any program of treatment with accurate disclosure information concerning their practice, in accordance with guidelines developed by the department, that will inform clients of the purposes of and resources available under this chapter, including the right of clients to refuse treatment, the responsibility of clients for choosing the provider and treatment modality which best suits their needs, and the extent of confidentiality provided by this chapter. The disclosure information provided by the counselor, the receipt of which shall be acknowledged in writing by the counselor and client, shall include any relevant education and training, the therapeutic orientation of the practice, the proposed course of treatment where known, any financial requirements, and such other information as the department may require by rule. The disclosure information shall also include a statement that registration of an individual under this chapter does not include a recognition of any practice standards, nor necessarily imply the effectiveness of any treatment. [1987 c 512 § 6.]

**18.19.070 Council established—Membership—Qualifications—Removal—Vacancy—Duties and pow-**

**ers—Compensation.** (1) The Washington state mental health quality assurance council is created, consisting of seven members appointed by the secretary. All appointments shall be for a term of four years. No person may serve as a member of the council for more than two consecutive full terms.

Voting members of the council must include one social worker certified under RCW 18.19.110, one mental health counselor certified under RCW 18.19.120, one marriage and family therapist certified under RCW 18.19.130, one counselor registered under RCW 18.19.090, one hypnotherapist registered under RCW 18.19.090, and two public members. Each member of the council must be a citizen of the United States and a resident of this state. Public members of the council may not be a member of any other health care licensing board or commission, or have a fiduciary obligation to a facility rendering health services regulated by the council, or have a material or financial interest in the rendering of health services regulated by the council.

The secretary may appoint the initial members of the council to staggered terms of from one to four years. Thereafter, all members shall be appointed to full four-year terms. Members of the council hold office until their successors are appointed.

The secretary may remove any member of the council for cause as specified by rule. In the case of a vacancy, the secretary shall appoint a person to serve for the remainder of the unexpired term.

(2) The council shall meet at the times and places designated by the secretary and shall hold meetings during the year as necessary to provide advice to the secretary.

Each member of the council shall be reimbursed for travel expenses as authorized in RCW 43.03.050 and 43.03.060. In addition, members of the council shall be compensated in accordance with RCW 43.03.240 when engaged in the authorized business of the council. The members of the council are immune from suit in an action, civil or criminal, based on their official acts performed in good faith as members of the council. [1996 c 191 § 4; 1994 sp.s. c 9 § 501; 1991 c 3 § 22; 1987 c 512 § 7.]

**Severability—Headings and captions not law—Effective date—**1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

**18.19.080 Official records.** The secretary shall keep an official record of all proceedings, a part of which record shall consist of a register of all applicants for registration or certification under this chapter, with the result of each application. [1991 c 3 § 23; 1987 c 512 § 8.]

**18.19.090 Registration of counselors and hypnotherapists.** The secretary shall issue a registration to any applicant who submits, on forms provided by the secretary, the applicant's name, address, occupational title, name and location of business, and other information as determined by the secretary, including information necessary to determine whether there are grounds for denial of registration or issuance of a conditional registration under this chapter or chapter 18.130 RCW. Applicants for registration shall register as counselors or may register as hypnotherapists if employing hypnosis as a modality. Applicants

shall, in addition, provide in their titles a description of their therapeutic orientation, discipline, theory, or technique. Each applicant shall pay a fee determined by the secretary as provided in RCW 43.70.250, which shall accompany the application. [1991 c 3 § 24; 1987 c 512 § 9.]

**18.19.100 Registration renewal.** The secretary shall establish administrative procedures, administrative requirements, and fees for renewal of registrations as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 5; 1991 c 3 § 25; 1987 c 512 § 10.]

**18.19.110 Certification of social workers.** (1) The department shall issue a certified social worker certificate to any applicant meeting the following requirements:

(a) A minimum of a master's degree from an accredited graduate school of social work approved by the secretary;

(b) A minimum of two years of post-master's degree social work practice under the supervision of a social worker certified under this chapter or a person deemed acceptable to the secretary, such experience consisting of at least thirty hours per week for two years or at least twenty hours per week for three years; and

(c) Successful completion of the examination in RCW 18.19.150, unless the applicant qualified under an exemption pursuant to subsection (2) of this section or RCW 18.19.160.

Applicants shall be subject to the grounds for denial or issuance of a conditional certificate in chapter 18.130 RCW.

(2) Except as provided in RCW 18.19.160, an applicant is exempt from the examination provisions of this chapter under the following conditions if application for exemption is made within twelve months after July 26, 1987:

(a) The applicant shall establish to the satisfaction of the secretary that he or she has been engaged in the practice of social work as defined in this chapter for two of the previous four years; and

(b) The applicant has the following academic qualifications: (i) A doctorate or master's degree in social work from an accredited graduate school of social work or comparable and equivalent educational attainment as determined by the secretary in consultation with the advisory committee; and (ii) two years of postgraduate social work experience under the supervision of a social worker who qualifies for certification under this chapter or under the supervision of any other professional deemed appropriate by the secretary.

(3) Certified social work practice is that aspect of counseling that involves the professional application of social work values, principles, and methods by individuals trained in accredited social work graduate programs and requires knowledge of human development and behavior, knowledge of social systems and social resources, an adherence to the social work code of ethics, and knowledge of and sensitivity to ethnic minority populations. It includes, but is not limited to, evaluation, assessment, treatment of psychopathology, consultation, psychotherapy and counseling, prevention and educational services, administration, policy-making, research, and education directed toward client services. [1991 c 3 § 26; 1987 c 512 § 12.]

**18.19.120 Certification of mental health counselors—Practice defined—Continuing education.** (1) The department shall issue a certified mental health counselor certificate to any applicant meeting the following requirements:

(a) A master's or doctoral degree in mental health counseling or a behavioral science master's or doctoral degree in a related field with the program equivalency as determined by rule by the department based on nationally recognized standards; and

(b) Two years of postgraduate practice of counseling under the supervision of a qualified mental health counselor-supervisor or other mental health professional deemed appropriate by the secretary that may be accumulated concurrently with completion of the required program equivalency; and

(c) Qualification by an examination, submission of all necessary documents, and payment of required fees.

(2) Certified mental health counseling practice is that aspect of counseling that involves the provision of professional mental health counseling services to individuals, couples, and families, singly or in groups, whether the services are offered directly to the general public or through organizations, either public or private, for a fee, monetary or otherwise. "Certified mental health counseling" means the application of principles of human development, learning theory, group dynamics, and etiology of mental illness and dysfunctional behavior to individuals, couples, families, groups, and organizations, for the purpose of treating mental disorders and promoting optimal mental health and functionality. Certified mental health counseling also includes, but is not limited to, the assessment, diagnosis, and treatment of mental and emotional disorders, educational techniques developed to prevent such disorders, as well as the application of a wellness model of mental health.

(3) Nothing in this definition shall be construed as permitting the administration or prescribing of drugs or in any way infringing upon the practice of medicine and surgery as defined in chapter 18.71 RCW.

(4) The secretary may establish rules governing mandatory continuing education requirements for a certified mental health counselor applying for renewal. [1995 c 183 § 1; 1991 c 3 § 27; 1987 c 512 § 13.]

**18.19.130 Certification of marriage and family therapists—Practice defined.** (1) The department shall issue a certified marriage and family therapist certificate to any applicant meeting the following requirements:

(a) A master's or doctoral degree in marriage and family therapy, or a behavioral science master's or doctoral degree and the program equivalency as determined by rule by the department based on nationally recognized standards;

(b)(i) After receiving a master's or doctoral degree in marriage and family therapy, two years of postgraduate practice of marriage and family therapy, under the supervision of a qualified marriage and family therapy supervisor;

(ii) After receiving a master's or doctoral degree in a behavioral science, two years of postgraduate practice in marriage and family therapy under supervision of a qualified marriage and family supervisor, which may be accumulated

concurrently with completion of the program equivalency as adopted by the department by rule; and

(c) A passing score on a written examination that includes a section on Washington's statutes and rules, including provisions of the uniform disciplinary act, approved by the department for certified marriage and family therapists.

(2) The practice of marriage and family therapy is that aspect of counseling that involves the rendering of professional marriage and family therapy services to individuals, couples, and families, singly or in groups, whether such services are offered directly to the general public or through organizations, either public or private, for a fee, monetary or otherwise. "Marriage and family therapy" means the diagnosis and treatment of mental and emotional disorders, whether cognitive, affective, or behavioral, within the context of marriage and family systems. Marriage and family therapy involves the professional application of family systems theories and techniques in the delivery of services to individuals, couples, and families for the purpose of treating such disorders. [1993 c 259 § 1; 1991 c 3 § 28; 1987 c 512 § 14.]

**18.19.140 Applications for certification.** Applications for certification shall be submitted on forms provided by the secretary. The secretary may require any information and documentation which reasonably relates to the need to determine whether the applicant meets the criteria for certification provided for in this chapter and chapter 18.130 RCW. Each applicant shall pay a fee determined by the secretary as provided in RCW 43.70.250, which shall accompany the application. The department shall not knowingly permit access to or use of its mailing list of certificate holders for commercial purposes. [1991 c 3 § 29; 1987 c 512 § 17.]

**18.19.150 Examination of applicants for certification.** (1) The date and location of the examinations required under this chapter shall be established by the secretary. Applicants who have been found by the secretary to meet the other requirements for certification will be scheduled for the next examination following the filing of the application. However, the applicant will not be scheduled for any examination taking place sooner than sixty days after the application is filed.

(2) The secretary shall examine each applicant, by means determined most effective, on subjects appropriate to the scope of practice. The examinations shall be limited to the purpose of determining whether the applicant possesses the minimum skill and knowledge necessary to practice competently.

(3) The examination papers, all grading thereon, and the grading of any practical work shall be preserved for a period of not less than one year after the secretary has published the results. All examinations shall be conducted by the secretary by means of fair and wholly impartial methods.

(4) Any applicant who fails to make the required grade in the first examination is entitled to take up to three subsequent examinations as the applicant desires upon the prepayment of a fee determined by the secretary as provided in RCW 43.70.250 for each subsequent examination. Upon

failure of four examinations, the secretary may invalidate the original application and require remedial education prior to admittance to future examinations.

(5) The secretary may approve an examination prepared or administered, or both, by a private testing agency or association of licensing agencies for use by an applicant in meeting the licensing requirement. [1991 c 3 § 30; 1987 c 512 § 16.]

**18.19.160 Certification of persons credentialed out-of-state—Temporary retirement of certified persons.** (1) Upon receiving a written application, evidence of qualification and the required fee, the department shall issue a certificate for certification without examination to an applicant who is currently credentialed under the laws of another jurisdiction, if the requirements of the other jurisdiction are substantially equal to the requirements of this chapter.

(2) A person certified under this chapter who is or desires to be temporarily retired from practice in this state shall send written notice to the secretary. Upon receipt of the notice, the person shall be placed upon the nonpracticing list. While on the list, the person is not required to pay the renewal fees and shall not engage in any such practice. In order to resume practice, application for renewal shall be made in the ordinary course with the renewal fee for the current period. Persons in a nonpracticing status for a period exceeding five years shall provide evidence of current knowledge or skill, by examination, as the secretary may require. [1991 c 3 § 31; 1987 c 512 § 19.]

**18.19.170 Renewal of certificates—Continuing education.** A certificate issued under this chapter shall be renewed as provided in RCW 43.70.250 and 43.70.280. The secretary shall establish continuing competence requirements by rule in consultation with the mental health quality assurance council. Certified counselors are responsible for obtaining thirty-six clock hours of continuing education during the two-year reporting period immediately preceding renewal of certification, including subjects in professional ethics and law. [1998 c 32 § 1; 1996 c 191 § 6; 1991 c 3 § 32; 1987 c 512 § 15.]

**18.19.180 Confidential communications.** An individual registered or certified under this chapter shall not disclose the written acknowledgment of the disclosure statement pursuant to RCW 18.19.060 nor any information acquired from persons consulting the individual in a professional capacity when that information was necessary to enable the individual to render professional services to those persons except:

(1) With the written consent of that person or, in the case of death or disability, the person's personal representative, other person authorized to sue, or the beneficiary of an insurance policy on the person's life, health, or physical condition;

(2) That a person registered or certified under this chapter is not required to treat as confidential a communication that reveals the contemplation or commission of a crime or harmful act;

(3) If the person is a minor, and the information acquired by the person registered or certified under this

chapter indicates that the minor was the victim or subject of a crime, the person registered or certified may testify fully upon any examination, trial, or other proceeding in which the commission of the crime is the subject of the inquiry;

(4) If the person waives the privilege by bringing charges against the person registered or certified under this chapter;

(5) In response to a subpoena from a court of law or the secretary. The secretary may subpoena only records related to a complaint or report under chapter 18.130 RCW; or

(6) As required under chapter 26.44 RCW. [1991 c 3 § 33; 1987 c 512 § 11.]

**18.19.190 Other professions not affected.** This chapter shall not be construed as permitting the administration or prescription of drugs or in any way infringing upon the practice of medicine and surgery as defined in chapter 18.71 RCW, or in any way infringing upon the practice of psychology as defined in chapter 18.83 RCW, or restricting the scope of the practice of counseling for those registered or certified under this chapter. [1987 c 512 § 18.]

**18.19.900 Short title.** This chapter shall be known as the omnibus credentialing act for counselors. [1987 c 512 § 20.]

**18.19.901 Severability—1987 c 512.** 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. [1987 c 512 § 28.]

## Chapter 18.20 BOARDING HOMES

### Sections

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**18.20.010 Purpose.** The purpose of this chapter is to provide for the development, establishment, and enforcement of standards for the maintenance and operation of boarding homes, which, in the light of advancing knowledge, will promote safe and adequate care of the individuals therein. It is further the intent of the legislature that boarding homes be available to meet the needs of those for whom they care by recognizing the capabilities of individuals to direct their self-medication or to use supervised self-medication techniques when ordered and approved by a physician licensed under chapter 18.57 or 18.71 RCW or a \*podiatrist licensed under chapter 18.22 RCW. [1985 c 297 § 1; 1957 c 253 § 1.]

**\*Reviser's note:** The term "podiatrist" was changed to "podiatrist physician and surgeon" by 1990 c 147.

**18.20.020 Definitions.** (*Contingent effective date.*) As used in this chapter:

(1) "Aged person" means a person of the age sixty-five years or more, or a person of less than sixty-five years who by reason of infirmity requires domiciliary care.

(2) "Boarding home" means any home or other institution, however named, which is advertised, announced or maintained for the express or implied purpose of providing board and domiciliary care to three or more aged persons not related by blood or marriage to the operator. It shall not include facilities certified as group training homes pursuant to RCW 71A.22.040, nor any home, institution or section thereof which is otherwise licensed and regulated under the provisions of state law providing specifically for the licensing and regulation of such home, institution or section thereof. Nor shall it include any independent senior housing, independent living units in continuing care retirement communities, or other similar living situations including those subsidized by the department of housing and urban development.

(3) "Person" means any individual, firm, partnership, corporation, company, association, or joint stock association, and the legal successor thereof.

(4) "Secretary" means the secretary of health.

(5) "Department" means the state department of health.

(6) "Authorized department" means any city, county, city-county health department or health district authorized by the secretary of health to carry out the provisions of this chapter. [1991 c 3 § 34; 1989 c 329 § 1; 1985 c 213 § 4; 1979 c 141 § 25; 1957 c 253 § 2.]

**Savings—Effective date—1985 c 213:** See notes following RCW 43.20.050.

**18.20.020 Definitions.** (*Contingent expiration date.*) As used in this chapter:

(1) "Aged person" means a person of the age sixty-five years or more, or a person of less than sixty-five years who by reason of infirmity requires domiciliary care.

(2) "Boarding home" means any home or other institution, however named, which is advertised, announced or maintained for the express or implied purpose of providing board and domiciliary care to three or more aged persons not related by blood or marriage to the operator. It shall not include facilities certified as group training homes pursuant to RCW 71A.22.040, nor any home, institution or section thereof which is otherwise licensed and regulated under the provisions of state law providing specifically for the licensing and regulation of such home, institution or section thereof. Nor shall it include any independent senior housing, independent living units in continuing care retirement communities, or other similar living situations including those subsidized by the department of housing and urban development.

(3) "Person" means any individual, firm, partnership, corporation, company, association, or joint stock association, and the legal successor thereof.

(4) "Secretary" means the secretary of social and health services.

(5) "Department" means the state department of social and health services.

(6) "Authorized department" means any city, county, city-county health department or health district authorized by the secretary to carry out the provisions of this chapter. [1998 c 272 § 14; 1991 c 3 § 34; 1989 c 329 § 1; 1985 c 213 § 4; 1979 c 141 § 25; 1957 c 253 § 2.]

**Contingent expiration date—Expiration date—1998 c 272 §§ 13-16 and 17:** See note following RCW 18.20.240.

**Findings—Severability—Effective date—1998 c 272:** See notes following RCW 18.20.230.

**Savings—Effective date—1985 c 213:** See notes following RCW 43.20.050.

**18.20.030 License required.** After January 1, 1958, no person shall operate or maintain a boarding home as defined in this chapter within this state without a license under this chapter. [1957 c 253 § 3.]

**18.20.040 Application for license.** An application for a license shall be made to the department or authorized department upon forms provided by either of said departments and shall contain such information as the department reasonably requires, which shall include affirmative evidence of ability to comply with such rules and regulations as are lawfully promulgated by the board. [1957 c 253 § 4.]

**18.20.050 Licenses—Issuance—Renewal—Provisional licenses—Fees—Display.** Upon receipt of an application for license, if the applicant and the boarding home facilities meet the requirements established under this chapter, the department or the department and the authorized health department jointly, shall issue a license. If there is a failure to comply with the provisions of this chapter or the standards, rules, and regulations promulgated pursuant thereto, the department, or the department and authorized health department, may in its discretion issue to an applicant for a license, or for the renewal of a license, a provisional license which will permit the operation of the boarding home for a period to be determined by the department, or the department and authorized health department, but not to

exceed twelve months, which provisional license shall not be subject to renewal. At the time of the application for or renewal of a license or provisional license the licensee shall pay a license fee as established by the department under RCW 43.20B.110. When the license or provisional license is issued jointly by the department and authorized health department, the license fee shall be paid to the authorized health department. All licenses issued under the provisions of this chapter shall expire on a date to be set by the department, but no license issued pursuant to this chapter shall exceed twelve months in duration: PROVIDED, That when the annual license renewal date of a previously licensed boarding home is set by the department on a date less than twelve months prior to the expiration date of a license in effect at the time of reissuance, the license fee shall be prorated on a monthly basis and a credit be allowed at the first renewal of a license for any period of one month or more covered by the previous license. All applications for renewal of license shall be made not later than thirty days prior to the date of expiration of the license. Each license shall be issued only for the premises and persons named in the application, and no license shall be transferable or assignable. Licenses shall be posted in a conspicuous place on the licensed premises. [1987 c 75 § 3; 1982 c 201 § 4; 1971 ex.s. c 247 § 1; 1957 c 253 § 5.]

**Savings—Severability—1987 c 75:** See RCW 43.20B.900 and 43.20B.901.

**18.20.060 Actions against license.** The department or the department and authorized department jointly, as the case may be, may deny, suspend, or revoke a license in any case in which it finds there has been a failure or refusal to comply with the requirements established under this chapter or the rules adopted under it. RCW 43.70.115 governs notice of a license denial, revocation, suspension, or modification and provides the right to an adjudicative proceeding. [1991 c 3 § 35; 1989 c 175 § 60; 1985 c 213 § 5; 1957 c 253 § 6.]

**Effective date—1989 c 175:** See note following RCW 34.05.010.

**Savings—Effective date—1985 c 213:** See notes following RCW 43.20.050.

**18.20.090 Rules, regulations, and standards.** The department shall adopt, amend, and promulgate such rules, regulations, and standards with respect to all boarding homes and operators thereof to be licensed hereunder as may be designed to further the accomplishment of the purposes of this chapter in promoting safe and adequate care of individuals in boarding homes and the sanitary, hygienic and safe conditions of the boarding home in the interest of public health, safety, and welfare. [1985 c 213 § 6; 1971 ex.s. c 189 § 3; 1957 c 253 § 9.]

**Savings—Effective date—1985 c 213:** See notes following RCW 43.20.050.

**18.20.100 Enforcement by local authorities—Authorization.** Where it is determined by the secretary together with the jurisdictional health officer, that a city, county, city-county health department or health district is qualified to carry out the provisions of this chapter, he shall authorize such political subdivision or agency to administer

and enforce this chapter, and the rules and regulations promulgated hereunder.

Any such authorization may be withdrawn by the secretary after thirty days' notice in writing to the authorized department should the secretary determine that the authorized department is unwilling or unable to carry out the duties and responsibilities hereunder. [1979 c 141 § 26; 1957 c 253 § 10.]

**18.20.110 Inspection of boarding homes—Approval of changes or new facilities.** The department or authorized health department shall make or cause to be made at least a yearly inspection and investigation of all boarding homes. Every inspection may include an inspection of every part of the premises and an examination of all records (other than financial records), methods of administration, the general and special dietary and the stores and methods of supply. Following such inspection or inspections, written notice of any violation of this law or the rules and regulations promulgated hereunder, shall be given the applicant or licensee and the department. The department may prescribe by regulations that any licensee or applicant desiring to make specified types of alterations or additions to its facilities or to construct new facilities shall, before commencing such alteration, addition or new construction, submit plans and specifications therefor to the department or to the authorized department for preliminary inspection and approval or recommendations with respect to compliance with the regulations and standards herein authorized. [1985 c 213 § 7; 1957 c 253 § 11.]

**Savings—Effective date—1985 c 213:** See notes following RCW 43.20.050.

**18.20.115 System of quality improvement for long-term care services—Principles.** The department's system of quality improvement for long-term care services shall use the following principles, consistent with applicable federal laws and regulations:

(1) The system shall be resident-centered and promote privacy, independence, dignity, choice, and a home or home-like environment for residents consistent with chapter 70.129 RCW.

(2) The goal of the system is continuous quality improvement with the focus on resident satisfaction and outcomes for residents. This includes that when conducting licensing inspections, the department shall interview an appropriate percentage of residents, family members, and advocates in addition to interviewing appropriate staff.

(3) Facilities should be supported in their efforts to improve quality and address identified problems initially through training, consultation, and technical assistance.

(4) The emphasis should be on problem prevention both in monitoring and in screening potential providers of service.

(5) Monitoring should be outcome based and responsive to resident complaints and a clear set of health, quality of care, and safety standards that are easily understandable and have been made available to facilities.

(6) Prompt and specific enforcement remedies shall also be implemented without delay, consistent with RCW 18.20.190, for facilities found to have delivered care or failed to deliver care resulting in problems that are serious,

recurring, or uncorrected, or that create a hazard that is causing or likely to cause death or serious harm to one or more residents. These enforcement remedies may also include, when appropriate, reasonable conditions on a license. In the selection of remedies, the safety, health, and well-being of residents shall be of paramount importance.

(7) To the extent funding is available, the licensee, administrator, and their staff should be screened through background checks in a uniform and timely manner to ensure that they do not have a criminal history that would disqualify them from working with vulnerable adults. Employees may be provisionally hired pending the results of the background check if they have been given three positive references.

(8) The department shall promote the development of a training system that is practical and relevant to the needs of residents and staff. To improve access to training, especially for rural communities, the training system may include, but is not limited to, the use of satellite technology distance learning that is coordinated through community colleges or other appropriate organizations.

(9) No licensee, administrator, or staff, or prospective licensee, administrator, or staff, with a stipulated finding of fact, conclusion of law, and agreed order, or finding of fact, conclusion of law, or final order issued by a disciplining authority, a court of law, or entered into the state registry finding him or her guilty of abuse, neglect, exploitation, or abandonment of a minor or a vulnerable adult as defined in chapter 74.34 RCW shall be employed in the care of and have unsupervised access to vulnerable adults. [1997 c 392 § 213.]

**Short title—Findings—Construction—Conflict with federal requirements—Part headings and captions not law—1997 c 392:** See notes following RCW 74.39A.009.

**18.20.120 Information disclosure.** All information received by the department or authorized health department through filed reports, inspections, or as otherwise authorized under this chapter, shall not be disclosed publicly in any manner as to identify individuals or boarding homes, except at the specific request of a member of the public and disclosure is consistent with RCW 42.17.260(1). [1994 c 214 § 25; 1957 c 253 § 12.]

**Severability—Conflict with federal requirements—Captions not law—1994 c 214:** See RCW 70.129.900 through 70.129.902.

**18.20.130 Fire protection—Duties of chief of the Washington state patrol.** Standards for fire protection and the enforcement thereof, with respect to all boarding homes to be licensed hereunder, shall be the responsibility of the chief of the Washington state patrol, through the director of fire protection, who shall adopt such recognized standards as may be applicable to boarding homes for the protection of life against the cause and spread of fire and fire hazards. The department upon receipt of an application for a license, shall submit to the chief of the Washington state patrol, through the director of fire protection, in writing, a request for an inspection, giving the applicant's name and the location of the premises to be licensed. Upon receipt of such a request, the chief of the Washington state patrol, through the director of fire protection, or his or her deputy, shall make an inspection of the boarding home to be licensed, and if it is found that the premises do not comply

with the required safety standards and fire regulations as promulgated by the chief of the Washington state patrol, through the director of fire protection, he or she shall promptly make a written report to the boarding home and the department or authorized department as to the manner and time allowed in which the premises must qualify for a license and set forth the conditions to be remedied with respect to fire regulations. The department, authorized department, applicant or licensee shall notify the chief of the Washington state patrol, through the director of fire protection, upon completion of any requirements made by him or her, and the chief of the Washington state patrol, through the director of fire protection, or his or her deputy, shall make a reinspection of such premises. Whenever the boarding home to be licensed meets with the approval of the chief of the Washington state patrol, through the director of fire protection, he or she shall submit to the department or authorized department, a written report approving same with respect to fire protection before a full license can be issued. The chief of the Washington state patrol, through the director of fire protection, shall make or cause to be made inspections of such homes at least annually.

In cities which have in force a comprehensive building code, the provisions of which are determined by the chief of the Washington state patrol, through the director of fire protection, to be equal to the minimum standards of the code for boarding homes adopted by the chief of the Washington state patrol, through the director of fire protection, the chief of the fire department, provided the latter is a paid chief of a paid fire department, shall make the inspection with the chief of the Washington state patrol, through the director of fire protection, or his or her deputy and they shall jointly approve the premises before a full license can be issued. [1995 c 369 § 4; 1986 c 266 § 81; 1957 c 253 § 13.]

**Effective date—1995 c 369:** See note following RCW 43.43.930.

**Severability—1986 c 266:** See note following RCW 38.52.005.

*State fire protection: Chapter 48.48 RCW.*

**18.20.140 Operating without license—Penalty.** Any person operating or maintaining any boarding home without a license under this chapter shall be guilty of a misdemeanor and each day of a continuing violation shall be considered a separate offense. [1957 c 253 § 14.]

**18.20.150 Operating without license—Injunction.** Notwithstanding the existence or use of any other remedy, the department, may, in the manner provided by law, upon the advice of the attorney general who shall represent the department in the proceedings, maintain an action in the name of the state for an injunction or other process against any person to restrain or prevent the operation or maintenance of a boarding home without a license under this chapter. [1957 c 253 § 15.]

**18.20.160 Persons requiring medical or nursing care.** No person operating a boarding home licensed under this chapter shall admit to or retain in the boarding home any aged person requiring nursing or medical care of a type provided by institutions licensed under chapters 18.51, 70.41 or 71.12 RCW, except that when registered nurses are available, and upon a doctor's order that a supervised

medication service is needed, it may be provided. Supervised medication services, as defined by the department, may include an approved program of self-medication or self-directed medication. Such medication service shall be provided only to boarders who otherwise meet all requirements for residency in a boarding home. [1985 c 297 § 2; 1975 1st ex.s. c 43 § 1; 1957 c 253 § 16.]

**18.20.170 Homes operated by religious organizations.** Nothing in this chapter or the rules and regulations adopted pursuant thereto shall be construed as authorizing the supervision, regulation, or control of the remedial care or treatment of residents in any boarding home conducted for those who rely upon treatment by prayer or spiritual means in accordance with the creed or tenets of any well-recognized church or religious denomination. [1957 c 253 § 17.]

**18.20.180 Resident rights.** RCW 70.129.005 through 70.129.030, 70.129.040(1), and 70.129.050 through 70.129.170 apply to this chapter and persons regulated under this chapter. [1994 c 214 § 21.]

**Severability—Conflict with federal requirements—Captions not law—1994 c 214:** See RCW 70.129.900 through 70.129.902.

**18.20.185 Complaints—Toll-free telephone number—Investigation and referral—Rules—Retaliation prohibited.** (1) The department shall establish and maintain a toll-free telephone number for receiving complaints regarding a facility that the department licenses.

(2) All facilities that are licensed under this chapter shall post in a place and manner clearly visible to residents and visitors the department's toll-free complaint telephone number and the toll-free number and program description of the long-term care ombudsman as provided by RCW 43.190.050.

(3) The department shall investigate complaints if the subject of the complaint is within its authority unless the department determines that: (a) The complaint is intended to willfully harass a licensee or employee of the licensee; or (b) there is no reasonable basis for investigation; or (c) corrective action has been taken as determined by the ombudsman or the department.

(4) The department shall refer complaints to appropriate state agencies, law enforcement agencies, the attorney general, the long-term care ombudsman, or other entities if the department lacks authority to investigate or if its investigation reveals that a follow-up referral to one or more of these entities is appropriate.

(5) The department shall adopt rules that include the following complaint investigation protocols:

(a) Upon receipt of a complaint, the department shall make a preliminary review of the complaint, assess the severity of the complaint, and assign an appropriate response time. Complaints involving imminent danger to the health, safety, or well-being of a resident must be responded to within two days. When appropriate, the department shall make an on-site investigation within a reasonable time after receipt of the complaint or otherwise ensure that complaints are responded to.

(b) The complainant must be: Promptly contacted by the department, unless anonymous or unavailable despite

several attempts by the department, and informed of the right to discuss alleged violations with the inspector and to provide other information the complainant believes will assist the inspector; informed of the department's course of action; and informed of the right to receive a written copy of the investigation report.

(c) In conducting the investigation, the department shall interview the complainant, unless anonymous, and shall use its best efforts to interview the resident or residents allegedly harmed by the violations, and, in addition to facility staff, any available independent sources of relevant information, including if appropriate the family members of the resident.

(d) Substantiated complaints involving harm to a resident, if an applicable law or regulation has been violated, shall be subject to one or more of the actions provided in RCW 18.20.190. Whenever appropriate, the department shall also give consultation and technical assistance to the facility.

(e) In the best practices of total quality management and continuous quality improvement, after a department finding of a violation that is serious, recurring, or uncorrected following a previous citation, the department shall make an on-site revisit of the facility to ensure correction of the violation. This subsection does not prevent the department from enforcing license suspensions or revocations.

(f) Substantiated complaints of neglect, abuse, exploitation, or abandonment of residents, or suspected criminal violations, shall also be referred by the department to the appropriate law enforcement agencies, the attorney general, and appropriate professional disciplining authority.

(6) The department may provide the substance of the complaint to the licensee before the completion of the investigation by the department unless such disclosure would reveal the identity of a complainant, witness, or resident who chooses to remain anonymous. Neither the substance of the complaint provided to the licensee or contractor nor any copy of the complaint or related report published, released, or made otherwise available shall disclose, or reasonably lead to the disclosure of, the name, title, or identity of any complainant, or other person mentioned in the complaint, except that the name of the provider and the name or names of any officer, employee, or agent of the department conducting the investigation shall be disclosed after the investigation has been closed and the complaint has been substantiated. The department may disclose the identity of the complainant if such disclosure is requested in writing by the complainant. Nothing in this subsection shall be construed to interfere with the obligation of the long-term care ombudsman program to monitor the department's licensing, contract, and complaint investigation files for long-term care facilities.

(7) The resident has the right to be free of interference, coercion, discrimination, and reprisal from a facility in exercising his or her rights, including the right to voice grievances about treatment furnished or not furnished. A facility licensed under this chapter shall not discriminate or retaliate in any manner against a resident, employee, or any other person on the basis or for the reason that such resident or any other person made a complaint to the department, the attorney general, law enforcement agencies, or the long-term care ombudsman, provided information, or otherwise cooperated with the investigation of such a complaint. Any

attempt to discharge a resident against the resident's wishes, or any type of retaliatory treatment of a resident by whom or upon whose behalf a complaint substantiated by the department has been made to the department, the attorney general, law enforcement agencies, or the long-term care ombudsman, within one year of the filing of the complaint, raises a rebuttable presumption that such action was in retaliation for the filing of the complaint. "Retaliatory treatment" means, but is not limited to, monitoring a resident's phone, mail, or visits; involuntary seclusion or isolation; transferring a resident to a different room unless requested or based upon legitimate management reasons; withholding or threatening to withhold food or treatment unless authorized by a terminally ill resident or his or her representative pursuant to law; or persistently delaying responses to a resident's request for service or assistance. A facility licensed under this chapter shall not willfully interfere with the performance of official duties by a long-term care ombudsman. The department shall sanction and may impose a civil penalty of not more than three thousand dollars for a violation of this subsection. [1997 c 392 § 214.]

**Short title—Findings—Construction—Conflict with federal requirements—Part headings and captions not law—1997 c 392:** See notes following RCW 74.39A.009.

**18.20.190 Department response to noncompliance or violations. (*Contingent effective date.*)** (1) The department of health is authorized to take one or more of the actions listed in subsection (2) of this section in any case in which the department finds that a boarding home provider has:

(a) Failed or refused to comply with the requirements of this chapter or the rules adopted under this chapter;

(b) Operated a boarding home without a license or under a revoked license;

(c) Knowingly, or with reason to know, made a false statement of material fact on his or her application for license or any data attached thereto, or in any matter under investigation by the department; or

(d) Willfully prevented or interfered with any inspection or investigation by the department.

(2) When authorized by subsection (1) of this section, the department may take one or more of the following actions:

(a) Refuse to issue a license;

(b) Impose reasonable conditions on a license, such as correction within a specified time, training, and limits on the type of clients the provider may admit or serve;

(c) Impose civil penalties of not more than one hundred dollars per day per violation;

(d) Suspend, revoke, or refuse to renew a license; or

(e) Suspend admissions to the boarding home by imposing stop placement.

(3) When the department orders stop placement, the facility shall not admit any new resident until the stop placement order is terminated. The department may approve readmission of a resident to the facility from a hospital or nursing home during the stop placement. The department shall terminate the stop placement when: (a) The violations necessitating the stop placement have been corrected; and (b) the provider exhibits the capacity to maintain adequate care and service.

(4) Chapter 34.05 RCW applies to department actions under this section, except that orders of the department imposing license suspension, stop placement, or conditions for continuation of a license are effective immediately upon notice and shall continue pending any hearing. [1995 1st sp.s. c 18 § 18.]

**Conflict with federal requirements—Severability—Effective date—1995 1st sp.s. c 18:** See notes following RCW 74.39A.030.

**18.20.190 Department response to noncompliance or violations. (*Contingent expiration date.*)** (1) The department of social and health services is authorized to take one or more of the actions listed in subsection (2) of this section in any case in which the department finds that a boarding home provider has:

(a) Failed or refused to comply with the requirements of this chapter or the rules adopted under this chapter;

(b) Operated a boarding home without a license or under a revoked license;

(c) Knowingly, or with reason to know, made a false statement of material fact on his or her application for license or any data attached thereto, or in any matter under investigation by the department; or

(d) Willfully prevented or interfered with any inspection or investigation by the department.

(2) When authorized by subsection (1) of this section, the department may take one or more of the following actions:

(a) Refuse to issue a license;

(b) Impose reasonable conditions on a license, such as correction within a specified time, training, and limits on the type of clients the provider may admit or serve;

(c) Impose civil penalties of not more than one hundred dollars per day per violation;

(d) Suspend, revoke, or refuse to renew a license; or

(e) Suspend admissions to the boarding home by imposing stop placement.

(3) When the department orders stop placement, the facility shall not admit any new resident until the stop placement order is terminated. The department may approve readmission of a resident to the facility from a hospital or nursing home during the stop placement. The department shall terminate the stop placement when: (a) The violations necessitating the stop placement have been corrected; and (b) the provider exhibits the capacity to maintain adequate care and service.

(4) Chapter 34.05 RCW applies to department actions under this section, except that orders of the department imposing license suspension, stop placement, or conditions for continuation of a license are effective immediately upon notice and shall continue pending any hearing. [1998 c 272 § 15; 1995 1st sp.s. c 18 § 18.]

**Contingent expiration date—Expiration date—1998 c 272 §§ 13-16 and 17:** See note following RCW 18.20.240.

**Findings—Severability—Effective date—1998 c 272:** See notes following RCW 18.20.230.

**Conflict with federal requirements—Severability—Effective date—1995 1st sp.s. c 18:** See notes following RCW 74.39A.030.

**18.20.200 License suspension—Nonpayment or default on educational loan or scholarship.** The secretary shall suspend the license of any person who has been certi-

fied by a lending agency and reported to the secretary for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's license shall not be reissued until the person provides the secretary a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for licensure during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the secretary may impose. [1996 c 293 § 6.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.20.210 License suspension—Noncompliance with support order—Reissuance.** The department shall immediately suspend the license 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 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. [1997 c 58 § 816.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.20.220 Residential care contracted services, conversion to—Requirements.** For the purpose of encouraging a nursing home licensed under chapter 18.51 RCW to convert a portion or all of its licensed bed capacity to provide enhanced adult residential care contracted services under chapter 74.39A RCW, the department shall:

(1) Find the nursing home to be in satisfactory compliance with RCW 18.20.110 and 18.20.130, upon application for boarding home licensure and the production of copies of its most recent nursing home inspection reports demonstrating compliance with the safety standards and fire regulations, as required by RCW 18.51.140, and the state building code, as required by RCW 18.51.145, including any waivers that may have been granted. However, boarding home licensure requirements pertaining to resident to bathing fixture/toilet ratio, corridor call system, resident room door closures, and resident room windows may require modification, unless determined to be functionally equivalent, based upon a precensure survey inspection.

(2) Allow residents receiving enhanced adult residential care services to make arrangements for on-site health care services, consistent with Title 18 RCW regulating health care professions, to the extent that such services can be provided while maintaining the resident's right to privacy and safety in treatment, but this in no way means that such services may only be provided in a private room. The provision of on-site health care services must otherwise be consistent with RCW 18.20.160 and the rules adopted under RCW 18.20.160. [1997 c 164 § 1.]

**18.20.230 Training standards review—Delivery system—Issues reviewed—Report to the legislature.** (1) The department of social and health services shall review, in coordination with the department of health, the nursing care quality assurance commission, adult family home providers, boarding home providers, in-home personal care providers, and long-term care consumers and advocates, training standards for administrators and resident caregiving staff. The departments and the commission shall submit to the appropriate committees of the house of representatives and the senate by December 1, 1998, specific recommendations on training standards and the delivery system, including necessary statutory changes and funding requirements. Any proposed enhancements shall be consistent with this section, shall take into account and not duplicate other training requirements applicable to boarding homes and staff, and shall be developed with the input of boarding home and resident representatives, health care professionals, and other vested interest groups. Training standards and the delivery system shall be relevant to the needs of residents served by the boarding home and recipients of long-term in-home personal care services and shall be sufficient to ensure that administrators and caregiving staff have the skills and knowledge necessary to provide high quality, appropriate care.

(2) The recommendations on training standards and the delivery system developed under subsection (1) of this section shall be based on a review and consideration of the following: Quality of care; availability of training; affordability, including the training costs incurred by the department of social and health services and private providers; portability of existing training requirements; competency testing; practical and clinical course work; methods of delivery of training; standards for management and caregiving staff training; and necessary enhancements for special needs populations and resident rights training. Residents with special needs include, but are not limited to, residents with a diagnosis of mental illness, dementia, or developmental disability.

(3) The department of social and health services shall report to the appropriate committees of the house of representatives and the senate by December 1, 1998, on the cost of implementing the proposed training standards for state-funded residents, and on the extent to which that cost is covered by existing state payment rates. [1998 c 272 § 2.]

**Findings—1998 c 272:** "The legislature finds that many residents of long-term care facilities and recipients of in-home personal care services are exceptionally vulnerable and their health and well-being are heavily dependent on their caregivers. The legislature further finds that the quality of staff in long-term care facilities is often the key to good care. The need for well-trained staff and well-managed facilities is growing as the state's population ages and the acuity of the health care problems of residents increases. In order to better protect and care for residents, the legislature

directs that the minimum training standards be reviewed for management and caregiving staff, including those serving residents with special needs, such as mental illness, dementia, or a developmental disability, that management and caregiving staff receive appropriate training, and that the training delivery system be improved." [1998 c 272 § 1.]

**Severability—1998 c 272:** "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." [1998 c 272 § 25.]

**Effective date—1998 c 272:** "Except for section 5 of this act, 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 [April 1, 1998]." [1998 c 272 § 26.]

**18.20.240 Powers and duties transferred—Department of social and health services. (Contingent expiration date.)** (1) Powers and duties regarding boarding homes, previously assigned under this chapter to the department of health and to the secretary of health, are by this section transferred to the department of social and health services and to the secretary of social and health services, respectively. This section further provides that, regarding boarding homes, all references within the Revised Code of Washington to the department of health and to the secretary of health mean the department of social and health services and the secretary of social and health services, respectively.

(2)(a) The department of health shall deliver to the department of social and health services all reports, documents, surveys, books, records, data, files, papers, and written material pertaining to boarding homes and the powers, functions, and duties transferred by this section. The department of health shall make available to the department of social and health services all cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the department of health in carrying out the powers, functions, and duties transferred by this section. The department of health shall assign to the department of social and health services all funds, credits, and other assets that the department of health possesses in connection with the power, functions, and duties transferred by this section.

(b) On April 1, 1998, the department of health shall transfer to the department of social and health services any appropriations and license fees made to or possessed by the department of health for carrying out the powers, functions, and duties transferred by this section.

(c) When a question arises regarding the transfer of personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers, functions, and duties transferred by this section, the director of financial management shall determine the proper allocation and shall certify that determination to the state agencies concerned.

(3) The department of social and health services shall continue and shall act upon all rules and pending business before the department of health pertaining to the powers, functions, and duties transferred by this section.

(4) The transfer of powers, functions, duties, and personnel from the department of health to the department of social and health services, as mandated by this section, will not affect the validity of any act performed by the department of health regarding boarding homes before April 1, 1998.

(5) If apportionments of budgeted funds are required because of the transfers mandated 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 necessary transfers and adjustments in funds, appropriation accounts, and equipment records in accordance with the certification.

(6) Nothing contained in this section alters any existing collective bargaining unit or the provisions of any existing collective bargaining agreement until the agreement expires or until the bargaining unit is modified by action of the personnel board as provided by law. [1998 c 272 § 13.]

**Contingent expiration date—Expiration date—1998 c 272 §§ 13-16 and 17:** "(1) Sections 13 through 16 of this act expire July 1, 2000, unless reauthorized by the legislature.

(2) Section 17 of this act expires December 12, 1999." [1998 c 272 § 24.]

**Findings—Severability—Effective date—1998 c 272:** See notes following RCW 18.20.230.

**18.20.250 Federal funding programs, opportunities—Secretary's duty to comply. (Contingent expiration date.)** The secretary may adopt rules and policies as necessary to entitle the state to participate in federal funding programs and opportunities and to facilitate state and federal cooperation in programs under the department's jurisdiction. The secretary shall ensure that any internal reorganization carried out under the terms of this chapter complies with prerequisites for the receipt of federal funding for the various programs under the department's control. When interpreting any department-related section or provision of law susceptible to more than one interpretation, the secretary shall construe that section or provision in the manner most likely to comply with federal laws and rules entitling the state to receive federal funds for the various programs of the department. If any law or rule dealing with the department is ruled to be in conflict with federal prerequisites to the allocation of federal funding to the state, the department, or its agencies, the secretary shall declare that law or rule inoperative solely to the extent of the conflict. [1998 c 272 § 16.]

**Contingent expiration date—Expiration date—1998 c 272 §§ 13-16 and 17:** See note following RCW 18.20.240.

**Findings—Severability—Effective date—1998 c 272:** See notes following RCW 18.20.230.

**18.20.900 Severability—1957 c 253.** If any part, or parts, of this chapter shall be held unconstitutional, the remaining provisions shall be given full force and effect, as completely as if the part held unconstitutional had not been included herein, if any such remaining part can then be administered for the purpose of establishing and maintaining standards for boarding homes. [1957 c 253 § 20.]

## Chapter 18.22

### PODIATRIC MEDICINE AND SURGERY

(Formerly: Podiatry)

#### Sections

18.22.003	Regulation of health care professions—Criteria.
18.22.005	Legislative finding—Purpose.
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(1998 Ed.)

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18.22.191	Rules and regulations.
18.22.210	Unlawful practice—Evidence of.
18.22.220	Violations—Penalty.
18.22.230	Exemptions.
18.22.900	Severability—1917 c 38.
18.22.910	Severability—1955 c 149.
18.22.911	Severability—1982 c 21.
18.22.950	Short title.

*Actions for negligence against, evidence and proof required to prevail:* RCW 4.24.290.

*Health care assistants:* Chapter 18.135 RCW.

*Health professions account—Fees credited—Requirements for biennial budget request:* RCW 43.70.320.

*Rebating by practitioners of healing professions prohibited:* Chapter 19.68 RCW.

**18.22.003 Regulation of health care professions—Criteria.** See chapter 18.120 RCW.

**18.22.005 Legislative finding—Purpose.** The legislature finds that the conduct of podiatric physicians and surgeons licensed to practice in this state plays a vital role in preserving the public health and well-being. The purpose of this chapter is to establish an effective public agency to regulate the practice of podiatric medicine and surgery for the protection and promotion of the public health, safety, and welfare and to act as a disciplinary body for the licensed podiatric physicians and surgeons of this state and to ensure that only individuals who meet and maintain minimum standards of competence and conduct may obtain a license to provide podiatric services to the public. [1990 c 147 § 1; 1982 c 21 § 1.]

**18.22.010 Definitions.** As used in this chapter, the following terms have the meanings indicated unless the context clearly requires otherwise.

(1) "Podiatric physician and surgeon" means an individual licensed under this chapter.

(2) "Board" means the Washington state podiatric medical board.

(3) "Department" means the department of health.

(4) "Secretary" means the secretary of health or the secretary's designee.

(5) "Approved school of podiatric medicine and surgery" means a school approved by the board, which may consider official recognition of the Council of Education of the American Podiatric Medical Association in determining the

approval of schools of podiatric medicine and surgery. [1990 c 147 § 2; 1982 c 21 § 2; 1973 c 77 § 1; 1955 c 149 § 1; 1941 c 31 § 1; 1921 c 120 § 1; 1917 c 38 § 1; Rem. Supp. 1941 § 10074.]

**18.22.013 Podiatric medical board—Membership.**

There is created the Washington state podiatric medical board consisting of five members to be appointed by the governor. All members shall be residents of the state. One member shall be a consumer whose occupation does not include the administration of health activities or the providing of health services and who has no material financial interest in providing health care services. Four members shall be podiatric physicians and surgeons who at the time of appointment have been licensed under the laws of this state for at least five consecutive years immediately preceding appointment and shall at all times during their terms remain licensed podiatric physicians and surgeons.

Board members shall serve five-year terms. No person may serve more than two consecutive terms on the board. Each member shall take the usual oath of a state officer, which shall be filed with the secretary of state, and each member shall hold office for the term of appointment and until a successor is appointed and sworn.

Each member is subject to removal at the pleasure of the governor. If a vacancy on the board occurs from any cause, the governor shall appoint a successor for the unexpired term. [1990 c 147 § 3; 1982 c 21 § 8.]

*Secretary of health or designee ex officio member of health professional licensure and disciplinary boards: RCW 43.70.300.*

**18.22.014 Board—Officers—Members' compensation and travel expenses.** The board shall meet at the places and times it determines and as often as necessary to discharge its duties. The board shall elect a chairperson, vice-chairperson, and secretary from among its members. Members shall be compensated in accordance with RCW 43.03.240 in addition to travel expenses provided by RCW 43.03.050 and 43.03.060. A simple majority of the board members currently serving constitutes a quorum of the board. [1990 c 147 § 4; 1984 c 287 § 26; 1982 c 21 § 9.]

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**18.22.015 Board—Duties—Rules.** The board shall:

- (1) Administer all laws placed under its jurisdiction;
- (2) Prepare, grade, and administer or determine the nature, grading, and administration of examinations for applicants for podiatric physician and surgeon licenses;
- (3) Examine and investigate all applicants for podiatric physician and surgeon licenses and certify to the secretary all applicants it judges to be properly qualified;
- (4) Adopt any rules which it considers necessary or proper to carry out the purposes of this chapter;
- (5) Determine which schools of podiatric medicine and surgery will be approved. [1990 c 147 § 5; 1986 c 259 § 18; 1982 c 21 § 10.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

*Director of licensing or director's designee ex officio member of health professional licensure and disciplinary boards: RCW 43.70.300.*

**18.22.018 Application of uniform disciplinary act.** The uniform disciplinary act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter. [1987 c 150 § 10; 1986 c 259 § 17.]

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.22.021 License required.** It is a violation of RCW 18.130.190 for any person to practice podiatry in this state unless the person first has obtained a license therefor. [1987 c 150 § 11.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.22.025 License required to practice podiatric medicine and surgery.** No person may practice or represent himself or herself as a podiatric physician and surgeon without first applying for and receiving a license under this chapter to practice podiatric medicine and surgery. [1990 c 147 § 7.]

**18.22.035 Practice of podiatric medicine and surgery—Quality—Definition—Prescriptions—Limitations.** (1) A podiatric physician and surgeon is responsible for the quality of podiatric care.

(2) The practice of podiatric medicine and surgery is the diagnosis and the medical, surgical, mechanical, manipulative, and electrical treatments of ailments of the human foot.

(3) Podiatric physicians and surgeons may issue prescriptions valid at any pharmacy for any drug, including narcotics, necessary in the practice of podiatry.

(4) Podiatrists shall not:

- (a) Amputate the foot;
- (b) Administer spinal anesthetic or any anesthetic that renders the patient unconscious; or
- (c) Treat systemic conditions. [1990 c 147 § 6.]

**18.22.040 Applicants—Fee—Eligibility.** Before any person may take an examination for the issuance of a podiatric physician and surgeon license, the applicant shall submit a completed application and a fee determined by the secretary as provided in RCW 43.70.250. The applicant shall also furnish the secretary and the board with satisfactory proof that:

(1) The applicant has not engaged in unprofessional conduct as defined in chapter 18.130 RCW and is not unable to practice with reasonable skill and safety as a result of a physical or mental impairment;

(2) The applicant has satisfactorily completed a course in an approved school of podiatric medicine and surgery;

(3) The applicant has completed one year [of] postgraduate podiatric medical training in a program approved by the board, provided that applicants graduating before July 1, 1993, shall be exempt from the postgraduate training requirement. [1993 c 29 § 2; 1990 c 147 § 8; 1982 c 21 § 5; 1979 c 158 § 18; 1973 c 77 § 4; 1971 ex.s. c 292 § 19; 1955 c 149 § 2; 1935 c 48 § 3; 1921 c 120 § 3; 1917 c 38 § 6; RRS § 10079.]

**Severability—1971 ex.s. c 292:** See note following RCW 26.28.010.

**18.22.045 Postgraduate training license.** The board may grant approval to issue a license without examination to a podiatric physician and surgeon in a board-approved postgraduate training program in this state if the applicant files an application and meets all the requirements for licensure set forth in RCW 18.22.040 except for completion of one year of postgraduate training. The secretary shall issue a postgraduate podiatric medicine and surgery license that permits the physician to practice podiatric medicine and surgery only in connection with his or her duties in the postgraduate training program. The postgraduate training license does not authorize the podiatric physician to engage in any other form of practice. Each podiatric physician and surgeon in postgraduate training shall practice podiatric medicine and surgery under the supervision of a physician licensed in this state under this chapter, or chapter 18.71 or 18.57 RCW, but such supervision shall not be construed to necessarily require the personal presence of the supervising physician at the place where services are rendered.

All persons licensed under this section shall be subject to the jurisdiction of the podiatric medical board as set forth in this chapter and chapter 18.130 RCW.

Persons applying for licensure pursuant to this section shall pay an application and renewal fee determined by the secretary as provided in RCW 43.70.250. Postgraduate training licenses may be renewed annually. Any person who obtains a license pursuant to this section may apply for licensure under this chapter but shall submit a new application form and comply with all other licensing requirements of this chapter. [1993 c 29 § 1.]

**18.22.060 Examination—Date, location, and application—Reexamination.** (1) The date and location of the examination shall be established by the board. Applicants who have met the requirements for examination under RCW 18.22.040 will be scheduled for the next examination after the filing of the complete application. The board shall establish by rule the examination application deadline.

(2) An applicant who fails to pass an examination satisfactorily is entitled to reexamination upon the payment of a fee for each reexamination determined by the secretary as provided in RCW 43.70.250. [1990 c 147 § 9; 1985 c 7 § 11; 1982 c 21 § 7; 1975 1st ex.s. c 30 § 16; 1973 c 77 § 6; 1965 c 97 § 1; 1957 c 52 § 14. Prior: (i) 1921 c 120 § 5; 1917 c 38 § 9; RRS § 10082. (ii) 1921 c 120 § 4; 1917 c 38 § 7; RRS § 10080.]

**18.22.082 License—Reciprocity.** An applicant holding a license to practice podiatric medicine and surgery in another state may be licensed without examination if the secretary determines that the other state's licensing standards are substantively equivalent to the standards in this state. [1990 c 147 § 10.]

**18.22.083 License—Examination to determine professional qualifications.** Before being issued a license to practice podiatric medicine and surgery, applicants must successfully pass the examinations administered by the national board of podiatry examiners and an examination administered or approved by the board to determine their professional qualifications. The examination administered by

the board shall include the subject areas as the board may require by rule.

The board may approve an examination prepared or administered, or both, by a private testing agency, other licensing authority, or association of licensing authorities.

The board may by rule establish the passing grade for the examination. [1990 c 147 § 11; 1982 c 21 § 13.]

**18.22.110 License—Display.** Every holder of a podiatric physician and surgeon license shall keep the license on exhibition in a conspicuous place in the holder's office or place of business. [1990 c 147 § 12; 1973 c 77 § 9; 1957 c 52 § 15. Prior: 1917 c 38 § 2, part; RRS § 10075, part.]

**18.22.120 License renewal.** The board shall establish by rule the requirements for renewal of licenses and relicensing. Administrative procedures, administrative requirements, and fees shall be established as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 7; 1990 c 147 § 13; 1985 c 7 § 13; 1982 c 21 § 14; 1975 1st ex.s. c 30 § 18; 1973 c 77 § 10; 1971 ex.s. c 266 § 4; 1965 c 97 § 2; 1955 c 149 § 6. Prior: (i) 1921 c 120 § 5, part; 1917 c 38 § 9, part; RRS § 10082, part. (ii) 1921 c 120 § 9; RRS § 10096.]

**18.22.125 License—Inactive status.** (1) An individual may place his or her license on inactive status. The holder of an inactive license shall not practice podiatric medicine and surgery in this state without first activating the license.

(2) The inactive renewal fee shall be established by the secretary under RCW 43.70.250, but may not exceed twenty-five percent of the active license renewal fee. Failure to renew an inactive license results in cancellation in the same manner as an active license.

(3) An inactive license may be placed in an active status upon compliance with the rules established by the board.

(4) The provisions of this chapter relating to the denial, suspension, and revocation of a license are applicable to an inactive license, except that when proceedings to suspend or revoke an inactive license have been initiated, the license remains inactive until the proceedings have been completed. [1990 c 147 § 14.]

**18.22.191 Rules and regulations.** The secretary shall have the power and duty to formulate and prescribe such rules and regulations as may be reasonable in the proper administration of this chapter. In addition to any other authority provided by law, the secretary may:

(1) Set all fees required in this chapter in accordance with RCW 43.70.250;

(2) Establish forms necessary to administer this chapter;

(3) Maintain the official department record of all applicants and licensees. [1990 c 147 § 15; 1955 c 149 § 13.]

**18.22.210 Unlawful practice—Evidence of.** It is prima facie evidence of the practice of podiatric medicine and surgery or of holding oneself out as a practitioner of podiatric medicine and surgery within the meaning of this chapter for any person to treat in any manner ailments of the human foot by medical, surgical, or mechanical means or

appliances, or to use the title "podiatrist," "podiatric physician and surgeon," or any other words or letters which designate or tend to designate to the public that the person so treating or holding himself or herself out to treat, is a podiatric physician and surgeon. [1990 c 147 § 16; 1982 c 21 § 17; 1973 c 77 § 17; 1935 c 48 § 4; 1921 c 120 § 6; 1917 c 38 § 10; RRS § 10083.]

**18.22.220 Violations—Penalty.** Every person violating, or failing to comply with, the provisions of this chapter shall be guilty of a gross misdemeanor. [1955 c 149 § 10; 1917 c 38 § 21; RRS § 10094.]

**18.22.230 Exemptions.** The following practices, acts, and operations are excepted from the operation of the provisions of this chapter:

(1) The practice of podiatric medicine and surgery by an individual employed by the government of the United States while the individual is engaged in the performance of duties prescribed by the laws and regulations of the United States;

(2) The practice of podiatric medicine and surgery by students enrolled in a school approved by the board. The performance of services must be pursuant to a course of instruction or assignments from an instructor and under the supervision of the instructor;

(3) The practice of podiatric medicine and surgery by licensed podiatric physicians and surgeons of other states or countries while appearing at educational seminars;

(4) The use of roentgen and other rays for making radiograms or similar records of the feet or portions thereof, under the supervision of a licensed podiatric physician and surgeon or a physician;

(5) The practice of podiatric medicine and surgery by externs, interns, and residents in training programs approved by the American Podiatric Medical Association;

(6) The performing of podiatric services by persons not licensed under this chapter when performed under the supervision of a licensed podiatrist if those services are authorized by board rule or other law to be so performed;

(7) The treatment of ailments of the feet by physicians licensed under chapter 18.57 or 18.71 RCW, or other licensed health professionals practicing within the scope of their licenses;

(8) The domestic administration of family remedies or treatment by prayer or spiritual means in accordance with the creed or tenets of any well recognized church or religious denomination. [1990 c 147 § 17; 1982 c 21 § 19; 1973 c 77 § 19; 1955 c 149 § 12.]

**18.22.900 Severability—1917 c 38.** If any provision of this act shall be held void or unconstitutional, all other provisions and all other sections of the act which are not expressly held to be void or unconstitutional shall continue in full force and effect. [1917 c 38 § 19.]

**18.22.910 Severability—1955 c 149.** If any provision of this act or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the provisions or application of this act which can be given effect without the invalid provisions or applications,

and to this end the provisions of this act are declared to be severable. [1955 c 149 § 16.]

**18.22.911 Severability—1982 c 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. [1982 c 21 § 20.]

**18.22.950 Short title.** This chapter shall be known as the Podiatric Physician and Surgeon Practice Act. [1990 c 147 § 19.]

## Chapter 18.25 CHIROPRACTIC

### Sections

- 18.25.002 Purpose.
- 18.25.003 Regulation of health care professions—Criteria.
- 18.25.005 "Chiropractic" defined.
- 18.25.006 Definitions.
- 18.25.011 License required.
- 18.25.0151 Commission established—Membership.
- 18.25.0161 Commission—Removal of member—Order of removal—Vacancy.
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- 18.25.0171 Commission—Duties and powers—Compensation—Rules.
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- 18.25.100 Prosecutions for violations.
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- 18.25.180 Employment of x-ray technicians—Rules.
- 18.25.190 Exemptions—Jurisdiction of commission.
- 18.25.200 Service and fee limitations by health care purchasers—Pilot projects.
- 18.25.900 Severability—Headings and captions not law—Effective date—1994 sp.s. c 9.

*Actions against, limitation of: RCW 4.16.350.*

*Actions for negligence against, evidence and proof required to prevail: RCW 4.24.290.*

*Health professions account—Fees credited—Requirements for biennial budget request: RCW 43.70.320.*

*Lien of doctors: Chapter 60.44 RCW.*

*Rebating by practitioners of healing professions prohibited: Chapter 19.68 RCW.*

**18.25.002 Purpose.** This chapter is enacted:

(1) In the exercise of the police power of the state and to provide an adequate public agency to act as a disciplinary body for the members of the chiropractic profession licensed to practice chiropractic in this state;

(2) Because the health and well-being of the people of this state are of paramount importance;

(3) Because the conduct of members of the chiropractic profession licensed to practice chiropractic in this state plays a vital role in preserving the health and well-being of the people of the state; and

(4) Because practicing other healing arts while licensed to practice chiropractic and while holding one's self out to the public as a chiropractor affects the health and welfare of the people of the state.

It is the purpose of the commission established under RCW 18.25.0151 to regulate the competency and quality of professional health care providers under its jurisdiction by establishing, monitoring, and enforcing qualifications for licensing, consistent standards of practice, continuing competency mechanisms, and discipline. Rules, policies, and procedures developed by the commission must promote the delivery of quality health care to the residents of the state. [1994 sp.s. c 9 § 101.]

**18.25.003 Regulation of health care professions—Criteria.** See chapter 18.120 RCW.

**18.25.005 "Chiropractic" defined.** (1) Chiropractic is the practice of health care that deals with the diagnosis or analysis and care or treatment of the vertebral subluxation complex and its effects, articular dysfunction, and musculoskeletal disorders, all for the restoration and maintenance of health and recognizing the recuperative powers of the body.

(2) Chiropractic treatment or care includes the use of procedures involving spinal adjustments, and extremity manipulation insofar as any such procedure is complementary or preparatory to a chiropractic spinal adjustment. Chiropractic treatment also includes the use of heat, cold, water, exercise, massage, trigger point therapy, dietary advice and recommendation of nutritional supplementation except for medicines of herbal, animal, or botanical origin, the normal regimen and rehabilitation of the patient, first aid, and counseling on hygiene, sanitation, and preventive measures. Chiropractic care also includes such physiological therapeutic procedures as traction and light, but does not include procedures involving the application of sound, diathermy, or electricity.

(3) As part of a chiropractic differential diagnosis, a chiropractor shall perform a physical examination, which may include diagnostic x-rays, to determine the appropriateness of chiropractic care or the need for referral to other health care providers. The chiropractic quality assurance commission shall provide by rule for the type and use of diagnostic and analytical devices and procedures consistent with this chapter.

(4) Chiropractic care shall not include the prescription or dispensing of any medicine or drug, the practice of obstetrics or surgery, the use of x-rays or any other form of radiation for therapeutic purposes, colonic irrigation, or any form of venipuncture.

(5) Nothing in this chapter prohibits or restricts any other practitioner of a "health profession" defined in RCW 18.120.020(4) from performing any functions or procedures the practitioner is licensed or permitted to perform, and the term "chiropractic" as defined in this chapter shall not prohibit a practitioner licensed under chapter 18.71 RCW from performing medical procedures, except such procedures shall not include the adjustment by hand of any articulation of the spine. [1994 sp.s. c 9 § 102; 1992 c 241 § 2; 1974 ex.s. c 97 § 7.]

**Intent—1992 c 241:** "This act is intended to expand the scope of practice of chiropractic only with regard to adjustment of extremities in connection with a spinal adjustment." [1992 c 241 § 1.]

**Severability—1974 ex.s. c 97:** See note following RCW 18.25.0192.

**18.25.006 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Department" means the department of health.

(2) "Secretary" means the secretary of the department of health or the secretary's designee.

(3) "Chiropractor" means an individual licensed under this chapter.

(4) "Commission" means the Washington state chiropractic quality assurance commission.

(5) "Vertebral subluxation complex" means a functional defect or alteration of the biomechanical and physiological dynamics in a joint that may cause neuronal disturbances, with or without displacement detectable by x-ray. The effects of the vertebral subluxation complex may include, but are not limited to, any of the following: Fixation, hypomobility, hypermobility, periarticular muscle spasm, edema, or inflammation.

(6) "Articular dysfunction" means an alteration of the biomechanical and physiological dynamics of a joint of the axial or appendicular skeleton.

(7) "Musculoskeletal disorders" means abnormalities of the muscles, bones, and connective tissue.

(8) "Chiropractic differential diagnosis" means a diagnosis to determine the existence of a vertebral subluxation complex, articular dysfunction, or musculoskeletal disorder, and the appropriateness of chiropractic care or the need for referral to other health care providers.

(9) "Chiropractic adjustment" means chiropractic care of a vertebral subluxation complex, articular dysfunction, or musculoskeletal disorder. Such care includes manual or mechanical adjustment of any vertebral articulation and contiguous articulations beyond the normal passive physiological range of motion.

(10) "Extremity manipulation" means a corrective thrust or maneuver applied to a joint of the appendicular skeleton. The use of extremity manipulation shall be complementary and preparatory to a chiropractic spinal adjustment to support correction of a vertebral subluxation complex and is considered a part of a spinal adjustment and shall not be billed separately from or in addition to a spinal adjustment. [1994 sp.s. c 9 § 103; 1992 c 241 § 3; 1991 c 3 § 36; 1989 c 258 § 12.]

**Intent—1992 c 241:** See note following RCW 18.25.005.

**18.25.011 License required.** It is a violation of RCW 18.130.190 for any person to practice chiropractic in this state unless the person has obtained a license as provided in this chapter. [1987 c 150 § 14.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.25.0151 Commission established—Membership.** The Washington state chiropractic quality assurance commission is established, consisting of fourteen members appointed by the governor to four-year terms, and including eleven practicing chiropractors and three public members. No member may serve more than two consecutive full terms. In appointing the initial members of the commission, it is the intent of the legislature that, to the extent possible, the governor appoint members of the previous boards and committees regulating this profession to the commission. Members of the commission hold office until their successors are appointed. The governor may appoint the members of the initial commissions [commission] to staggered terms of from one to four years. Thereafter, all members shall be appointed to full four-year terms. The governor may consider persons who are recommended for appointment by chiropractic associations of this state. [1994 sp.s. c 9 § 104.]

**18.25.0161 Commission—Removal of member—Order of removal—Vacancy.** The governor may remove a member of the commission for neglect of duty, misconduct, or malfeasance or misfeasance in office. Whenever the governor is satisfied that a member of the commission has been guilty of neglect of duty, misconduct, or malfeasance or misfeasance in office, the governor shall file with the secretary of state a statement of the causes for and the order of removal from office, and the secretary shall forthwith send a certified copy of the order of removal and statement of causes by certified mail to the last known post office address of the member. If a vacancy occurs on the commission, the governor shall appoint a replacement to fill the remainder of the unexpired term. [1994 sp.s. c 9 § 105.]

**18.25.0165 Commission—Qualifications of members.** Members must be citizens of the United States and residents of this state. Members must be licensed chiropractors for a period of five years before appointment. Public members of the commission may not be a member of any other health care licensing board or commission, or have a fiduciary obligation to a facility rendering health services regulated by the commission, or have a material or financial interest in the rendering of health services regulated by the commission. [1994 sp.s. c 9 § 106.]

**18.25.0171 Commission—Duties and powers—Compensation—Rules.** The commission shall elect officers each year. Meetings of the commission are open to the public, except that the commission may hold executive sessions to the extent permitted by chapter 42.30 RCW. The secretary of health shall furnish such secretarial, clerical, and other assistance as the commission may require.

Each member of the commission shall be compensated in accordance with RCW 43.03.240. Members shall be reimbursed for travel expenses incurred in the actual perfor-

mance of their duties, as provided in RCW 43.03.050 and 43.03.060.

A majority of the commission members appointed and serving constitutes a quorum for the transaction of commission business. The affirmative vote of a majority of a quorum of the commission is required to carry a motion or resolution, to adopt a rule, or to pass a measure.

The commission may appoint members of panels of at least three members. A quorum for transaction of any business by a panel is a minimum of three members. A majority vote of a quorum of the panel is required to transact business delegated to it by the commission.

The members of the commission are immune from suit in an action, civil or criminal, based upon its disciplinary proceedings or other official acts performed in good faith as members of the commission.

The commission may, whenever the workload of the commission requires, request that the secretary appoint pro tempore members. While serving as members pro tempore persons have all the powers, duties, and immunities, and are entitled to the emoluments, including travel expenses, of the commission.

The commission shall prepare or determine the nature of the examinations for applicants to practice chiropractic.

The commission may adopt such rules as are consistent with this chapter as may be deemed necessary and proper to carry out the purposes of this chapter. [1994 sp.s. c 9 § 107.]

**18.25.0172 Commission successor to other boards, committee.** The commission is the successor in interest of the board of chiropractic examiners, the chiropractic disciplinary board, and the chiropractic peer review committee. All contracts, undertakings, agreements, rules, regulations, and policies of those bodies continue in full force and effect on July 1, 1994, unless otherwise repealed or rejected by chapter 9, Laws of 1994 sp. sess. or by the commission. [1994 sp.s. c 9 § 119.]

**18.25.019 Application of Uniform Disciplinary Act.** The Uniform Disciplinary Act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter. [1994 sp.s. c 9 § 108; 1987 c 150 § 12; 1986 c 259 § 21.]

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.25.0192 Discrimination—Legislative finding and declaration.** The legislature finds and declares that the costs of health care to the people are rising disproportionately to other costs and that there is a paramount concern that the right of the people to obtain access to health care in all its facets is being impaired thereby. For this reason, the reliance on the mechanism of health care service contractors, whether profit or nonprofit, is the only effective manner in which the large majority of the people can attain access to quality health care, and it is therefore declared to be in the public interest that health care service contractors be regulated to assure that all the people have access to health care to the greatest extent possible. \*This 1974 amendatory act, prohibiting discrimination against the legally recognized and

licensed profession of chiropractic, is necessary in the interest of the public health, welfare, and safety. [1974 ex.s. c 97 § 1. Formerly RCW 18.25.120.]

**\*Reviser's note:** "This 1974 amendatory act" [1974 ex.s. c 97] consists of RCW 18.25.005, 18.25.120 through 18.25.170, 18.26.035 and amendments to RCW 18.25.017, 18.25.020, 18.25.030, 18.25.070, 18.26.030, 18.26.040, and 18.26.070.

**Severability—1974 ex.s. c 97:** "If any provision of this 1974 amendatory 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." [1974 ex.s. c 97 § 16.]

**18.25.0193 Discrimination—Acceptance of services required.** Notwithstanding any other provision of law, the state and its political subdivisions shall accept the services of licensed chiropractors for any service covered by their licenses with relation to any person receiving benefits, salaries, wages, or any other type of compensation from the state, its agencies or subdivisions. [1974 ex.s. c 97 § 2. Formerly RCW 18.25.130.]

**Severability—1974 ex.s. c 97:** See note following RCW 18.25.0192.

**18.25.0194 Discrimination by governments prohibited.** The state and its political subdivisions, and all officials, agents, employees, or representatives thereof, are prohibited from in any way discriminating against licensed chiropractors in performing and receiving compensation for services covered by their licenses. [1974 ex.s. c 97 § 3. Formerly RCW 18.25.140.]

**Severability—1974 ex.s. c 97:** See note following RCW 18.25.0192.

**18.25.0195 Discriminatory government contracts prohibited.** Notwithstanding any other provision of law, the state and its political subdivisions, and all officials, agents, employees, or representatives thereof, are prohibited from entering into any agreement or contract with any individual, group, association, or corporation which in any way, directly or indirectly, discriminates against licensed chiropractors in performing and receiving compensation for services covered by their licenses. [1974 ex.s. c 97 § 4. Formerly RCW 18.25.150.]

**Severability—1974 ex.s. c 97:** See note following RCW 18.25.0192.

**18.25.0196 Discrimination—Policy costs as additional compensation.** Notwithstanding any other provision of law, for the purpose of \*RCW 18.25.120 through 18.25.150 and 18.25.170 it is immaterial whether the cost of any policy, plan, agreement, or contract be deemed additional compensation for services, or otherwise. [1974 ex.s. c 97 § 5. Formerly RCW 18.25.160.]

**\*Reviser's note:** RCW 18.25.120 through 18.25.150 and 18.25.170 were recodified as RCW 18.25.0192 through 18.25.0195 and 18.25.0197 by 1994 sp.s. c 9 § 120, effective July 1, 1994.

**Severability—1974 ex.s. c 97:** See note following RCW 18.25.0192.

**18.25.0197 Discrimination—Application of \*RCW 18.25.120 through 18.25.160.** \*RCW 18.25.120 through 18.25.160 shall apply to all agreements, renewals, or contracts issued on or after July 24, 1974. [1974 ex.s. c 97 § 6. Formerly RCW 18.25.170.]

**\*Reviser's note:** RCW 18.25.120 through 18.25.160 were recodified as RCW 18.25.0192 through 18.25.0196 by 1994 sp.s. c 9 § 120, effective July 1, 1994.

**Severability—1974 ex.s. c 97:** See note following RCW 18.25.0192.

### 18.25.020 Applications—Qualifications—Fees. (1)

Any person not now licensed to practice chiropractic in this state and who desires to practice chiropractic in this state, before it shall be lawful for him or her to do so, shall make application therefor to the secretary, upon such form and in such manner as may be adopted and directed by the secretary. Each applicant who matriculates to a chiropractic college after January 1, 1975, shall have completed not less than one-half of the requirements for a baccalaureate degree at an accredited and approved college or university and shall be a graduate of a chiropractic school or college accredited and approved by the commission and shall show satisfactory evidence of completion by each applicant of a resident course of study of not less than four thousand classroom hours of instruction in such school or college. Applications shall be in writing and shall be signed by the applicant in his or her own handwriting and shall be sworn to before some officer authorized to administer oaths, and shall recite the history of the applicant as to his or her educational advantages, his or her experience in matters pertaining to a knowledge of the care of the sick, how long he or she has studied chiropractic, under what teachers, what collateral branches, if any, he or she has studied, the length of time he or she has engaged in clinical practice; accompanying the same by reference therein, with any proof thereof in the shape of diplomas, certificates, and shall accompany said application with satisfactory evidence of good character and reputation.

(2) Applicants shall follow administrative procedures and administrative requirements and pay fees as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 8; 1994 sp.s. c 9 § 109; 1991 c 3 § 38; 1989 c 258 § 3; 1985 c 7 § 14; 1975 1st ex.s. c 30 § 19; 1974 ex.s. c 97 § 9; 1959 c 53 § 3; 1919 c 5 § 5; RRS § 10100.]

**Severability—1974 ex.s. c 97:** See note following RCW 18.25.0192.

**18.25.025 Accreditation of schools and colleges—Standards—Assistants for examinations authorized.** The commission shall have authority to grant accreditation to chiropractic schools and colleges.

The commission shall have authority to adopt educational standards which may include standards of any accreditation agency recognized by the office of education of the department of health and human services or its successor agency, or any portion of such standards, as the commission's standards: PROVIDED, That such standards, so adopted, shall contain, as a minimum of on-campus instruction in chiropractic, the following: Principles of chiropractic, two hundred hours; adjustive technique, four hundred hours; spinal roentgenology, one hundred seventy-five hours; symptomatology and diagnosis, four hundred twenty-five hours; clinic, six hundred twenty-five hours: PROVIDED FURTHER, That such standards shall not mandate, as a requirement for either graduation or accreditation, or include in the computation of hours of chiropractic instruction required by this section, instruction in the following: Mechanotherapy, physiotherapy, acupuncture, acupressure, or any other therapy.

The commission shall approve and accredit chiropractic colleges and schools which apply for commission accreditation and approval and which meet to the commission's satisfaction the educational standards adopted by the commission. It shall be the responsibility of the college to apply for accreditation and approval, and of a student to ascertain whether a college or school has been accredited or approved by the commission.

The commission shall have authority to engage assistants in the giving of examinations called for under this chapter. [1994 sp.s. c 9 § 110; 1980 c 51 § 3.]

**Severability—1980 c 51:** "If any provision of this 1980 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." [1980 c 51 § 6.]

#### 18.25.030 Examinations—Subjects—Grades.

Examinations for license to practice chiropractic shall be developed and administered, or approved, or both, by the commission according to the method deemed by it to be the most practicable and expeditious to test the applicant's qualifications. The commission may approve an examination prepared or administered by a private testing agency or association of licensing authorities. The applicant shall be designated by a number instead of his or her name, so that the identity shall not be discovered or disclosed to the members of the commission until after the examination papers are graded.

Examination subjects may include the following: Anatomy, physiology, spinal anatomy, microbiology-public health, general diagnosis, neuromusculoskeletal diagnosis, X-ray, principles of chiropractic and adjusting, as taught by chiropractic schools and colleges, and any other subject areas consistent with chapter 18.25 RCW. The commission shall set the standards for passing the examination. The commission may enact additional requirements for testing administered by the national board of chiropractic examiners. [1995 c 198 § 1; 1994 sp.s. c 9 § 111; 1989 c 258 § 4; 1974 ex.s. c 97 § 10; 1959 c 53 § 4; 1919 c 5 § 6; RRS § 10101.]

**Severability—1974 ex.s. c 97:** See note following RCW 18.25.0192.

*Hiring assistants for examinations:* RCW 18.25.025.

**18.25.035 Waiver of examination.** The commission may, in its discretion, waive any examination required by this chapter of persons applying for a license to practice chiropractic if, in its opinion, the applicant has successfully passed an examination conducted by the national board of chiropractic examiners of the United States that is of equal or greater difficulty than the examination being waived by the commission. [1994 sp.s. c 9 § 112; 1971 ex.s. c 227 § 5.]

**18.25.040 Licensure by endorsement.** Persons licensed to practice chiropractic under the laws of any other state, territory of the United States, the District of Columbia, Puerto Rico, or province of Canada, having qualifications substantially equivalent to those required by this chapter, may, in the discretion of the commission, and after such examination as may be required by rule of the commission, be issued a license to practice in this state without further examination, upon payment of a fee determined by the secre-

tary as provided in RCW 43.70.250. [1994 sp.s. c 9 § 113; 1991 c 320 § 8; 1991 c 3 § 39; 1985 c 7 § 15; 1975 1st ex.s. c 30 § 20; 1971 ex.s. c 227 § 6; 1919 c 5 § 14; RRS § 10108.]

#### 18.25.050 Revocation or refusal of licenses—Hearing—Restoration.

**Reviser's note:** RCW 18.25.050 was amended by 1985 c 7 § 16 without reference to its repeal by 1986 c 259 § 27. It has been decodified for publication purposes pursuant to RCW 1.12.025.

#### 18.25.070 License renewal—Continuing education—

**Rules.** Every person practicing chiropractic shall, as a prerequisite to renewal of license, submit to the secretary at the time of application therefor, satisfactory proof showing attendance of at least twenty-five hours per year during the preceding credential period, at one or more chiropractic symposiums which are recognized and approved by the commission. The commission may, for good cause shown, waive said attendance. The following guidelines for such symposiums shall apply:

(1) The commission shall set criteria for the course content of educational symposia concerning matters which are recognized by the state of Washington chiropractic licensing laws; it shall be the licensee's responsibility to determine whether the course content meets these criteria;

(2) The commission shall adopt standards for distribution of annual continuing education credit requirements;

(3) Rules shall be adopted by the commission for licensees practicing and residing outside the state who shall meet all requirements established by rule of the commission. [1996 c 191 § 9; 1994 sp.s. c 9 § 114; 1991 c 3 § 40; 1989 c 258 § 5; 1985 c 7 § 17; 1980 c 51 § 2; 1975 1st ex.s. c 30 § 22; 1974 ex.s. c 97 § 11; 1971 ex.s. c 266 § 5; 1959 c 53 § 5; 1919 c 5 § 10; RRS § 10105.]

**Severability—1980 c 51:** See note following RCW 18.25.025.

**Severability—1974 ex.s. c 97:** See note following RCW 18.25.0192.

**18.25.075 Inactive status.** (1) An individual may place his or her license on inactive status. The holder of an inactive license shall not practice chiropractic in this state without first activating the license.

(2) The inactive renewal fee shall be established by the secretary pursuant to RCW 43.70.250. Failure to renew an inactive license shall result in cancellation in the same manner as an active license.

(3) An inactive license may be placed in an active status upon compliance with the rules established by the commission.

(4) The provisions relating to the denial, suspension, and revocation of a license shall be applicable to an inactive license, except that when proceedings to suspend or revoke an inactive license have been initiated, the license shall remain inactive until the proceedings have been completed. [1994 sp.s. c 9 § 115; 1991 c 3 § 41; 1989 c 258 § 14.]

**18.25.080 Health regulations.** Chiropractic practitioners shall observe and be subject to all state and municipal regulations relating to the control of contagious and infectious diseases, sign death certificates and any and all matters pertaining to public health, reporting to the proper health

officers the same as other practitioners. [1919 c 5 § 12; RRS § 10107.]

**18.25.090 Use of credentials in written materials—Treatment by prayer not regulated.** On all cards, books, papers, signs or other written or printed means of giving information to the public, used by those licensed by this chapter to practice chiropractic, the practitioner shall use after or below his or her name the term chiropractor, chiropractic physician, D.C., or D.C.Ph.C., designating his or her line of drugless practice, and shall not use the letters M.D. or D.O.: PROVIDED, That the word doctor or "Dr." or physician may be used only in conjunction with the word "chiropractic" or "chiropractor". Nothing in this chapter shall be held to apply to or to regulate any kind of treatment by prayer. [1991 c 320 § 9; 1989 c 258 § 6; 1986 c 259 § 24; 1981 c 277 § 3; 1971 ex.s. c 227 § 7; 1919 c 5 § 15; RRS § 10109.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.25.100 Prosecutions for violations.** It shall be the duty of the several prosecuting attorneys of this state to prosecute all persons charged with the violation of any of the provisions of this chapter. It shall be the duty of the secretary to aid said attorneys of this state in the enforcement of this chapter. [1991 c 3 § 42; 1919 c 5 § 16; RRS § 10110.]

**18.25.112 "Unprofessional conduct"—Additional definition—Prosecution.** (1) In addition to those acts defined in chapter 18.130 RCW, the term "unprofessional conduct" as used in this chapter includes failing to differentiate chiropractic care from any and all other methods of healing at all times.

(2) Proceedings involving alleged unprofessional conduct shall be prosecuted by the attorney general upon the direction of the commission. [1994 sp.s. c 9 § 116.]

**18.25.180 Employment of x-ray technicians—Rules.** (1) A chiropractor may employ a technician to operate x-ray equipment after the technician has registered with the commission.

(2) The commission may adopt rules necessary and appropriate to carry out the purposes of this section. [1994 sp.s. c 9 § 117; 1991 c 222 § 9.]

**Effective date—1991 c 222:** See RCW 18.84.903.

**18.25.190 Exemptions—Jurisdiction of commission.** Nothing in this chapter shall be construed to prohibit:

(1) The temporary practice in this state of chiropractic by any chiropractor licensed by another state, territory, or country in which he or she resides. However, the chiropractor shall not establish a practice open to the general public and shall not engage in temporary practice under this section for a period longer than thirty days. The chiropractor shall register his or her intention to engage in the temporary practice of chiropractic in this state with the commission before engaging in the practice of chiropractic, and shall agree to be bound by such conditions as may be prescribed by rule by the commission.

(2) The practice of chiropractic, except the administration of a chiropractic adjustment, by a person who is a regular senior student in an accredited school of chiropractic approved by the commission if the practice is part of a regular course of instruction offered by the school and the student is under the direct supervision and control of a chiropractor duly licensed pursuant to this chapter and approved by the commission.

(3) The practice of chiropractic by a person serving a period of postgraduate chiropractic training in a program of clinical chiropractic training sponsored by a school of chiropractic accredited in this state if the practice is part of his or her duties as a clinical postgraduate trainee and the trainee is under the direct supervision and control of a chiropractor duly licensed pursuant to this chapter and approved by the commission.

(4) The practice of chiropractic by a person who is eligible and has applied to take the next available examination for licensing offered by the commission, except that the unlicensed chiropractor must provide all services under the direct control and supervision of a licensed chiropractor approved by the commission. The unlicensed chiropractor may continue to practice as provided by this subsection until the results of the next available examination are published, but in no case for a period longer than six months. The commission shall adopt rules necessary to effectuate the intent of this subsection.

Any provision of chiropractic services by any individual under subsection (1), (2), (3), or (4) of this section shall be subject to the jurisdiction of the commission as provided in chapters \*18.26 and 18.130 RCW. [1994 sp.s. c 9 § 118; 1991 c 320 § 10.]

**\*Reviser's note:** Chapter 18.26 RCW was repealed by 1994 sp.s. c 9 § 121, effective July 1, 1994.

**18.25.200 Service and fee limitations by health care purchasers—Pilot projects.** All state health care purchasers shall have the authority to set service and fee limitations on chiropractic costs. The health care authority shall establish pilot projects in defined geographic regions of the state to contract with organizations of chiropractors for a prepaid capitated amount. [1992 c 241 § 4.]

**Intent—1992 c 241:** See note following RCW 18.25.005.

**18.25.900 Severability—Headings and captions not law—Effective date—1994 sp.s. c 9.** See RCW 18.79.900 through 18.79.902.

## Chapter 18.27

### REGISTRATION OF CONTRACTORS

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*Actions or claims for construction of improvements upon real property, accrual and limitations upon: RCW 4.16.300 through 4.16.320.*

**18.27.005 Strict enforcement.** This chapter shall be strictly enforced. Therefore, the doctrine of substantial compliance shall not be used by the department in the application and construction of this chapter. Anyone engaged in the activities of a contractor is presumed to know the requirements of this chapter. [1997 c 314 § 1.]

**18.27.010 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Contractor" means any person, firm, or corporation who or which, in the pursuit of an independent business undertakes to, or offers to undertake, or submits a bid to, construct, alter, repair, add to, subtract from, improve, move, wreck or demolish, for another, any building, highway, road, railroad, excavation or other structure, project, development, or improvement attached to real estate or to do any part thereof including the installation of carpeting or other floor covering, the erection of scaffolding or other structures or works in connection therewith or who installs or repairs roofing or siding; or, who, to do similar work upon his or her own property, employs members of more than one trade

upon a single job or project or under a single building permit except as otherwise provided herein. "Contractor" includes any person, firm, or corporation covered by this subsection, whether or not registered as required under this chapter.

(2) "General contractor" means a contractor whose business operations require the use of more than two unrelated building trades or crafts whose work the contractor shall superintend or do in whole or in part. "General contractor" shall not include an individual who does all work personally without employees or other "specialty contractors" as defined in this section. The terms "general contractor" and "builder" are synonymous.

(3) "Specialty contractor" means a contractor whose operations do not fall within the foregoing definition of "general contractor".

(4) "Unregistered contractor" means a person, firm, or corporation doing work as a contractor without being registered in compliance with this chapter. "Unregistered contractor" includes contractors whose registration is expired for more than thirty days beyond the renewal date or has been suspended.

(5) "Department" means the department of labor and industries.

(6) "Director" means the director of the department of labor and industries.

(7) "Verification" means the receipt and duplication by the city, town, or county of a contractor registration card that is current on its face, checking the department's contractor registration data base, or calling the department to confirm that the contractor is registered. [1997 c 314 § 2; 1993 c 454 § 2; 1973 1st ex.s. c 153 § 1; 1972 ex.s. c 118 § 1; 1967 c 126 § 5; 1963 c 77 § 1.]

**Finding—1993 c 454:** "The legislature finds that unregistered contractors are a serious threat to the general public and are costing the state millions of dollars each year in lost revenue. To assist in solving this problem, the department of labor and industries and the department of revenue should coordinate and communicate with each other to identify unregistered contractors." [1993 c 454 § 1.]

**Effective date—1963 c 77:** "This act shall take effect August 1, 1963." [1963 c 77 § 12.]

**18.27.020 Registration required—Prohibited acts—Criminal penalty—Monitoring program.** (1) Every contractor shall register with the department.

(2) It is a misdemeanor for any contractor to:

(a) Advertise, offer to do work, submit a bid, or perform any work as a contractor without being registered as required by this chapter;

(b) Advertise, offer to do work, submit a bid, or perform any work as a contractor when the contractor's registration is suspended or revoked;

(c) Use a false or expired registration number in purchasing or offering to purchase an advertisement for which a contractor registration number is required; or

(d) Transfer a valid registration to an unregistered contractor or allow an unregistered contractor to work under a registration issued to another contractor.

(3) It is not unlawful for a general contractor to employ an unregistered contractor who was registered at the time he or she entered into a contract with the general contractor, unless the general contractor or his or her representative has

been notified in writing by the department of labor and industries that the contractor has become unregistered.

(4) All misdemeanor actions under this chapter shall be prosecuted in the county where the infraction occurs.

(5) A person is guilty of a separate misdemeanor for each day worked if, after the person receives a citation from the department, the person works while unregistered, or while his or her registration is suspended or revoked, or works under a registration issued to another contractor. A person is guilty of a separate misdemeanor for each worksite on which he or she violates subsection (2) of this section. Nothing in this subsection applies to a registered contractor.

(6) The director by rule shall establish a two-year audit and monitoring program for a contractor not registered under this chapter who becomes registered after receiving an infraction or conviction under this chapter as an unregistered contractor. The director shall notify the departments of revenue and employment security of the infractions or convictions and shall cooperate with these departments to determine whether any taxes or registration, license, or other fees or penalties are owed the state. [1997 c 314 § 3; 1993 c 454 § 6; 1987 c 362 § 1; 1986 c 197 § 1; 1983 1st ex.s. c 2 § 17; 1973 1st ex.s. c 153 § 2; 1963 c 77 § 2.]

**Finding—1993 c 454:** See note following RCW 18.27.010.

**Effective date—1983 1st ex.s. c 2:** See note following RCW 18.27.200.

*Violations as infractions:* RCW 18.27.200.

**18.27.030 Application for registration—Grounds for denial.** (1) An applicant for registration as a contractor shall submit an application under oath upon a form to be prescribed by the director and which shall include the following information pertaining to the applicant:

(a) Employer social security number.

(b) 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.

(c) Employment security department number.

(d) State excise tax registration number.

(e) Unified business identifier (UBI) account number may be substituted for the information required by (b) of this subsection if the applicant will not employ employees in Washington, and by (c) and (d) of this subsection.

(f) Type of contracting activity, whether a general or a specialty contractor and if the latter, the type of specialty.

(g) The name and address of each partner if the applicant is a firm or partnership, or the name and address of the owner if the applicant is an individual proprietorship, or the name and address of the corporate officers and statutory agent, if any, if the applicant is a corporation. The infor-

mation contained in such application is a matter of public record and open to public inspection.

(2) The department may verify the workers' compensation coverage information provided by the applicant under subsection (1)(b) 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.

(3) The department shall deny an application for registration if the applicant has been previously registered as a sole proprietor, partnership, or corporation and the applicant has an unsatisfied final judgment against him or her in an action based on this chapter that was incurred during a previous registration under this chapter. [1998 c 279 § 3; 1997 c 314 § 4; 1996 c 147 § 1; 1992 c 217 § 1; 1988 c 285 § 1. Prior: 1987 c 362 § 2; 1987 c 111 § 9; 1973 1st ex.s. c 153 § 3; 1963 c 77 § 3.]

**Finding—Intent—1998 c 279:** See note following RCW 51.12.120.

**Conflict with federal requirements—Severability—Effective date—1987 c 111:** See notes following RCW 50.12.220.

**18.27.040 Bond or other security required—Actions against—Suspension of registration upon impairment.**

(1) Each applicant shall file with the department a surety bond issued by a surety insurer who meets the requirements of chapter 48.28 RCW in the sum of six thousand dollars if the applicant is a general contractor and four thousand dollars if the applicant is a specialty contractor. If no valid bond is already on file with the department at the time the application is filed, a bond must accompany the registration application. The bond shall have the state of Washington named as obligee with good and sufficient surety in a form to be approved by the department. The bond shall be continuous and may be canceled by the surety upon the surety giving written notice to the director of its intent to cancel the bond. A cancellation or revocation of the bond or withdrawal of the surety from the bond suspends the registration issued to the registrant until a new bond or reinstatement notice has been filed and approved as provided in this section. The bond shall be conditioned that the applicant will pay all persons performing labor, including employee benefits, for the contractor, will pay all taxes and contributions due to the state of Washington, and will pay all persons furnishing labor or material or renting or supplying equipment to the contractor and will pay all amounts that may be adjudged against the contractor by reason of breach of contract including negligent or improper work in the conduct of the contracting business. A change in the name of a business or a change in the type of business entity shall not impair a bond for the purposes of this section so long as one of the original applicants for such bond maintains partial ownership in the business covered by the bond.

(2) Any contractor registered as of July 1, 1997, who maintains such registration in accordance with this chapter shall be in compliance with this chapter until the next annual renewal of the contractor's certificate of registration. At that time, the contractor shall provide a bond, cash deposit, or other security deposit as required by this chapter and comply with all of the other provisions of this chapter before the

department shall renew the contractor's certificate of registration.

(3) Any person, firm, or corporation having a claim against the contractor for any of the items referred to in this section may bring suit upon the bond or deposit in the superior court of the county in which the work was done or of any county in which jurisdiction of the contractor may be had. The surety issuing the bond shall be named as a party to any suit upon the bond. Action upon the bond or deposit shall be commenced by filing the summons and complaint with the clerk of the appropriate superior court within one year from the date of expiration of the certificate of registration in force at the time the claimed labor was performed and benefits accrued, taxes and contributions owing the state of Washington became due, materials and equipment were furnished, or the claimed contract work was completed or abandoned. Service of process in an action against the contractor, the contractor's bond, or the deposit shall be exclusively by service upon the department. Three copies of the summons and complaint and a fee of ten dollars to cover the handling costs shall be served by registered or certified mail upon the department at the time suit is started and the department shall maintain a record, available for public inspection, of all suits so commenced. Service is not complete until the department receives the ten-dollar fee and three copies of the summons and complaint. The service shall constitute service on the registrant and the surety for suit upon the bond or deposit and the department shall transmit the summons and complaint or a copy thereof to the registrant at the address listed in the registrant's application and to the surety within forty-eight hours after it shall have been received.

(4) The surety upon the bond shall not be liable in an aggregate amount in excess of the amount named in the bond nor for any monetary penalty assessed pursuant to this chapter for an infraction. The liability of the surety shall not cumulate where the bond has been renewed, continued, reinstated, reissued or otherwise extended. The surety upon the bond may, upon notice to the department and the parties, tender to the clerk of the court having jurisdiction of the action an amount equal to the claims thereunder or the amount of the bond less the amount of judgments, if any, previously satisfied therefrom and to the extent of such tender the surety upon the bond shall be exonerated but if the actions commenced and pending at any one time exceed the amount of the bond then unimpaired, claims shall be satisfied from the bond in the following order:

- (a) Employee labor and claims of laborers, including employee benefits;
- (b) Claims for breach of contract by a party to the construction contract;
- (c) Subcontractors, material, and equipment;
- (d) Taxes and contributions due the state of Washington;
- (e) Any court costs, interest, and attorney's fees plaintiff may be entitled to recover. The surety is not liable for any amount in excess of the penal limit of its bond.

A payment made by the surety in good faith exonerates the bond to the extent of any payment made by the surety.

(5) If a final judgment impairs the liability of the surety upon the bond so furnished that there shall not be in effect a bond undertaking in the full amount prescribed in this section, the department shall suspend the registration of the

contractor until the bond liability in the required amount unimpaired by unsatisfied judgment claims is furnished. If the bond becomes fully impaired, a new bond must be furnished at the rates prescribed by this section.

(6) In lieu of the surety bond required by this section the contractor may file with the department a deposit consisting of cash or other security acceptable to the department.

(7) Any person having filed and served a summons and complaint as required by this section having an unsatisfied final judgment against the registrant for any items referred to in this section may execute upon the security held by the department by serving a certified copy of the unsatisfied final judgment by registered or certified mail upon the department within one year of the date of entry of such judgment. Upon the receipt of service of such certified copy the department shall pay or order paid from the deposit, through the registry of the superior court which rendered judgment, towards the amount of the unsatisfied judgment. The priority of payment by the department shall be the order of receipt by the department, but the department shall have no liability for payment in excess of the amount of the deposit.

(8) The director may adopt rules necessary for the proper administration of the security. [1997 c 314 § 5; 1988 c 139 § 1; 1987 c 362 § 6; 1983 1st ex.s. c 2 § 18; 1977 ex.s. c 11 § 1; 1973 1st ex.s. c 153 § 4; 1972 ex.s. c 118 § 2; 1967 c 126 § 1; 1963 c 77 § 4.]

*Unpaid wages by public works contractor constitute lien against bond: RCW 39.12.050.*

#### **18.27.050 Insurance or financial responsibility required—Suspension of registration upon impairment.**

(1) At the time of registration and subsequent reregistration, 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, and 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 shall be cause to suspend or deny the contractor his or her or their registration.

(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 operations, 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 at the expiration of three years after:

- (i) The contractor's registration has expired or been revoked; or

(ii) The contractor has furnished proof of insurance as required by subsection (1) of this section; if, in either case, no legal action has been instituted against the contractor or on the account at the expiration of the three-year period.

(c) If a contractor chooses to file an assigned account as authorized in this section, the contractor shall, on any 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 in the project requires the claimant to obtain a court judgment. [1987 c 303 § 1; 1963 c 77 § 5.]

**18.27.060 Certificate of registration—Issuance, duration, renewal—Suspension.** (1) A certificate of registration shall be valid for one year and shall be renewed on or before the expiration date. The department shall issue to the applicant a certificate of registration upon compliance with the registration requirements of this chapter.

(2) If the department approves an application, it shall issue a certificate of registration to the applicant. The certificate shall be valid for:

- (a) One year;
- (b) Until the bond expires; or
- (c) Until the insurance expires, whichever comes first.

The department shall place the expiration date on the certificate.

(3) A contractor may supply a short-term bond or insurance policy to bring its registration period to the full one year.

(4) If a contractor's surety bond or other security has an unsatisfied judgment against it or is canceled, or if the contractor's insurance policy is canceled, the contractor's registration shall be automatically suspended on the effective date of the impairment or cancellation. The department shall mail notice of the suspension to the contractor's address on the certificate of registration by certified and by first class mail within forty-eight hours after suspension.

(5) Renewal of registration is valid on the date the department receives the required fee and proof of bond and liability insurance, if sent by certified mail or other means requiring proof of delivery. The receipt or proof of delivery shall serve as the contractor's proof of renewed registration until he or she receives verification from the department.

(6) The department shall immediately suspend the certificate of registration of a contractor who has been certified 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 as provided in RCW 74.20A.320. The certificate of registration shall not be reissued or renewed unless the person provides to the department a release from the department of social and health services stating that he or she is in compliance with the order and the person has continued to meet all other requirements for certification during the suspension. [1997 c 314 § 6; 1997 c 58 § 817; 1983 1st ex.s. c 2 § 19; 1977 ex.s. c 61 § 1; 1963 c 77 § 6.]

**Reviser's note:** \* (1) 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered (1998 Ed.)

parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

(2) This section was amended by 1997 c 58 § 817 and by 1997 c 314 § 6, each without reference to the other. Both amendments are incorporated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.27.065 Partnership or joint venture deemed registered, when.** A partnership or joint venture shall be deemed registered under this chapter if any one of the general partners or venturers whose name appears in the name under which the partnership or venture does business is registered. [1983 1st ex.s. c 2 § 16.]

**Effective date—1983 1st ex.s. c 2:** See note following RCW 18.27.200.

**18.27.070 Fees.** The department shall charge fees for issuance, renewal, and reinstatement of certificates of registration; and changes of name, address, or business structure. The department shall set the fees by rule.

The entire amount of the fees are to be used solely to cover the full cost of issuing certificates, filing papers and notices, and administering and enforcing this chapter. The costs shall include reproduction, travel, per diem, and administrative and legal support costs. [1997 c 314 § 7; 1983 c 74 § 1; 1977 ex.s. c 66 § 1; 1973 1st ex.s. c 153 § 5; 1967 c 126 § 2; 1963 c 77 § 7.]

**Effective date—1977 ex.s. c 66:** "This 1977 amendatory act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect on July 1, 1977." [1977 ex.s. c 66 § 2.]

**18.27.075 Limit on fees for issuing or renewing certificate of registration.** The department may not set a fee higher than fifty dollars for issuing or renewing a certificate of registration. [1983 c 74 § 2.]

**18.27.080 Registration prerequisite to suit.** No person engaged in the business or acting in the capacity of a contractor may bring or maintain any action in any court of this state for the collection of compensation for the performance of any work or for breach of any contract for which registration is required under this chapter without alleging and proving that he was a duly registered contractor and held a current and valid certificate of registration at the time he contracted for the performance of such work or entered into such contract. For the purposes of this section, the court shall not find a contractor in substantial compliance with the registration requirements of this chapter unless: (1) The department has on file the information required by RCW 18.27.030; (2) the contractor has a current bond or other security as required by RCW 18.27.040; and (3) the contractor has current insurance as required by RCW 18.27.050. In determining under this section whether a contractor is in substantial compliance with the registration requirements of this chapter, the court shall take into consideration the length

of time during which the contractor did not hold a valid certificate of registration. [1988 c 285 § 2; 1972 ex.s. c 118 § 3; 1963 c 77 § 8.]

**18.27.090 Exemptions.** This chapter does not apply to:

(1) An authorized representative of the United States government, the state of Washington, or any incorporated city, town, county, township, irrigation district, reclamation district, or other municipal or political corporation or subdivision of this state;

(2) Officers of a court when they are acting within the scope of their office;

(3) Public utilities operating under the regulations of the utilities and transportation commission in construction, maintenance, or development work incidental to their own business;

(4) Any construction, repair, or operation incidental to the discovering or producing of petroleum or gas, or the drilling, testing, abandoning, or other operation of any petroleum or gas well or any surface or underground mine or mineral deposit when performed by an owner or lessee;

(5) The sale or installation of any finished products, materials, or articles of merchandise which are not actually fabricated into and do not become a permanent fixed part of a structure;

(6) Any construction, alteration, improvement, or repair of personal property, except this chapter shall apply to all mobile/manufactured housing. A mobile/manufactured home may be installed, set up, or repaired by the registered or legal owner, by a contractor registered under this chapter, or by a mobile/manufactured home retail dealer or manufacturer licensed under chapter 46.70 RCW who shall warranty service and repairs under chapter 46.70 RCW;

(7) Any construction, alteration, improvement, or repair carried on within the limits and boundaries of any site or reservation under the legal jurisdiction of the federal government;

(8) Any person who only furnished materials, supplies, or equipment without fabricating them into, or consuming them in the performance of, the work of the contractor;

(9) Any work or operation on one undertaking or project by one or more contracts, the aggregate contract price of which for labor and materials and all other items is less than five hundred dollars, such work or operations being considered as of a casual, minor, or inconsequential nature. The exemption prescribed in this subsection does not apply in any instance wherein the work or construction is only a part of a larger or major operation, whether undertaken by the same or a different contractor, or in which a division of the operation is made into contracts of amounts less than five hundred dollars for the purpose of evasion of this chapter or otherwise. The exemption prescribed in this subsection does not apply to a person who advertises or puts out any sign or card or other device which might indicate to the public that he or she is a contractor, or that he or she is qualified to engage in the business of contractor;

(10) Any construction or operation incidental to the construction and repair of irrigation and drainage ditches of regularly constituted irrigation districts or reclamation districts; or to farming, dairying, agriculture, viticulture,

horticulture, or stock or poultry raising; or to clearing or other work upon land in rural districts for fire prevention purposes; except when any of the above work is performed by a registered contractor;

(11) An owner who contracts for a project with a registered contractor;

(12) Any person working on his or her own property, whether occupied by him or her or not, and any person working on his or her personal residence, whether owned by him or her or not but this exemption shall not apply to any person otherwise covered by this chapter who constructs an improvement on his or her own property with the intention and for the purpose of selling the improved property;

(13) Owners of commercial properties who use their own employees to do maintenance, repair, and alteration work in or upon their own properties;

(14) A licensed architect or civil or professional engineer acting solely in his or her professional capacity, an electrician licensed under the laws of the state of Washington, or a plumber licensed under the laws of the state of Washington or licensed by a political subdivision of the state of Washington while operating within the boundaries of such political subdivision. The exemption provided in this subsection is applicable only when the licensee is operating within the scope of his or her license;

(15) Any person who engages in the activities herein regulated as an employee of a registered contractor with wages as his or her sole compensation or as an employee with wages as his or her sole compensation;

(16) Contractors on highway projects who have been prequalified as required by RCW 47.28.070, with the department of transportation to perform highway construction, reconstruction, or maintenance work. [1997 c 314 § 8; 1987 c 313 § 1; 1983 c 4 § 1; 1980 c 68 § 2; 1974 ex.s. c 25 § 2. Prior: 1973 1st ex.s. c 161 § 1; 1973 1st ex.s. c 153 § 6; 1967 c 126 § 3; 1965 ex.s. c 170 § 50; 1963 c 77 § 9.]

**18.27.100 Business practices—Advertising—Penalty.**

(1) Except as provided in RCW 18.27.065 for partnerships and joint ventures, no person who has registered under one name as provided in this chapter shall engage in the business, or act in the capacity, of a contractor under any other name unless such name also is registered under this chapter.

(2) All advertising and all contracts, correspondence, cards, signs, posters, papers, and documents which show a contractor's name or address shall show the contractor's name or address as registered under this chapter.

(3)(a) All advertising that shows the contractor's name or address shall show the contractor's current registration number. The registration number may be omitted in an alphabetized listing of registered contractors stating only the name, address, and telephone number: PROVIDED, That signs on motor vehicles subject to RCW 46.16.010 and on-premise signs shall not constitute advertising as provided in this section. All materials used to directly solicit business from retail customers who are not businesses shall show the contractor's current registration number. A contractor shall not use a false or expired registration number in purchasing or offering to purchase an advertisement for which a contractor registration number is required. Advertising by

airwave transmission shall not be subject to this subsection (3)(a).

(b) The director may issue a subpoena to any person or entity selling any advertising subject to this section for the name, address, and telephone number provided to the seller of the advertising by the purchaser of the advertising. The subpoena must have enclosed a stamped, self-addressed envelope and blank form to be filled out by the seller of the advertising. If the seller of the advertising has the information on file, the seller shall, within a reasonable time, return the completed form to the department. The subpoena must be issued before forty-eight hours after the expiration of the issue or publication containing the advertising or after the broadcast of the advertising. The good-faith compliance by a seller of advertising with a written request of the department for information concerning the purchaser of advertising shall constitute a complete defense to any civil or criminal action brought against the seller of advertising arising from such compliance. Advertising by airwave or electronic transmission is subject to this subsection (3)(b).

(4) No contractor shall advertise that he or she is bonded and insured because of the bond required to be filed and sufficiency of insurance as provided in this chapter.

(5) A contractor shall not falsify a registration number and use it, or use an expired registration number, in connection with any solicitation or identification as a contractor. All individual contractors and all partners, associates, agents, salesmen, solicitors, officers, and employees of contractors shall use their true names and addresses at all times while engaged in the business or capacity of a contractor or activities related thereto.

(6) Any advertising by a person, firm, or corporation soliciting work as a contractor when that person, firm, or corporation is not registered pursuant to this chapter is a violation of this chapter.

(7)(a) The finding of a violation of this section by the director at a hearing held in accordance with the Administrative Procedure Act, chapter 34.05 RCW, shall subject the person committing the violation to a penalty of not more than five thousand dollars as determined by the director.

(b) Penalties under this section shall not apply to a violation determined to be an inadvertent error. [1997 c 314 § 9; 1996 c 147 § 2; 1993 c 454 § 3; 1990 c 46 § 1; 1987 c 362 § 3; 1980 c 68 § 1; 1979 ex.s. c 116 § 1; 1963 c 77 § 10.]

**Effective date—1996 c 147 § 2:** "Section 2 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [March 25, 1996]." [1996 c 147 § 10.]

**Finding—1993 c 454:** See note following RCW 18.27.010.

**Effective date—1979 ex.s. c 116:** "The provisions of this 1979 amendatory act shall become effective on January 1, 1980." [1979 ex.s. c 116 § 2.]

**18.27.102 Unlawful advertising—Liability.** When determining a violation of RCW 18.27.100, the director and administrative law judge shall hold responsible the person who purchased or offered to purchase the advertising. [1993 c 454 § 4; 1987 c 362 § 4.]

**Finding—1993 c 454:** See note following RCW 18.27.010.

**18.27.104 Unlawful advertising—Citations.** (1) If, upon investigation, the director or the director's designee has probable cause to believe that a person holding a registration, an applicant for registration, or a person acting in the capacity of a contractor who is not otherwise exempted from this chapter, has violated RCW 18.27.100 by unlawfully advertising for work covered by this chapter, the department may issue a citation containing an order of correction. Such order shall require the violator to cease the unlawful advertising.

(2) If the person to whom a citation is issued under subsection (1) of this section notifies the department in writing that he or she contests the citation, the department shall afford an opportunity for an adjudicative proceeding under chapter 34.05 RCW within thirty days after receiving the notification. [1997 c 314 § 10; 1989 c 175 § 61; 1987 c 362 § 5.]

**Effective date—1989 c 175:** See note following RCW 34.05.010.

**18.27.110 Building permits—Verification of registration required—Responsibilities of issuing entity—Penalties.** (1) No city, town or county shall issue a construction building permit for work which is to be done by any contractor required to be registered under this chapter without verification that such contractor is currently registered as required by law. When such verification is made, nothing contained in this section is intended to be, nor shall be construed to create, or form the basis for any liability under this chapter on the part of any city, town or county, or its officers, employees or agents. However, failure to verify the contractor registration number results in liability to the city, town, or county to a penalty to be imposed according to RCW 18.27.100(7)(a).

(2) At the time of issuing the building permit, all cities, towns, or counties are responsible for:

(a) Printing the contractor registration number on the building permit; and

(b) Providing a written notice to the building permit applicant informing them of contractor registration laws and the potential risk and monetary liability to the homeowner for using an unregistered contractor.

(3) If a building permit is obtained by an applicant or contractor who falsifies information to obtain an exemption provided under RCW 18.27.090, the building permit shall be forfeited. [1997 c 314 § 11; 1993 c 454 § 5; 1986 c 197 § 14; 1967 c 126 § 4.]

**Finding—1993 c 454:** See note following RCW 18.27.010.

**18.27.111 Public works, contracts with unregistered contractors prohibited.** See RCW 39.06.010.

**18.27.114 Disclosure statement required—Prerequisite to lien claim.** (1) Any contractor agreeing to perform any contracting project: (a) For the repair, alteration, or construction of four or fewer residential units or accessory structures on such residential property when the bid or contract price totals one thousand dollars or more; or (b) for the repair, alteration, or construction of a commercial building when the bid or contract price totals one thousand dollars or more but less than sixty thousand dollars, must

provide the customer with the following disclosure statement prior to starting work on the project:

**"NOTICE TO CUSTOMER**

This contractor is registered with the state of Washington, registration no. \_\_\_\_\_, as a general/specialty contractor and has posted with the state a bond or cash deposit of \$6,000/\$4,000 for the purpose of satisfying claims against the contractor for negligent or improper work or breach of contract in the conduct of the contractor's business. The expiration date of this contractor's registration is . . . . . This bond or cash deposit may not be sufficient to cover a claim which might arise from the work done under your contract. If any supplier of materials used in your construction project or any employee of the contractor or subcontractor is not paid by the contractor or subcontractor on your job, your property may be liened to force payment. If you wish additional protection, you may request the contractor to provide you with original "lien release" documents from each supplier or subcontractor on your project. The contractor is required to provide you with further information about lien release documents if you request it. General information is also available from the department of labor and industries."

(2) A contractor subject to this section shall notify any consumer to whom notice is required under subsection (1) of this section if the contractor's registration has expired or is revoked or suspended by the department prior to completion or other termination of the contract with the consumer.

(3) No contractor subject to this section may bring or maintain any lien claim under chapter 60.04 RCW based on any contract to which this section applies without alleging and proving that the contractor has provided the customer with a copy of the disclosure statement as required in subsection (1) of this section.

(4) This section does not apply to contracts authorized under chapter 39.04 RCW or to contractors contracting with other contractors.

(5) Failure to comply with this section shall constitute an infraction under the provisions of this chapter.

(6) The department shall produce model disclosure statements, and public service announcements detailing the information needed to assist contractors and contractors' customers to comply under this section. As necessary, the department shall periodically update these education materials. [1997 c 314 § 12; 1988 c 182 § 1; 1987 c 419 § 1.]

**Voluntary compliance with notification requirements:** "Nothing in RCW 18.27.114 shall be construed to prohibit a contractor from voluntarily complying with the notification requirements of that section which take effect July 1, 1989, prior to that date." [1988 c 182 § 2.]

**18.27.117 Violations relating to mobile/manufactured homes.** The legislature finds that setting up and siting mobile/manufactured homes must be done properly for the health, safety, and enjoyment of the occupants. Therefore, when any of the following cause a health and safety risk to the occupants of a mobile/manufactured home, or severely hinder the use and enjoyment of the

mobile/manufactured home, a violation of RCW 19.86.020 shall have occurred:

(1) The mobile/manufactured home has been improperly installed by a contractor registered under chapter 18.27 RCW, or a mobile/manufactured dealer or manufacturer licensed under chapter 46.70 RCW;

(2) A warranty given under chapter 18.27 RCW or chapter 46.70 RCW has not been fulfilled by the person or business giving the warranty; and

(3) A bonding company that issues a bond under chapter 18.27 RCW or chapter 46.70 RCW does not reasonably and professionally investigate and resolve claims made by injured parties. [1997 c 314 § 13; 1987 c 313 § 2.]

**18.27.120 List of registered contractors—Availability, fee.** (1) The department shall compile a list of all contractors registered under this chapter and update the list at least bimonthly. The list shall be considered as public record information and shall be available to the public upon request: PROVIDED, That the department may charge a reasonable fee under RCW 42.17.300.

(2) The department shall inform any person, firm, or corporation, if a contractor is registered, and if a contractor is bonded or insured, without charge except for a reasonable fee under RCW 42.17.300 for copies made. [1983 1st ex.s. c 2 § 20; 1973 1st ex.s. c 153 § 7; 1972 ex.s. c 118 § 5.]

*Fees, generally:* RCW 18.27.070.

**18.27.125 Rules.** The director shall adopt rules in compliance with chapter 34.05 RCW to effect the purposes of this chapter. [1986 c 197 § 12.]

**18.27.130 Chapter exclusive—Certain authority of cities and towns not limited or abridged.** The provisions of this chapter relating to the registration or licensing of any person, firm, or corporation, including the requirement of a bond with the state of Washington named as obligee therein and the collection of a fee therefor, shall be exclusive and no political subdivision of the state of Washington shall require or issue any registrations, licenses, or bonds nor charge any fee for the same or a similar purpose: PROVIDED, That nothing herein shall limit or abridge the authority of any city or town to levy and collect a general and nondiscriminatory license fee levied upon all businesses, or to levy a tax based upon gross business conducted by any firm within said city: PROVIDED, FURTHER, That nothing herein shall limit the authority of any city or town with respect to contractors not required to be registered under this chapter. [1972 ex.s. c 118 § 4.]

**18.27.140 Purpose.** It is the purpose of this chapter to afford protection to the public including all persons, firms, and corporations furnishing labor, materials, or equipment to a contractor from unreliable, fraudulent, financially irresponsible, or incompetent contractors. [1983 1st ex.s. c 2 § 21; 1973 1st ex.s. c 161 § 2.]

**18.27.200 Violation—Infraction.** (1) It is a violation of this chapter and an infraction for any contractor to:

(a) Advertise, offer to do work, submit a bid, or perform any work as a contractor without being registered as required by this chapter;

(b) Advertise, offer to do work, submit a bid, or perform any work as a contractor when the contractor's registration is suspended or revoked; or

(c) Transfer a valid registration to an unregistered contractor or allow an unregistered contractor to work under a registration issued to another contractor.

(2) Each day that a contractor works without being registered as required by this chapter, works while the contractor's registration is suspended or revoked, or works under a registration issued to another contractor is a separate infraction. Each worksite at which a contractor works without being registered as required by this chapter, works while the contractor's registration is suspended or revoked, or works under a registration issued to another contractor is a separate infraction. [1997 c 314 § 14; 1993 c 454 § 7; 1983 1st ex.s. c 2 § 1.]

**Finding—1993 c 454:** See note following RCW 18.27.010.

**Effective date—1983 1st ex.s. c 2:** "Sections 1 through 17 of this act shall take effect January 1, 1984." [1983 1st ex.s. c 2 § 24.]

**Prohibited acts—Criminal penalties:** RCW 18.27.020.

#### **18.27.210 Violations—Investigations—Evidence.** (1)

The director shall appoint compliance inspectors to investigate alleged or apparent violations of this chapter. The director, or authorized compliance inspector, upon presentation of appropriate credentials, may inspect and investigate job sites at which a contractor had bid or presently is working to determine whether the contractor is registered in accordance with this chapter or the rules adopted under this chapter or whether there is a violation of RCW 18.27.200. Upon request of the compliance inspector of the department, a contractor or an employee of the contractor shall provide information identifying the contractor.

(2) If the employee of an unregistered contractor is cited by a compliance inspector, that employee is cited as the agent of the employer-contractor, and issuance of the infraction to the employee is notice to the employer-contractor that the contractor is in violation of this chapter. An employee who is cited by a compliance inspector shall not be liable for any of the alleged violations contained in the citation unless the employee is also the contractor. [1993 c 454 § 8; 1987 c 419 § 2; 1986 c 197 § 2; 1983 1st ex.s. c 2 § 2.]

**Finding—1993 c 454:** See note following RCW 18.27.010.

**Effective date—1983 1st ex.s. c 2:** See note following RCW 18.27.200.

**18.27.220 Investigations—Penalty for failure to identify contractor.** Wilful refusal to provide information identifying a contractor as required by RCW 18.27.210 is a misdemeanor. [1983 1st ex.s. c 2 § 12.]

**Effective date—1983 1st ex.s. c 2:** See note following RCW 18.27.200.

**18.27.225 Violations—Restraining orders—Injunctions.** (1) If, upon inspection or investigation, the director or authorized compliance inspector reasonably believes that a contractor has failed to register in accordance

with this chapter or the rules adopted under this chapter, the director shall issue an order immediately restraining further construction work at the job site by the contractor. The order shall describe the specific violation that necessitated issuance of the restraining order. The contractor or representative to whom the restraining order is directed may request a hearing before an administrative law judge, such hearing to be conducted pursuant to chapter 34.05 RCW. A request for hearing shall not stay the effect of the restraining order.

(2) In addition to and after having invoked the powers of restraint vested in the director as provided in subsection (1) of this section, the director, through the attorney general, may petition the superior court of the state of Washington to enjoin any activity in violation of this chapter. A prima facie case for issuance of an injunction shall be established by affidavits and supporting documentation demonstrating that a restraining order was served upon the contractor and that the contractor continued to work after service of the order. Upon the filing of the petition, the superior court shall have jurisdiction to grant injunctive or other appropriate relief, pending the outcome of enforcement proceedings under this chapter, or to enforce restraining orders issued by the director. If the contractor fails to comply with any court order, the director shall request the attorney general to petition the superior court for an order holding the contractor in contempt of court and for any other appropriate relief. [1987 c 419 § 3.]

**18.27.230 Notice of infraction—Service.** The department may issue a notice of infraction if the department reasonably believes that the contractor has committed an infraction under this chapter. A notice of infraction issued under this section shall be personally served on the contractor named in the notice by the department's compliance inspectors or service can be made by certified mail directed to the contractor named in the notice of infraction. If the contractor named in the notice of infraction is a firm or corporation, the notice may be personally served on any employee of the firm or corporation. If a notice of infraction is personally served upon an employee of a firm or corporation, the department shall within four days of service send a copy of the notice by certified mail to the contractor if the department is able to obtain the contractor's address. [1997 c 314 § 15; 1993 c 454 § 9; 1986 c 197 § 3; 1983 1st ex.s. c 2 § 3.]

**Finding—1993 c 454:** See note following RCW 18.27.010.

**Effective date—1983 1st ex.s. c 2:** See note following RCW 18.27.200.

**18.27.240 Notice—Form—Contents.** The form of the notice of infraction issued under this chapter shall include the following:

(1) A statement that the notice represents a determination that the infraction has been committed by the contractor named in the notice and that the determination shall be final unless contested as provided in this chapter;

(2) A statement that the infraction is a noncriminal offense for which imprisonment shall not be imposed as a sanction;

(3) A statement of the specific violation which necessitated issuance of the infraction;

(4) A statement of penalty involved if the infraction is established;

(5) A statement of the options provided in this chapter for responding to the notice and the procedures necessary to exercise these options;

(6) A statement that at any hearing to contest the notice of infraction the state has the burden of proving, by a preponderance of the evidence, that the infraction was committed; and that the contractor may subpoena witnesses, including the compliance inspector of the department who issued and served the notice of infraction;

(7) A statement, which the person who has been served with the notice of infraction shall sign, that the contractor promises to respond to the notice of infraction in one of the ways provided in this chapter;

(8) A statement that refusal to sign the infraction as directed in subsection (7) of this section is a misdemeanor and may be punished by a fine or imprisonment in jail; and

(9) A statement that a contractor's failure to respond to a notice of infraction as promised is a misdemeanor and may be punished by a fine or imprisonment in jail. [1986 c 197 § 4; 1983 1st ex.s. c 2 § 5.]

**Effective date—1983 1st ex.s. c 2:** See note following RCW 18.27.200.

**18.27.250 Notice—Filing—Administrative hearing—Appeal.** A violation designated as an infraction under this chapter shall be heard and determined by an administrative law judge of the office of administrative hearings. If a party desires to contest the notice of infraction, the party shall file a notice of appeal with the department, within twenty days of issuance of the infraction. The administrative law judge shall conduct hearings in these cases at locations in the county where the infraction occurred. [1986 c 197 § 5; 1983 1st ex.s. c 2 § 4.]

**Effective date—1983 1st ex.s. c 2:** See note following RCW 18.27.200.

**18.27.260 Notice—Determination infraction committed.** Unless contested in accordance with this chapter, the notice of infraction represents a determination that the contractor to whom the notice was issued committed the infraction. [1983 1st ex.s. c 2 § 6.]

**Effective date—1983 1st ex.s. c 2:** See note following RCW 18.27.200.

**18.27.270 Notice—Response—Failure to respond, appear, pay penalties, or register.** (1) A contractor who is issued a notice of infraction shall respond within twenty days of the date of issuance of the notice of infraction.

(2) If the contractor named in the notice of infraction does not elect to contest the notice of infraction, then the contractor shall pay to the department, by check or money order, the amount of the penalty prescribed for the infraction. When a response which does not contest the notice of infraction is received by the department with the appropriate penalty, the department shall make the appropriate entry in its records.

(3) If the contractor named in the notice of infraction elects to contest the notice of infraction, the contractor shall

respond by filing an answer of protest with the department specifying the grounds of protest.

(4) If any contractor issued a notice of infraction fails to respond within the prescribed response period, the contractor shall be guilty of a misdemeanor and prosecuted in the county where the infraction occurred.

(5) After final determination by an administrative law judge that an infraction has been committed, a contractor who fails to pay a monetary penalty within thirty days, that is not waived, reduced, or suspended pursuant to \*RCW 18.27.340(2), and who fails to file an appeal pursuant to RCW 18.27.310(4), shall be guilty of a misdemeanor and be prosecuted in the county where the infraction occurred.

(6) A contractor who fails to pay a monetary penalty within thirty days after exhausting appellate remedies pursuant to RCW 18.27.310(4), shall be guilty of a misdemeanor and be prosecuted in the county where the infraction occurred.

(7) If a contractor who is issued a notice of infraction is a contractor who has failed to register as a contractor under this chapter, the contractor is subject to a monetary penalty per infraction as provided in the schedule of penalties established by the department, and each day the person works without becoming registered is a separate infraction. [1997 c 314 § 16; 1986 c 197 § 6; 1983 1st ex.s. c 2 § 7.]

\*Reviser's note: RCW 18.27.340(2) was amended by 1997 c 314 § 17, removing the reference to a reduced or suspended monetary penalty.

**Effective date—1983 1st ex.s. c 2:** See note following RCW 18.27.200.

**18.27.280 Notice—Penalty for person refusing to promise to respond.** It is a misdemeanor for any person who has been personally served with a notice of infraction to refuse to sign a written promise to respond to the notice. [1983 1st ex.s. c 2 § 10.]

**Effective date—1983 1st ex.s. c 2:** See note following RCW 18.27.200.

**18.27.290 Notice—Penalty for contractor failing to respond.** It is a misdemeanor for a contractor who has been personally served with a notice of infraction to wilfully violate the written promise to respond to a notice of infraction as provided in this chapter, regardless of the ultimate disposition of the infraction. [1983 1st ex.s. c 2 § 11.]

**Effective date—1983 1st ex.s. c 2:** See note following RCW 18.27.200.

**18.27.300 Representation by attorney, attorney general.** A contractor subject to proceedings under this chapter may appear or be represented by counsel. The department shall be represented by the attorney general in administrative proceedings and any subsequent appeals under this chapter. [1986 c 197 § 7; 1983 1st ex.s. c 2 § 8.]

**Effective date—1983 1st ex.s. c 2:** See note following RCW 18.27.200.

**18.27.310 Infraction—Administrative hearing—Procedure—Burden of proof—Order—Appeal.** (1) The administrative law judge shall conduct contractors' notice of infraction cases pursuant to chapter 34.05 RCW.

(2) The burden of proof is on the department to establish the commission of the infraction by a preponderance of the evidence. The notice of infraction shall be dismissed if the defendant establishes that, at the time the notice was issued, the defendant was registered by the department, without suspension, or was exempt from registration.

(3) After consideration of the evidence and argument, the administrative law judge shall determine whether the infraction was committed. If it has not been established that the infraction was committed, an order dismissing the notice shall be entered in the record of the proceedings. If it has been established that the infraction was committed, the administrative law judge shall issue findings of fact and conclusions of law in its decision and order determining whether the infraction was committed.

(4) An appeal from the administrative law judge's determination or order shall be to the superior court. The decision of the superior court is subject only to discretionary review pursuant to Rule 2.3 of the Rules of Appellate Procedure. [1993 c 454 § 10; 1986 c 197 § 8; 1983 1st ex.s. c 2 § 9.]

**Finding—1993 c 454:** See note following RCW 18.27.010.

**Effective date—1983 1st ex.s. c 2:** See note following RCW 18.27.200.

**18.27.320 Infraction—Dismissal, when.** The administrative law judge shall dismiss the notice of infraction at any time upon written notification from the department that the contractor named in the notice of infraction was registered, without suspension, at the time the notice of infraction was issued. [1993 c 454 § 11; 1986 c 197 § 9; 1983 1st ex.s. c 2 § 13.]

**Finding—1993 c 454:** See note following RCW 18.27.010.

**Effective date—1983 1st ex.s. c 2:** See note following RCW 18.27.200.

**18.27.340 Infraction—Monetary penalty.** (1) Except as otherwise provided in subsection (3) of this section, a contractor found to have committed an infraction under RCW 18.27.200 shall be assessed a monetary penalty of not less than two hundred dollars and not more than five thousand dollars.

(2) The director may waive collection in favor of payment of restitution to a consumer complainant.

(3) A contractor found to have committed an infraction under RCW 18.27.200 for failure to register shall be assessed a fine of not less than one thousand dollars, nor more than five thousand dollars. The director may reduce the penalty for failure to register, but in no case below five hundred dollars, if the person becomes registered within ten days of receiving a notice of infraction and the notice of infraction is for a first offense.

(4) Monetary penalties collected under this chapter shall be deposited in the general fund. [1997 c 314 § 17; 1986 c 197 § 10; 1983 1st ex.s. c 2 § 15.]

**Effective date—1983 1st ex.s. c 2:** See note following RCW 18.27.200.

**18.27.342 Report to the legislature.** Beginning December 1, 1997, the department shall report by December 1st each year to the commerce and labor committees of the

senate and house of representatives and the ways and means committee of the senate and the appropriations committee of the house of representatives, or successor committees, the following information for the previous three fiscal years:

(1) The number of contractors found to have committed an infraction for failure to register;

(2) The number of contractors identified in subsection (1) of this section who were assessed a monetary penalty and the amount of the penalties assessed;

(3) The amount of the penalties reported in subsection (2) of this section that was collected; and

(4) The amount of the penalties reported in subsection (2) of this section that was waived. [1997 c 314 § 19.]

**18.27.350 Violations—Consumer Protection Act.** The consumers of this state have a right to be protected from unfair or deceptive acts or practices when they enter into contracts with contractors. The fact that a contractor is found to have committed a misdemeanor or infraction under this chapter shall be deemed to affect the public interest and shall constitute a violation of chapter 19.86 RCW. The surety bond shall not be liable for monetary penalties or violations of chapter 19.86 RCW. [1986 c 197 § 11.]

**18.27.360 Certificate of registration suspension—Nonpayment or default on educational loan or scholarship.** The director shall suspend the certificate of registration of any person who has been certified by a lending agency and reported to the director for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's certificate of registration shall not be reissued until the person provides the director a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for certification of registration during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the director may impose. [1996 c 293 § 7.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.27.900 Severability—1963 c 77.** If any provision of this chapter is declared unconstitutional, or the applicability thereof to any person or circumstances is held invalid, the constitutionality of the remainder of the chapter and the applicability thereof to other persons and circumstances shall not be affected thereby. [1963 c 77 § 11.]

**Chapter 18.28**  
**DEBT ADJUSTING**

## Sections

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**18.28.010 Definitions.** Unless a different meaning is plainly required by the context, the following words and phrases as hereinafter used in this chapter shall have the following meanings:

(1) "Debt adjusting" means the managing, counseling, settling, adjusting, prorating, or liquidating of the indebtedness of a debtor, or receiving funds for the purpose of distributing said funds among creditors in payment or partial payment of obligations of a debtor.

(2) "Debt adjuster", which includes any person known as a debt pooler, debt manager, debt consolidator, debt prorater, or credit counselor, is any person engaging in or holding himself out as engaging in the business of debt adjusting for compensation. The term shall not include:

(a) Attorneys at law, escrow agents, accountants, broker-dealers in securities, or investment advisors in securities, while performing services solely incidental to the practice of their professions;

(b) Any person, partnership, association, or corporation doing business under and as permitted by any law of this state or of the United States relating to banks, \*small loan companies, industrial loan companies, trust companies, mutual savings banks, savings and loan associations, building and loan associations, credit unions, crop credit associations, development credit corporations, industrial development corporations, title insurance companies, or insurance companies;

(c) Persons who, as employees on a regular salary or wage of an employer not engaged in the business of debt adjusting, perform credit services for their employer;

(d) Public officers while acting in their official capacities and persons acting under court order;

(e) Any person while performing services incidental to the dissolution, winding up or liquidation of a partnership, corporation, or other business enterprise;

(f) Nonprofit organizations dealing exclusively with debts owing from commercial enterprises to business creditors;

(g) Nonprofit organizations engaged in debt adjusting and which do not assess against the debtor a service charge in excess of fifteen dollars per month.

(3) "Debt adjusting agency" is any partnership, corporation, or association engaging in or holding itself out as engaging in the business of debt adjusting.

(4) "License" means a debt adjuster license or debt adjusting agency license issued under the provisions of this chapter.

(5) "Licensee" means a debt adjuster or debt adjusting agency to whom a license has been issued under the provisions of this chapter.

(6) "Director" means the director of the department of licensing. [1979 c 156 § 1; 1970 ex.s. c 97 § 1; 1967 c 201 § 1.]

**\*Reviser's note:** In chapter 31.08 RCW, the term "small loan companies" was changed to "consumer finance business" by 1979 c 18. Chapter 31.08 RCW was repealed by 1991 c 208 § 24, effective January 1, 1993, which also renamed chapter 31.04 RCW (formerly "industrial loan companies") the "consumer loan act."

**Effective date—1979 c 156:** "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect June 30, 1979." [1979 c 156 § 14.]

**Severability—1979 c 156:** "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." [1979 c 156 § 13.]

**18.28.020 License required.** No debt adjuster, debt adjusting agency, or branch office of any debt adjusting agency may engage in the business of debt adjusting within this state except as authorized by this chapter and without first obtaining a license from the director. [1967 c 201 § 2.]

**18.28.030 Application for license, form, contents—Investigation fees—Licensing fees—Bond—Qualifications—Forms to be furnished.** An application for a license shall be in writing, under oath, and in the form prescribed by the director. The application shall contain such relevant information as the director may require, but in all cases shall contain the name and residential and business addresses of each individual applicant, and of each member when the applicant is a partnership or association, and of each director and officer when the applicant is a corporation.

Except as provided hereinafter in this section the applicant shall pay an investigation fee and a licensing fee determined by the director as provided in RCW 43.24.086: PROVIDED, That a branch office of a licensed debt adjusting agency need not pay an investigation fee but only the licensing fee. If a license is not issued in response to the application, the director shall return the licensing fee to the

applicant. An annual license fee determined by the director as provided in RCW 43.24.086, shall be paid to the director by January 1st of each year. If the annual license fee is not paid by January 1st, the licensee shall be assessed a penalty for late payment determined by the director as provided in RCW 43.24.086. And if the fee and penalty are not paid by January 31st, reapplication for a new license will be necessary, which may include taking any examination prescribed by the director.

The applicant shall file a surety bond with the director or in lieu thereof the applicant may file with the director a cash deposit or other negotiable security acceptable to the director and under conditions set forth in RCW 18.28.040: PROVIDED, That each branch office of a debt adjusting agency shall be required to be bonded as provided herein, but no bond will be required of an individual applicant while he is employed by a bonded debt adjusting agency or branch thereof.

The applicant shall furnish the director with such proof as the director may reasonably require to establish the qualifications set forth in RCW 18.28.060.

If the applicant is an individual person making an original license application he shall pay an examination fee determined by the director as provided in RCW 43.24.086.

If the applicant is applying for a debt adjusting agency license it shall furnish the director with complete forms of all contracts and assignments designed for execution by debtors making any assignments to or placing any property with the applicant for the purpose of paying the creditors of such debtors, and complete forms of all contracts and agreements designed for execution by creditors to whom payments are made by the applicant. Only such forms furnished the director and not disapproved by him shall be used by a debt adjusting agency licensee. [1985 c 7 § 18; 1975 1st ex.s. c 30 § 23; 1971 ex.s. c 266 § 6; 1967 c 201 § 3.]

**18.28.040 Bond requirements—Security in lieu of bond.** The bond, required in RCW 18.28.030, shall be a surety bond, annually renewable on January 1st, to be approved by the director as to form and content, in the sum of ten thousand dollars, executed by the applicant as principal and by a surety company authorized to do business in this state as a surety, whose liability shall not exceed the said sum in the aggregate. Such bond shall run to the state of Washington as obligee for the benefit of the state and of any person or persons who may have cause of action against the principal of said bond under the provisions of this chapter. Such bond shall be conditioned that said principal as licensee hereunder will not commit any fraudulent act and will comply with the provisions of this chapter and the rules lawfully adopted hereunder, and will pay to the state and any such person or persons any and all moneys that may become due and owing from such principal under and by virtue of the provisions of this chapter. The surety on such bond shall be released and discharged from all liability accruing on such bond after the expiration of thirty days from the date upon which such surety shall have lodged with the director a written request to be released and discharged, but this provision shall not operate to relieve, release or discharge the surety from any liability already accrued or which shall

accrue before the expiration of the thirty day period. The director shall promptly upon receiving any such request notify the principal who furnished the bond; and unless the principal shall, on or before the expiration of the thirty day period, file a new bond, the director shall forthwith cancel the principal's license.

An applicant for a license under this chapter may furnish, file and deposit with the director, in lieu of the surety bond provided for herein, United States currency or bonds, representing obligations of the United States, or bonds of the state of Washington or any legal subdivision thereof, for which the faith of the United States, the state of Washington or any legal subdivision thereof is pledged, for the payment of both the principal and interest, equal in amount to the amount of the bond required by this chapter. The security deposited with the director in lieu of the surety bond shall be returned to the licensee at the expiration of three years after the license issued thereon has expired or been revoked if no legal action has been instituted against the licensee or on the bond at the expiration of said three years. [1967 c 201 § 4.]

**18.28.045 Additional bond—When required.** If the director finds at any time that the bond is insecure, depleted, exhausted, or otherwise doubtful, an additional bond of the character specified in RCW 18.28.040 and approved by the director in the sum of not more than ten thousand dollars, shall be filed by the licensee within ten days after written demand upon the licensee by the director. [1979 c 156 § 2.]

**Effective date—Severability—1979 c 156:** See notes following RCW 18.28.010.

**18.28.050 Action on bond or security.** If the licensee has failed to account to a debtor or distribute to the debtor's creditors such amounts as are required by this chapter and the contract between the debtor and licensee, the debtor, his legal representative or receiver, or the director, shall have, in addition to all other legal remedies, a right of action in the name of the debtor on the bond or the security given pursuant to the provisions of RCW 18.28.040, for loss suffered by the debtor, not exceeding the face of the bond or security, and without the necessity of joining the licensee in such suit or action. No action shall be brought upon any bond or security given under RCW 18.28.040 after the expiration of three years from the revocation or expiration of the license issued thereon. Upon entering judgment for plaintiff in any action on the bond required under RCW 18.28.040, for more than the sum tendered in the court by the defendant, if any, the court shall include in the judgment reasonable compensation for services of plaintiff's attorney in the action. [1967 c 201 § 5.]

**18.28.060 Applicants for licenses—Requirements.** The director shall issue a license to an applicant if the following requirements are met:

(1) The application is complete and the applicant has complied with RCW 18.28.030.

(2) Neither an individual applicant, nor any of the applicant's members if the applicant is a partnership or association, nor any of the applicant's officers or directors if the applicant is a corporation: (a) Has ever been convicted

of forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud or any other like offense, or has been disbarred from the practice of law; (b) has participated in a violation of this chapter or of any valid rules, orders or decisions of the director promulgated under this chapter; (c) has had a license to engage in the business of debt adjusting revoked or removed for any reason other than for failure to pay licensing fees in this or any other state; or (d) is an employee or owner of a collection agency, or process serving business.

(3) An individual applicant is at least eighteen years of age.

(4) An applicant which is a partnership, corporation, or association is authorized to do business in this state.

(5) An individual applicant for an original license as a debt adjuster has passed an examination administered by the director, which examination may be oral or written, or partly oral and partly written, and shall be practical in nature and sufficiently thorough to ascertain the applicant's fitness. Questions on bookkeeping, credit adjusting, business ethics, agency, contracts, debtor and creditor relationships, trust funds and the provisions of this chapter shall be included in the examination. No applicant may use any books or other similar aids while taking the examination, and no applicant may take the examination more than three times in any twelve month period. [1979 c 156 § 3; 1971 ex.s. c 292 § 20; 1967 ex.s. c 141 § 1; 1967 c 201 § 6.]

**Effective date—Severability—1979 c 156:** See notes following RCW 18.28.010.

**Severability—1971 ex.s. c 292:** See note following RCW 26.28.010.

**18.28.070 Licenses—Form—Contents—Display—Transferability.** Each license shall:

- (1) Be in the form and size prescribed by the director;
- (2) Show the name of the licensee and the address at which the business of debt adjusting is to be conducted;
- (3) Show the date of expiration of the license as December 31st, and show such other matter as may be prescribed by the director;
- (4) While in force, be at all times conspicuously displayed in the outer office of the debt adjusting agency or branch thereof; and
- (5) Not be transferable or assignable. [1967 c 201 § 7.]

**18.28.080 Fees for debt adjusting services—Limitations—Requirements.** (1) By contract a licensee may charge a reasonable fee for debt adjusting services. The total fee for debt adjusting services may not exceed fifteen percent of the total debt listed by the debtor on the contract. The fee retained by the licensee from any one payment made by or on behalf of the debtor may not exceed fifteen percent of the payment: PROVIDED, That the licensee may make an initial charge of up to twenty-five dollars which shall be considered part of the total fee. If an initial charge is made, no additional fee may be retained which will bring the total fee retained to date to more than fifteen percent of the total payments made to date. No fee whatsoever shall be applied against rent and utility payments for housing.

In the event of cancellation or default on performance of the contract by the debtor prior to its successful completion, the licensee may collect in addition to fees previously

received, six percent of that portion of the remaining indebtedness listed on said contract which was due when the contract was entered into, but not to exceed twenty-five dollars.

(2) A licensee shall not be entitled to retain any fee until notifying all creditors listed by the debtor that the debtor has engaged the licensee in a program of debt adjusting. [1979 c 156 § 4; 1967 ex.s. c 141 § 2; 1967 c 201 § 8.]

**Effective date—Severability—1979 c 156:** See notes following RCW 18.28.010.

**18.28.090 Excess charges—Contract void—Return of payments.** If a licensee contracts for, receives or makes any charge in excess of the maximums permitted by this chapter, except as the result of an accidental and bona fide error, the licensee's contract with the debtor shall be void and the licensee shall return to the debtor the amount of all payments received from the debtor or on his behalf and not distributed to creditors. [1967 c 201 § 9.]

**18.28.100 Contract requirements.** Every contract between a licensee and a debtor shall:

- (1) List every debt to be handled with the creditor's name and disclose the approximate total of all known debts;
- (2) Provide in precise terms payments reasonably within the ability of the debtor to pay;
- (3) Disclose in precise terms the rate and amount of all of the licensee's charges and fees;
- (4) Disclose the approximate number and amount of installments required to pay the debts in full;
- (5) Disclose the name and address of the licensee and of the debtor;
- (6) Provide that the licensee shall notify the debtor, in writing, within five days of notification to the licensee by a creditor that the creditor refuses to accept payment pursuant to the contract between the licensee and the debtor;
- (7) Contain the following notice in ten point boldface type or larger directly above the space reserved in the contract for the signature of the buyer: **NOTICE TO DEBTOR:**

(a) Do not sign this contract before you read it or if any spaces intended for the agreed terms are left blank.

(b) You are entitled to a copy of this contract at the time you sign it.

(c) You may cancel this contract within three days of signing by sending notice of cancellation by certified mail return receipt requested to the debt adjuster at his address shown on the contract, which notice shall be posted not later than midnight of the third day (excluding Sundays and holidays) following your signing of the contract; and

(8) Contain such other and further provisions or disclosures as the director shall determine are necessary for the protection of the debtor and the proper conduct of business by the licensee. [1979 c 156 § 5; 1967 c 201 § 10.]

**Effective date—Severability—1979 c 156:** See notes following RCW 18.28.010.

**18.28.110 Licensees—Functions required to be performed.** Every licensee shall perform the following functions:

(1) Make a permanent record of all payments by debtors, or on the debtors' behalf, and of all disbursements to creditors of such debtors, and shall keep and maintain in this state all such records, and all payments not distributed to creditors. No person shall intentionally make any false entry in any such record, or intentionally mutilate, destroy or otherwise dispose of any such record. Such records shall at all times be open for inspection by the director or his authorized agent, and shall be preserved as original records or by microfilm or other methods of duplication acceptable to the director, for at least six years after making the final entry therein.

(2) Deliver a completed copy of the contract between the licensee and a debtor to the debtor immediately after the debtor executes the contract, and sign the debtor's copy of such contract.

(3) Unless paid by check or money order, deliver a receipt to a debtor for each payment within five days after receipt of such payment.

(4) Distribute to the creditors of the debtor at least once each forty days after receipt of payment during the term of the contract at least eighty-five percent of each payment received from the debtor.

(5) At least once every month render an accounting to the debtor which shall indicate the total amount received from or on behalf of the debtor, the total amount paid to each creditor, the total amount which any creditor has agreed to accept as payment in full on any debt owed him by the debtor, the amount of charges deducted, and any amount held in trust. The licensee shall in addition render such an account to a debtor within ten days after written demand.

(6) Notify the debtor, in writing, within five days of notification to the licensee by a creditor that the creditor refuses to accept payment pursuant to the contract between the licensee and the debtor.

(7) Furnish the director with all contracts, assignments, and forms as described in RCW 18.28.030 which are currently in use. [1979 c 156 § 6; 1967 c 201 § 11.]

**Effective date—Severability—1979 c 156:** See notes following RCW 18.28.010.

**18.28.120 Licensees—Prohibited acts.** A licensee shall not:

(1) Take any contract, or other instrument which has any blank spaces when signed by the debtor;

(2) Receive or charge any fee in the form of a promissory note or other promise to pay or receive or accept any mortgage or other security for any fee, whether as to real or personal property;

(3) Lend money or credit;

(4) Take any confession of judgment or power of attorney to confess judgment against the debtor or appear as the debtor in any judicial proceedings;

(5) Take, concurrent with the signing of the contract or as a part of the contract or as part of the application for the contract, a release of any obligation to be performed on the part of the licensee;

(6) Advertise his services, display, distribute, broadcast or televise, or permit his services to be displayed, advertised, distributed, broadcasted or televised in any manner whatsoever wherein any false, misleading or deceptive statement or

representation with regard to the services to be performed by the licensee, or the charges to be made therefor, is made;

(7) Offer, pay, or give any cash, fee, gift, bonus, premiums, reward, or other compensation to any person for referring any prospective customer to the licensee;

(8) Receive any cash, fee, gift, bonus, premium, reward, or other compensation from any person other than the debtor or a person in the debtor's behalf in connection with his activities as a licensee; or

(9) Disclose to anyone, other than the director or his agent, the debtors who have contracted with the licensee; nor shall the licensee disclose the creditors of a debtor to anyone other than: (a) The debtor, or (b) the director or his agent, or (c) another creditor of the debtor and then only to the extent necessary to secure the cooperation of such a creditor in a debt adjusting plan. [1967 c 201 § 12.]

**18.28.130 Legal services—Rendering or obtaining—Using name of attorney—Prohibited.** Without limiting the generality of the foregoing and other applicable laws, the licensee, manager or employee of a licensee shall not:

(1) Prepare, advise, or sign a release of attachment or garnishment, stipulation, affidavit for exemption, compromise agreement or other legal or court document, nor furnish legal advice or perform legal services of any kind;

(2) Represent that he is authorized or competent to furnish legal advice or perform legal services;

(3) Assume authority on behalf of creditors or a debtor or accept a power of attorney authorizing it to employ or terminate the services of any attorney or to arrange the terms of or compensate for such services; or

(4) Communicate with the debtor or creditor or any other person in the name of any attorney or upon the stationery of any attorney or prepare any form or instrument which only attorneys are authorized to prepare. [1967 c 201 § 13.]

**18.28.140 Assignment of wages not prohibited.** Nothing in this chapter shall be construed as prohibiting the assignment of wages by a debtor to a licensee, if such assignment is otherwise in accordance with the law of this state. [1967 c 201 § 14.]

**18.28.150 Trust account for payments by debtor—Disbursements.** (1) Any payment received by a licensee from or on behalf of a debtor shall be held in trust by the licensee from the moment it is received. The licensee shall not commingle such payment with his own property or funds, but shall maintain a separate trust account and deposit in such account all such payments received. All disbursements whether to the debtor or to the creditors of the debtor, or to the licensee, shall be made from such account.

(2) In the event that the debtor cancels or defaults on the contract between the debtor and the licensee, the licensee shall close out the debtor's trust account in the following manner:

(a) The licensee may take from the account that amount necessary to satisfy any fees, other than any cancellation or default fee, authorized by this chapter.

(b) After deducting the fees provided in subsection (2)(a) of this section, the licensee shall distribute the

remaining amount in the account to the creditors of the debtor. The distribution shall be made within five days of the demand therefor by the debtor, but if the debtor fails to make the demand, then the licensee shall make the distribution within thirty days of the date of cancellation or default. [1979 c 156 § 8; 1967 c 201 § 15.]

**Effective date—Severability—1979 c 156:** See notes following RCW 18.28.010.

**18.28.160 Revocation of licenses—Grounds.** The director shall, upon reasonable opportunity to be heard, revoke any license issued pursuant to this chapter if he finds that:

(1) The licensee has failed to renew its bond as required by this chapter;

(2) The licensee has violated any provision of this chapter or any rule, promulgated by the director under the authority of this chapter or any order or decision of the director hereunder; or

(3) Any fact or condition exists which, if it had existed at the time of the original application for such license, reasonably would have warranted the director in refusing originally to issue such license. [1967 c 201 § 16.]

**18.28.165 Investigations.** For the purpose of discovering violations of this chapter or securing information lawfully required by him hereunder, the director may at any time, either personally or by a person or persons duly designated by him, investigate the debt adjusting business and examine the books, accounts, records, and files used therein, of every licensee. For that purpose the director and his duly designated representatives shall have free access to the offices and places of business, books, accounts, papers, records, files, safes, and vaults of all licensees. The director and all persons duly designated by him may require the attendance of and examine under oath all persons whomsoever whose testimony he may require relative to such debt adjusting business or to the subject matter of any examination, investigation, or hearing. [1979 c 156 § 7.]

**Effective date—Severability—1979 c 156:** See notes following RCW 18.28.010.

**18.28.170 Rules, orders, decisions, etc.** The director may promulgate rules, make specific decisions, orders and rulings, including therein demands and findings, and take other necessary action for the implementation and enforcement of this chapter. The director shall include among rules promulgated, those which describe and forbid deceptive advertising. [1979 c 156 § 9; 1967 c 201 § 17.]

**Effective date—Severability—1979 c 156:** See notes following RCW 18.28.010.

**18.28.180 Administrative procedure act to govern administration.** The administrative procedure act, chapter 34.05 RCW, shall wherever applicable herein, govern the rights, remedies, and procedures respecting the administration of this chapter. [1967 c 201 § 18.]

**18.28.185 Violations—Unfair practice under chapter 19.86 RCW.** A violation of this chapter constitutes

an unfair or deceptive act or practice in the conduct of trade or commerce under chapter 19.86 RCW. [1979 c 156 § 10.]

**Effective date—Severability—1979 c 156:** See notes following RCW 18.28.010.

**18.28.190 Violations—Penalty.** Any person who violates any provision of this chapter or aids or abets such violation, or any rule lawfully promulgated hereunder or any order or decision of the director hereunder, or any person who operates as a debt adjuster without a license, shall be guilty of a misdemeanor. [1967 c 201 § 19.]

**18.28.200 Violations—Injunctions.** Notwithstanding any other actions which may be brought under the laws of this state, the attorney general or the prosecuting attorney of any county within the state may bring an action in the name of the state against any person to restrain and prevent any violation of this chapter. [1967 c 201 § 20.]

**18.28.210 Violations—Assurance of discontinuance—Effect.** The attorney general may accept an assurance of discontinuance of any act or practice deemed in violation of this chapter in the enforcement thereof from any person engaging in or who has engaged in such act or practice. Any such assurance shall be in writing and be filed with and subject to the approval of the superior court of the county in which the alleged violator resides or has his principal place of business, or in the alternative, in Thurston county. Failure to perform the terms of any such assurance shall constitute prima facie proof of a violation of this chapter for the purpose of securing any injunction as provided for in RCW 18.28.200: PROVIDED, That after commencement of any action by a prosecuting attorney, as provided therein, the attorney general may not accept an assurance of discontinuance without the consent of said prosecuting attorney. [1967 c 201 § 21.]

**18.28.220 Violation of injunction—Civil penalty.** Any person who violates any injunction issued pursuant to this chapter shall forfeit and pay a civil penalty of not more than one thousand dollars. For the purpose of this section the superior court issuing any injunction shall retain jurisdiction, and the cause shall be continued, and in such cases the attorney general acting in the name of the state may petition for the recovery of civil penalties. [1967 c 201 § 22.]

**18.28.230 License suspension—Nonpayment or default on educational loan or scholarship.** The director shall suspend the license of any person who has been certified by a lending agency and reported to the director for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's license shall not be reissued until the person provides the director a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If

the person has continued to meet all other requirements for licensure during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the director may impose. [1996 c 293 § 8.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.28.240 License suspension—Noncompliance with support order—Reissuance.** The department shall immediately suspend the license 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 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. [1997 c 58 § 818.]

\***Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.28.900 Saving prior contracts.** The provisions of this chapter shall not invalidate or make unlawful contracts between debt adjusters and debtors executed prior to the effective date of this chapter. [1967 c 201 § 23.]

**Effective date—1967 c 201:** June 8, 1967, see preface to 1967 session laws.

**18.28.910 Severability—1967 c 201.** 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. [1967 c 201 § 24.]

## Chapter 18.29

### DENTAL HYGIENIST

#### Sections

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18.29.915	Captions not law—1989 c 202.

**Reviser's note:** Powers and duties of the department of licensing and the director of licensing transferred to the department of health and the secretary of health. See RCW 43.70.220.

*Dentistry: Chapter 18.32 RCW.*

*Health professions account—Fees credited—Requirements for biennial budget request: RCW 43.70.320.*

*Rebating by practitioners of healing professions prohibited: Chapter 19.68 RCW.*

*Secretary of health or designee ex officio member of health professional licensure and disciplinary boards: RCW 43.70.300.*

**18.29.003 Regulation of health care professions—Criteria.** See chapter 18.120 RCW.

**18.29.005 "Surfaces of the teeth" defined.** The term "surfaces of the teeth" as used in this chapter means the portions of the crown and root surface to which there is no periodontal membrane attached. [1969 c 47 § 6.]

**18.29.011 License required.** No person may practice as a dental hygienist in this state without having a license as such and, after the first year, an unexpired license renewal certificate. [1987 c 150 § 16.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.29.021 Requirements for licensing.** (1) The department shall issue a license to any applicant who, as determined by the secretary:

(a) Has successfully completed an educational program approved by the secretary. This educational program shall include course work encompassing the subject areas within the scope of the license to practice dental hygiene in the state of Washington;

(b) Has successfully completed an examination administered or approved by the dental hygiene examining committee; and

(c) Has not engaged in unprofessional conduct or is not unable to practice with reasonable skill and safety as a result of a physical or mental impairment.

(2) Applications for licensure must comply with administrative procedures, administrative requirements, and fees established according to RCW 43.70.250 and 43.70.280. [1996 c 191 § 10; 1995 c 198 § 4; 1991 c 3 § 46; 1989 c 202 § 1.]

**18.29.045 Licensure by endorsement.** An applicant holding a valid license and currently engaged in practice in another state may be granted a license without examination required by this chapter, on the payment of any required fees, if the secretary in consultation with the advisory committee determines that the other state's licensing stan-

dards are substantively equivalent to the standards in this state: PROVIDED, That the secretary in consultation with the advisory committee may require the applicant to: (1) File with the secretary documentation certifying the applicant is licensed to practice in another state; and (2) provide information as the secretary deems necessary pertaining to the conditions and criteria of the uniform disciplinary act, chapter 18.130 RCW and to demonstrate to the secretary a knowledge of Washington law pertaining to the practice of dental hygiene. [1991 c 3 § 47; 1989 c 202 § 29.]

**18.29.050 Scope of licensee's functions—Employment—Supervision.** Any person licensed as a dental hygienist in this state may remove deposits and stains from the surfaces of the teeth, may apply topical preventive or prophylactic agents, may polish and smooth restorations, may perform root planing and soft-tissue curettage, and may perform other dental operations and services delegated to them by a licensed dentist: PROVIDED HOWEVER, That licensed dental hygienists shall in no event perform the following dental operations or services:

- (1) Any surgical removal of tissue of the oral cavity;
- (2) Any prescription of drugs or medications requiring the written order or prescription of a licensed dentist or physician;
- (3) Any diagnosis for treatment or treatment planning; or
- (4) The taking of any impression of the teeth or jaw, or the relationships of the teeth or jaws, for the purpose of fabricating any intra-oral restoration, appliance, or prosthesis.

Such licensed dental hygienists may perform dental operations and services only under the supervision of a licensed dentist, and under such supervision may be employed by hospitals, boards of education of public or private schools, county boards, boards of health, or public or charitable institutions, or in dental offices. [1997 c 37 § 1; 1971 ex.s. c 235 § 1; 1969 c 47 § 4; 1923 c 16 § 27; RRS § 10030-27.]

**18.29.056 Employment by health care facilities authorized—Limitations.** (1) Dental hygienists licensed under this chapter with two years' practical clinical experience with a licensed dentist within the preceding five years may be employed or retained by health care facilities to perform authorized dental hygiene operations and services without dental supervision, limited to removal of deposits and stains from the surfaces of the teeth, application of topical preventive or prophylactic agents, polishing and smoothing restorations, and performance of root planing and soft-tissue curettage, but shall not perform injections of anesthetic agents, administration of nitrous oxide, or diagnosis for dental treatment. The performance of dental hygiene operations and services in health care facilities shall be limited to patients, students, and residents of the facilities. For dental planning and dental treatment, dental hygienists shall refer patients to licensed dentists.

(2) For the purposes of this section, "health care facilities" are limited to hospitals; nursing homes; home health agencies; group homes serving the elderly, handicapped, and juveniles; state-operated institutions under the jurisdiction of the department of social and health services

or the department of corrections; and federal, state, and local public health facilities, state or federally funded community and migrant health centers, and tribal clinics. [1997 c 37 § 2; 1984 c 279 § 63.]

**Severability—1984 c 279:** See RCW 18.130.901.

**18.29.060 License issuance—Display.** Upon passing an examination and meeting the requirements as provided in RCW 18.29.021, the secretary of health shall issue to the successful applicant a license as dental hygienist. The license shall be displayed in a conspicuous place in the operation room where such licensee shall practice. [1991 c 3 § 48; 1989 c 202 § 12; 1985 c 7 § 21; 1981 c 277 § 4; 1979 c 158 § 32; 1923 c 16 § 31; RRS § 10030-31.]

**18.29.071 Renewals.** The secretary shall establish the administrative procedures, administrative requirements, and fees for renewal of licenses as provided in this chapter and in RCW 43.70.250 and 43.70.280. [1996 c 191 § 11; 1991 c 3 § 49; 1989 c 202 § 2.]

**18.29.076 Application of uniform disciplinary act.** The uniform disciplinary act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter. [1987 c 150 § 15; 1986 c 259 § 31.]

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.29.100 Violations—Penalty—Prosecutions.** Any person who shall violate any provision of this chapter shall be guilty of a misdemeanor. It shall be the duty of the prosecuting attorney of each county to prosecute all cases involving a violation of this chapter arising within his or her county. The attorney general may assist in such prosecutions and shall appear at all hearings when requested to do so by the secretary of health. [1991 c 3 § 50; 1979 c 158 § 34; 1923 c 16 § 36; RRS § 10030-36.]

*Violation of chapter 69.50 RCW, the Uniform Controlled Substances Act—Suspension of license: RCW 69.50.413.*

**18.29.110 Dental hygiene examining committee—Generally.** There shall be a dental hygiene examining committee consisting of three practicing dental hygienists and one public member appointed by the secretary, to be known as the Washington dental hygiene examining committee. Each dental hygiene member shall be licensed and have been actively practicing dental hygiene for a period of not less than five years immediately before appointment and shall not be connected with any dental hygiene school. The public member shall not be connected with any dental hygiene program or engaged in any practice or business related to dental hygiene. Members of the committee shall be appointed by the secretary to prepare and conduct examinations for dental hygiene licensure. Members shall be appointed to serve for terms of three years from October 1 of the year in which they are appointed. Terms of the members shall be staggered. Each member shall hold office for the term of his or her appointment and until his or her successor is appointed and qualified. Any member of the committee may be removed by the secretary for neglect of

duty, misconduct, malfeasance, or misfeasance in office, after being given a written statement of the charges against him or her and sufficient opportunity to be heard thereon. Members of the committee shall be compensated 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. [1991 c 3 § 51; 1989 c 202 § 3.]

**18.29.120 Examinations—Secretary's authority—Consultation with examining authority.** The secretary in consultation with the Washington dental hygiene examining committee shall:

(1) Adopt rules in accordance with chapter 34.05 RCW necessary to prepare and conduct examinations for dental hygiene licensure;

(2) Require an applicant for licensure to pass an examination consisting of written and practical tests upon such subjects and of such scope as the committee determines;

(3) Set the standards for passage of the examination;

(4) Administer at least two examinations each calendar year. Additional examinations may be given as necessary; and

(5) Establish by rule the procedures for an appeal of an examination failure. [1995 c 198 § 5; 1991 c 3 § 52; 1989 c 202 § 4.]

**18.29.130 Secretary's authority—Generally—Continuing education.** In addition to any other authority provided by law, the secretary may:

(1) Adopt rules in accordance with chapter 34.05 RCW necessary to implement this chapter;

(2) Establish forms necessary to administer this chapter;

(3) Issue a license to any applicant who has met the education and examination requirements for licensure and deny a license to applicants who do not meet the minimum qualifications for licensure. Proceedings concerning the denial of licenses based on unprofessional conduct or impaired practice shall be governed by the uniform disciplinary act, chapter 18.130 RCW;

(4) Employ clerical, administrative, and investigative staff as needed to implement and administer this chapter and hire individuals, including those licensed under this chapter, to serve as examiners or consultants as necessary to implement and administer this chapter;

(5) Maintain the official departmental record of all applicants and licensees;

(6) Establish, by rule, the minimum education requirements for licensure, including but not limited to approval of educational programs; and

(7) Establish and implement by rule a continuing education program. [1991 c 3 § 53; 1989 c 202 § 5.]

**18.29.140 Approval of educational programs.** The secretary shall establish by rule the standards and procedures for approval of educational programs and may contract with individuals or organizations having expertise in the profession or in education to report to the secretary information necessary for the secretary to evaluate the educational programs. The secretary may establish a fee for educational program evaluation. The fee shall be set to defray the

administrative costs for evaluating the educational program, including, but not limited to, costs for site evaluation. [1991 c 3 § 54; 1989 c 202 § 6.]

**18.29.150 Examinations.** (1) The secretary shall establish the date and location of the examination. Applicants who meet the education requirements for licensure shall be scheduled for the next examination following the filing of the application. The secretary shall establish by rule the examination application deadline.

(2) The examination shall contain subjects appropriate to the scope of practice and on laws in the state of Washington regulating dental hygiene practice.

(3) The committee shall establish by rule the requirements for a reexamination if the applicant has failed the examination.

(4) The committee may approve an examination prepared or administered by a private testing agency or association of licensing authorities. [1991 c 3 § 55; 1989 c 202 § 7.]

**18.29.160 Immunity.** The secretary, members of the committee, and individuals acting on their behalf are immune from suit in any action, civil or criminal, based on any acts performed in the course of their duties. [1991 c 3 § 56; 1989 c 202 § 8.]

**18.29.170 Committee meetings—Quorum—Effect of vacancy.** The committee shall meet at least once a year and at such times as may be necessary for the transaction of business.

A majority of the committee shall constitute a quorum.

A vacancy in the committee membership shall not impair the right of the remaining members of the committee to exercise any power or to perform any duty of the committee, so long as the power is exercised or the duty performed by a quorum of the committee. [1989 c 202 § 9.]

**18.29.180 Exemptions from chapter.** The following practices, acts, and operations are excepted from the operation of this chapter:

(1) The practice of dental hygiene in the discharge of official duties by dental hygienists in the United States armed services, coast guard, public health services, veterans' bureau, or bureau of Indian affairs;

(2) Dental hygiene programs approved by the secretary and the practice of dental hygiene by students in dental hygiene programs approved by the secretary, when acting under the direction and supervision of persons licensed under chapter 18.29 or 18.32 RCW acting as instructors. [1991 c 3 § 57; 1989 c 202 § 10.]

**18.29.190 Temporary licenses.** (1) The department shall issue a temporary license without the examination required by this chapter to any applicant who, as determined by the secretary:

(a) Holds a valid license in another state that allows the scope of practice in subsection (3) (a) through (j) of this section;

(b) Is currently engaged in active practice in another state. For the purposes of this section, "active practice"

means five hundred sixty hours of practice in the preceding twenty-four months;

(c) Files with the secretary documentation certifying that the applicant:

(i) Has graduated from an accredited dental hygiene school approved by the secretary;

(ii) Has successfully completed the dental hygiene national board examination; and

(iii) Is licensed to practice in another state;

(d) Provides information as the secretary deems necessary pertaining to the conditions and criteria of the uniform disciplinary act, chapter 18.130 RCW;

(e) Demonstrates to the secretary a knowledge of Washington state law pertaining to the practice of dental hygiene, including the administration of legend drugs;

(f) Pays any required fees; and

(g) Meets requirements for AIDS education.

(2) The term of the temporary license issued under this section is eighteen months and it is nonrenewable.

(3) A person practicing with a temporary license granted under this section has the authority to perform hygiene procedures that are limited to:

(a) Oral inspection and measuring of periodontal pockets;

(b) Patient education in oral hygiene;

(c) Taking intra-oral and extra-oral radiographs;

(d) Applying topical preventive or prophylactic agents;

(e) Polishing and smoothing restorations;

(f) Oral prophylaxis and removal of deposits and stains from the surface of the teeth;

(g) Recording health histories;

(h) Taking and recording blood pressure and vital signs;

(i) Performing subgingival and supragingival scaling; and

(j) Performing root planing.

(4)(a) A person practicing with a temporary license granted under this section may not perform the following dental hygiene procedures unless authorized in (b) or (c) of this subsection:

(i) Give injections of local anesthetic;

(ii) Place restorations into the cavity prepared by a licensed dentist and afterwards carve, contour, and adjust contacts and occlusion of the restoration;

(iii) Soft tissue curettage; or

(iv) Administer nitrous oxide/oxygen analgesia.

(b) A person licensed in another state who can demonstrate substantively equivalent licensing standards in the administration of local anesthetic may receive a temporary endorsement to administer local anesthesia.

(c) A person licensed in another state who can demonstrate substantively equivalent licensing standards in restorative procedures may receive a temporary endorsement for restorative procedures. [1993 c 323 § 2.]

**Legislative declaration—1993 c 323:** "The legislature declares that the granting of temporary licenses under this act is not intended to be a solution to the shortage of dental hygienists in the state of Washington. The legislature further declares that the long-term solution to these shortages must be addressed by expanding dental hygiene training programs at the state's colleges and universities." [1993 c 323 § 1.]

**Temporary licenses—Report—Period of validity:** "(1) The department of health shall report to the legislature by December 1, 1996, on the need to continue granting temporary licenses to dental hygienists. The report shall identify alternatives to granting temporary licenses that meet the

same goals and objectives, including increasing the number of dental hygienists trained in the state of Washington.

(2) A temporary license granted by the department under RCW 18.29.190 through 18.29.210 is valid for the period issued." [1993 c 323 § 7.]

**18.29.200 Temporary licensees—Requirements for regular examination.** A person granted a temporary license under this chapter who does not meet the requirements for substantively equivalent licensing standards in restorative or local anesthetic must submit proof of completion of approved education in these procedures before being eligible to take the dental hygiene examination. [1993 c 323 § 3.]

**Legislative declaration—1993 c 323:** See notes following RCW 18.29.190.

**18.29.210 Rules.** The secretary in consultation with the dental hygiene examining committee shall develop rules and definitions to implement this chapter. [1993 c 323 § 4.]

**Legislative declaration—1993 c 323:** See note following RCW 18.29.190.

**18.29.900 Construction—1923 c 16.** Words used in this chapter importing the singular number may also be applied to the plural of persons and things. Words importing the plural may be applied to the singular, and words importing the masculine gender may be extended to females also. [1923 c 16 § 37.]

*Number and gender: RCW 1.12.050.*

**18.29.910 Severability—1923 c 16.** Should any section of this chapter, or any portion of any section be for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this chapter. [1923 c 16 § 38.]

**18.29.915 Captions not law—1989 c 202.** Section headings as used in this act do not constitute any part of the law. [1989 c 202 § 11.]

## Chapter 18.30

### DENTURISTS

#### Sections

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18.30.150	Partnerships with dentists.
18.30.900	Short title—1995 c 1 (Initiative Measure No. 607).
18.30.901	Severability—1995 c 1 (Initiative Measure No. 607).

**18.30.005 Finding, intent.** The state of Washington finds that to realize the state's current statutory policy of regulating health professions at the least restrictive level consistent with the public interest, a program of licensure for denturists should be established. The intent of the legislature is to help assure the public's health, provide a mechanism for consumer protection, and offer cost-effective alternatives for denture care services and products to individual consumers and the state. [1995 c 1 § 1 (Initiative Measure No. 607, approved November 8, 1994).]

**18.30.010 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Board" means the state board of denture technology.

(2) "Denture" means a removable full or partial upper or lower dental appliance to be worn in the mouth to replace missing natural teeth.

(3) "Denturist" means a person licensed under this chapter to engage in the practice of denturism.

(4) "Department" means the department of health.

(5) "Practice of denturism" means:

(a) Making, placing, constructing, altering, reproducing, or repairing a denture; and

(b) Taking impressions and furnishing or supplying a denture directly to a person or advising the use of a denture, and maintaining a facility for the same.

(6) "Secretary" means the secretary of health or the secretary's designee. [1995 c 1 § 2 (Initiative Measure No. 607, approved November 8, 1994).]

**18.30.020 Examination of patient—Sanctions—Training and licensing examination.** (1) Before making and fitting a denture, a denturist shall examine the patient's oral cavity.

(a) If the examination gives the denturist reasonable cause to believe that there is an abnormality or disease process that requires medical or dental treatment, the denturist shall immediately refer the patient to a dentist or physician. In such cases, the denturist shall take no further action to manufacture or place a denture until the patient has been examined by a dentist or physician and the dentist or physician gives written clearance that the denture will pose no threat to the patient's health.

(b) If the examination reveals the need for tissue or teeth modification in order to assure proper fit of a full or partial denture, the denturist shall refer the patient to a dentist and assure that the modification has been completed before taking an impression for the completion of the denture.

(2) A denturist who makes or places a denture in a manner not consistent with this section is subject to the sanctions provided in chapter 18.130 RCW, the uniform disciplinary act.

(3) A denturist must successfully complete special training in oral pathology prescribed by the secretary, whether as part of an approved associate degree program or equivalent training, and pass an examination prescribed by the secretary, which may be a part of the examination for licensure to become a licensed denturist. [1995 c 198 § 18;

1995 c 1 § 3 (Initiative Measure No. 607, approved November 8, 1994).]

**Effective date—1995 c 198 §§ 18-25:** "Sections 18 through 25 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [May 1, 1995]." [1995 c 198 § 27.]

**18.30.030 Licensing required.** No person may represent himself or herself as a licensed denturist or use any title or description of services without applying for licensure, meeting the required qualifications, and being licensed as a denturist by the department, unless otherwise exempted by this chapter. [1995 c 1 § 4 (Initiative Measure No. 607, approved November 8, 1994).]

**18.30.040 Exclusions from chapter.** Nothing in this chapter prohibits or restricts:

(1) The practice of a profession by an individual who is licensed, certified, or registered under other laws of this state and who is performing services within the authorized scope of practice;

(2) The practice of denturism by an individual employed by the government of the United States while the individual is engaged in the performance of duties prescribed by the laws and regulations of the United States;

(3) The practice of denturism by students enrolled in a school approved by the department. The performance of services must be pursuant to a course of instruction or an assignment from an instructor and under the supervision of an instructor; or

(4) Work performed by dental labs and dental technicians under the written prescription of a dentist. [1995 c 1 § 5 (Initiative Measure No. 607, approved November 8, 1994).]

**18.30.050 Board of denture technology—Members, terms, travel expenses, removal.** (1) The state board of denture technology is created. The board shall consist of seven members appointed by the secretary as follows:

(a) Four members of the board must be denturists licensed under this chapter, except initial appointees, who must have five years' experience in the field of denturism or a related field.

(b) Two members shall be selected from persons who are not affiliated with any health care profession or facility, at least one of whom must be over sixty-five years of age representing the elderly.

(c) One member must be a dentist licensed in the state of Washington.

(2) The members of the board shall serve for terms of three years. The terms of the initial members shall be staggered, with the members appointed under subsection (1)(a) of this section serving two-year and three-year terms initially and the members appointed under subsection (1)(b) and (c) of this section serving one-year, two-year, and three-year terms initially. Vacancies shall be filled in the same manner as the original appointments are made. Appointments to fill vacancies shall be for the remainder of the unexpired term of the vacant position.

(3) No appointee may serve more than two consecutive terms.

(4) Members of the board shall be reimbursed for travel expenses under RCW 43.03.050 and 43.03.060.

(5) A member of the board may be removed for just cause by the secretary. [1995 c 1 § 6 (Initiative Measure No. 607, approved November 8, 1994).]

**18.30.060 Board—Officers, quorum.** (1) The board shall elect a chairperson of the board annually. The same person may not hold the office of chairperson for more than three years in succession.

(2) A majority of the board constitutes a quorum for all purposes, and a majority vote of the members voting governs the decisions of the board. [1995 c 1 § 7 (Initiative Measure No. 607, approved November 8, 1994).]

**18.30.080 Secretary—Powers and duties.** The secretary shall:

(1) In consultation with the board, determine the qualifications of persons applying for licensure under this chapter;

(2) In consultation with the board, prescribe, administer, and determine the requirements for examinations under this chapter and establish a passing grade for licensure under this chapter;

(3) In consultation with the board, adopt rules under chapter 34.05 RCW to carry out the provisions of this chapter;

(4) In consultation with the board, set all licensure, examination, and renewal fees in accordance with RCW 43.70.250;

(5) Evaluate and designate those schools from which graduation will be accepted as proof of an applicant's completion of course work requirements for licensure;

(6) Act as the disciplining authority under this chapter in accordance with the Uniform Disciplinary Act, chapter 18.130 RCW, which governs unlicensed practice, the issuance and denial of licenses, and the disciplining of license holders under this chapter;

(7) Issue licenses for the practice of denturism under this chapter;

(8) Administer oaths and subpoena witnesses for the purpose of carrying out the activities authorized under this chapter;

(9) Establish forms and procedures necessary to administer this chapter;

(10) Hire clerical, administrative, investigative, and other staff as needed to implement this chapter and act on behalf of the board and the secretary; and

(11) Issue licenses of endorsement for applicants from states with substantially equivalent licensing standards to this state. [1995 c 198 § 19; 1995 c 1 § 9 (Initiative Measure No. 607, approved November 8, 1994).]

**Effective date—1995 c 198 §§ 18-25:** See note following RCW 18.30.020.

**18.30.090 Licensing requirements.** The secretary shall issue a license to practice denturism to an applicant who submits a completed application, pays the appropriate fees, and meets the following requirements:

(1) A person currently licensed to practice denturism under statutory provisions of another state with substantially

equivalent licensing standards to this chapter shall be licensed without examination upon providing the department with the following:

(a) Proof of successfully passing a written and clinical examination for denturism in a state that the secretary has determined has substantially equivalent standards as those in this chapter in both the written and clinical examinations; and

(b) An affidavit from the state agency where the person is licensed or certified attesting to the fact of the person's licensure or certification.

(2) A person graduating from a formal denturism program shall be licensed if he or she:

(a) Documents successful completion of formal training with a major course of study in denturism of not less than two years in duration at an educational institution recognized by the secretary; and

(b) Passes a written and clinical examination approved by the secretary.

(3) An applicant who does not otherwise qualify under subsection (1) or (2) of this section shall be licensed within two years of December 8, 1994, if he or she:

(a) Provides to the secretary three affidavits by persons other than family members attesting to the applicant's employment in denture technology for at least five years, or provides documentation of at least four thousand hours of practical work within denture technology;

(b) Provides documentation of successful completion of a training course approved by the secretary or completion of an equivalent course approved by the secretary; and

(c) Passes a written and clinical examination administered by the secretary. [1995 c 198 § 20; 1995 c 1 § 10 (Initiative Measure No. 607, approved November 8, 1994).]

**Effective date—1995 c 198 §§ 18-25:** See note following RCW 18.30.020.

**18.30.100 Licensing examinations.** The secretary shall administer the examinations for licensing under this chapter, subject to the following requirements:

(1) Examinations shall determine the qualifications, fitness, and ability of the applicant to practice denturism. The test shall include a written examination and a practical demonstration of skills.

(2) Examinations shall be held at least annually.

(3) The first examination shall be conducted not later than July 1, 1995.

(4) The written examination shall cover the following subjects: (a) Head and oral anatomy and physiology; (b) oral pathology; (c) partial denture construction and design; (d) microbiology; (e) clinical dental technology; (f) dental laboratory technology; (g) clinical jurisprudence; (h) asepsis; (i) medical emergencies; and (j) cardiopulmonary resuscitation.

(5) Upon payment of the appropriate fee, an applicant who fails either the written or practical examination may have additional opportunities to take the portion of the examination that he or she failed.

The secretary may hire trained persons licensed under this chapter to prepare, administer, and grade the examinations or may contract with regional examiners who meet qualifications adopted by the secretary. [1995 c 198 § 21;

1995 c 1 § 11 (Initiative Measure No. 607, approved November 8, 1994).]

**Effective date—1995 c 198 §§ 18-25:** See note following RCW 18.30.020.

**18.30.120 Requirements determined by secretary—License content.** (1) The licensing period, administrative procedures, administrative requirements, and fees shall be determined by the secretary as provided in RCW 43.70.250 and 43.70.280.

(2) The license shall contain, on its face, the address or addresses where the license holder will perform the dentist services. [1996 c 191 § 12; 1995 c 1 § 13 (Initiative Measure No. 607, approved November 8, 1994).]

**18.30.130 License renewal.** The secretary shall establish by rule the requirements for renewal of licenses to practice denturism, but shall not increase the licensure requirements provided in this chapter. The secretary shall establish administrative procedures, administrative requirements, and fees for license periods and renewals as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 13; 1995 c 198 § 23; 1995 c 1 § 14 (Initiative Measure No. 607, approved November 8, 1994).]

**Effective date—1995 c 198 §§ 18-25:** See note following RCW 18.30.020.

**18.30.135 Discipline.** The Uniform Disciplinary Act, chapter 18.130 RCW, shall govern the issuance and denial of licenses, unauthorized practice, and the discipline of persons licensed under this chapter. The secretary shall be the disciplinary authority under this chapter. [1995 c 336 § 3.]

**Effective date—1995 c 336 §§ 2 and 3:** See note following RCW 18.130.040.

**18.30.140 Inactive licenses.** (1) An individual may place his or her license on inactive status. The holder of an inactive license shall not practice denturism in this state without first activating the license.

(2) The inactive renewal fee shall be established by the secretary. Failure to renew an inactive license shall result in cancellation in the same manner as failure to renew an active license results in cancellation.

(3) An inactive license may be placed in an active status upon compliance with rules established by the secretary.

(4) The provisions relating to denial, suspension, and revocation of a license are applicable to an inactive license, except that when proceedings to suspend or revoke an inactive license have been initiated, the license shall remain inactive until the proceedings have been completed. [1995 c 198 § 24; 1995 c 1 § 15 (Initiative Measure No. 607, approved November 8, 1994).]

**Effective date—1995 c 198 §§ 18-25:** See note following RCW 18.30.020.

**18.30.150 Partnerships with dentists.** Notwithstanding any other provision of state law, a licensed dentist may enter into a partnership or other business association with a dentist, provided that such association does not impede the independent professional judgment of either party. [1995 c

1 § 16 (Initiative Measure No. 607, approved November 8, 1994).]

**18.30.900 Short title—1995 c 1 (Initiative Measure No. 607).** This chapter may be known and cited as the Washington state dentist act. [1995 c 1 § 17 (Initiative Measure No. 607, approved November 8, 1994).]

**18.30.901 Severability—1995 c 1 (Initiative Measure No. 607).** 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. [1995 c 1 § 26 (Initiative Measure No. 607, approved November 8, 1994).]

## Chapter 18.32

### DENTISTRY

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*Dental hygienists:* Chapter 18.29 RCW.

*Dentists, actions against, limitation of:* RCW 4.16.350.

*Health professions account—Fees credited—Requirements for biennial budget request:* RCW 43.70.320.

*Lien of doctors:* Chapter 60.44 RCW.

*Rebating by practitioners of healing professions prohibited:* Chapter 19.68 RCW.

**18.32.002 Findings—Purpose.** The legislature finds that the health and well-being of the people of this state are of paramount importance.

The legislature further finds that the conduct of members of the dental profession licensed to practice dentistry in this state plays a vital role in preserving the health and well-being of the people of the state.

The legislature further finds that there is no effective means of handling disciplinary proceedings against members of the dental profession licensed in this state when such proceedings are necessary for the protection of the public health.

Therefore, the legislature declares its intention to exercise the police power of the state to protect the public health, to promote the welfare of the state, and to provide a commission to act as a disciplinary and regulatory body for the members of the dental profession licensed to practice dentistry in this state.

It is the purpose of the commission established in RCW 18.32.0351 to regulate the competency and quality of professional health care providers under its jurisdiction by establishing, monitoring, and enforcing qualifications for licensure, consistent standards of practice, continuing competency mechanisms, and discipline. Rules, policies, and procedures developed by the commission must promote the delivery of quality health care to the residents of the state. [1994 sp.s. c 9 § 201.]

**18.32.005 Regulation of health care professions—Criteria.** See chapter 18.120 RCW.

**18.32.010 Words defined.** Words used in the singular in this chapter may also be applied to the plural of the persons and things; words importing the plural may be applied to the singular; words importing the masculine gender may be extended to females also; the term "commission" used in this chapter shall mean the Washington state dental quality assurance commission; and the term "secretary" shall mean the secretary of health of the state of Washington. [1994 sp.s. c 9 § 202; 1991 c 3 § 58; 1935 c 112 § 1; RRS § 10031-1.]

*Number and gender:* RCW 1.12.050.

**18.32.020 Practice of dentistry defined.** A person practices dentistry, within the meaning of this chapter, who (1) represents himself as being able to diagnose, treat, remove stains and concretions from teeth, operate or prescribe for any disease, pain, injury, deficiency, deformity, or physical condition of the human teeth, alveolar process, gums, or jaw, or (2) offers or undertakes by any means or methods to diagnose, treat, remove stains or concretions from teeth, operate or prescribe for any disease, pain, injury, deficiency, deformity, or physical condition of the same, or take impressions of the teeth or jaw, or (3) owns, maintains or operates an office for the practice of dentistry, or (4) engages in any of the practices included in the curricula of recognized and approved dental schools or colleges, or (5) professes to the public by any method to furnish, supply, construct, reproduce, or repair any prosthetic denture, bridge, appliance, or other structure to be worn in the human mouth.

The fact that a person uses any dental degree, or designation, or any card, device, directory, poster, sign, or other media whereby he represents himself to be a dentist, shall be prima facie evidence that such person is engaged in the practice of dentistry.

X-ray diagnosis as to the method of dental practice in which the diagnosis and examination is made of the normal and abnormal structures, parts or functions of the human teeth, the alveolar process, maxilla, mandible or soft tissues adjacent thereto, is hereby declared to be the practice of dentistry. Any person other than a regularly licensed physician or surgeon who makes any diagnosis or interpretation or explanation, or attempts to diagnose or to make any interpretation or explanation of the registered shadow or shadows of any part of the human teeth, alveolar process, maxilla, mandible or soft tissues adjacent thereto by the use of x-ray is declared to be engaged in the practice of dentistry, medicine or surgery.

The practice of dentistry includes the performance of any dental or oral and maxillofacial surgery. "Oral and maxillofacial surgery" means the specialty of dentistry that includes the diagnosis and surgical and adjunctive treatment of diseases, injuries, and defects of the hard and soft tissues of the oral and maxillofacial region. [1996 c 259 § 1; 1957 c 98 § 1; 1957 c 52 § 20. Prior: (i) 1935 c 112 § 6; RRS § 10031-6. (ii) 1943 c 240 § 1; Rem. Supp. 1943 § 10031-6a.]

**18.32.030 Exemptions from chapter.** The following practices, acts, and operations are excepted from the operation of the provisions of this chapter:

(1) The rendering of dental relief in emergency cases in the practice of his or her profession by a physician or surgeon, licensed as such and registered under the laws of this state, unless the physician or surgeon undertakes to or does reproduce lost parts of the human teeth in the mouth or to restore or to replace in the human mouth lost or missing teeth;

(2) The practice of dentistry in the discharge of official duties by dentists in the United States federal services on federal reservations, including but not limited to the armed services, coast guard, public health service, veterans' bureau, or bureau of Indian affairs;

(3) Dental schools or colleges approved under RCW 18.32.040, and the practice of dentistry by students in Washington state dental schools or colleges approved by the commission, when acting under the direction and supervision of Washington state-licensed dental school faculty;

(4) The practice of dentistry by licensed dentists of other states or countries while appearing as clinicians at meetings of the Washington state dental association, or component parts thereof, or at meetings sanctioned by them, or other groups approved by the commission;

(5) The use of roentgen and other rays for making radiographs or similar records of dental or oral tissues, under the supervision of a licensed dentist or physician;

(6) The making, repairing, altering, or supplying of artificial restorations, substitutions, appliances, or materials for the correction of disease, loss, deformity, malposition, dislocation, fracture, injury to the jaws, teeth, lips, gums, cheeks, palate, or associated tissues or parts; providing the same are made, repaired, altered, or supplied pursuant to the written instructions and order of a licensed dentist which may be accompanied by casts, models, or impressions furnished by the dentist, and the prescriptions shall be retained and filed for a period of not less than three years and shall be available to and subject to the examination of the secretary or the secretary's authorized representatives;

(7) The removal of deposits and stains from the surfaces of the teeth, the application of topical preventative or prophylactic agents, and the polishing and smoothing of restorations, when performed or prescribed by a dental hygienist licensed under the laws of this state;

(8) A qualified and licensed physician and surgeon or osteopathic physician and surgeon extracting teeth or performing oral surgery pursuant to the scope of practice under chapter 18.71 or 18.57 RCW;

(9) The performing of dental operations or services by persons not licensed under this chapter when performed under the supervision of a licensed dentist: PROVIDED HOWEVER, That such nonlicensed person shall in no event perform the following dental operations or services unless permitted to be performed by the person under this chapter or chapters 18.29, 18.57, 18.71, and 18.79 RCW as it applies to registered nurses and advanced registered nurse practitioners:

(a) Any removal of or addition to the hard or soft tissue of the oral cavity;

(b) Any diagnosis of or prescription for treatment of disease, pain, deformity, deficiency, injury, or physical condition of the human teeth or jaws, or adjacent structure;

(c) Any administration of general or injected local anaesthetic of any nature in connection with a dental operation, including intravenous sedation;

(d) Any oral prophylaxis;

(e) The taking of any impressions of the teeth or jaw or the relationships of the teeth or jaws, for the purpose of fabricating any intra-oral restoration, appliance, or prosthesis. [1994 sp.s. c 9 § 203; 1991 c 3 § 59; 1989 c 202 § 13; 1979 c 158 § 35; 1971 ex.s. c 236 § 1; 1969 c 47 § 7; 1957 c 52 § 21; 1953 c 93 § 1; 1951 c 130 § 1. Prior: (i) 1941 c 92 § 3; 1935 c 112 § 25; Rem. Supp. 1941 § 10031-25; prior: 1923 c 16 § 23. (ii) 1935 c 112 § 6; RRS § 10031-6; prior: 1923 c 16 § 1; 1901 c 152 § 5; 1893 c 55 § 11.]

#### **18.32.0351 Commission established—Membership.**

The Washington state dental quality assurance commission is established, consisting of fourteen members each appointed by the governor to a four-year term. No member may serve more than two consecutive full terms. In appointing the initial members of the commission, it is the intent of the legislature that, to the extent possible, members of the previous boards and committees regulating these professions be appointed to the commission. Members of the commission hold office until their successors are appointed. The governor may appoint members of the initial commission to staggered terms of from one to four years. Thereafter, all members shall be appointed to full four-year terms. Twelve members of the commission must be dentists and two members must be public members. [1994 sp.s. c 9 § 204.]

#### **18.32.0353 Commission—Removal of member—Order of removal—Vacancy.**

The governor may remove a member of the commission for neglect of duty, misconduct, or malfeasance or misfeasance in office. Whenever the governor is satisfied that a member of the commission has been guilty of neglect of duty, misconduct, or malfeasance or misfeasance in office, the governor shall file with the secretary of state a statement of the causes for and the order of removal from office, and the secretary shall forthwith send a certified copy of the order of removal and statement of causes by certified mail to the last known post office address of the member. If a vacancy occurs on the commission, the governor shall appoint a replacement to fill the remainder of the unexpired term. [1994 sp.s. c 9 § 205.]

#### **18.32.0355 Commission—Qualifications of members.**

Members must be citizens of the United States and residents of this state. Dentist members must be licensed dentists in the active practice of dentistry for a period of five years before appointment. Of the twelve dentists appointed to the commission, at least four must reside and engage in the active practice of dentistry east of the summit of the Cascade mountain range. Public members of the commission may not be a member of any other health care licensing board or commission, or have a fiduciary obligation to a facility rendering health services regulated by the commission, or have a material or financial interest in the rendering of health services regulated by the commission. [1994 sp.s. c 9 § 206.]

#### **18.32.0357 Commission—Duties and powers—Attorney general to advise, represent.**

The commission shall elect officers each year. Meetings of the commission are open to the public, except the commission may hold executive sessions to the extent permitted by chapter 42.30 RCW. The secretary of health shall furnish such secretarial, clerical, and other assistance as the commission may require.

A majority of the commission members appointed and serving constitutes a quorum for the transaction of commission business. The affirmative vote of a majority of a quorum of the commission is required to carry a motion or resolution, to adopt a rule, or to pass a measure.

The commission may appoint members of panels consisting of not less than three members. A quorum for transaction of any business shall be a minimum of three

members. A majority vote of a quorum of the panel is required to transact business delegated to it by the commission.

The members of the commission are immune from suit in an action, civil or criminal, based upon its disciplinary proceedings or other official acts performed in good faith as members of the commission.

The commission may, whenever the workload of the commission requires, request that the secretary appoint pro tempore members. While serving as members pro tempore persons have all the powers, duties, and immunities, and are entitled to the emoluments, including travel expenses, of the commission.

The commission shall prepare or determine the nature of the examinations for applicants to practice dentistry.

The attorney general shall advise the commission and represent it in all legal proceedings. [1994 sp.s. c 9 § 207.]

**18.32.0358 Commission successor to other boards.**

The commission is the successor in interest of the board of dental examiners and the dental disciplinary board. All contracts, undertakings, agreements, rules, regulations, and policies continue in full force and effect on July 1, 1994, unless otherwise repealed or rejected by chapter 9, Laws of 1994 sp. sess. or by the commission. [1994 sp.s. c 9 § 226.]

**18.32.0361 Compensation of commission members.**

Each member of the commission shall be compensated in accordance with RCW 43.03.240. Members shall be reimbursed for travel expenses incurred in the actual performance of their duties, as provided in RCW 43.03.050 and 43.03.060. Commission members shall be compensated and reimbursed for their activities in developing or administering a multistate licensing examination, as provided in this chapter. [1994 sp.s. c 9 § 208.]

**18.32.0363 Examinations—Contracts for administration—Multistate.** The commission may contract with competent persons on a temporary basis to assist in developing or administering examinations for licensure.

The commission may enter into compacts and agreements with other states and with organizations formed by several states, for the purpose of conducting multistate licensing examinations. The commission may enter into the compacts and agreements even though they would result in the examination of a candidate for a license in this state by an examiner or examiners from another state or states, and even though the compacts and agreements would result in the examination of a candidate or candidates for a license in another state or states by an examiner or examiners from this state. [1994 sp.s. c 9 § 209.]

**18.32.0365 Rules.** The commission may adopt rules in accordance with chapter 34.05 RCW to implement this chapter and chapter 18.130 RCW. [1994 sp.s. c 9 § 210.]

**18.32.039 Application of uniform disciplinary act.**

The uniform disciplinary act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter. [1987 c 150 § 17; 1986 c 259 § 34.]

**Severability—1987 c 150:** See RCW 18.122.901

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.32.040 Requirements for licensure.** The commission shall require that every applicant for a license to practice dentistry shall:

(1) Present satisfactory evidence of graduation from a dental college, school, or dental department of an institution approved by the commission;

(2) Submit, for the files of the commission, a recent picture duly identified and attested; and

(3) Pass an examination prepared or approved by and administered under the direction of the commission. The dentistry licensing examination shall consist of practical and written tests upon such subjects and of such scope as the commission determines. The commission may accept, in lieu of all or part of a written examination, a certificate granted by a national or regional testing organization approved by the commission. The commission shall set the standards for passing the examination. The secretary shall keep on file the examination papers and records of examination for at least one year. This file shall be open for inspection by the applicant or the applicant's agent unless the disclosure will compromise the examination process as determined by the commission or is exempted from disclosure under RCW 42.17.250 through 42.17.340. [1994 sp.s. c 9 § 211; 1991 c 3 § 61; 1989 c 202 § 16; 1979 c 38 § 2; 1935 c 112 § 5; RRS § 10031-5. Prior: 1923 c 16 §§ 4, 5. Formerly RCW 18.32.040 and 18.32.130 through 18.32.150.]

**18.32.050 Compensation and reimbursement for administering examination.** Commission members shall be compensated and reimbursed pursuant to this section for their activities in administering a multi-state licensing examination pursuant to the commission's compact or agreement with another state or states or with organizations formed by several states. [1995 c 198 § 2; 1994 sp.s. c 9 § 212; 1984 c 287 § 30; 1979 c 38 § 3; 1975-'76 2nd ex.s. c 34 § 34; 1967 c 188 § 2; 1957 c 52 § 23; 1953 c 93 § 3. Prior: 1935 c 112 § 11, part; RRS § 10031-11, part.]

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**Effective date—Severability—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

**18.32.091 License required.** No person, unless previously licensed to practice dentistry in this state, shall begin the practice of dentistry without first applying to, and obtaining a license. [1987 c 150 § 18.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.32.100 Applications.** The applicant for a dentistry license shall file an application on a form furnished by the secretary, stating the applicant's name, age, place of residence, the name of the school or schools attended by the applicant, the period of such attendance, the date of the applicant's graduation, whether the applicant has ever been the subject of any disciplinary action related to the practice of dentistry, and shall include a statement of all of the applicant's dental activities. This shall include any other information deemed necessary by the commission.

The application shall be signed by the applicant and sworn to by the applicant before some person authorized to administer oaths, and shall be accompanied by proof of the applicant's school attendance and graduation. [1994 sp.s. c 9 § 213; 1991 c 3 § 62; 1989 c 202 § 18; 1957 c 52 § 28; 1953 c 93 § 4; 1951 c 130 § 2; 1941 c 92 § 2; 1935 c 112 § 4; Rem. Supp. 1941 § 10031-4, part. Prior: 1923 c 16 §§ 2, 3, 6, 7; 1901 c 152 § 1; 1893 c 55 § 4.]

**18.32.110 Application fee.** Each applicant shall pay a fee determined by the secretary as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 14; 1991 c 3 § 63; 1989 c 202 § 19; 1985 c 7 § 23; 1975 1st ex.s. c 30 § 27; 1969 c 49 § 1; 1957 c 52 § 29. Prior: 1941 c 92 § 2, part; 1935 c 112 § 4; Rem. Supp. 1941 § 10031-4, part.]

**18.32.160 Licenses—Who shall sign.** All licenses issued by the secretary on behalf of the commission shall be signed by the secretary or chairperson and secretary of the commission. [1994 sp.s. c 9 § 215; 1991 c 3 § 65; 1989 c 202 § 21; 1951 c 130 § 3; 1935 c 112 § 17; RRS § 10031-17.]

**18.32.170 Duplicate licenses—Fee.** A fee determined by the secretary as provided in RCW 43.70.250 and 43.70.280 shall be charged for every duplicate license issued by the secretary. [1996 c 191 § 15; 1991 c 3 § 66; 1985 c 7 § 25; 1975 1st ex.s. c 30 § 29; 1957 c 52 § 25. Prior: 1935 c 112 § 11, part; RRS § 10031-11, part.]

**18.32.180 License renewal.** Every person licensed to practice dentistry in this state shall renew his or her license and comply with administrative procedures, administrative requirements, and fees as provided in RCW 43.70.250 and 43.70.280. The commission, in its sole discretion, may permit the applicant to be licensed without examination, and with or without conditions, if it is satisfied that the applicant meets all the requirements for licensure in this state and is competent to engage in the practice of dentistry. [1996 c 191 § 16; 1994 sp.s. c 9 § 216; 1991 c 3 § 67; 1989 c 202 § 22; 1985 c 7 § 26; 1975 1st ex.s. c 30 § 30; 1969 c 49 § 3; 1951 c 130 § 4; 1935 c 112 § 24; RRS § 10031-24.]

**18.32.185 Inactive license status.** The commission may adopt rules under this section authorizing an inactive license status.

(1) An individual licensed under chapter 18.32 RCW may place his or her license on inactive status. The holder of an inactive license must not practice dentistry in this state without first activating the license.

(2) The inactive renewal fee must be established by the secretary under RCW 43.70.250. Failure to renew an inactive license shall result in cancellation of the inactive license in the same manner as an active license.

(3) An inactive license may be placed in an active status upon compliance with rules established by the commission.

(4) Provisions relating to disciplinary action against a person with a license are applicable to a person with an inactive license, except that when disciplinary proceedings against a person with an inactive license have been initiated,

the license will remain inactive until the proceedings have been completed. [1996 c 187 § 1.]

**18.32.190 Licenses display—Notification of address.** Every person who engages in the practice of dentistry in this state shall cause his or her license to be, at all times, displayed in a conspicuous place, in his or her office wherein he or she shall practice such profession, and shall further, whenever requested, exhibit such license to any of the members of the commission, or its authorized agent, and to the secretary or his or her authorized agent. Every licensee shall notify the secretary of the address or addresses, and of every change thereof, where the licensee shall engage in the practice of dentistry. [1994 sp.s. c 9 § 217; 1991 c 3 § 68; 1981 c 277 § 7; 1935 c 112 § 7; RRS § 10031-7. Prior: 1923 c 16 § 15; 1893 c 55 § 5.]

**18.32.195 University of Washington dental school faculty and residents—Licenses.** The commission may, without examination, issue a license to persons who possess the qualifications set forth in this section.

(1) The commission may, upon written request of the dean of the school of dentistry of the University of Washington, issue a license to practice dentistry in this state to persons who have been licensed or otherwise authorized to practice dentistry in another state or country and who have been accepted for employment by the school of dentistry as full-time faculty members. For purposes of this subsection, this means teaching members of the faculty of the school of dentistry of the University of Washington who are so employed on a one hundred percent of work time basis. Such license shall permit the holder thereof to practice dentistry within the confines of the university facilities for a period of one year while he or she is so employed as a full-time faculty member by the school of dentistry of the University of Washington. It shall terminate whenever the holder ceases to be such a full-time faculty member. Such license shall permit the holder thereof to practice dentistry only in connection with his or her duties in employment with the school of dentistry of the University of Washington. This limitation shall be stated on the license.

(2) The commission may, upon written request of the dean of the school of dentistry of the University of Washington, issue a limited license to practice dentistry in this state to university residents in postgraduate dental education. The license shall permit the resident dentist to provide dental care only in connection with his or her duties as a university resident.

(3) The commission may condition the granting of a license under this section with terms the commission deems appropriate. All persons licensed under this section shall be subject to the jurisdiction of the commission to the same extent as other members of the dental profession, in accordance with this chapter, and in addition the licensee may be disciplined by the commission after a hearing has been held in accordance with the provisions set forth in this chapter, and determination by the commission that such licensee has violated any of the restrictions set forth in this section.

(4) Persons applying for licensure pursuant to this section shall pay the application fee determined by the secretary and, in the event the license applied for is issued,

a license fee at the rate provided for licenses generally. After review by the commission, licenses issued under this section may be renewed annually if the licensee continues to be employed as a full-time faculty member of the school of dentistry of the University of Washington, or a university resident in postgraduate dental education, and otherwise meets the requirements of the provisions and conditions deemed appropriate by the commission. Any person who obtains a license pursuant to this section may, without an additional application fee, apply for licensure under this chapter, in which case the applicant shall be subject to examination and the other requirements of this chapter. [1994 sp.s. c 9 § 218; 1992 c 59 § 1; 1991 c 3 § 69; 1985 c 111 § 1.]

**18.32.215 Licensure without examination—Licensed in another state.** An applicant holding a valid license and currently engaged in practice in another state may be granted a license without examination required by this chapter, on the payment of any required fees, if the commission determines that the other state's licensing standards are substantively equivalent to the standards in this state. The commission may also require the applicant to: (1) File with the commission documentation certifying the applicant is licensed to practice in another state; and (2) provide information as the commission deems necessary pertaining to the conditions and criteria of the Uniform Disciplinary Act, chapter 18.130 RCW, and to demonstrate to the commission a knowledge of Washington law pertaining to the practice of dentistry. [1994 sp.s. c 9 § 219; 1989 c 202 § 30.]

**18.32.220 Certificate available for dentists going out-of-state.** Anyone who is a licensed dentist in the state of Washington who desires to change residence to another state or territory, shall, upon application to the secretary and payment of a fee as determined by the secretary under RCW 43.70.250 and 43.70.280, receive a certificate over the signature of the secretary or his or her designee, which shall attest to the facts mentioned in this section, and giving the date upon which the dentist was licensed. [1996 c 191 § 17; 1991 c 3 § 70; 1989 c 202 § 23; 1935 c 112 § 14; RRS § 10031-14. FORMER PART OF SECTION: 1935 c 112 § 15; RRS § 10031-15, now codified as RCW 18.32.225.]

**18.32.326 Identification of dental prostheses—Technical assistance.**

**Reviser's note:** RCW 18.32.326 was both recodified and repealed during the 1989 legislative sessions, each without reference to the other. It has been decodified for publication purposes pursuant to RCW 1.12.025.

**18.32.390 Penalty—General.** Any person who violates any of the provisions of the chapter for which no specific penalty has been provided herein, shall be subject to prosecution before any court of competent jurisdiction, and shall, upon conviction, be guilty of a gross misdemeanor. [1986 c 259 § 38; 1935 c 112 § 16; RRS § 10031-16. Prior: 1901 c 152 § 4; 1893 c 55 § 8.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.32.400 Dentist members of committees to evaluate credentials and qualifications of dentists—Immunity from civil suit.** See RCW 4.24.240.

**18.32.410 Dentists filing charges or presenting evidence before dental society committee or board—Immunity from civil suit.** See RCW 4.24.250.

**18.32.420 Records of dental society committees or boards not subject to civil process.** See RCW 4.24.250.

**18.32.530 "Unprofessional conduct."** In addition to those acts defined in chapter 18.130 RCW, the term "unprofessional conduct" as used in RCW 18.32.530 through 18.32.765 includes gross, willful, or continued overcharging for professional services. [1989 c 202 § 26; 1986 c 259 § 41; 1977 ex.s. c 5 § 3.]

**Savings—1986 c 259 §§ 36, 37, 41, 43:** See note following RCW 18.32.665.

**Severability—1986 c 259:** See note following RCW 18.130.010.

*Violation of chapter 69.50 RCW, the Uniform Controlled Substances Act—Suspension of license: RCW 69.50.413.*

**18.32.533 Unprofessional conduct—Abrogation of copayment provisions.** It is unprofessional conduct under this chapter and chapter 18.130 RCW for a dentist to abrogate the copayment provisions of a contract by accepting the payment received from a third party payer as full payment. [1985 c 202 § 1.]

**18.32.534 Impaired dentist program—Content—License surcharge.** (1) To implement an impaired dentist program as authorized by RCW 18.130.175, the commission shall enter into a contract with a voluntary substance abuse monitoring program. The impaired dentist program may include any or all of the following:

- (a) Contracting with providers of treatment programs;
- (b) Receiving and evaluating reports of suspected impairment from any source;
- (c) Intervening in cases of verified impairment;
- (d) Referring impaired dentists to treatment programs;
- (e) Monitoring the treatment and rehabilitation of impaired dentists including those ordered by the commission;
- (f) Providing education, prevention of impairment, posttreatment monitoring, and support of rehabilitated impaired dentists; and

(g) Performing other related activities as determined by the commission.

(2) A contract entered into under subsection (1) of this section shall be financed by a surcharge of up to fifteen dollars on each license issuance or renewal to be collected by the department of health from every dentist licensed under chapter 18.32 RCW. These moneys shall be placed in the health professions account to be used solely for the implementation of the impaired dentist program. [1994 sp.s. c 9 § 220; 1991 c 3 § 72; 1989 c 125 § 1.]

**18.32.640 Rules—Administration of sedation and general anesthesia.** (1) The commission may adopt such rules as it deems necessary to carry out this chapter.

(2) The commission may adopt rules governing administration of sedation and general anesthesia by persons licensed under this chapter, including necessary training, education, equipment, and the issuance of any permits, certificates, or registration as required. [1994 sp.s. c 9 § 221; 1988 c 217 § 1; 1986 c 259 § 42; 1977 ex.s. c 5 § 14.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.32.655 Commission—Supervision of records—Rules.** The commission shall:

(1) Require licensed dentists to keep and maintain a copy of each laboratory referral instruction, describing detailed services rendered, for a period to be determined by the commission but not more than three years, and may require the production of all such records for examination by the commission or its authorized representatives; and

(2) Adopt reasonable rules requiring licensed dentists to make, maintain, and produce for examination by the commission or its authorized representatives such other records as may be reasonable and proper in the performance of its duties and enforcing the provisions of this chapter. [1994 sp.s. c 9 § 222; 1986 c 259 § 35; 1953 c 93 § 8. Formerly RCW 18.32.085.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.32.665 Advertising—False—Credit terms.** It shall be unlawful for any person, firm, or corporation to publish, directly or indirectly, or circulate any fraudulent, false, or misleading statements within the state of Washington as to the skill or method of practice of any person or operator; or in any way to advertise in print any matter with a view of deceiving the public, or in any way that will tend to deceive or defraud the public; or to claim superiority over neighboring dental practitioners; or to publish reports of cases or certificates of same in any public advertising media; or to advertise as using any anesthetic, drug, formula, medicine, which is either falsely advertised or misnamed; or to employ "capper" or "steerers" to obtain patronage; and any person committing any offense against any of the provisions of this section shall, upon conviction, be subjected to such penalties as are provided in this chapter: **PROVIDED,** That any person licensed under this chapter may announce credit, terms of credit or installment payments that may be made at periodical intervals to apply on account of any dental service rendered. The commission may adopt such rules as are necessary to carry out the intent of this section. [1994 sp.s. c 9 § 223; 1986 c 259 § 36; 1935 c 112 § 20; RRS § 10031-20. Formerly RCW 18.32.290.]

**Savings—1986 c 259 §§ 36, 37, 41, 43:** "The repeal of RCW 18.32.090 and 18.32.550 and the amendment of RCW 18.32.290, 18.32.360, and 18.32.530 by this act shall not be construed as affecting any rights and duties which matured, penalties which were incurred, and proceedings which were begun before June 11, 1986." [1986 c 259 § 44.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

*False advertising: RCW 9.04.010.*

**18.32.675 Practice or solicitation by corporations prohibited—Penalty.** No corporation shall practice dentistry or shall solicit through itself, or its agent, officers, employees, directors or trustees, dental patronage for any dentists or dental surgeon employed by any corporation:

**PROVIDED,** That nothing contained in this chapter shall prohibit a corporation from employing a dentist or dentists to render dental services to its employees: **PROVIDED,** **FURTHER,** That such dental services shall be rendered at no cost or charge to the employees; nor shall it apply to corporations or associations in which the dental services were originated and are being conducted upon a purely charitable basis for the worthy poor, nor shall it apply to corporations or associations furnishing information or clerical services which can be furnished by persons not licensed to practice dentistry, to any person lawfully engaged in the practice of dentistry, when such dentist assumes full responsibility for such information and services. Any corporation violating the provisions of this section is guilty of a gross misdemeanor, and each day that this chapter is violated shall be considered a separate offense. [1935 c 112 § 19; RRS § 10031-19. Formerly RCW 18.32.310.]

**18.32.685 Prescriptions—Filled by druggists.** Registered pharmacists of this state may fill prescriptions of legally licensed dentists of this state for any drug necessary in the practice of dentistry. [1935 c 112 § 26; RRS § 10031-26. Prior: 1923 c 16 § 24. Formerly RCW 18.32.320.]

*Pharmacists: Chapter 18.64 RCW.*

**18.32.695 Identification of new dental prostheses.** Every complete upper and lower denture and removable dental prosthesis fabricated by a dentist licensed under this chapter, or fabricated pursuant to the dentist's work order or under the dentist's direction or supervision, shall be marked with the name of the patient for whom the prosthesis is intended. The markings shall be done during fabrication and shall be permanent, legible, and cosmetically acceptable. The exact location of the markings and the methods used to apply or implant them shall be determined by the dentist or dental laboratory fabricating the prosthesis. If, in the professional judgment of the dentist or dental laboratory, this identification is not practical, identification shall be provided as follows:

(1) The initials of the patient may be shown alone, if use of the name of the patient is impracticable; or

(2) The identification marks may be omitted in their entirety if none of the forms of identification specified in subsection (1) of this section is practicable or clinically safe. [1987 c 252 § 1. Formerly RCW 18.32.322.]

**Severability—1987 c 252:** "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." [1987 c 252 § 5.]

**18.32.705 Identification of previously fabricated prostheses.** Any removable prosthesis in existence before July 26, 1987, that was not marked in accordance with RCW 18.32.695 at the time of its fabrication, shall be so marked at the time of any subsequent rebasing. [1987 c 252 § 2. Formerly RCW 18.32.324.]

**Severability—1987 c 252:** See note following RCW 18.32.695.

**18.32.715 Identification of dental prostheses—Violation.** Failure of any dentist to comply with RCW

18.32.695 and 18.32.705 is a violation for which the dentist may be subject to proceedings if the dentist is charged with the violation within two years of initial insertion of the dental prosthetic device. [1987 c 252 § 4. Formerly RCW 18.32.328.]

**Severability—1987 c 252:** See note following RCW 18.32.695.

**18.32.725 Sanitary regulations.** It shall be the duty of every person engaged in the practice of dentistry or who shall own, operate, or manage any dental office to keep said office and dental equipment in a thoroughly clean and sanitary condition. [1935 c 112 § 27; RRS § 10031-27. Prior: 1923 c 16 § 25. Formerly RCW 18.32.330.]

**18.32.735 Unlawful practice—Hygienists—Penalty.** Any licensed dentist who shall permit any dental hygienist operating under his supervision to perform any operation required to be performed by a dentist under the provisions of this chapter shall be guilty of a misdemeanor. [1935 c 112 § 28; RRS § 10031-28. Formerly RCW 18.32.340.]

**18.32.745 Unlawful practice—Employing unlicensed dentist—Penalty.** No manager, proprietor, partnership, or association owning, operating, or controlling any room, office, or dental parlors, where dental work is done, provided, or contracted for, shall employ or retain any unlicensed person or dentist as an operator; nor shall fail, within ten days after demand made by the secretary of health or the commission in writing sent by certified mail, addressed to any such manager, proprietor, partnership, or association at the room, office, or dental parlor, to furnish the secretary of health or the commission with the names and addresses of all persons practicing or assisting in the practice of dentistry in his or her place of business or under his or her control, together with a sworn statement showing by what license or authority the persons are practicing dentistry.

The sworn statement shall not be used as evidence in any subsequent court proceedings, except in a prosecution for perjury connected with its execution.

Any violation of the provisions of this section is improper, unprofessional, and dishonorable conduct; it also is grounds for injunction proceedings as provided by this chapter, and in addition is a gross misdemeanor, except that the failure to furnish the information as may be requested in accordance with this section is a misdemeanor. [1994 sp.s. c 9 § 224; 1991 c 3 § 73; 1977 ex.s. c 5 § 31; 1957 c 52 § 38; 1953 c 93 § 7. Prior: 1937 c 45 § 1, part; 1935 c 112 § 18, part; RRS § 10031-18, part. Formerly RCW 18.32.350.]

**18.32.755 Advertising—Names used—Penalty.** Any advertisement or announcement for dental services must include for each office location advertised the names of all persons practicing dentistry at that office location.

Any violation of the provisions of this section is improper, unprofessional, and dishonorable conduct; it also is grounds for injunction proceedings as provided by RCW 18.130.190(4), and in addition is a gross misdemeanor. [1994 sp.s. c 9 § 225; 1986 c 259 § 37; 1957 c 52 § 39. Prior: 1937 c 45 § 1, part; 1935 c 112 § 18, part; RRS § 10031-18, part. Formerly RCW 18.32.360.]

**Savings—1986 c 259 §§ 36, 37, 41, 43:** See note following RCW 18.32.660.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.32.900 Severability—1935 c 112.** Should any section of this act for any reason be held to be unconstitutional, such decision shall not affect the validity of the remaining portions of the act. [1935 c 112 § 29.]

**18.32.910 Severability—1953 c 93.** If any provision of this act or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the provisions or applications of this act which can be given effect without the invalid provisions or application, and to this end the provisions of this act are declared to be severable. [1953 c 93 § 9.]

**18.32.915 Severability—1977 ex.s. c 5.** If any provision of this 1977 amendatory 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. [1977 ex.s. c 5 § 36.]

**18.32.916 Severability—1979 c 38.** If any provision of this amendatory 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. [1979 c 38 § 4.]

**18.32.917 Severability—Headings and captions not law—Effective date—1994 sp.s. c 9.** See RCW 18.79.900 through 18.79.902.

## Chapter 18.34

### DISPENSING OPTICIANS

#### Sections

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*Health professions account—Fees credited—Requirements for biennial budget request: RCW 43.70.320.*

*Homeless person vision services: RCW 43.20A.800 through 43.20A.850.*

**18.34.005 Regulation of health care professions—Criteria.** See chapter 18.120 RCW.

**18.34.010 Licensing—Exemptions—Limitations.** Nothing in this chapter shall:

(1) Be construed to limit or restrict a duly licensed physician or optometrist or employees working under the

personal supervision of a duly licensed physician or optometrist from the practices enumerated in this chapter, and each such licensed physician and optometrist shall have all the rights and privileges which may accrue under this chapter to dispensing opticians licensed hereunder;

(2) Be construed to prohibit an unlicensed person from performing mechanical work upon inert matter in an optical office, laboratory or shop;

(3) Be construed to prohibit an unlicensed person from engaging in the sale of spectacles, eyeglasses, magnifying glasses, goggles, sunglasses, telescopes, binoculars, or any such articles which are completely preassembled and sold only as merchandise;

(4) Be construed to authorize or permit a licensee hereunder to hold himself out as being able to, or to offer to, or to undertake to attempt, by any manner of means, to examine or exercise eyes, diagnose, treat, correct, relieve, operate or prescribe for any human ailment, deficiency, deformity, disease or injury. [1957 c 43 § 1.]

**18.34.020 Definitions.** The term "secretary" wherever used in this chapter shall mean the secretary of health of the state of Washington. The term "apprentice" wherever used in this chapter shall mean a person who shall be designated an apprentice in the records of the secretary at the request of a physician, registered optometrist, or licensee hereunder, who shall thereafter be the primary supervisor of the apprentice. The apprentice may thereafter receive from a physician, registered optometrist, or licensee hereunder training and direct supervision in the work of a dispensing optician. [1995 c 178 § 1; 1991 c 3 § 74; 1979 c 158 § 37; 1957 c 43 § 2.]

**18.34.030 Apprentices.** No licensee hereunder may have more than two apprentices in training or under their direct supervision at any one time. However, the primary supervisor shall be responsible for the acts of his or her apprentices in the performance of their work in the apprenticeship program and provide the majority of the training and direct supervision received by the apprentice. Apprentices shall complete their apprenticeship in six years and shall not work longer as an apprentice unless the secretary determines, after a hearing, that the apprentice was prevented by causes beyond his or her control from completing his or her apprenticeship and becoming a licensee hereunder in six years. [1995 c 178 § 2; 1991 c 3 § 75; 1957 c 43 § 3.]

**18.34.050 Examining committee—Compensation and travel expenses.** The examining committee shall consist of three persons primarily engaged in the business of dispensing opticians and who currently hold a valid license under this chapter. Members of the committee shall be compensated 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. [1984 c 287 § 32; 1957 c 43 § 5.]

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**18.34.060 Dispensing optician.** A dispensing optician is a person who prepares duplications of, or prepares and dispenses lenses, spectacles, eyeglasses and/or appurtenances

thereto to the intended wearers thereof on written prescriptions from physicians or optometrists, and in accordance with such prescriptions, measures, adapts, adjusts and fabricates such lenses, spectacles, eyeglasses and/or appurtenances thereto to the human face for the aid or correction of visual or ocular anomalies of the human eye: PROVIDED, HOWEVER, That contact lenses may be fitted only upon a written prescription of a physician or optometrist. [1957 c 43 § 6.]

**18.34.070 Applicants—Eligibility for examination—Fee.** Any applicant for a license shall be examined if he or she pays an examination fee determined by the secretary as provided in RCW 43.70.250 and certifies under oath that he or she:

- (1) Is eighteen years or more of age; and
- (2) Has graduated from an accredited high school; and
- (3) Is a citizen of the United States or has declared his or her intention of becoming such citizen in accordance with law; and
- (4) Is of good moral character; and
- (5) Has either:
  - (a) Had at least three years of apprenticeship training;

or

- (b) Successfully completed a prescribed course in opticianry in a college or university approved by the secretary; or

- (c) Been principally engaged in practicing as a dispensing optician not in the state of Washington for five years. [1991 c 3 § 76; 1985 c 7 § 29; 1975 1st ex.s. c 30 § 34; 1971 ex.s. c 292 § 22; 1957 c 43 § 7.]

**Severability—1971 ex.s. c 292:** See note following RCW 26.28.010.

**18.34.080 Examination—Issuance and display of license.** The examination shall determine whether the applicant has a thorough knowledge of the principles governing the practice of a dispensing optician which is hereby declared necessary for the protection of the public health. The examining committee may approve an examination prepared or administered by a private testing agency or association of licensing authorities. The secretary shall license successful examinees and the license shall be conspicuously displayed in the place of business of the licensee. [1995 c 198 § 3; 1991 c 3 § 77; 1957 c 43 § 8.]

**18.34.110 Existing practitioner—Fee.** The secretary shall issue a license without examination to any person who makes application therefor within six months after June 12, 1957, pays a fee of fifty dollars and certifies under oath that he or she is of good moral character and has been actually and principally engaged in the practice of a dispensing optician in the state of Washington for a period of not less than six months immediately preceding June 12, 1957. [1991 c 3 § 78; 1957 c 43 § 11.]

**18.34.115 Credentialing by endorsement.** An applicant holding a credential in another state may be credentialed to practice in this state without examination if the secretary determines that the other state's credentialing standards are substantially equivalent to the standards in this state. [1991 c 332 § 33.]

**Application to scope of practice—Captions not law—1991 c 332:** See notes following RCW 18.130.010.

**18.34.120 Renewal registration fee—Continuing education.** Each licensee hereunder shall pay a renewal registration fee determined by the secretary as provided in RCW 43.70.250 and 43.70.280. The secretary may adopt rules establishing mandatory continuing education requirements to be met by persons applying for license renewal. [1996 c 191 § 18; 1991 c 3 § 79; 1984 c 279 § 52; 1975 1st ex.s. c 30 § 35; 1957 c 43 § 12.]

**Severability—1984 c 279:** See RCW 18.130.901.

**18.34.136 Application of uniform disciplinary act.** The uniform disciplinary act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter. [1987 c 150 § 19; 1986 c 259 § 45.]

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.34.141 License required.** No person may practice or represent himself or herself as a dispensing optician without first having a valid license to do so. [1987 c 150 § 20.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.34.900 Severability—1957 c 43.** If any provisions of this chapter or its application to any person or circumstance is held invalid, the remainder of the chapter, or the application of the provision to other persons or circumstances is not affected. [1957 c 43 § 16.]

## Chapter 18.35

### HEARING AND SPEECH SERVICES

(Formerly: Hearing aids)

#### Sections

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*Health professions account—Fees credited—Requirements for biennial budget request: RCW 43.70.320.*

**18.35.005 Regulation of health care professions—Criteria.** See chapter 18.120 RCW.

**18.35.008 Intent.** It is the intent of this chapter to protect the public health, safety, and welfare; to protect the public from being misled by incompetent, unethical, and unauthorized persons; and to assure the availability of hearing and speech services of high quality to persons in need of such services. [1996 c 200 § 1.]

**18.35.010 Definitions.** (*Effective until January 1, 2003.*) As used in this chapter, unless the context requires otherwise:

(1) "Assistive listening device or system" means an amplification system that is specifically designed to improve the signal to noise ratio for the listener, reduce interference from noise in the background, and enhance hearing levels at a distance by picking up sound from as close to source as possible and sending it directly to the ear of the listener, excluding hearing instruments as defined in this chapter.

(2) "Certified audiologist" means a person who is certified by the department to engage in the practice of audiology and meets the qualifications in this chapter.

(3) "Audiology" means the application of principles, methods, and procedures related to hearing and the disorders of hearing and to related language and speech disorders, whether of organic or nonorganic origin, peripheral or central, that impede the normal process of human communication including, but not limited to, disorders of auditory sensitivity, acuity, function, processing, or vestibular function, the application of aural habilitation, rehabilitation, and appropriate devices including fitting and dispensing of hearing instruments, and cerumen management to treat such disorders.

(4) "Board" means the board of hearing and speech.

(5) "Department" means the department of health.

(6) "Direct supervision" means that the supervisor is physically present and in the same room with the hearing instrument fitter/dispenser permit holder, observing the nondiagnostic testing, fitting, and dispensing activities of the hearing instrument fitter/dispenser permit holder at all times.

(7) "Establishment" means any permanent site housing a person engaging in the practice of fitting and dispensing of hearing instruments by a hearing instrument fitter/dispenser

or audiologist; where the client can have personal contact and counsel during the firm's business hours; where business is conducted; and the address of which is given to the state for the purpose of bonding.

(8) "Facility" means any permanent site housing a person engaging in the practice of speech-language pathology and/or audiology, excluding the sale, lease, or rental of hearing instruments.

(9) "Fitting and dispensing of hearing instruments" means the sale, lease, or rental or attempted sale, lease, or rental of hearing instruments together with the selection and modification of hearing instruments and the administration of nondiagnostic tests as specified by RCW 18.35.110 and the use of procedures essential to the performance of these functions; and includes recommending specific hearing instrument systems, specific hearing instruments, or specific hearing instrument characteristics, the taking of impressions for ear molds for these purposes, the use of nondiagnostic procedures and equipment to verify the appropriateness of the hearing instrument fitting, and hearing instrument orientation. The fitting and dispensing of hearing instruments as defined by this chapter may be equally provided by a licensed hearing instrument fitter/dispenser or certified audiologist.

(10) "Good standing" means a licensed hearing instrument fitter/dispenser or certified audiologist or speech-language pathologist whose license or certificate has not been subject to sanctions pursuant to chapter 18.130 RCW or sanctions by other states, territories, or the District of Columbia in the last two years.

(11) "Hearing instrument" means any wearable prosthetic instrument or device designed for or represented as aiding, improving, compensating for, or correcting defective human hearing and any parts, attachments, or accessories of such an instrument or device, excluding batteries and cords, ear molds, and assistive listening devices.

(12) "Hearing instrument fitter/dispenser" means a person who is licensed to engage in the practice of fitting and dispensing of hearing instruments and meets the qualifications of this chapter.

(13) "Hearing instrument fitter/dispenser permit holder" means a person who practices under the direct supervision of a licensed hearing instrument fitter/dispenser or certified audiologist.

(14) "Secretary" means the secretary of health.

(15) "Certified speech-language pathologist" means a person who is certified by the department to engage in the practice of speech-language pathology and meets the qualifications of this chapter.

(16) "Speech-language pathology" means the application of principles, methods, and procedures related to the development and disorders, whether of organic or nonorganic origin, that impede oral, pharyngeal, or laryngeal sensorimotor competencies and the normal process of human communication including, but not limited to, disorders and related disorders of speech, articulation, fluency, voice, verbal and written language, auditory comprehension, cognition/communication, and the application of augmentative communication treatment and devices for treatment of such disorders. [1996 c 200 § 2; 1993 c 313 § 1; 1991 c 3 § 80; 1983 c 39 § 1; 1979 c 158 § 38; 1973 1st ex.s. c 106 § 1.]

### 18.35.010 Definitions. (Effective January 1, 2003.)

As used in this chapter, unless the context requires otherwise:

(1) "Assistive listening device or system" means an amplification system that is specifically designed to improve the signal to noise ratio for the listener, reduce interference from noise in the background, and enhance hearing levels at a distance by picking up sound from as close to source as possible and sending it directly to the ear of the listener, excluding hearing instruments as defined in this chapter.

(2) "Certified audiologist" means a person who is certified by the department to engage in the practice of audiology and meets the qualifications in this chapter.

(3) "Audiology" means the application of principles, methods, and procedures related to hearing and the disorders of hearing and to related language and speech disorders, whether of organic or nonorganic origin, peripheral or central, that impede the normal process of human communication including, but not limited to, disorders of auditory sensitivity, acuity, function, processing, or vestibular function, the application of aural habilitation, rehabilitation, and appropriate devices including fitting and dispensing of hearing instruments, and cerumen management to treat such disorders.

(4) "Board" means the board of hearing and speech.

(5) "Department" means the department of health.

(6) "Direct supervision" means that the supervisor is physically present and in the same room with the interim permit holder, observing the nondiagnostic testing, fitting, and dispensing activities at all times.

(7) "Establishment" means any permanent site housing a person engaging in the practice of fitting and dispensing of hearing instruments by a hearing instrument fitter/dispenser or audiologist; where the client can have personal contact and counsel during the firm's business hours; where business is conducted; and the address of which is given to the state for the purpose of bonding.

(8) "Facility" means any permanent site housing a person engaging in the practice of speech-language pathology and/or audiology, excluding the sale, lease, or rental of hearing instruments.

(9) "Fitting and dispensing of hearing instruments" means the sale, lease, or rental or attempted sale, lease, or rental of hearing instruments together with the selection and modification of hearing instruments and the administration of nondiagnostic tests as specified by RCW 18.35.110 and the use of procedures essential to the performance of these functions; and includes recommending specific hearing instrument systems, specific hearing instruments, or specific hearing instrument characteristics, the taking of impressions for ear molds for these purposes, the use of nondiagnostic procedures and equipment to verify the appropriateness of the hearing instrument fitting, and hearing instrument orientation. The fitting and dispensing of hearing instruments as defined by this chapter may be equally provided by a licensed hearing instrument fitter/dispenser or certified audiologist.

(10) "Good standing" means a licensed hearing instrument fitter/dispenser or certified audiologist or speech-language pathologist whose license or certificate has not been subject to sanctions pursuant to chapter 18.130 RCW

or sanctions by other states, territories, or the District of Columbia in the last two years.

(11) "Hearing instrument" means any wearable prosthetic instrument or device designed for or represented as aiding, improving, compensating for, or correcting defective human hearing and any parts, attachments, or accessories of such an instrument or device, excluding batteries and cords, ear molds, and assistive listening devices.

(12) "Hearing instrument fitter/dispenser" means a person who is licensed to engage in the practice of fitting and dispensing of hearing instruments and meets the qualifications of this chapter.

(13) "Interim permit holder" means a person who holds the permit created under RCW 18.35.060 and who practices under the direct supervision of a licensed hearing instrument fitter/dispenser or certified speech-language pathologist or certified audiologist.

(14) "Secretary" means the secretary of health.

(15) "Certified speech-language pathologist" means a person who is certified by the department to engage in the practice of speech-language pathology and meets the qualifications of this chapter.

(16) "Speech-language pathology" means the application of principles, methods, and procedures related to the development and disorders, whether of organic or nonorganic origin, that impede oral, pharyngeal, or laryngeal sensorimotor competencies and the normal process of human communication including, but not limited to, disorders and related disorders of speech, articulation, fluency, voice, verbal and written language, auditory comprehension, cognition/communication, and the application of augmentative communication treatment and devices for treatment of such disorders. [1998 c 142 § 1; 1996 c 200 § 2; 1993 c 313 § 1; 1991 c 3 § 80; 1983 c 39 § 1; 1979 c 158 § 38; 1973 1st ex.s. c 106 § 1.]

**Effective date—1998 c 142 §§ 1-14 and 16-20:** "Sections 1 through 14 and 16 through 20 of this act take effect January 1, 2003." [1998 c 142 § 21.]

**18.35.020 Hearing instruments—Dispensing—License, certificate, permit required.** (*Effective until January 1, 2003.*) No person shall engage in the fitting and dispensing of hearing instruments or imply or represent that he or she is engaged in the fitting and dispensing of hearing instruments unless he or she is a licensed hearing instrument fitter/dispenser or a certified audiologist or holds a hearing instrument fitter/dispenser permit or audiology interim permit issued by the department as provided in this chapter and is an owner or employee of an establishment that is bonded as provided by RCW 18.35.240. The owner or manager of an establishment that dispenses hearing instruments is responsible under this chapter for all transactions made in the establishment name or conducted on its premises by agents or persons employed by the establishment engaged in fitting and dispensing of hearing instruments. Every establishment that fits and dispenses shall have in its employ at least one licensed hearing instrument fitter/dispenser or certified audiologist at all times, and shall annually submit proof that all testing equipment at that establishment that is required by the board to be calibrated has been properly calibrated. [1996 c 200 § 3; 1989 c 198 § 1; 1983 c 39 § 2; 1973 1st ex.s. c 106 § 2.]

**18.35.020 Hearing instruments—Dispensing—License, certificate, permit required.** (*Effective January 1, 2003.*) No person shall engage in the fitting and dispensing of hearing instruments or imply or represent that he or she is engaged in the fitting and dispensing of hearing instruments unless he or she is a licensed hearing instrument fitter/dispenser or a certified audiologist or holds an interim permit issued by the department as provided in this chapter and is an owner or employee of an establishment that is bonded as provided by RCW 18.35.240. The owner or manager of an establishment that dispenses hearing instruments is responsible under this chapter for all transactions made in the establishment name or conducted on its premises by agents or persons employed by the establishment engaged in fitting and dispensing of hearing instruments. Every establishment that fits and dispenses shall have in its employ at least one licensed hearing instrument fitter/dispenser or certified audiologist at all times, and shall annually submit proof that all testing equipment at that establishment that is required by the board to be calibrated has been properly calibrated. [1998 c 142 § 2; 1996 c 200 § 3; 1989 c 198 § 1; 1983 c 39 § 2; 1973 1st ex.s. c 106 § 2.]

**Effective date—1998 c 142 §§ 1-14 and 16-20:** See note following RCW 18.35.010.

**18.35.030 Receipt required—Contents.** Any person who engages in fitting and dispensing of hearing instruments shall provide to each person who enters into an agreement to purchase a hearing instrument a receipt at the time of the agreement containing the following information:

(1) The seller's name, signature, license, certificate, or permit number, address, and phone number of his or her regular place of business;

(2) A description of the instrument furnished, including make, model, circuit options, and the term "used" or "reconditioned" if applicable;

(3) A disclosure of the cost of all services including but not limited to the cost of testing and fitting, the actual cost of the hearing instrument furnished, the cost of ear molds if any, and the terms of the sale. These costs, including the cost of ear molds, shall be known as the total purchase price. The receipt shall also contain a statement of the purchaser's rescission rights under this chapter and an acknowledgment that the purchaser has read and understands these rights. Upon request, the purchaser shall also be supplied with a signed and dated copy of any hearing evaluation performed by the seller.

(4) At the time of delivery of the hearing instrument, the purchaser shall also be furnished with the serial number of the hearing instrument supplied. [1996 c 200 § 4; 1983 c 39 § 3; 1973 1st ex.s. c 106 § 3.]

**18.35.040 Applicants—Generally.** (*Effective until January 1, 2003.*) (1) An applicant for licensure as a hearing instrument fitter/dispenser must have the following minimum qualifications and shall pay a fee determined by the secretary as provided in RCW 43.70.250. An applicant shall be issued a license under the provisions of this chapter if the applicant:

(a)(i) Satisfactorily completes the hearing instrument fitter/dispenser examination required by this chapter; or

(ii) Holds a current, unsuspended, unrevoked license from another jurisdiction if the standards for licensing in such other jurisdiction are substantially equivalent to those prevailing in this state;

(b) After December 31, 1996, has at least six months of apprenticeship training that meets requirements established by the board. The board may waive part or all of the apprenticeship training in recognition of formal education in fitting and dispensing of hearing instruments or in recognition of previous licensure in Washington or in another state, territory, or the District of Columbia;

(c) Is at least twenty-one years of age; and

(d) Has not committed unprofessional conduct as specified by the uniform disciplinary act.

The applicant must present proof of qualifications to the board in the manner and on forms prescribed by the secretary and proof of completion of a minimum of four clock hours of AIDS education and training pursuant to rules adopted by the board.

(2) An applicant for certification as a speech-language pathologist or audiologist must have the following minimum qualifications:

(a) Has not committed unprofessional conduct as specified by the uniform disciplinary act;

(b) Has a master's degree or the equivalent, or a doctorate degree or the equivalent, from a program at a board-approved institution of higher learning, which includes completion of a supervised clinical practicum experience as defined by rules adopted by the board; and

(c) Has completed postgraduate professional work experience approved by the board.

All qualified applicants must satisfactorily complete the speech-language pathology or audiology examinations required by this chapter.

The applicant must present proof of qualifications to the board in the manner and on forms prescribed by the secretary and proof of completion of a minimum of four clock hours of AIDS education and training pursuant to rules adopted by the board. [1996 c 200 § 5; 1991 c 3 § 81; 1989 c 198 § 2; 1985 c 7 § 30; 1983 c 39 § 4; 1975 1st ex.s. c 30 § 36; 1973 1st ex.s. c 106 § 4.]

**18.35.040 Applicants—Generally.** (*Effective January 1, 2003.*) (1) An applicant for licensure as a hearing instrument fitter/dispenser must have the following minimum qualifications and shall pay a fee determined by the secretary as provided in RCW 43.70.250. An applicant shall be issued a license under the provisions of this chapter if the applicant:

(a)(i) Satisfactorily completes the hearing instrument fitter/dispenser examination required by this chapter; or

(ii) Holds a current, unsuspended, unrevoked license from another jurisdiction if the standards for licensing in such other jurisdiction are substantially equivalent to those prevailing in this state;

(b) Satisfactorily completes a minimum of a two-year degree program in hearing instrument fitter/dispenser instruction. The program must be approved by the board; and

(c) Has not committed unprofessional conduct as specified by the uniform disciplinary act.

The applicant must present proof of qualifications to the board in the manner and on forms prescribed by the secretary and proof of completion of a minimum of four clock hours of AIDS education and training pursuant to rules adopted by the board.

(2) An applicant for certification as a speech-language pathologist or audiologist must have the following minimum qualifications:

(a) Has not committed unprofessional conduct as specified by the uniform disciplinary act;

(b) Has a master's degree or the equivalent, or a doctorate degree or the equivalent, from a program at a board-approved institution of higher learning, which includes completion of a supervised clinical practicum experience as defined by rules adopted by the board; and

(c) Has completed postgraduate professional work experience approved by the board.

All qualified applicants must satisfactorily complete the speech-language pathology or audiology examinations required by this chapter.

The applicant must present proof of qualifications to the board in the manner and on forms prescribed by the secretary and proof of completion of a minimum of four clock hours of AIDS education and training pursuant to rules adopted by the board. [1998 c 142 § 3; 1996 c 200 § 5; 1991 c 3 § 81; 1989 c 198 § 2; 1985 c 7 § 30; 1983 c 39 § 4; 1975 1st ex.s. c 30 § 36; 1973 1st ex.s. c 106 § 4.]

**Effective date—1998 c 142 §§ 1-14 and 16-20:** See note following RCW 18.35.010.

**18.35.050 Examination—Required—When offered—Review.** Except as otherwise provided in this chapter an applicant for license or certification shall appear at a time and place and before such persons as the department may designate to be examined by written or practical tests, or both. Examinations in hearing instrument fitting/dispensing, speech-language pathology, and audiology shall be held within the state at least once a year. The examinations shall be reviewed annually by the board and the department, and revised as necessary. The examinations shall include appropriate subject matter to ensure the competence of the applicant. Nationally recognized examinations in the fields of fitting and dispensing of hearing instruments, speech-language pathology, and audiology may be used to determine if applicants are qualified for licensure or certification. An applicant who fails an examination may apply for reexamination upon payment of a reexamination fee. The hearing instrument fitting/dispensing reexamination fee for hearing instrument fitter/dispensers and audiologists shall be set by the secretary under RCW 43.70.250. [1996 c 200 § 6; 1993 c 313 § 2; 1989 c 198 § 3; 1983 c 39 § 5; 1973 1st ex.s. c 106 § 5.]

**18.35.060 Hearing instrument fitter/dispenser permit.** (*Effective until January 1, 2003.*) (1) The department shall issue a hearing instrument fitting/dispensing permit to any applicant who has shown to the satisfaction of the department that the applicant:

(a) Is at least twenty-one years of age;

(b) If issued a hearing instrument fitter/dispenser permit, would be employed and directly supervised in the fitting and

dispensing of hearing instruments by a person licensed or certified in good standing as a hearing instrument fitter/dispenser or audiologist for at least two years unless otherwise approved by the board;

(c) Has complied with administrative procedures, administrative requirements, and fees determined as provided in RCW 43.70.250 and 43.70.280;

(d) Has not committed unprofessional conduct as specified by the uniform disciplinary act; and

(e) Is a high school graduate or the equivalent.

The provisions of RCW 18.35.030, 18.35.110, and 18.35.120 shall apply to any person issued a hearing instrument fitter/dispenser permit. Pursuant to the provisions of this section, a person issued a hearing instrument fitter/dispenser permit may engage in the fitting and dispensing of hearing instruments without having first passed the hearing instrument fitter/dispenser examination provided under this chapter.

(2) The hearing instrument fitter/dispenser permit shall contain the names of the employer and the licensed or certified supervisor under this chapter who are employing and supervising the hearing instrument fitter/dispenser permit holder and those persons shall execute an acknowledgment of responsibility for all acts of the hearing instrument fitter/dispenser permit holder in connection with the fitting and dispensing of hearing instruments.

(3) A hearing instrument fitter/dispenser permit holder may fit and dispense hearing instruments, but only if the hearing instrument fitter/dispenser permit holder is under the direct supervision of a licensed hearing instrument fitter/dispenser or certified audiologist under this chapter in a capacity other than as a hearing instrument fitter/dispenser permit holder. Direct supervision by a licensed hearing instrument fitter/dispenser or certified audiologist shall be required whenever the hearing instrument fitter/dispenser permit holder is engaged in the fitting or dispensing of hearing instruments during the hearing instrument fitter/dispenser permit holder's employment. The board shall develop and adopt guidelines on any additional supervision or training it deems necessary.

(4) The hearing instrument fitter/dispenser permit expires one year from the date of its issuance except that on recommendation of the board the permit may be reissued for one additional year only.

(5) No certified audiologist or licensed hearing instrument fitter/dispenser under this chapter may assume the responsibility for more than one hearing instrument fitter/dispenser permit holder at any one time.

(6) The department, upon approval by the board, shall issue an interim permit authorizing an applicant for speech-language pathologist certification or audiologist certification who, except for the postgraduate professional experience and the examination requirements, meets the academic and practicum requirements of RCW 18.35.040 to practice under interim permit supervision by a certified speech-language pathologist or certified audiologist. The interim permit is valid for a period of one year from date of issuance. The board shall determine conditions for the interim permit. [1997 c 275 § 3. Prior: 1996 c 200 § 7; 1996 c 191 § 19; 1993 c 313 § 3; 1991 c 3 § 82; 1985 c 7 § 31; 1983 c 39 § 6; 1975 1st ex.s. c 30 § 37; 1973 1st ex.s. c 106 § 6.]

**18.35.060 Interim permit—Issuance.** (*Effective January 1, 2003.*) The department, upon approval by the board, shall issue an interim permit authorizing an applicant for speech-language pathologist certification or audiologist certification who, except for the postgraduate professional experience and the examination requirements, meets the academic and practicum requirements of RCW 18.35.040(2) to practice under direct supervision. The interim permit is valid for a period of one year from date of issuance. The board shall determine conditions for the interim permit. [1998 c 142 § 4; 1997 c 275 § 3. Prior: 1996 c 200 § 7; 1996 c 191 § 19; 1993 c 313 § 3; 1991 c 3 § 82; 1985 c 7 § 31; 1983 c 39 § 6; 1975 1st ex.s. c 30 § 37; 1973 1st ex.s. c 106 § 6.]

**Effective date—1998 c 142 §§ 1-14 and 16-20:** See note following RCW 18.35.010.

**18.35.070 Examination—Contents—Tests.** The hearing instrument fitter/dispenser written or practical examination, or both, provided in RCW 18.35.050 shall consist of:

(1) Tests of knowledge in the following areas as they pertain to the fitting of hearing instruments:

(a) Basic physics of sound;

(b) The human hearing mechanism, including the science of hearing and the causes and rehabilitation of abnormal hearing and hearing disorders; and

(c) Structure and function of hearing instruments.

(2) Tests of proficiency in the following areas as they pertain to the fitting of hearing instruments:

(a) Pure tone audiometry, including air conduction testing and bone conduction testing;

(b) Live voice or recorded voice speech audiometry, including speech reception threshold testing and speech discrimination testing;

(c) Effective masking;

(d) Recording and evaluation of audiograms and speech audiometry to determine hearing instrument candidacy;

(e) Selection and adaptation of hearing instruments and testing of hearing instruments; and

(f) Taking ear mold impressions.

(3) Evidence of knowledge regarding the medical and rehabilitation facilities for children and adults that are available in the area served.

(4) Evidence of knowledge of grounds for revocation or suspension of license under the provisions of this chapter.

(5) Any other tests as the board may by rule establish. [1996 c 200 § 8; 1973 1st ex.s. c 106 § 7.]

**18.35.080 License—Certification—Generally.** (1) The department shall license or certify each qualified applicant who satisfactorily completes the required examinations for his or her profession and complies with administrative procedures and administrative requirements established pursuant to RCW 43.70.250 and 43.70.280.

(2) The board shall waive the examination and grant a speech-language pathology certificate to a person engaged in the profession of speech-language pathology in this state on June 6, 1996, if the board determines that the person meets commonly accepted standards for the profession, as defined by rules adopted by the board. Persons eligible for certifica-

tion under this subsection must apply for a certificate before July 1, 1997.

(3) The board shall waive the examinations and grant an audiology certificate to a person engaged in the profession of audiology in this state on June 6, 1996, if the board determines that the person meets the commonly accepted standards for the profession and has passed the hearing instrument fitter/dispenser examination. Persons eligible for certification under this subsection must apply for a certificate before July 1, 1997.

(4) The board shall grant an audiology certificate to a person engaged in the profession of audiology, who has not been licensed as a hearing instrument fitter/dispenser, but who meets the commonly accepted standards for the profession of audiology and graduated from a board-approved program after January 1, 1993, and has passed sections of the examination pertaining to RCW 18.35.070 (3), (4), and (5). Persons eligible for certification under this subsection must apply for a certificate before July 1, 1997.

(5) Persons engaged in the profession of audiology who meet the commonly accepted standards for the profession of audiology and graduated from a board-approved program prior to January 1, 1993, and who have not passed the hearing instrument fitter/dispenser examination shall be granted a temporary audiology certificate (nondispensing) for a period of two years from June 6, 1996, during which time they must pass sections of the hearing instrument fitter/dispenser examination pertaining to RCW 18.35.070 (1)(c), (2)(e) and (f), (3), (4), and (5). The board may extend the term of the temporary certificate upon review. Persons eligible for certification under this subsection must apply for a certificate before July 1, 1997. [1997 c 275 § 4. Prior: 1996 c 200 § 9; 1996 c 191 § 20; 1991 c 3 § 83; 1989 c 198 § 4; 1985 c 7 § 32; 1975 1st ex.s. c 30 § 38; 1973 1st ex.s. c 106 § 8.]

**18.35.085 Credentialing by endorsement.** An applicant holding a credential in another state, territory, or the District of Columbia may be credentialed to practice in this state without examination if the board determines that the other state's credentialing standards are substantially equivalent to the standards in this state. [1996 c 200 § 10; 1991 c 332 § 31.]

**Application to scope of practice—Captions not law—1991 c 332:** See notes following RCW 18.130.010.

**18.35.090 Compliance with administrative procedures, requirements—Display of license—Continuing education, competency standards.** (*Effective until January 1, 2003.*) Each person who engages in practice under this chapter shall comply with administrative procedures and administrative requirements established under RCW 43.70.250 and 43.70.280 and shall keep the license, certificate, or permit conspicuously posted in the place of business at all times. The secretary may establish mandatory continuing education requirements and/or continued competency standards to be met by licensees or certificate or permit holders as a condition for license, certificate, or permit renewal. [1997 c 275 § 5. Prior: 1996 c 200 § 11; 1996 c 191 § 21; 1991 c 3 § 84; 1989 c 198 § 5; 1985 c 7 § 33; 1983 c 39 § 7; 1973 1st ex.s. c 106 § 9.]

**18.35.090 Compliance with administrative procedures, requirements—Display of license—Continuing education, competency standards.** (*Effective January 1, 2003.*) Each person who engages in practice under this chapter shall comply with administrative procedures and administrative requirements established under RCW 43.70.250 and 43.70.280 and shall keep the license, certificate, or interim permit conspicuously posted in the place of business at all times. The secretary may establish mandatory continuing education requirements and/or continued competency standards to be met by licensees or certificate or interim permit holders as a condition for license, certificate, or interim permit renewal. [1998 c 142 § 5; 1997 c 275 § 5. Prior: 1996 c 200 § 11; 1996 c 191 § 21; 1991 c 3 § 84; 1989 c 198 § 5; 1985 c 7 § 33; 1983 c 39 § 7; 1973 1st ex.s. c 106 § 9.]

**Effective date—1998 c 142 §§ 1-14 and 16-20:** See note following RCW 18.35.010.

**18.35.095 Licensees—Inactive status.** (1) A hearing instrument fitter/dispenser licensed under this chapter and not actively practicing may be placed on inactive status by the department at the written request of the licensee. The board shall define by rule the conditions for inactive status licensure. In addition to the requirements of RCW 43.24.086, the licensing fee for a licensee on inactive status shall be directly related to the costs of administering an inactive license by the department. A hearing instrument fitter/dispenser on inactive status may be voluntarily placed on active status by notifying the department in writing, paying the remainder of the licensing fee for the licensing year, and complying with subsection (2) of this section.

(2) Hearing instrument fitter/dispenser inactive licensees applying for active licensure shall comply with the following: A licensee who has not fitted or dispensed hearing instruments for more than five years from the expiration of the licensee's full fee license shall retake the practical or the written, or both, hearing instrument fitter/dispenser examinations required under this chapter and other requirements as determined by the board. Persons who have inactive status in this state but who are actively licensed and in good standing in any other state shall not be required to take the hearing instrument fitter/dispenser practical examination, but must submit an affidavit attesting to their knowledge of the current Washington Administrative Code rules and Revised Code of Washington statutes pertaining to the fitting and dispensing of hearing instruments.

(3) A speech-language pathologist or audiologist certified under this chapter and not actively practicing either speech-language pathology or audiology may be placed on inactive status by the department at the written request of the certificate holder. The board shall define by rule the conditions for inactive status certification. In addition to the requirements of RCW 43.24.086, the fee for a certificate on inactive status shall be directly related to the cost of administering an inactive certificate by the department. A person on inactive status may be voluntarily placed on active status by notifying the department in writing, paying the remainder of the fee for the year, and complying with subsection (4) of this section.

(4) Speech-language pathologist or audiologist inactive certificate holders applying for active certification shall

comply with requirements set forth by the board, which may include completion of continuing competency requirements and taking an examination. [1996 c 200 § 12; 1993 c 313 § 12.]

**18.35.100 Place of business. (Effective until January 1, 2003.)** (1) Every hearing instrument fitter/dispenser, audiologist, speech-language pathologist, hearing instrument fitter/dispenser permit holder, or interim permit holder, who is regulated under this chapter, shall notify the department in writing of the regular address of the place or places in the state of Washington where the person practices or intends to practice more than twenty consecutive business days and of any change thereof within ten days of such change. Failure to notify the department in writing shall be grounds for suspension or revocation of license, certificate, or permit.

(2) The department shall keep a record of the places of business of persons who hold licenses, certificates, or permits.

(3) Any notice required to be given by the department to a person who holds a license, certificate, or permit may be given by mailing it to the address of the last establishment or facility of which the person has notified the department, except that notice to a licensee or certificate or permit holder of proceedings to deny, suspend, or revoke the license, certificate, or permit shall be by certified or registered mail or by means authorized for service of process. [1996 c 200 § 13; 1983 c 39 § 8; 1973 1st ex.s. c 106 § 10.]

**18.35.100 Place of business. (Effective January 1, 2003.)** (1) Every hearing instrument fitter/dispenser, audiologist, speech-language pathologist, or interim permit holder, who is regulated under this chapter, shall notify the department in writing of the regular address of the place or places in the state of Washington where the person practices or intends to practice more than twenty consecutive business days and of any change thereof within ten days of such change. Failure to notify the department in writing shall be grounds for suspension or revocation of the license, certificate, or interim permit.

(2) The department shall keep a record of the places of business of persons who hold licenses, certificates, or interim permits.

(3) Any notice required to be given by the department to a person who holds a license, certificate, or interim permit may be given by mailing it to the address of the last establishment or facility of which the person has notified the department, except that notice to a licensee or certificate or interim permit holder of proceedings to deny, suspend, or revoke the license, certificate, or interim permit shall be by certified or registered mail or by means authorized for service of process. [1998 c 142 § 6; 1996 c 200 § 13; 1983 c 39 § 8; 1973 1st ex.s. c 106 § 10.]

**Effective date—1998 c 142 §§ 1-14 and 16-20:** See note following RCW 18.35.010.

**18.35.105 Records—Contents. (Effective until January 1, 2003.)** Each licensee and certificate and permit holder under this chapter shall keep records of all services rendered for a minimum of three years. These records shall contain the names and addresses of all persons to whom

services were provided. Hearing instrument fitter/dispensers, audiologists, and permit holders shall also record the date the hearing instrument warranty expires, a description of the services and the dates the services were provided, and copies of any contracts and receipts. All records, as required pursuant to this chapter or by rule, shall be owned by the establishment or facility and shall remain with the establishment or facility in the event the licensee or certificate holder changes employment. If a contract between the establishment or facility and the licensee or certificate holder provides that the records are to remain with the licensee or certificate holder, copies of such records shall be provided to the establishment or facility. [1996 c 200 § 14; 1989 c 198 § 6; 1983 c 39 § 16.]

**18.35.105 Records—Contents. (Effective January 1, 2003.)** Each licensee and certificate and interim permit holder under this chapter shall keep records of all services rendered for a minimum of three years. These records shall contain the names and addresses of all persons to whom services were provided. Hearing instrument fitter/dispensers, audiologists, and interim permit holders shall also record the date the hearing instrument warranty expires, a description of the services and the dates the services were provided, and copies of any contracts and receipts. All records, as required pursuant to this chapter or by rule, shall be owned by the establishment or facility and shall remain with the establishment or facility in the event the licensee or certificate holder changes employment. If a contract between the establishment or facility and the licensee or certificate holder provides that the records are to remain with the licensee or certificate holder, copies of such records shall be provided to the establishment or facility. [1998 c 142 § 7; 1996 c 200 § 14; 1989 c 198 § 6; 1983 c 39 § 16.]

**Effective date—1998 c 142 §§ 1-14 and 16-20:** See note following RCW 18.35.010.

**18.35.110 Disciplinary action—Grounds. (Effective until January 1, 2003.)** In addition to causes specified under RCW 18.130.170 and 18.130.180, any person licensed or holding a permit or certificate under this chapter may be subject to disciplinary action by the board for any of the following causes:

(1) For unethical conduct in dispensing hearing instruments. Unethical conduct shall include, but not be limited to:

(a) Using or causing or promoting the use of, in any advertising matter, promotional literature, testimonial, guarantee, warranty, label, brand, insignia, or any other representation, however disseminated or published, which is false, misleading or deceptive;

(b) Failing or refusing to honor or to perform as represented any representation, promise, agreement, or warranty in connection with the promotion, sale, dispensing, or fitting of the hearing instrument;

(c) Advertising a particular model, type, or kind of hearing instrument for sale which purchasers or prospective purchasers responding to the advertisement cannot purchase or are dissuaded from purchasing and where it is established that the purpose of the advertisement is to obtain prospects

for the sale of a different model, type, or kind than that advertised;

(d) Falsifying hearing test or evaluation results;

(e)(i) Whenever any of the following conditions are found or should have been found to exist either from observations by the licensee or certificate or permit holder or on the basis of information furnished by the prospective hearing instrument user prior to fitting and dispensing a hearing instrument to any such prospective hearing instrument user, failing to advise that prospective hearing instrument user in writing that the user should first consult a licensed physician specializing in diseases of the ear or if no such licensed physician is available in the community then to any duly licensed physician:

(A) Visible congenital or traumatic deformity of the ear, including perforation of the eardrum;

(B) History of, or active drainage from the ear within the previous ninety days;

(C) History of sudden or rapidly progressive hearing loss within the previous ninety days;

(D) Acute or chronic dizziness;

(E) Any unilateral hearing loss;

(F) Significant air-bone gap when generally acceptable standards have been established as defined by the food and drug administration;

(G) Visible evidence of significant cerumen accumulation or a foreign body in the ear canal;

(H) Pain or discomfort in the ear; or

(I) Any other conditions that the board may by rule establish. It is a violation of this subsection for any licensee or certificate holder or that licensee's or certificate holder's employees and putative agents upon making such required referral for medical opinion to in any manner whatsoever disparage or discourage a prospective hearing instrument user from seeking such medical opinion prior to the fitting and dispensing of a hearing instrument. No such referral for medical opinion need be made by any licensed hearing instrument fitter/dispenser, certified audiologist, or permit holder in the instance of replacement only of a hearing instrument which has been lost or damaged beyond repair within twelve months of the date of purchase. The licensed hearing instrument fitter/dispenser, certified audiologist, or permit holder or their employees or putative agents shall obtain a signed statement from the hearing instrument user documenting the waiver of medical clearance and the waiver shall inform the prospective user that signing the waiver is not in the user's best health interest: PROVIDED, That the licensed hearing instrument fitter/dispenser, certified audiologist, or permit holder shall maintain a copy of either the physician's statement showing that the prospective hearing instrument user has had a medical evaluation within the previous six months or the statement waiving medical evaluation, for a period of three years after the purchaser's receipt of a hearing instrument. Nothing in this section required to be performed by a licensee or certificate or permit holder shall mean that the licensee or certificate or permit holder is engaged in the diagnosis of illness or the practice of medicine or any other activity prohibited under the laws of this state;

(ii) Fitting and dispensing a hearing instrument to any person under eighteen years of age who has not been examined and cleared for hearing instrument use within the

previous six months by a physician specializing in otolaryngology except in the case of replacement instruments or except in the case of the parents or guardian of such person refusing, for good cause, to seek medical opinion: PROVIDED, That should the parents or guardian of such person refuse, for good cause, to seek medical opinion, the licensed hearing instrument fitter/dispenser or certified audiologist shall obtain from such parents or guardian a certificate to that effect in a form as prescribed by the department;

(iii) Fitting and dispensing a hearing instrument to any person under eighteen years of age who has not been examined by an audiologist who holds at least a master's degree in audiology for recommendations during the previous six months, without first advising such person or his or her parents or guardian in writing that he or she should first consult an audiologist who holds at least a master's degree in audiology, except in cases of hearing instruments replaced within twelve months of their purchase;

(f) Representing that the services or advice of a person licensed to practice medicine and surgery under chapter 18.71 RCW or osteopathic medicine and surgery under chapter 18.57 RCW or of a clinical audiologist will be used or made available in the selection, fitting, adjustment, maintenance, or repair of hearing instruments when that is not true, or using the word "doctor," "clinic," or other like words, abbreviations, or symbols which tend to connote a medical or osteopathic medicine and surgery profession when such use is not accurate;

(g) Permitting another to use his or her license, certificate, or permit;

(h) Stating or implying that the use of any hearing instrument will restore normal hearing, preserve hearing, prevent or retard progression of a hearing impairment, or any other false, misleading, or medically or audiology claim regarding the efficiency of a hearing instrument;

(i) Representing or implying that a hearing instrument is or will be "custom-made," "made to order," "prescription made," or in any other sense specially fabricated for an individual when that is not the case; or

(j) Directly or indirectly offering, giving, permitting, or causing to be given, money or anything of value to any person who advised another in a professional capacity as an inducement to influence that person, or to have that person influence others to purchase or contract to purchase any product sold or offered for sale by the hearing instrument fitter/dispenser, audiologist, or permit holder, or to influence any person to refrain from dealing in the products of competitors.

(2) Engaging in any unfair or deceptive practice or unfair method of competition in trade within the meaning of RCW 19.86.020.

(3) Aiding or abetting any violation of the rebating laws as stated in chapter 19.68 RCW. [1996 c 200 § 15; 1996 c 178 § 1; 1993 c 313 § 4; 1987 c 150 § 22; 1983 c 39 § 9; 1973 1st ex.s. c 106 § 11.]

**Reviser's note:** This section was amended by 1996 c 178 § 1 and by 1996 c 200 § 15, each without reference to the other. Both amendments are incorporated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Effective date—1996 c 178:** "This act shall take effect July 1, 1996." [1996 c 178 § 25.]

**Severability—1987 c 150:** See RCW 18.122.901.

*Violation of chapter 69.50 RCW, the Uniform Controlled Substances Act—Suspension of license: RCW 69.50.413.*

**18.35.110 Disciplinary action—Grounds.** (*Effective January 1, 2003.*) In addition to causes specified under RCW 18.130.170 and 18.130.180, any person licensed or holding an interim permit or certificate under this chapter may be subject to disciplinary action by the board for any of the following causes:

(1) For unethical conduct in dispensing hearing instruments. Unethical conduct shall include, but not be limited to:

(a) Using or causing or promoting the use of, in any advertising matter, promotional literature, testimonial, guarantee, warranty, label, brand, insignia, or any other representation, however disseminated or published, which is false, misleading or deceptive;

(b) Failing or refusing to honor or to perform as represented any representation, promise, agreement, or warranty in connection with the promotion, sale, dispensing, or fitting of the hearing instrument;

(c) Advertising a particular model, type, or kind of hearing instrument for sale which purchasers or prospective purchasers responding to the advertisement cannot purchase or are dissuaded from purchasing and where it is established that the purpose of the advertisement is to obtain prospects for the sale of a different model, type, or kind than that advertised;

(d) Falsifying hearing test or evaluation results;

(e)(i) Whenever any of the following conditions are found or should have been found to exist either from observations by the licensee or certificate or interim permit holder or on the basis of information furnished by the prospective hearing instrument user prior to fitting and dispensing a hearing instrument to any such prospective hearing instrument user, failing to advise that prospective hearing instrument user in writing that the user should first consult a licensed physician specializing in diseases of the ear or if no such licensed physician is available in the community then to any duly licensed physician:

(A) Visible congenital or traumatic deformity of the ear, including perforation of the eardrum;

(B) History of, or active drainage from the ear within the previous ninety days;

(C) History of sudden or rapidly progressive hearing loss within the previous ninety days;

(D) Acute or chronic dizziness;

(E) Any unilateral hearing loss;

(F) Significant air-bone gap when generally acceptable standards have been established as defined by the food and drug administration;

(G) Visible evidence of significant cerumen accumulation or a foreign body in the ear canal;

(H) Pain or discomfort in the ear; or

(I) Any other conditions that the board may by rule establish. It is a violation of this subsection for any licensee or certificate holder or that licensee's or certificate holder's employees and putative agents upon making such required referral for medical opinion to in any manner whatsoever disparage or discourage a prospective hearing instrument user from seeking such medical opinion prior to the fitting

and dispensing of a hearing instrument. No such referral for medical opinion need be made by any licensed hearing instrument fitter/dispenser, certified audiologist, or interim permit holder in the instance of replacement only of a hearing instrument which has been lost or damaged beyond repair within twelve months of the date of purchase. The licensed hearing instrument fitter/dispenser, certified audiologist, or interim permit holder or their employees or putative agents shall obtain a signed statement from the hearing instrument user documenting the waiver of medical clearance and the waiver shall inform the prospective user that signing the waiver is not in the user's best health interest: **PROVIDED**, That the licensed hearing instrument fitter/dispenser, certified audiologist, or interim permit holder shall maintain a copy of either the physician's statement showing that the prospective hearing instrument user has had a medical evaluation within the previous six months or the statement waiving medical evaluation, for a period of three years after the purchaser's receipt of a hearing instrument. Nothing in this section required to be performed by a licensee or certificate or interim permit holder shall mean that the licensee or certificate or interim permit holder is engaged in the diagnosis of illness or the practice of medicine or any other activity prohibited under the laws of this state;

(ii) Fitting and dispensing a hearing instrument to any person under eighteen years of age who has not been examined and cleared for hearing instrument use within the previous six months by a physician specializing in otolaryngology except in the case of replacement instruments or except in the case of the parents or guardian of such person refusing, for good cause, to seek medical opinion: **PROVIDED**, That should the parents or guardian of such person refuse, for good cause, to seek medical opinion, the licensed hearing instrument fitter/dispenser or certified audiologist shall obtain from such parents or guardian a certificate that that effect in a form as prescribed by the department;

(iii) Fitting and dispensing a hearing instrument to any person under eighteen years of age who has not been examined by an audiologist who holds at least a master's degree in audiology for recommendations during the previous six months, without first advising such person or his or her parents or guardian in writing that he or she should first consult an audiologist who holds at least a master's degree in audiology, except in cases of hearing instruments replaced within twelve months of their purchase;

(f) Representing that the services or advice of a person licensed to practice medicine and surgery under chapter 18.71 RCW or osteopathic medicine and surgery under chapter 18.57 RCW or of a clinical audiologist will be used or made available in the selection, fitting, adjustment, maintenance, or repair of hearing instruments when that is not true, or using the word "doctor," "clinic," or other like words, abbreviations, or symbols which tend to connote a medical or osteopathic medicine and surgery profession when such use is not accurate;

(g) Permitting another to use his or her license, certificate, or interim permit;

(h) Stating or implying that the use of any hearing instrument will restore normal hearing, preserve hearing, prevent or retard progression of a hearing impairment, or any other false, misleading, or medically or audiological

unsupportable claim regarding the efficiency of a hearing instrument;

(i) Representing or implying that a hearing instrument is or will be "custom-made," "made to order," "prescription made," or in any other sense specially fabricated for an individual when that is not the case; or

(j) Directly or indirectly offering, giving, permitting, or causing to be given, money or anything of value to any person who advised another in a professional capacity as an inducement to influence that person, or to have that person influence others to purchase or contract to purchase any product sold or offered for sale by the hearing instrument fitter/dispenser, audiologist, or interim permit holder, or to influence any person to refrain from dealing in the products of competitors.

(2) Engaging in any unfair or deceptive practice or unfair method of competition in trade within the meaning of RCW 19.86.020.

(3) Aiding or abetting any violation of the rebating laws as stated in chapter 19.68 RCW. [1998 c 142 § 8. Prior: 1996 c 200 § 15; 1996 c 178 § 1; 1993 c 313 § 4; 1987 c 150 § 22; 1983 c 39 § 9; 1973 1st ex.s. c 106 § 11.]

**Effective date—1998 c 142 §§ 1-14 and 16-20:** See note following RCW 18.35.010.

**Effective date—1996 c 178:** "This act shall take effect July 1, 1996." [1996 c 178 § 25.]

**Severability—1987 c 150:** See RCW 18.122.901.

*Violation of chapter 69.50 RCW, the Uniform Controlled Substances Act—Suspension of license: RCW 69.50.413.*

**18.35.120 Disciplinary action—Additional grounds.** (*Effective until January 1, 2003.*) A licensee or certificate or permit holder under this chapter may also be subject to disciplinary action if the licensee or certificate or permit holder:

(1) Is found guilty in any court of any crime involving forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, or conspiracy to defraud and ten years have not elapsed since the date of the conviction; or

(2) Has a judgment entered against him or her in any civil action involving forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, or conspiracy to defraud and five years have not elapsed since the date of the entry of the final judgment in the action, but a license or certificate shall not be issued unless the judgment debt has been discharged; or

(3) Has a judgment entered against him or her under chapter 19.86 RCW and two years have not elapsed since the entry of the final judgment; but a license or certificate shall not be issued unless there has been full compliance with the terms of such judgment, if any. The judgment shall not be grounds for denial, suspension, nonrenewal, or revocation of a license or certificate unless the judgment arises out of and is based on acts of the applicant, licensee, certificate holder, or employee of the licensee or certificate holder; or

(4) Commits unprofessional conduct as defined in RCW 18.130.180 of the uniform disciplinary act. [1996 c 200 § 17; 1983 c 39 § 10; 1973 1st ex.s. c 106 § 12.]

*Penalties authorized: RCW 18.35.161.*

**18.35.120 Disciplinary action—Additional grounds.** (*Effective January 1, 2003.*) A licensee or certificate or interim permit holder under this chapter may also be subject to disciplinary action if the licensee or certificate or interim permit holder:

(1) Is found guilty in any court of any crime involving forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, or conspiracy to defraud and ten years have not elapsed since the date of the conviction; or

(2) Has a judgment entered against him or her in any civil action involving forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, or conspiracy to defraud and five years have not elapsed since the date of the entry of the final judgment in the action, but a license or certificate shall not be issued unless the judgment debt has been discharged; or

(3) Has a judgment entered against him or her under chapter 19.86 RCW and two years have not elapsed since the entry of the final judgment; but a license or certificate shall not be issued unless there has been full compliance with the terms of such judgment, if any. The judgment shall not be grounds for denial, suspension, nonrenewal, or revocation of a license or certificate unless the judgment arises out of and is based on acts of the applicant, licensee, certificate holder, or employee of the licensee or certificate holder; or

(4) Commits unprofessional conduct as defined in RCW 18.130.180 of the uniform disciplinary act. [1998 c 142 § 9; 1996 c 200 § 17; 1983 c 39 § 10; 1973 1st ex.s. c 106 § 12.]

**Effective date—1998 c 142 §§ 1-14 and 16-20:** See note following RCW 18.35.010.

*Penalties authorized: RCW 18.35.161.*

**18.35.140 Powers and duties of department.** (*Effective until January 1, 2003.*) The powers and duties of the department, in addition to the powers and duties provided under other sections of this chapter, are as follows:

(1) To provide space necessary to carry out the examination set forth in RCW 18.35.070 of applicants for hearing instrument fitter/dispenser licenses or audiology certification.

(2) To authorize all disbursements necessary to carry out the provisions of this chapter.

(3) To require the periodic examination of testing equipment, as defined by the board, and to carry out the periodic inspection of facilities or establishments of persons who are licensed or certified under this chapter, as reasonably required within the discretion of the department.

(4) To appoint advisory committees as necessary.

(5) To keep a record of proceedings under this chapter and a register of all persons licensed, certified, or holding permits under this chapter. The register shall show the name of every living licensee or permit holder for hearing instrument fitting/dispensing, every living certificate or interim permit holder for speech-language pathology, every living certificate or interim permit holder for audiology, with his or her last known place of residence and the date and number of his or her license, permit, or certificate. [1996 c 200 § 18; 1993 c 313 § 5; 1983 c 39 § 11; 1973 1st ex.s. c 106 § 14.]

**18.35.140 Powers and duties of department.** (*Effective January 1, 2003.*) The powers and duties of the department, in addition to the powers and duties provided under other sections of this chapter, are as follows:

(1) To provide space necessary to carry out the examination set forth in RCW 18.35.070 of applicants for hearing instrument fitter/dispenser licenses or audiology certification.

(2) To authorize all disbursements necessary to carry out the provisions of this chapter.

(3) To require the periodic examination of testing equipment, as defined by the board, and to carry out the periodic inspection of facilities or establishments of persons who are licensed or certified under this chapter, as reasonably required within the discretion of the department.

(4) To appoint advisory committees as necessary.

(5) To keep a record of proceedings under this chapter and a register of all persons licensed, certified, or holding interim permits under this chapter. The register shall show the name of every living licensee or interim permit holder for hearing instrument fitting/dispensing, every living certificate or interim permit holder for speech-language pathology, every living certificate or interim permit holder for audiology, with his or her last known place of residence and the date and number of his or her license, interim permit, or certificate. [1998 c 142 § 10; 1996 c 200 § 18; 1993 c 313 § 5; 1983 c 39 § 11; 1973 1st ex.s. c 106 § 14.]

**Effective date—1998 c 142 §§ 1-14 and 16-20:** See note following RCW 18.35.010.

**18.35.150 Board of hearing and speech—Created—Membership—Qualifications—Terms—Vacancies—Meetings—Compensation—Travel expenses.** (1) There is created hereby the board of hearing and speech to govern the three separate professions: Hearing instrument fitting/dispensing, audiology, and speech-language pathology. The board shall consist of ten members to be appointed by the governor.

(2) Members of the board shall be residents of this state. Three members shall represent the public and shall have an interest in the rights of consumers of health services, and shall not be or have been a member of, or married to a member of, another licensing board, a licensee of a health occupation board, an employee of a health facility, nor derive his or her primary livelihood from the provision of health services at any level of responsibility. Two members shall be hearing instrument fitter/dispensers who are licensed under this chapter, have at least five years of experience in the practice of hearing instrument fitting and dispensing, and must be actively engaged in fitting and dispensing within two years of appointment. Two members of the board shall be audiologists certified under this chapter who have at least five years of experience in the practice of audiology and must be actively engaged in practice within two years of appointment. Two members of the board shall be speech-language pathologists certified under this chapter who have at least five years of experience in the practice of speech-language pathology and must be actively engaged in practice within two years of appointment. One advisory nonvoting member shall be a medical physician licensed in the state of Washington.

(3) The term of office of a member is three years. Of the initial appointments, one hearing instrument fit-

ter/dispenser, one speech-language pathologist, one audiologist, and one consumer shall be appointed for a term of two years, and one hearing instrument fitter/dispenser, one speech-language pathologist, one audiologist, and two consumers shall be appointed for a term of three years. Thereafter, all appointments shall be made for expired terms. No member shall be appointed to serve more than two consecutive terms. A member shall continue to serve until a successor has been appointed. The governor shall either reappoint the member or appoint a successor to assume the member's duties at the expiration of his or her predecessor's term. A vacancy in the office of a member shall be filled by appointment for the unexpired term.

(4) The chair shall rotate annually among the hearing instrument fitter/dispensers, speech-language pathologists, audiologists, and public members serving on the board. In the absence of the chair, the board shall appoint an interim chair. In event of a tie vote, the issue shall be brought to a second vote and the chair shall refrain from voting.

(5) The board shall meet at least once each year, at a place, day and hour determined by the board, unless otherwise directed by a majority of board members. The board shall also meet at such other times and places as are requested by the department or by three members of the board. A quorum is a majority of the board. A hearing instrument fitter/dispenser, speech-language pathologist, and audiologist must be represented. Meetings of the board shall be open and public, except the board may hold executive sessions to the extent permitted by chapter 42.30 RCW.

(6) Members of the board shall be compensated in accordance with RCW 43.03.240 and shall be reimbursed for their travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(7) The governor may remove a member of the board for cause at the recommendation of a majority of the board. [1996 c 200 § 19; 1993 c 313 § 6; 1989 c 198 § 7; 1984 c 287 § 33; 1983 c 39 § 12; 1975-'76 2nd ex.s. c 34 § 35; 1973 1st ex.s. c 106 § 15.]

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**Effective date—Severability—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

*Secretary of health or designee as ex officio member of health professional licensure and disciplinary boards:* RCW 43.70.300.

**18.35.161 Board—Powers and duties.** (*Effective until January 1, 2003.*) The board shall have the following powers and duties:

(1) To establish by rule such minimum standards and procedures in the fitting and dispensing of hearing instruments as deemed appropriate and in the public interest;

(2) To develop guidelines on the training and supervision of hearing instrument fitter/dispenser permit holders and to establish requirements regarding the extent of apprenticeship training and certification to the department;

(3) To adopt any other rules necessary to implement this chapter and which are not inconsistent with it;

(4) To develop, approve, and administer or supervise the administration of examinations to applicants for licensure and certification under this chapter;

(5) To require a licensee or certificate or permit holder to make restitution to any individual injured by a violation

of this chapter or chapter 18.130 RCW, the uniform disciplinary act. The authority to require restitution does not limit the board's authority to take other action deemed appropriate and provided for in this chapter or chapter 18.130 RCW;

(6) To pass upon the qualifications of applicants for licensure, certification, or permits and to certify to the secretary;

(7) To recommend requirements for continuing education and continuing competency requirements as a prerequisite to renewing a license or certificate under this chapter;

(8) To keep an official record of all its proceedings. The record is evidence of all proceedings of the board that are set forth in this record;

(9) To adopt rules, if the board finds it appropriate, in response to questions put to it by professional health associations, hearing instrument fitter/dispensers or audiologists, speech-language pathologists, permit holders, and consumers in this state; and

(10) To adopt rules relating to standards of care relating to hearing instrument fitter/dispensers or audiologists, including the dispensing of hearing instruments, and relating to speech-language pathologists, including dispensing of communication devices. [1996 c 200 § 20; 1993 c 313 § 7; 1987 c 150 § 23; 1983 c 39 § 13.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.35.161 Board—Powers and duties. (Effective January 1, 2003.)** The board shall have the following powers and duties:

(1) To establish by rule such minimum standards and procedures in the fitting and dispensing of hearing instruments as deemed appropriate and in the public interest;

(2) To adopt any other rules necessary to implement this chapter and which are not inconsistent with it;

(3) To develop, approve, and administer or supervise the administration of examinations to applicants for licensure and certification under this chapter;

(4) To require a licensee or certificate or interim permit holder to make restitution to any individual injured by a violation of this chapter or chapter 18.130 RCW, the uniform disciplinary act. The authority to require restitution does not limit the board's authority to take other action deemed appropriate and provided for in this chapter or chapter 18.130 RCW;

(5) To pass upon the qualifications of applicants for licensure, certification, or interim permits and to certify to the secretary;

(6) To recommend requirements for continuing education and continuing competency requirements as a prerequisite to renewing a license or certificate under this chapter;

(7) To keep an official record of all its proceedings. The record is evidence of all proceedings of the board that are set forth in this record;

(8) To adopt rules, if the board finds it appropriate, in response to questions put to it by professional health associations, hearing instrument fitter/dispensers or audiologists, speech-language pathologists, interim permit holders, and consumers in this state; and

(9) To adopt rules relating to standards of care relating to hearing instrument fitter/dispensers or audiologists,

including the dispensing of hearing instruments, and relating to speech-language pathologists, including dispensing of communication devices. [1998 c 142 § 11; 1996 c 200 § 20; 1993 c 313 § 7; 1987 c 150 § 23; 1983 c 39 § 13.]

**Effective date—1998 c 142 §§ 1-14 and 16-20:** See note following RCW 18.35.010.

**Severability—1987 c 150:** See RCW 18.122.901.

**18.35.162 Unprofessional conduct.** Violation of the standards adopted by rule under RCW 18.35.161 is unprofessional conduct under this chapter and chapter 18.130 RCW. [1996 c 200 § 21.]

**18.35.172 Application of uniform disciplinary act. (Effective until January 1, 2003.)** The uniform disciplinary act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses, certificates, and permits, and the discipline of licensees and certificate and permit holders under this chapter. [1996 c 200 § 22; 1987 c 150 § 21.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.35.172 Application of uniform disciplinary act. (Effective January 1, 2003.)** The uniform disciplinary act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses, certificates, and interim permits, and the discipline of licensees and certificate and permit holders under this chapter. [1998 c 142 § 12; 1996 c 200 § 22; 1987 c 150 § 21.]

**Effective date—1998 c 142 §§ 1-14 and 16-20:** See note following RCW 18.35.010.

**Severability—1987 c 150:** See RCW 18.122.901.

**18.35.175 Unlawful sales practices.** It is unlawful to fit or dispense a hearing instrument to a resident of this state if the attempted sale or purchase is offered or made by telephone or mail order and there is no face-to-face contact to test or otherwise determine the needs of the prospective purchaser. This section does not apply to the sale of hearing instruments by wholesalers to licensees or certificate holders under this chapter. [1996 c 200 § 23; 1983 c 39 § 21.]

**18.35.180 Application of Consumer Protection Act and False Advertising Act.** Acts and practices in the course of trade in the promoting, advertising, selling, fitting, and dispensing of hearing instruments shall be subject to the provisions of chapter 19.86 RCW (Consumer Protection Act) and RCW 9.04.050 (False Advertising Act) and any violation of the provisions of this chapter shall constitute violation of RCW 19.86.020. [1996 c 200 § 24; 1973 1st ex.s. c 106 § 18.]

**18.35.185 Rescission of transaction—Requirements—Notice. (Effective until January 1, 2003.)** (1) In addition to any other rights and remedies a purchaser may have, the purchaser of a hearing instrument shall have the right to rescind the transaction for other than the licensed hearing instrument fitter/dispenser, certified audiologist, or permit holder's breach if:

(a) The purchaser, for reasonable cause, returns the hearing instrument or holds it at the licensed hearing

instrument fitter/dispenser, certified audiologist, or permit holder's disposal, if the hearing instrument is in its original condition less normal wear and tear. "Reasonable cause" shall be defined by the board but shall not include a mere change of mind on the part of the purchaser or a change of mind related to cosmetic concerns of the purchaser about wearing a hearing instrument; and

(b) The purchaser sends notice of the cancellation by certified mail, return receipt requested, to the establishment employing the licensed hearing instrument fitter/dispenser, certified audiologist, or permit holder at the time the hearing instrument was originally purchased, and the notice is posted not later than thirty days following the date of delivery, but the purchaser and the licensed hearing instrument fitter/dispenser, certified audiologist, or permit holder may extend the deadline for posting of the notice of rescission by mutual, written agreement. In the event the hearing instrument develops a problem which qualifies as a reasonable cause for rescission or which prevents the purchaser from evaluating the hearing instrument, and the purchaser notifies the establishment employing the licensed hearing instrument fitter/dispenser, certified audiologist or permit holder of the problem during the thirty days following the date of delivery and documents such notification, the deadline for posting the notice of rescission shall be extended by an equal number of days as those between the date of the notification of the problem to the date of notification of availability for redeliveries. Where the hearing instrument is returned to the licensed hearing instrument fitter/dispenser, certified audiologist, or permit holder for any inspection for modification or repair, and the licensed hearing instrument fitter/dispenser, certified audiologist, or permit holder has notified the purchaser that the hearing instrument is available for redelivery, and where the purchaser has not responded by either taking possession of the hearing instrument or instructing the licensed hearing instrument fitter/dispenser, certified audiologist, or permit holder to forward it to the purchaser, then the deadline for giving notice of the rescission shall extend no more than seven working days after this notice of availability.

(2) If the transaction is rescinded under this section or as otherwise provided by law and the hearing instrument is returned to the licensed hearing instrument fitter/dispenser, certified audiologist, or permit holder, the licensed hearing instrument fitter/dispenser, certified audiologist, or permit holder shall refund to the purchaser any payments or deposits for that hearing instrument. However, the licensed hearing instrument fitter/dispenser, certified audiologist, or permit holder may retain, for each hearing instrument, fifteen percent of the total purchase price or one hundred twenty-five dollars, whichever is less. After December 31, 1996, the rescission amount shall be determined by the board. The licensed hearing instrument fitter/dispenser, certified audiologist, or permit holder shall also return any goods traded in contemplation of the sale, less any costs incurred by the licensed hearing instrument fitter/dispenser, certified audiologist, or permit holder in making those goods ready for resale. The refund shall be made within ten business days after the rescission. The buyer shall incur no additional liability for such rescission.

(3) For the purposes of this section, the purchaser shall have recourse against the bond held by the establishment

entering into a purchase agreement with the buyer, as provided by RCW 18.35.240. [1996 c 200 § 25; 1993 c 313 § 9; 1989 c 198 § 12.]

**18.35.185 Rescission of transaction—Requirements—Notice.** (*Effective January 1, 2003.*) (1) In addition to any other rights and remedies a purchaser may have, the purchaser of a hearing instrument shall have the right to rescind the transaction for other than the licensed hearing instrument fitter/dispenser, certified audiologist, or interim permit holder's breach if:

(a) The purchaser, for reasonable cause, returns the hearing instrument or holds it at the licensed hearing instrument fitter/dispenser, certified audiologist, or interim permit holder's disposal, if the hearing instrument is in its original condition less normal wear and tear. "Reasonable cause" shall be defined by the board but shall not include a mere change of mind on the part of the purchaser or a change of mind related to cosmetic concerns of the purchaser about wearing a hearing instrument; and

(b) The purchaser sends notice of the cancellation by certified mail, return receipt requested, to the establishment employing the licensed hearing instrument fitter/dispenser, certified audiologist, or interim permit holder at the time the hearing instrument was originally purchased, and the notice is posted not later than thirty days following the date of delivery, but the purchaser and the licensed hearing instrument fitter/dispenser, certified audiologist, or interim permit holder may extend the deadline for posting of the notice of rescission by mutual, written agreement. In the event the hearing instrument develops a problem which qualifies as a reasonable cause for rescission or which prevents the purchaser from evaluating the hearing instrument, and the purchaser notifies the establishment employing the licensed hearing instrument fitter/dispenser, certified audiologist, or interim permit holder of the problem during the thirty days following the date of delivery and documents such notification, the deadline for posting the notice of rescission shall be extended by an equal number of days as those between the date of the notification of the problem to the date of notification of availability for redeliveries. Where the hearing instrument is returned to the licensed hearing instrument fitter/dispenser, certified audiologist, or interim permit holder for any inspection for modification or repair, and the licensed hearing instrument fitter/dispenser, certified audiologist, or interim permit holder has notified the purchaser that the hearing instrument is available for redelivery, and where the purchaser has not responded by either taking possession of the hearing instrument or instructing the licensed hearing instrument fitter/dispenser, certified audiologist, or interim permit holder to forward it to the purchaser, then the deadline for giving notice of the rescission shall extend no more than seven working days after this notice of availability.

(2) If the transaction is rescinded under this section or as otherwise provided by law and the hearing instrument is returned to the licensed hearing instrument fitter/dispenser, certified audiologist, or interim permit holder, the licensed hearing instrument fitter/dispenser, certified audiologist, or interim permit holder shall refund to the purchaser any payments or deposits for that hearing instrument. However,

the licensed hearing instrument fitter/dispenser, certified audiologist, or interim permit holder may retain, for each hearing instrument, fifteen percent of the total purchase price or one hundred twenty-five dollars, whichever is less. After December 31, 1996, the rescission amount shall be determined by the board. The licensed hearing instrument fitter/dispenser, certified audiologist, or interim permit holder shall also return any goods traded in contemplation of the sale, less any costs incurred by the licensed hearing instrument fitter/dispenser, certified audiologist, or interim permit holder in making those goods ready for resale. The refund shall be made within ten business days after the rescission. The buyer shall incur no additional liability for such rescission.

(3) For the purposes of this section, the purchaser shall have recourse against the bond held by the establishment entering into a purchase agreement with the buyer, as provided by RCW 18.35.240. [1998 c 142 § 13; 1996 c 200 § 25; 1993 c 313 § 9; 1989 c 198 § 12.]

**Effective date**—1998 c 142 §§ 1-14 and 16-20: See note following RCW 18.35.010.

**18.35.190 Valid license prerequisite to suits. (Effective until January 1, 2003.)** In addition to remedies otherwise provided by law, in any action brought by or on behalf of a person required to be licensed or certified or to hold a permit hereunder, or by any assignee or transferee, it shall be necessary to allege and prove that the licensee or certificate or permit holder at the time of the transaction held a valid license, certificate, or permit as required by this chapter, and that such license, certificate, or permit has not been suspended or revoked pursuant to RCW 18.35.110, 18.35.120, or 18.130.160. [1996 c 200 § 26; 1989 c 198 § 8; 1987 c 150 § 24; 1983 c 39 § 14; 1973 1st ex.s. c 106 § 19.]

**Severability**—1987 c 150: See RCW 18.122.901.

**18.35.190 Valid license prerequisite to suits. (Effective January 1, 2003.)** In addition to remedies otherwise provided by law, in any action brought by or on behalf of a person required to be licensed or certified or to hold an interim permit under this chapter, or by any assignee or transferee, it shall be necessary to allege and prove that the licensee or certificate or interim permit holder at the time of the transaction held a valid license, certificate, or interim permit as required by this chapter, and that such license, certificate, or interim permit has not been suspended or revoked pursuant to RCW 18.35.110, 18.35.120, or 18.130.160. [1998 c 142 § 14; 1996 c 200 § 26; 1989 c 198 § 8; 1987 c 150 § 24; 1983 c 39 § 14; 1973 1st ex.s. c 106 § 19.]

**Effective date**—1998 c 142 §§ 1-14 and 16-20: See note following RCW 18.35.010

**Severability**—1987 c 150: See RCW 18.122.901

**18.35.195 Exemptions.** (1) This chapter shall not apply to military or federal government employees.

(2) This chapter does not prohibit or regulate:

(a) Fitting or dispensing by students enrolled in a board-approved program who are directly supervised by a licensed hearing instrument fitter/dispenser, a certified audiologist under the provisions of this chapter, or an instructor at a

two-year hearing instrument fitter/dispenser degree program that is approved by the board; and

(b) Hearing instrument fitter/dispensers, speech-language pathologists, or audiologists of other states, territories, or countries, or the District of Columbia while appearing as clinicians of bona fide educational seminars sponsored by speech-language pathology, audiology, hearing instrument fitter/dispenser, medical, or other healing art professional associations so long as such activities do not go beyond the scope of practice defined by this chapter. [1998 c 142 § 15; 1996 c 200 § 27; 1983 c 39 § 22.]

**18.35.200 Other laws unaffected.** The provisions of this chapter shall not exclude the application of any other law to persons or circumstances covered under this chapter. [1973 1st ex.s. c 106 § 20.]

**18.35.205 Chapter exclusive. (Effective until January 1, 2003.)** The legislature finds that the public health, safety, and welfare would best be protected by uniform regulation of hearing instrument fitter/dispensers, speech-language pathologists, audiologists, and permit holders throughout the state. Therefore, the provisions of this chapter relating to the licensing or certification of hearing instrument fitter/dispensers, speech-language pathologists, and audiologists and regulation of permit holders and their respective establishments or facilities is exclusive. No political subdivision of the state of Washington within whose jurisdiction a hearing instrument fitter/dispenser, audiologist, or speech-language pathologist establishment or facility is located may require any registrations, bonds, licenses, certificates, or permits of the establishment or facility or its employees or charge any fee for the same or similar purposes: PROVIDED, HOWEVER, That nothing herein shall limit or abridge the authority of any political subdivision to levy and collect a general and nondiscriminatory license fee levied on all businesses, or to levy a tax based upon the gross business conducted by any firm within the political subdivision. [1996 c 200 § 28; 1983 c 39 § 24.]

**18.35.205 Chapter exclusive. (Effective January 1, 2003.)** The legislature finds that the public health, safety, and welfare would best be protected by uniform regulation of hearing instrument fitter/dispensers, speech-language pathologists, audiologists, and interim permit holders throughout the state. Therefore, the provisions of this chapter relating to the licensing or certification of hearing instrument fitter/dispensers, speech-language pathologists, and audiologists and regulation of interim permit holders and their respective establishments or facilities is exclusive. No political subdivision of the state of Washington within whose jurisdiction a hearing instrument fitter/dispenser, audiologist, or speech-language pathologist establishment or facility is located may require any registrations, bonds, licenses, certificates, or interim permits of the establishment or facility or its employees or charge any fee for the same or similar purposes: PROVIDED, HOWEVER, That nothing herein shall limit or abridge the authority of any political subdivision to levy and collect a general and nondiscriminatory license fee levied on all businesses, or to levy a tax based upon the gross business conducted by any firm within the

political subdivision. [1998 c 142 § 16; 1996 c 200 § 28; 1983 c 39 § 24.]

**Effective date—1998 c 142 §§ 1-14 and 16-20:** See note following RCW 18.35.010.

**18.35.220 Violations—Cease and desist orders—Notice—Injunctions.** (1) If the board determines following notice and hearing, or following notice if no hearing was timely requested, that a person has:

(a) Violated any provisions of this chapter or chapter 18.130 RCW; or

(b) Violated any lawful order, or rule of the board an order may be issued by the board requiring the person to cease and desist from the unlawful practice. The board shall then take affirmative action as is necessary to carry out the purposes of this chapter.

(2) If the board makes a written finding of fact that the public interest will be irreparably harmed by delay in issuing an order, a temporary cease and desist order may be issued. Prior to issuing a temporary cease and desist order, the board, whenever possible, shall give notice by telephone or otherwise of the proposal to issue a temporary cease and desist order to the person to whom the order would be directed. Every temporary cease and desist order shall include in its terms a provision that upon request a hearing will be held to determine whether the order becomes permanent.

(3) The department, with or without prior administrative proceedings, may bring an action in the superior court to enjoin the acts or practices and to enforce compliance with this chapter, or rule or order under this chapter. Upon proper showing, injunctive relief or temporary restraining orders shall be granted and a receiver or conservator may be appointed. The department shall not be required to post a bond in any court proceedings. [1993 c 313 § 10; 1987 c 150 § 25; 1983 c 39 § 17.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.35.230 Violations—Registered agent—Service.** (*Effective until January 1, 2003.*) (1) Each licensee or certificate or permit holder shall name a registered agent to accept service of process for any violation of this chapter or rule adopted under this chapter.

(2) The registered agent may be released at the expiration of one year after the license, certificate, or permit issued under this chapter has expired or been revoked.

(3) Failure to name a registered agent for service of process for violations of this chapter or rules adopted under this chapter may be grounds for disciplinary action. [1996 c 200 § 29; 1989 c 198 § 9; 1983 c 39 § 19.]

**18.35.230 Violations—Registered agent—Service.** (*Effective January 1, 2003.*) (1) Each licensee or certificate or interim permit holder shall name a registered agent to accept service of process for any violation of this chapter or rule adopted under this chapter.

(2) The registered agent may be released at the expiration of one year after the license, certificate, or interim permit issued under this chapter has expired or been revoked.

(3) Failure to name a registered agent for service of process for violations of this chapter or rules adopted under this chapter may be grounds for disciplinary action. [1998 c 142 § 17; 1996 c 200 § 29; 1989 c 198 § 9; 1983 c 39 § 19.]

**Effective date—1998 c 142 §§ 1-14 and 16-20:** See note following RCW 18.35.010.

**18.35.240 Violations—Surety bond or security in lieu of surety bonds.** (*Effective until January 1, 2003.*)

(1) Every establishment engaged in the fitting and dispensing of hearing instruments shall file with the department a surety bond in the sum of ten thousand dollars, running to the state of Washington, for the benefit of any person injured or damaged as a result of any violation by the establishment's employees or agents of any of the provisions of this chapter or rules adopted by the secretary.

(2) In lieu of the surety bond required by this section, the establishment may file with the department a cash deposit or other negotiable security acceptable to the department. All obligations and remedies relating to surety bonds shall apply to deposits and security filed in lieu of surety bonds.

(3) If a cash deposit is filed, the department shall deposit the funds. The cash or other negotiable security deposited with the department shall be returned to the depositor one year after the establishment has discontinued the fitting and dispensing of hearing instruments if no legal action has been instituted against the establishment, its agents or employees, or the cash deposit or other security. The establishment owners shall notify the department if the establishment is sold, changes names, or has discontinued the fitting and dispensing of hearing instruments in order that the cash deposit or other security may be released at the end of one year from that date.

(4) A surety may file with the department notice of withdrawal of the bond of the establishment. Upon filing a new bond, or upon the expiration of sixty days after the filing of notice of withdrawal by the surety, the liability of the former surety for all future acts of the establishment terminates.

(5) Upon the filing with the department notice by a surety of withdrawal of the surety on the bond of an establishment or upon the cancellation by the department of the bond of a surety under this section, the department shall immediately give notice to the establishment by certified or registered mail with return receipt requested addressed to the establishment's last place of business as filed with the department.

(6) The department shall immediately cancel the bond given by a surety company upon being advised that the surety company's license to transact business in this state has been revoked.

(7) Each invoice for the purchase of a hearing instrument provided to a customer must clearly display on the first page the bond number of the establishment or the licensee or certificate or permit holder fitting/dispensing the hearing instrument. [1996 c 200 § 30; 1993 c 313 § 11; 1991 c 3 § 85; 1989 c 198 § 10; 1983 c 39 § 18.]

**18.35.240 Violations—Surety bond or security in lieu of surety bonds.** (*Effective January 1, 2003.*) (1) Every establishment engaged in the fitting and dispensing of hearing instruments shall file with the department a surety bond in the sum of ten thousand dollars, running to the state of Washington, for the benefit of any person injured or damaged as a result of any violation by the establishment's employees or agents of any of the provisions of this chapter or rules adopted by the secretary.

(2) In lieu of the surety bond required by this section, the establishment may file with the department a cash deposit or other negotiable security acceptable to the department. All obligations and remedies relating to surety bonds shall apply to deposits and security filed in lieu of surety bonds.

(3) If a cash deposit is filed, the department shall deposit the funds. The cash or other negotiable security deposited with the department shall be returned to the depositor one year after the establishment has discontinued the fitting and dispensing of hearing instruments if no legal action has been instituted against the establishment, its agents or employees, or the cash deposit or other security. The establishment owners shall notify the department if the establishment is sold, changes names, or has discontinued the fitting and dispensing of hearing instruments in order that the cash deposit or other security may be released at the end of one year from that date.

(4) A surety may file with the department notice of withdrawal of the bond of the establishment. Upon filing a new bond, or upon the expiration of sixty days after the filing of notice of withdrawal by the surety, the liability of the former surety for all future acts of the establishment terminates.

(5) Upon the filing with the department notice by a surety of withdrawal of the surety on the bond of an establishment or upon the cancellation by the department of the bond of a surety under this section, the department shall immediately give notice to the establishment by certified or registered mail with return receipt requested addressed to the establishment's last place of business as filed with the department.

(6) The department shall immediately cancel the bond given by a surety company upon being advised that the surety company's license to transact business in this state has been revoked.

(7) Each invoice for the purchase of a hearing instrument provided to a customer must clearly display on the first page the bond number of the establishment or the licensee or certificate or interim permit holder fitting/dispensing the hearing instrument. [1998 c 142 § 18; 1996 c 200 § 30; 1993 c 313 § 11; 1991 c 3 § 85; 1989 c 198 § 10; 1983 c 39 § 18.]

**Effective date—1998 c 142 §§ 1-14 and 16-20:** See note following RCW 18.35.010.

**18.35.250 Violations—Remedies—Actions on bond or security.** (*Effective until January 1, 2003.*) (1) In addition to any other legal remedies, an action may be brought in any court of competent jurisdiction upon the bond, cash deposit, or security in lieu of a surety bond required by this chapter, by any person having a claim against a licensee or certificate or permit holder, agent, or

establishment for any violation of this chapter or any rule adopted under this chapter. The aggregate liability of the surety to all claimants shall in no event exceed the sum of the bond. Claims shall be satisfied in the order of judgment rendered.

(2) An action upon the bond shall be commenced by serving and filing the complaint within one year from the date of the cancellation of the bond. An action upon a cash deposit or other security shall be commenced by serving and filing the complaint within one year from the date of notification to the department of the change in ownership of the establishment or the discontinuation of the fitting and dispensing of hearing instruments by that establishment. Two copies of the complaint shall be served by registered or certified mail, return receipt requested, upon the department at the time the suit is started. The service constitutes service on the surety. The secretary shall transmit one copy of the complaint to the surety within five business days after the copy has been received.

(3) The secretary shall maintain a record, available for public inspection, of all suits commenced under this chapter under surety bonds, or the cash or other security deposited in lieu of the surety bond. In the event that any final judgment impairs the liability of the surety upon a bond so furnished or the amount of the deposit so that there is not in effect a bond undertaking or deposit in the full amount prescribed in this section, the department shall suspend the license or certificate until the bond undertaking or deposit in the required amount, unimpaired by unsatisfied judgment claims, has been furnished.

(4) If a judgment is entered against the deposit or security required under this chapter, the department shall, upon receipt of a certified copy of a final judgment, pay the judgment from the amount of the deposit or security. [1996 c 200 § 31; 1991 c 3 § 86; 1989 c 198 § 11; 1983 c 39 § 20.]

**18.35.250 Violations—Remedies—Actions on bond or security.** (*Effective January 1, 2003.*) (1) In addition to any other legal remedies, an action may be brought in any court of competent jurisdiction upon the bond, cash deposit, or security in lieu of a surety bond required by this chapter, by any person having a claim against a licensee or certificate or interim permit holder, agent, or establishment for any violation of this chapter or any rule adopted under this chapter. The aggregate liability of the surety to all claimants shall in no event exceed the sum of the bond. Claims shall be satisfied in the order of judgment rendered.

(2) An action upon the bond shall be commenced by serving and filing the complaint within one year from the date of the cancellation of the bond. An action upon a cash deposit or other security shall be commenced by serving and filing the complaint within one year from the date of notification to the department of the change in ownership of the establishment or the discontinuation of the fitting and dispensing of hearing instruments by that establishment. Two copies of the complaint shall be served by registered or certified mail, return receipt requested, upon the department at the time the suit is started. The service constitutes service on the surety. The secretary shall transmit one copy of the

complaint to the surety within five business days after the copy has been received.

(3) The secretary shall maintain a record, available for public inspection, of all suits commenced under this chapter under surety bonds, or the cash or other security deposited in lieu of the surety bond. In the event that any final judgment impairs the liability of the surety upon a bond so furnished or the amount of the deposit so that there is not in effect a bond undertaking or deposit in the full amount prescribed in this section, the department shall suspend the license or certificate until the bond undertaking or deposit in the required amount, unimpaired by unsatisfied judgment claims, has been furnished.

(4) If a judgment is entered against the deposit or security required under this chapter, the department shall, upon receipt of a certified copy of a final judgment, pay the judgment from the amount of the deposit or security. [1998 c 142 § 19; 1996 c 200 § 31; 1991 c 3 § 86; 1989 c 198 § 11; 1983 c 39 § 20.]

**Effective date—1998 c 142 §§ 1-14 and 16-20:** See note following RCW 18.35.010.

**18.35.260 Misrepresentation of credentials.** (*Effective until January 1, 2003.*) (1) A person who is not licensed with the secretary as a hearing instrument fitter/dispenser under the requirements of this chapter may not represent himself or herself as being so licensed and may not use in connection with his or her name the words "licensed hearing instrument fitter/dispenser," "hearing instrument specialist," or "hearing aid fitter/dispenser," or a variation, synonym, word, sign, number, insignia, coinage, or whatever expresses, employs, or implies these terms, names, or functions of a licensed hearing instrument fitter/dispenser.

(2) A person who is not certified with the secretary as a speech-language pathologist under the requirements of this chapter may not represent himself or herself as being so certified and may not use in connection with his or her name the words including "certified speech-language pathologist" or a variation, synonym, word, sign, number, insignia, coinage, or whatever expresses, employs, or implies these terms, names, or functions as a certified speech-language pathologist.

(3) A person who is not certified with the secretary as an audiologist under the requirements of this chapter may not represent himself or herself as being so certified and may not use in connection with his or her name the words "certified audiologist" or a variation, synonym, letter, word, sign, number, insignia, coinage, or whatever expresses, employs, or implies these terms, names, or functions of a certified audiologist.

(4) A person who does not hold a permit issued by the secretary as a hearing instrument fitter/dispenser permittee under the requirements of this chapter may not represent himself or herself as being so permitted and may not use in connection with his or her name the words "hearing instrument fitter/dispenser permit holder" or a variation, synonym, word, sign, number, insignia, coinage, or whatever expresses, employs, or implies these terms, names, or functions of a hearing instrument fitter/dispenser permit holder.

(5) Nothing in this chapter prohibits a person credentialed in this state under another act from engaging in the

practice for which he or she is credentialed. [1996 c 200 § 16.]

**18.35.260 Misrepresentation of credentials.** (*Effective January 1, 2003.*) (1) A person who is not licensed with the secretary as a hearing instrument fitter/dispenser under the requirements of this chapter may not represent himself or herself as being so licensed and may not use in connection with his or her name the words "licensed hearing instrument fitter/dispenser," "hearing instrument specialist," or "hearing aid fitter/dispenser," or a variation, synonym, word, sign, number, insignia, coinage, or whatever expresses, employs, or implies these terms, names, or functions of a licensed hearing instrument fitter/dispenser.

(2) A person who is not certified with the secretary as a speech-language pathologist under the requirements of this chapter may not represent himself or herself as being so certified and may not use in connection with his or her name the words including "certified speech-language pathologist" or a variation, synonym, word, sign, number, insignia, coinage, or whatever expresses, employs, or implies these terms, names, or functions as a certified speech-language pathologist.

(3) A person who is not certified with the secretary as an audiologist under the requirements of this chapter may not represent himself or herself as being so certified and may not use in connection with his or her name the words "certified audiologist" or a variation, synonym, letter, word, sign, number, insignia, coinage, or whatever expresses, employs, or implies these terms, names, or functions of a certified audiologist.

(4) Nothing in this chapter prohibits a person credentialed in this state under another act from engaging in the practice for which he or she is credentialed. [1998 c 142 § 20; 1996 c 200 § 16.]

**Effective date—1998 c 142 §§ 1-14 and 16-20:** See note following RCW 18.35.010.

**18.35.270 Assistant ratios—Data collection.** Recognizing the trend in utilization of speech-language pathologist assistants and audiologist assistants across practice settings, the board of hearing and speech shall, on an ongoing basis, collect data on: The number of assistants in specific practice settings; supervisor to speech-language pathologist assistant or audiologist assistant ratios; and the level of education and training of speech-language pathologist assistants and audiologist assistants. [1996 c 200 § 35.]

**18.35.900 Severability—1973 1st ex.s. c 106.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provisions to other persons or circumstances is not affected. [1973 1st ex.s. c 106 § 21.]

**18.35.901 Severability—1983 c 39.** 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. [1983 c 39 § 23.]

**18.35.902 Severability—1996 c 200.** 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. [1996 c 200 § 36.]

### Chapter 18.36 DRUGLESS HEALING

#### Sections

18.36.035 License required.

**18.36.035 License required.** No person may practice or represent himself or herself as a drugless therapist without first having a valid license to do so. [1987 c 150 § 28.]

**Severability—1987 c 150:** See RCW 18.122.901.

### Chapter 18.36A NATUROPATHY

#### Sections

18.36A.010 Intent.  
18.36A.020 Definitions.  
18.36A.030 License required.  
18.36A.040 Scope of practice.  
18.36A.050 Application of chapter—Exemptions.  
18.36A.060 Powers of secretary—Application of uniform disciplinary act.  
18.36A.070 Naturopathic advisory committee.  
18.36A.080 Civil immunity.  
18.36A.090 Requirements for licensure.  
18.36A.100 Standards for approval of educational programs.  
18.36A.110 Examination for licensure.  
18.36A.120 License standards for applicants from other jurisdictions—Reciprocity.  
18.36A.130 Compliance with secretary's determinations.  
18.36A.140 Fee for renewal, late renewal.  
18.36A.900 Effective date—1987 c 447 §§ 1-14.  
18.36A.901 Severability—1987 c 447.

**18.36A.010 Intent.** The legislature finds that it is necessary to regulate the practice of naturopaths in order to protect the public health, safety, and welfare. It is the legislature's intent that only individuals who meet and maintain minimum standards of competence and conduct may provide service to the public. [1987 c 447 § 1.]

**18.36A.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Department" means the department of health.

(2) "Secretary" means the secretary of health or the secretary's designee.

(3) "Naturopath" means an individual licensed under this chapter.

(4) "Committee" means the Washington state naturopathic practice advisory committee.

(5) "Educational program" means a program preparing persons for the practice of naturopathy.

(6) "Nutrition and food science" means the prevention and treatment of disease or other human conditions through the use of foods, water, herbs, roots, bark, or natural food elements.

(7) "Manual manipulation" or "mechanotherapy" means manipulation of a part or the whole of the body by hand or by mechanical means.

(8) "Physical modalities" means use of physical, chemical, electrical, and other noninvasive modalities including, but not limited to heat, cold, air, light, water in any of its forms, sound, massage, and therapeutic exercise.

(9) "Homeopathy" means a system of medicine based on the use of infinitesimal doses of medicines capable of producing symptoms similar to those of the disease treated, as listed in the homeopathic pharmacopeia of the United States.

(10) "Medicines of mineral, animal, and botanical origin" means medicines derived from animal organs, tissues, and oils, minerals, and plants administered orally and topically, excluding legend drugs with the following exceptions: Vitamins, minerals, whole gland thyroid, and substances as exemplified in traditional botanical and herbal pharmacopoeia, and nondrug contraceptive devices excluding interuterine devices. The use of intramuscular injections are limited to vitamin B-12 preparations and combinations when clinical and/or laboratory evaluation has indicated vitamin B-12 deficiency. The use of controlled substances is prohibited.

(11) "Hygiene and immunization" means the use of such preventative techniques as personal hygiene, asepsis, public health, and immunizations, to the extent allowed by rule.

(12) "Minor office procedures" means care incident thereto of superficial lacerations and abrasions, and the removal of foreign bodies located in superficial structures, not to include the eye; and the use of antiseptics and topical local anesthetics in connection therewith.

(13) "Common diagnostic procedures" means the use of venipuncture to withdraw blood, commonly used diagnostic modalities consistent with naturopathic practice, health history taking, physical examination, radiography, examination of body orifices excluding endoscopy, and laboratory medicine which obtains samples of human tissue products, including superficial scrapings but excluding procedures which would require surgical incision.

(14) "Suggestion" means techniques including but not limited to counseling, biofeedback, and hypnosis.

(15) "Radiography" means the ordering but not the interpretation of radiographic diagnostic studies and the taking and interpretation of standard radiographs. [1991 c 3 § 87; 1987 c 447 § 4.]

**18.36A.030 License required.** (1) No person may practice naturopathy or represent himself or herself as a naturopath without first applying for and receiving a license from the secretary to practice naturopathy.

(2) A person represents himself or herself as a naturopath when that person adopts or uses any title or any description of services that incorporates one or more of the following terms or designations: Naturopath or doctor of naturopathic medicine. [1991 c 3 § 88; 1987 c 447 § 2.]

**18.36A.040 Scope of practice.** Naturopathic medicine or naturopathy is the practice by naturopaths of the art and science of the diagnosis, prevention, and treatment of disorders of the body by stimulation or support, or both, of

the natural processes of the human body. A naturopath is responsible and accountable to the consumer for the quality of naturopathic care rendered.

The practice of naturopathy includes manual manipulation (mechanotherapy), the prescription, administration, dispensing, and use, except for the treatment of malignancies or neoplastic disease, of nutrition and food science, physical modalities, homeopathy, certain medicines of mineral, animal, and botanical origin, hygiene and immunization, common diagnostic procedures, and suggestion; however, nothing in this chapter shall prohibit consultation and treatment of a patient in concert with a practitioner licensed under chapter 18.57 or 18.71 RCW. No person licensed under this chapter may employ the term "chiropractic" to describe any services provided by a naturopath under this chapter. [1991 c 3 § 89; 1988 c 246 § 1; 1987 c 447 § 3.]

**18.36A.050 Application of chapter—Exemptions.**

Nothing in this chapter shall be construed to prohibit or restrict:

(1) The practice of a profession by individuals who are licensed, certified, or registered under other laws of this state who are performing services within their authorized scope of practice;

(2) The practice of naturopathic medicine by an individual employed by the government of the United States while the individual is engaged in the performance of duties prescribed for him or her by the laws and regulations of the United States;

(3) The practice of naturopathic medicine by students enrolled in a school approved by the secretary. The performance of services shall be pursuant to a course of instruction or assignments from an instructor and under the supervision of the instructor. The instructor shall be a naturopath licensed pursuant to this chapter; or

(4) The practice of oriental medicine or oriental herbology, or the rendering of other dietary or nutritional advice. [1991 c 3 § 90; 1987 c 447 § 5.]

**18.36A.060 Powers of secretary—Application of uniform disciplinary act.** (1) In addition to any other authority provided by law, the secretary may:

(a) Adopt rules, in accordance with chapter 34.05 RCW, necessary to implement this chapter;

(b) Set all license, examination, and renewal fees in accordance with RCW 43.70.250;

(c) Establish forms and procedures necessary to administer this chapter;

(d) Determine the minimum education and experience requirements for licensure in conformance with RCW 18.36A.090, including but not limited to approval of educational programs;

(e) Prepare and administer or approve the preparation and administration of examinations for licensure;

(f) Issue a license to any applicant who has met the education, training, and examination requirements for licensure and deny a license to applicants who do not meet the minimum qualifications for licensure; except that denial of licenses based on unprofessional conduct or impaired practice shall be governed by the uniform disciplinary act, chapter 18.130 RCW;

(g) Hire clerical, administrative, and investigative staff as needed to implement and administer this chapter and to hire individuals, including those licensed under this chapter, to serve as examiners or consultants as necessary to implement and administer this chapter;

(h) Maintain the official department record of all applicants and licensees;

(i) Determine whether alternative methods of training are equivalent to formal education, and establish forms, procedures, and criteria for evaluation of an applicant's equivalent alternative training to determine the applicant's eligibility to take the examination;

(j) Establish by rule the procedures for an appeal of examination failure;

(k) Conduct a hearing on an appeal of a denial of a license based on the applicant's failure to meet the minimum qualifications for licensure. The hearing shall be conducted pursuant to chapter 34.05 RCW; and

(l) Adopt rules implementing a continuing competency program.

(2) The uniform disciplinary act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses and the discipline of licensees under this chapter. The secretary shall be the disciplining authority under this chapter. [1991 c 3 § 91; 1987 c 447 § 6.]

**18.36A.070 Naturopathic advisory committee.** (1)

There is hereby created the Washington state naturopathic advisory committee consisting of five members appointed by the secretary who shall advise the secretary concerning the administration of this chapter. Three members of the initial committee shall be persons who would qualify for licensing under this chapter. Their successors shall be naturopaths who are licensed under this chapter. Two members of the committee shall be individuals who are unaffiliated with the profession. For the initial committee, one unaffiliated member and one naturopath shall serve four-year terms, one unaffiliated member and one naturopath shall serve three-year terms, and one naturopath shall serve a two-year term. The term of office for committee members after the initial committee is four years. Any committee member may be removed for just cause including a finding of fact of unprofessional conduct, impaired practice, or more than three unexcused absences. The secretary may appoint a new member to fill any vacancy on the committee for the remainder of the unexpired term.

No committee member may serve more than two consecutive terms, whether full or partial.

(2) Committee members shall be compensated in accordance with RCW 43.03.240 and reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(3) The committee may elect annually a chair and vice-chair to direct the meetings of the committee. The committee shall meet at least once each year, and may hold additional meetings as called by the secretary or the chair. [1991 c 3 § 92; 1987 c 447 § 7.]

**18.36A.080 Civil immunity.** The secretary, members of the committee, or individuals acting on their behalf, are immune from suit in any civil action based on any act

performed in the course of their duties. [1991 c 3 § 93; 1987 c 447 § 8.]

**18.36A.090 Requirements for licensure.** The department shall issue a license to any applicant who meets the following requirements:

(1) Successful completion of an educational program approved by the secretary, the minimum standard of which shall be the successful completion of a doctorate degree program in naturopathy which includes a minimum of two hundred post-graduate hours in the study of mechanotherapy from an approved educational program, or successful completion of equivalent alternate training that meets the criteria established by the secretary. The requirement for two hundred post-graduate hours in the study of mechanotherapy shall expire June 30, 1989;

(2) Successful completion of any equivalent experience requirement established by the secretary;

(3) Successful completion of an examination administered or approved by the secretary;

(4) Good moral character; and

(5) Not having engaged in unprofessional conduct or being unable to practice with reasonable skill and safety as a result of a physical or mental impairment.

The secretary shall establish what constitutes adequate proof of meeting the above requirements. Any person holding a valid license to practice drugless therapeutics under chapter 18.36 RCW upon January 1, 1988, shall be deemed licensed pursuant to this chapter. [1991 c 3 § 94; 1987 c 447 § 9.]

**18.36A.100 Standards for approval of educational programs.** The secretary shall establish by rule the standards for approval of educational programs and alternate training and may contract with individuals or organizations having expertise in the profession and/or in education to report to the secretary the information necessary for the secretary to evaluate the educational programs. The standards for approval shall be based on the minimal competencies necessary for safe practice. The standards and procedures for approval shall apply equally to educational programs and equivalent alternate training within the United States and those in foreign jurisdictions. The secretary may establish a fee for educational program evaluation. The fee shall be determined by the administrative costs for the educational program evaluation, including, but not limited to, costs for site evaluation. [1991 c 3 § 95; 1987 c 447 § 10.]

**18.36A.110 Examination for licensure.** (1) The date and location of the examination shall be established by the secretary. Applicants who have been found to meet the education and experience requirements for licensure shall be scheduled for the next examination following the filing of the application. The secretary shall establish by rule the examination application deadline.

(2) The examination shall contain subjects appropriate to the standards of competency and scope of practice.

(3) The secretary shall establish by rule the requirements for a reexamination if the applicant has failed the examination.

(4) The committee may recommend to the secretary an examination prepared or administered, or both, by a private testing agency or association of licensing boards. [1991 c 3 § 96; 1987 c 447 § 11.]

**18.36A.120 License standards for applicants from other jurisdictions—Reciprocity.** The secretary shall establish by rule the standards for licensure of applicants licensed in another jurisdiction. However, the standards for reciprocity of licensure shall not be less than required for licensure in the state of Washington. [1991 c 3 § 97; 1987 c 447 § 12.]

**18.36A.130 Compliance with secretary's determinations.** Applicants shall comply with administrative procedures, administrative requirements, and fees determined by the secretary as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 22; 1991 c 3 § 98; 1987 c 447 § 13.]

**18.36A.140 Fee for renewal, late renewal.** The secretary shall establish the administrative procedures, administrative requirements, and fees for renewal and late renewal of licenses as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 23; 1991 c 3 § 99; 1987 c 447 § 14.]

**18.36A.900 Effective date—1987 c 447 §§ 1-14.** Sections 1 through 14 of this act shall take effect January 1, 1988. [1987 c 447 § 20.]

**18.36A.901 Severability—1987 c 447.** 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. [1987 c 447 § 25.]

## Chapter 18.39

### EMBALMERS—FUNERAL DIRECTORS

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*Burial and removal permits: RCW 70.58.230.*

*Cemeteries, morgues and human remains: Title 68 RCW.*

*Disposal of remains prohibited unless accompanied by proper permit: RCW 70.58.260.*

*Prearrangement contracts for cemeteries: Chapter 68.46 RCW.*

*Undertaker must file death certificate: RCW 70.58.240.*

**18.39.010 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Funeral director" means a person engaged in the profession or business of conducting funerals and supervising or directing the burial and disposal of dead human bodies.

(2) "Embalmer" means a person engaged in the profession or business of disinfecting, preserving or preparing for disposal or transportation of dead human bodies.

(3) "Two-year college course" means the completion of sixty semester hours or ninety quarter hours of college credit, including the satisfactory completion of certain college courses, as set forth in this chapter.

(4) "Funeral establishment" means a place of business licensed in accordance with RCW 18.39.145, conducted at a specific street address or location, and devoted to the care and preparation for burial or disposal of dead human bodies and includes all areas of such business premises and all tools, instruments, and supplies used in preparation and embalming of dead human bodies for burial or disposal.

(5) "Director" means the director of licensing.

(6) "Board" means the state board of funeral directors and embalmers created pursuant to RCW 18.39.173.

(7) "Prearrangement funeral service contract" means any contract under which, for a specified consideration, a funeral establishment promises, upon the death of the person named or implied in the contract, to furnish funeral merchandise or services.

(8) "Funeral merchandise or services" means those services normally performed and merchandise normally provided by funeral establishments, including the sale of burial supplies and equipment, but excluding the sale by a cemetery of lands or interests therein, services incidental thereto, markers, memorials, monuments, equipment, crypts, niches, or vaults.

(9) "Qualified public depository" means a \*depository defined by RCW 39.58.010, a credit union as governed by chapter 31.12 RCW, a mutual savings bank as governed by Title 32 RCW, a savings and loan association as governed by Title 33 RCW, or a federal credit union or a federal savings and loan association organized, operated, and governed by any act of congress, in which prearrangement funeral service contract funds are deposited by any funeral establishment.

Words used in this chapter importing the singular may be applied to the plural of the person or thing, words importing the plural may be applied to the singular, and words importing the masculine gender may be applied to the female. [1989 c 390 § 1; 1982 c 66 § 1; 1981 c 43 § 1; 1979 c 158 § 39; 1977 ex.s. c 93 § 1; 1965 ex.s. c 107 § 1; 1937 c 108 § 1; RRS § 8313.]

**\*Reviser's note:** The term "depository" was redefined as "public depository" by 1996 c 256 § 1.

**Effective dates—1982 c 66:** See note following RCW 18.39.240.

**Number and gender:** RCW 1.12.050.

**18.39.020 License required.** It is a violation of RCW 18.130.190 for any person to act or hold himself out as a funeral director or embalmer or discharge any of the duties of a funeral director or embalmer as defined in this chapter unless the person has a valid license under this chapter. It is unlawful for any person to open up, maintain or operate a funeral establishment without a valid establishment license and without having at all times at least one funeral director

to supervise and direct the business conducted therefrom. [1987 c 150 § 30; 1981 c 43 § 2; 1937 c 108 § 2; RRS § 8314-1. Prior: 1909 c 215 § 1. Formerly RCW 18.39.020 and 18.39.110.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.39.035 Applicant for license as funeral director or embalmer—Eligibility.** (1) An applicant for a license as a funeral director shall be at least eighteen years of age, of good moral character, and must have obtained an associate of arts degree in mortuary science or completed a course of not less than two years in an accredited college, and a one-year course of training under a licensed funeral director in this state. The applicant must also pass an examination in the funeral arts and an examination in the laws of this state pertaining to the handling, care, transportation, and disposition of human remains and the contents of this chapter.

(2) An applicant for a license as an embalmer must be at least eighteen years of age, of good moral character, and have obtained an associate of arts degree in mortuary science or completed a course of instruction in an accredited mortuary science college program and other college courses that total sixty semester hours or ninety quarter hours, completed a two-year course of training under a licensed embalmer in this state, and have passed an examination in the funeral sciences and an examination in the laws of this state pertaining to the handling, care, transportation, and disposition of human remains, and the contents of this chapter. [1996 c 217 § 1; 1981 c 43 § 3.]

**18.39.045 College course requirements.** (1) The two-year college course required for funeral directors under this chapter shall consist of sixty semester or ninety quarter hours of instruction at a school, college, or university accredited by the Northwest Association of Schools and Colleges or other accrediting association approved by the board, with a minimum 2.0 grade point, or a grade of C or better, in each subject required by subsection (2) of this section.

(2) Credits shall include one course in psychology, one in mathematics, two courses in English composition and rhetoric, two courses in social science, and three courses selected from the following subjects: Behavioral sciences, public speaking, counseling, business administration and management, and first aid.

(3) This section does not apply to any person registered and in good standing as an apprentice funeral director or embalmer on or before January 1, 1982. [1996 c 217 § 2; 1982 c 66 § 20; 1981 c 43 § 4.]

**Effective dates—1982 c 66:** See note following RCW 18.39.240.

**18.39.050 Application—Renewal—Fees.** Every application for an initial license or a license renewal under this chapter shall be made in writing on a form prescribed by the director with such information as the director requires. The director shall set license fees in accordance with RCW 43.24.086. [1985 c 7 § 37; 1982 c 66 § 21; 1981 c 43 § 5; 1975 1st ex.s. c 30 § 42; 1971 ex.s. c 266 § 8; 1937 c 108 § 6; RRS § 8318-1. Formerly RCW 18.39.050, 18.39.060, and 18.39.140.]

**Effective dates—1982 c 66:** See note following RCW 18.39.240.

**18.39.070 Examinations—Applications—Notice—Passing grades—Retake of examination.** (1) License examinations shall be held by the director at least once each year at a time and place to be designated by the director. Application to take an examination shall be filed with the director at least forty-five days prior to the examination date and the department shall give each applicant notice of the time and place of the next examination by written notice mailed to the applicant's address as given upon his or her application not later than fifteen days before the examination, but no person may take an examination unless his or her application has been on file for at least fifteen days before the examination. The applicant shall be deemed to have passed an examination if the applicant attains a grade of not less than seventy-five percent in each examination. Any applicant who fails an examination shall be entitled, at no additional fee, to one retake of that examination.

(2) An applicant for a license hereunder may take his or her written examination after completing the educational requirements and before completing the course of training required under RCW 18.39.035. [1996 c 217 § 3; 1981 c 43 § 6; 1965 ex.s. c 107 § 4; 1937 c 108 § 5; RRS § 8317. Prior: 1909 c 215 §§ 8, 11.]

**18.39.100 License—Form—Restrictions.** Every license issued hereunder shall specify the name of the person to whom it is issued and shall be displayed conspicuously in his or her place of business. No license shall be assigned, and not more than one person shall carry on the profession or business of funeral directing or embalming under one license. [1996 c 217 § 4; 1937 c 108 § 7; RRS § 8319. Prior: 1909 c 215 § 13.]

**18.39.120 Apprentices—Registration—Renewal—Notice of termination—Fees.** Every person engaged in the business of funeral directing or embalming, who employs an apprentice to assist in the conduct of the business, shall register the name of each apprentice with the director at the beginning of the apprenticeship, and shall also forward notice of the termination of the apprenticeship. The registration shall be renewed annually and shall expire on the anniversary of the apprentice's birthdate. Fees determined under RCW 43.24.086 shall be paid for the initial registration of the apprentice, and for each annual renewal. [1985 c 7 § 38; 1981 c 43 § 7; 1975 1st ex.s. c 30 § 43; 1937 c 108 § 10; RRS § 8322.]

**18.39.130 Licenses—Applicants from other states—Examination.** The board may recognize licenses issued to funeral directors or embalmers from other states if the applicant's qualifications are comparable to the requirements of this chapter. Five years active experience as a licensee may be accepted to make up a deficit in the comparable education requirements. Upon presentation of the license and payment by the holder of a fee determined under RCW 43.24.086, and successful completion of the examination of the laws of this state pertaining to the handling, care, transportation, and disposition of human remains and the contents of this chapter, the board may issue a funeral director's or embalmer's license under this chapter. [1996 c 217 § 5. Prior: 1986 c 259 § 60; 1985 c 7 § 39; 1982 c

66 § 22; 1981 c 43 § 8; 1975 1st ex.s. c 30 § 44; 1937 c 108 § 15; RRS § 8325; prior: 1909 c 215 § 16.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**Effective dates—1982 c 66:** See note following RCW 18.39.240.

**18.39.145 Funeral establishment license—Issuance—Requirements—Transferability—Expiration.** The board shall issue a funeral establishment license to any person, partnership, association, corporation, or other organization to operate a funeral establishment, at specific locations only, which has met the following requirements:

(1) The applicant has designated the name under which the funeral establishment will operate and has designated locations for which the general establishment license is to be issued;

(2) The applicant is licensed in this state as a funeral director and as an embalmer, or employs at least one person with both such qualifications or one licensed funeral director and one embalmer who will be in service at each designated location;

(3) The applicant has filed an application with the director as required by this chapter and paid the required filing fee therefor as fixed by the director pursuant to RCW 43.24.086;

(4) As a condition of applying for a new funeral establishment license, the person or entity desiring to acquire such ownership or control shall be bound by all then existing prearrangement funeral service contracts.

The board may deny an application for a funeral establishment license, or issue a conditional license, if disciplinary action has previously been taken against the applicant or the applicant's designated funeral director or embalmer. No funeral establishment license shall be transferable, but an applicant may make application for more than one funeral establishment license so long as all of the requirements are met for each license. All funeral establishment licenses shall expire on June 30, or as otherwise determined by the director. [1986 c 259 § 61; 1985 c 7 § 40; 1977 ex.s. c 93 § 3.]

**Reviser's note:** This section was amended by 1986 c 259 § 61 without reference to its amendment by 1985 c 7 § 40. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2).

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.39.148 Funeral establishment license—Cancellation—Hearing.** If a licensed funeral establishment does not have a licensed funeral director and embalmer in its employ at its place of business, its license shall be canceled immediately by the board. Upon notification of cancellation of a funeral establishment license, the funeral establishment shall be notified of the opportunity for a hearing, which shall be conducted pursuant to chapter 34.05 RCW. [1986 c 259 § 62; 1981 c 43 § 9; 1977 ex.s. c 93 § 4.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.39.150 License lapse—Reinstatement—Fee—Reexamination.** Any licensed funeral director or embalmer whose license has lapsed shall reapply for a license and pay a fee as determined under RCW 43.24.086 before the license may be issued. Applications under this section shall be

made within one year after the expiration of the previous license. If the application is not made within one year, the applicant shall be required to take an examination or submit other satisfactory proof of continued competency approved by the board and pay the license fee, as required by this chapter in the case of initial applications, together with all unpaid license fees and penalties. [1986 c 259 § 63; 1985 c 7 § 41; 1981 c 43 § 10; 1975 1st ex.s. c 30 § 45; 1937 c 108 § 8; RRS § 8320.]

**Reviser's note:** This section was amended by 1986 c 259 § 63 without reference to its amendment by 1985 c 7 § 41. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2).

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.39.170 Inspector of funeral directors and embalmers—Appointment—Eligibility—Term—Powers and duties.** There shall be appointed by said director of licensing an agent whose title shall be "inspector of funeral directors and embalmers of the state of Washington." No person shall be eligible for such appointment unless, at the time of his appointment, he shall have been a duly licensed embalmer in the state of Washington, with a minimum experience of not less than five consecutive years both as an embalmer and as a funeral director in the state of Washington. Said inspector shall hold office during the pleasure of said director of licensing, and the duties of said inspector shall be, and he is hereby authorized, to enter the office, premises, establishment or place of business, where funeral directing or embalming is carried on for the purpose of inspecting said office, premises, establishment or place of business, and the licenses and registrations of embalmers, funeral directors and apprentices operating therein. Such inspector shall serve and execute any papers or process issued by the director of licensing under authority of this chapter, and perform any other duty or duties prescribed or ordered by the director of licensing. Said inspector shall at all times be under the supervision of said director of licensing and he may also assist the state health commissioner in enforcing the provisions of the law relating to health and such rules and regulations as shall have been made and promulgated by the state board of health. [1937 c 108 § 16; RRS § 8325-1.]

**18.39.173 Board of funeral directors and embalmers—Established—Membership—Appointment—Qualifications—Terms—Vacancies—Officers—Quorum.** There is hereby established a state board of funeral directors and embalmers to be composed of five members appointed by the governor in accordance with this section, one of whom shall be a public member. The three members of the state examining committee for funeral directors and embalmers, which was created pursuant to RCW 43.24.060, as of September 21, 1977 are hereby appointed as members of the board to serve for initial terms. The governor shall appoint two additional members of the board. Each professional member of the board shall be licensed in this state as a funeral director and embalmer and a resident of the state of Washington for a period of at least five years next preceding appointment, during which time such member shall have been continuously engaged in the practice as a funeral director or embalmer as defined in this chapter. No person

shall be eligible for appointment to the board of funeral directors and embalmers who is financially interested, directly or indirectly, in any embalming college, wholesale funeral supply business, or casket manufacturing business.

All members of the board of funeral directors and embalmers shall be appointed to serve for a term of five years, to expire on July 1 of the year of termination of their term, and until their successors have been appointed and qualified: PROVIDED, That the governor is granted the power to fix the terms of office of the members of the board first appointed so that the term of office of not more than one member of the board shall terminate in any one year. In case of a vacancy occurring on the board, the governor shall appoint a qualified member for the remainder of the unexpired term of the vacant office. Any member of the board of funeral directors and embalmers who fails to properly discharge the duties of a member may be removed by the governor.

The board shall meet once annually to elect a chairman, vice chairman, and secretary and take official board action on pending matters by majority vote of all the members of the board of funeral directors and embalmers and at other times when called by the director, the chairman, or a majority of the members. A majority of the members of said board shall at all times constitute a quorum. [1977 ex.s. c 93 § 8.]

**18.39.175 Board—Duties and responsibilities—Compensation—Travel expenses—Rules.** Each member of the board of funeral directors and embalmers shall be compensated in accordance with RCW 43.03.240 and shall be reimbursed for travel expenses in connection with board duties in accordance with RCW 43.03.050 and 43.03.060.

The state board of funeral directors and embalmers shall have the following duties and responsibilities:

(1) To be responsible for the preparation, conducting, and grading of examinations of applicants for funeral director and embalmer licenses;

(2) To certify to the director the results of examinations of applicants and certify the applicant as having "passed" or "failed";

(3) To make findings and recommendations to the director on any and all matters relating to the enforcement of this chapter;

(4) To adopt, promulgate, and enforce reasonable rules. Rules regulating the cremation of human remains and permit requirements shall be adopted in consultation with the cemetery board;

(5) To examine or audit or to direct the examination and audit of prearrangement funeral service trust fund records for compliance with this chapter and rules adopted by the board; and

(6) To adopt rules establishing mandatory continuing education requirements to be met by persons applying for license renewal. [1996 c 217 § 6; 1994 c 17 § 1. Prior: 1986 c 259 § 64; 1985 c 402 § 6; 1984 c 287 § 34; 1984 c 279 § 53; 1981 c 43 § 11; 1977 ex.s. c 93 § 9.]

**Savings—1986 c 259 §§ 64, 73:** "The repeal of RCW 18.39.179 and the amendment of RCW 18.39.175 by this act shall not be construed as affecting any rights and duties which matured, penalties which were incurred, and proceedings which were begun before June 11, 1986." [1986 c 259 § 74.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**Legislative finding—1985 c 402:** See note following RCW 68.50.165.

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**Severability—1984 c 279:** See RCW 18.130.901.

**18.39.181 Powers and duties of director.** The director shall have the following powers and duties:

(1) To issue all licenses provided for under this chapter;

(2) To renew licenses under this chapter;

(3) To collect all fees prescribed and required under this chapter;

(4) To immediately suspend the license 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; and

(5) To keep general books of record of all official acts, proceedings, and transactions of the department of licensing while acting under this chapter. [1997 c 58 § 819; 1996 c 217 § 7; 1986 c 259 § 65; 1981 c 43 § 13; 1977 ex.s. c 93 § 5.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.39.195 Pricing information to be given—Billing "cash advanced" items.** (1) Every licensed funeral director, his agent, or his employee shall give, or cause to be given, to the person making funeral arrangements or arranging for shipment, transportation, or other disposition of a deceased person:

(a) If requested by telephone, accurate information regarding the retail prices of funeral merchandise and services offered for sale by that funeral director; and

(b) At the time such arrangements are completed or prior to the time of rendering the service, a written, itemized statement showing to the extent then known the price of merchandise and service that such person making such arrangements has selected, the price of supplemental items of service and merchandise, if any, and the estimated amount of each item for which the funeral service firm will advance money as an accommodation to the person making such funeral arrangements.

(2) No such funeral director, his agent, or his employee, shall bill or cause to be billed any item that is referred to as a "cash advanced" item unless the net amount paid for such item by the funeral director is the same amount as is billed to such funeral director. [1979 ex.s. c 62 § 1.]

**18.39.215 Embalmers—Authorization required—Exception—Information required—Immediate care of**

**body—Waiver—Penalty.** (1) No licensed embalmer shall embalm a deceased body without first having obtained authorization from a family member or representative of the deceased.

Notwithstanding the above prohibition a licensee may embalm without such authority when after due diligence no authorized person can be contacted and embalming is in accordance with legal or accepted standards of care in the community, or the licensee has good reason to believe that the family wishes embalming. If embalming is performed under these circumstances, the licensee shall not be deemed to be in violation of the provisions of this subsection.

The funeral director or embalmer shall inform the family member or representative of the deceased that embalming is not required by state law, except that embalming is required under certain conditions as determined by rule by the state board of health.

(2) Any person authorized to dispose of human remains shall refrigerate or embalm the body within twenty-four hours upon receipt of the body, unless disposition of the body has been made. However, subsection (1) of this section and RCW 68.50.108 shall be complied with before a body is embalmed. Upon written authorization of the proper state or local authority, the provisions of this subsection may be waived for a specified period of time.

Violation of this subsection is a gross misdemeanor. [1987 c 331 § 76; 1985 c 402 § 5; 1981 c 43 § 15.]

**Effective date—1987 c 331:** See RCW 68.05.900.

**Legislative finding—1985 c 402:** See note following RCW 68.50.165.

**18.39.217 Permit or endorsement required for cremation—Penalty—Regulation of crematories.** A permit or endorsement issued by the board or under chapter 68.05 RCW is required in order to operate a crematory or conduct a cremation. Conducting a cremation without a permit or endorsement is a misdemeanor. Each such cremation is a separate violation. Crematories owned or operated by or located on property licensed as a funeral establishment shall be regulated by the board of funeral directors and embalmers. Crematories not affiliated with a funeral establishment shall be regulated by the cemetery board. [1985 c 402 § 7.]

**Legislative finding—1985 c 402:** See note following RCW 68.50.165.

**18.39.220 Unlawful business practices—Penalty.** Every funeral director or embalmer who pays, or causes to be paid, directly or indirectly, money, or other valuable consideration, for the securing of business, and every person who accepts money, or other valuable consideration, directly or indirectly, from a funeral director or from an embalmer, in order that the latter may obtain business is guilty of a gross misdemeanor. Every person who sells, or offers for sale, any share, certificate, or interest in the business of any funeral director or embalmer, or in any corporation, firm, or association owning or operating a funeral establishment, which promises or purports to give to the purchaser a right to the services of the funeral director, embalmer, or corporation, firm, or association at a charge or cost less than that

offered or given to the public, is guilty of a gross misdemeanor. [1981 c 43 § 16; 1937 c 108 § 13; RRS § 8323-2.]

**Violations—Penalty—Unfair practice under chapter 19.86 RCW:** RCW 18.39.350.

**18.39.231 Prohibited advice and transactions—Exceptions—Rules—Penalty.** A funeral director or any person under the supervision of a funeral director shall not, in conjunction with any professional services performed for compensation under this chapter, provide financial or investment advice to any person other than a family member, represent any person in a real estate transaction, or act as an agent under a power of attorney for any person. However, this section shall not be deemed to prohibit a funeral establishment from entering into prearrangement funeral service contracts in accordance with this chapter or to prohibit a funeral director from providing advice about government or insurance benefits.

A violation of this section is a gross misdemeanor and is grounds for disciplinary action.

The board shall adopt such rules as the board deems reasonably necessary to prevent unethical financial dealings between funeral directors and their clients. [1986 c 259 § 66; 1982 c 66 § 15.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**Effective dates—1982 c 66:** See note following RCW 18.39.240.

**18.39.240 Prearrangement funeral service contracts—License required.** Only a funeral establishment licensed pursuant to this chapter may enter into prearrangement funeral service contracts. [1989 c 390 § 2; 1982 c 66 § 2.]

**Effective dates—1982 c 66:** "This act shall take effect on September 1, 1982, with the exception of sections 20, 21, and 22 of this act, which are necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately [March 26, 1982]." [1982 c 66 § 24.]

**Transfer of records, files, and pending business—1982 c 66:** "(1) All records, files, reports, papers, or other written material in the possession of the insurance commissioner pertaining to the regulation of prepaid funeral expenses shall be delivered to the director of licensing on the effective date of this act.

(2) All business or matters concerning prepaid funeral expenses pending before the insurance commissioner shall be transferred to the director of licensing and assumed by the director on the effective date of this act." [1982 c 66 § 17.]

**Savings—1982 c 66:** "The transfer of duties under sections 2 through 14 of this act shall not affect the validity of any rule, action, decision promulgated or held prior to the effective date of this act." [1982 c 66 § 18.]

**18.39.250 Prearrangement contracts—Trusts—Refunds.** (1) Any funeral establishment selling funeral merchandise or services by prearrangement funeral service contract and accepting moneys therefore shall establish and maintain one or more prearrangement funeral service trusts under Washington state law with two or more designated trustees, for the benefit of the beneficiary of the prearrangement funeral service contract or may join with one or more other Washington state licensed funeral establishments in a "master trust" provided that each member of the "master trust" shall comply individually with the requirements of this chapter.

(2) Up to ten percent of the cash purchase price of each prearrangement funeral service contract, excluding sales tax, may be retained by the funeral establishment unless otherwise provided in this chapter. If the prearrangement funeral service contract is canceled within thirty calendar days of its signing, then the purchaser shall receive a full refund of all moneys paid under the contract.

(3) At least ninety percent of the cash purchase price of each prearrangement funeral service contract, paid in advance, excluding sales tax, shall be placed in the trust established or utilized by the funeral establishment. Deposits to the prearrangement funeral service trust shall be made not later than the twentieth day of the month following receipt of each payment made on the last ninety percent of each prearrangement funeral service contract, excluding sales tax.

(4) All prearrangement funeral service trust moneys shall be deposited in an insured account in a qualified public depository or shall be invested in instruments issued or insured by any agency of the federal government if these securities are held in a public depository. The account shall be designated as the prearrangement funeral service trust of the funeral establishment for the benefit of the beneficiaries named in the prearrangement funeral service contracts. The prearrangement funeral service trust shall not be considered as, nor shall it be used as, an asset of the funeral establishment.

(5) After deduction of reasonable fees for the administration of the trust, taxes paid or withheld, or other expenses of the trust, all interest, dividends, increases, or accretions of whatever nature earned by a trust shall be kept unimpaired and shall become a part of the trust. Adequate records shall be maintained to allocate the share of principal and interest to each contract. Fees deducted for the administration of the trust shall not exceed one percent per year of the amount in trust. In no instance shall the administrative charges deducted from the prearrangement funeral service trust reduce, diminish, or in any other way lessen the value of the trust so that the services or merchandise provided for under the contract are reduced, diminished, or in any other way lessened.

(6) Except as otherwise provided in this chapter, the trustees of a prearrangement funeral service trust shall permit withdrawal of all funds deposited under a prearrangement funeral service contract, plus accruals thereon, under the following circumstances and conditions:

(a) If the funeral establishment files a verified statement with the trustees that the prearrangement funeral merchandise and services covered by the contract have been furnished and delivered in accordance therewith; or

(b) If the funeral establishment files a verified statement with the trustees that the prearrangement funeral merchandise and services covered by the contract have been canceled in accordance with its terms.

(7) Subsequent to the thirty calendar day cancellation period provided for in this chapter, any purchaser or beneficiary who has a revocable prearrangement funeral service contract has the right to demand a refund of the amount in trust.

(8) Prearrangement funeral service contracts which have or should have an account in a prearrangement funeral service trust may be terminated by the board if the funeral establishment goes out of business, becomes insolvent or

bankrupt, makes an assignment for the benefit of creditors, has its prearrangement funeral service certificate of registration revoked, or for any other reason is unable to fulfill the obligations under the contract. In such event, or upon demand by the purchaser or beneficiary of the prearrangement funeral service contract, the funeral establishment shall refund to the purchaser or beneficiary all moneys deposited in the trust and allocated to the contract unless otherwise ordered by a court of competent jurisdiction. The purchaser or beneficiary may, in lieu of a refund, elect to transfer the prearrangement funeral service contract and all amounts in trust to another funeral establishment licensed under this chapter which will agree, by endorsement to the contract, to be bound by the contract and to provide the funeral merchandise or services. Election of this option shall not relieve the defaulting funeral establishment of its obligation to the purchaser or beneficiary for any amounts required to be, but not placed, in trust.

(9) Prior to the sale or transfer of ownership or control of any funeral establishment which has contracted for prearrangement funeral service contracts, any person, corporation, or other legal entity desiring to acquire such ownership or control shall apply to the director in accordance with RCW 18.39.145. Persons and business entities selling or relinquishing, and persons and business entities purchasing or acquiring ownership or control of such funeral establishments shall each verify and attest to a report showing the status of the prearrangement funeral service trust or trusts on the date of the sale. This report shall be on a form prescribed by the board and shall be considered part of the application for a funeral establishment license. In the event of failure to comply with this subsection, the funeral establishment shall be deemed to have gone out of business and the provisions of subsection (8) of this section shall apply.

(10) Prearrangement funeral service trust moneys shall not be used, directly or indirectly, for the benefit of the funeral establishment or any director, officer, agent, or employee of the funeral establishment including, but not limited to, any encumbrance, pledge, or other use of prearrangement funeral service trust moneys as collateral or other security.

(11)(a) If, at the time of the signing of the prearrangement funeral service contract, the beneficiary of the trust is a recipient of public assistance as defined in RCW 74.04.005, or reasonably anticipates being so defined, the contract may provide that the trust will be irrevocable. If after the contract is entered into, the beneficiary becomes eligible or seeks to become eligible for public assistance under Title 74 RCW, the contract may provide for an election by the beneficiary, or by the purchaser on behalf of the beneficiary, to make the trust irrevocable thereafter in order to become or remain eligible for such assistance.

(b) The department of social and health services shall notify the trustee of any prearrangement service trust that the department has a claim on the estate of a beneficiary for long-term care services. Such notice shall be renewed at least every three years. The trustees upon becoming aware of the death of a beneficiary shall give notice to the department of social and health services, office of financial recovery, who shall file any claim there may be within thirty days of the notice.

(12) Every prearrangement funeral service contract financed through a prearrangement funeral service trust shall contain language which:

- (a) Informs the purchaser of the prearrangement funeral service trust and the amount to be deposited in the trust;
- (b) Indicates if the contract is revocable or not in accordance with subsection (11) of this section;
- (c) Specifies that a full refund of all moneys paid on the contract will be made if the contract is canceled within thirty calendar days of its signing;
- (d) Specifies that, in the case of cancellation by a purchaser or beneficiary eligible to cancel under the contract or under this chapter, up to ten percent of the contract amount may be retained by the seller to cover the necessary expenses of selling and setting up the contract;
- (e) Identifies the trust to be used and contains information as to how the trustees may be contacted. [1996 c 217 § 8; 1995 1st sp.s. c 18 § 62; 1989 c 390 § 3; 1982 c 66 § 3.]

**Conflict with federal requirements—Severability—Effective date—1995 1st sp.s. c 18:** See notes following RCW 74.39A.030.

**Effective dates—Transfer of records, files, and pending business—Savings—1982 c 66:** See notes following RCW 18.39.240.

**18.39.255 Prearrangement contracts—Insurance funded—Requirements.** Prearranged funeral service contracts funded through insurance shall contain language which:

- (1) States the amount of insurance;
- (2) Informs the purchaser of the name and address of the insurance company through which the insurance will be provided, the policy number, and the name of the beneficiary;
- (3) Informs the purchaser that amounts paid for insurance may not be refundable;
- (4) Informs that any funds from the policy not used for services may be subject to a claim for reimbursement for long-term care services paid for by the state; and
- (5) States that for purposes of the contract, the procedures in RCW 18.39.250(11)(b) shall control such recoupment. [1995 1st sp.s. c 18 § 63; 1989 c 390 § 4.]

**Conflict with federal requirements—Severability—Effective date—1995 1st sp.s. c 18:** See notes following RCW 74.39A.030.

**18.39.260 Prearrangement contracts—Certificates of registration required—Exception.** A funeral establishment shall not enter into prearrangement funeral service contracts in this state unless the funeral establishment has obtained a certificate of registration issued by the board and such certificate is then in force.

Certificates of registration shall be maintained by funeral establishments and the funeral establishment shall comply with all requirements related to the sale of prearrangement contracts until all obligations have been fulfilled. The board may, for just cause, release a funeral establishment from specific registration or reporting requirements. [1989 c 390 § 5; 1986 c 259 § 67; 1982 c 66 § 4.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**Effective dates—Transfer of records, files, and pending business—Savings—1982 c 66:** See notes following RCW 18.39.240.

**18.39.270 Prearrangement contracts—Registration qualifications.** To qualify for and hold a certificate of registration, a funeral establishment must:

- (1) Be licensed pursuant to this chapter; and
- (2) Fully comply with and qualify according to the provisions of this chapter. [1982 c 66 § 5.]

**Effective dates—Transfer of records, files, and pending business—Savings—1982 c 66:** See notes following RCW 18.39.240.

**18.39.280 Prearrangement contracts—Application for registration.** To apply for an original certificate of registration, a funeral establishment must:

- (1) File with the board its request showing:
  - (a) Its name, location, and organization date;
  - (b) The kinds of funeral business it proposes to transact;
  - (c) A statement of its financial condition, management, and affairs on a form satisfactory to or furnished by the board;
  - (d) Documents establishing its trust, or its affiliation with a master trust, and the names and addresses of the trustees if a trust is to be used to finance prearrangement funeral service contracts;
  - (e) Documents establishing its relationship with insurance carriers if insurance is to be used to finance;
  - (f) Documents establishing any other financing relationships; and
  - (g) Such other documents, stipulations, or information as the board may reasonably require to evidence compliance with the provisions of this chapter.
- (2) Deposit with the director the fees required by this chapter to be paid for filing the accompanying documents, and for the certificate of registration, if granted. [1989 c 390 § 6; 1986 c 259 § 68; 1982 c 66 § 7.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**Effective dates—Transfer of records, files, and pending business—Savings—1982 c 66:** See notes following RCW 18.39.240.

**Fees:** RCW 18.39.290.

**18.39.290 Prearrangement contracts—Registration—Renewal—Fees—Disposition.** All certificates of registration issued pursuant to this chapter shall continue in force until the expiration date unless suspended or revoked. A certificate shall be subject to renewal annually ninety days after the end of its fiscal year, as stated on the original application, by the funeral establishment and payment of the required fees.

The director shall determine and collect fees related to certificate of registration licensure.

All fees so collected shall be remitted by the director to the state treasurer not later than the first business day following receipt of such funds and the funds shall be credited to the funeral directors and embalmers account. [1993 c 43 § 1; 1986 c 259 § 69; 1982 c 66 § 8.]

**Effective date of 1993 c 43—1993 sp.s. c 24:** "Chapter 43, Laws of 1993 is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993." [1993 sp.s. c 24 § 931.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**Effective dates—Transfer of records, files, and pending business—Savings—1982 c 66:** See notes following RCW 18.39.240.

**18.39.300 Prearrangement contracts—Grounds for disciplinary action.** In addition to the grounds for action set forth in RCW 18.130.170 and 18.130.180, the board may take the disciplinary action set forth in RCW 18.130.160 against the funeral establishment's license, the license of any funeral director and/or the funeral establishment's certificate of registration, if the licensee or registrant:

(1) Fails to comply with any provisions of this chapter, chapter 18.130 RCW, or any proper order or regulation of the board;

(2) Is found by the board to be in such condition that further execution of prearrangement contracts could be hazardous to purchasers or beneficiaries and the people of this state;

(3) Refuses to be examined, or refuses to submit to examination by the board when required;

(4) Fails to pay the expense of an examination; or

(5) Is found by the board after investigation or receipt of reliable information to be managed by persons who are incompetent or untrustworthy or so lacking in managerial experience as to make the proposed or continued execution or servicing of prearrangement funeral service contracts hazardous to purchasers, beneficiaries, or to the public. [1989 c 390 § 7; 1986 c 259 § 70; 1982 c 66 § 6.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**Effective dates—Transfer of records, files, and pending business—Savings—1982 c 66:** See notes following RCW 18.39.240.

**18.39.320 Prearrangement contracts—Annual financial statement—Failure to file.** (1) Each funeral establishment which has prearrangement funeral service contracts outstanding shall annually, as required by the board, file with the board a true and accurate statement of its financial condition and transactions and affairs involving prearrangement funeral service contracts for its preceding fiscal year. The statement shall be on such forms and shall contain such information as required by this chapter and by the board.

(2) The board shall take disciplinary action against the certificate of registration of any funeral establishment which fails to file its annual statement when due or after any extension of time which the board has, for good cause, granted. [1989 c 390 § 8; 1986 c 259 § 71; 1982 c 66 § 10.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**Effective dates—Transfer of records, files, and pending business—Savings—1982 c 66:** See notes following RCW 18.39.240.

**18.39.330 Prearrangement contract forms—Approval required—Grounds for disapproval.** No prearrangement funeral contract forms shall be used without the prior approval of the board.

The board shall disapprove any such contract form, or withdraw prior approval, when such form:

(1) Violates or does not comply with this chapter;

(2) Contains or incorporates by reference any inconsistent, ambiguous or misleading clauses, or exceptions and conditions which unreasonably or deceptively affect the merchandise or service purported to be provided in the general coverage of the contract;

(3) Has any title, heading, or other part of its provisions which is misleading;

(4) Is being solicited by deceptive advertising;

(5) Fails to disclose fully the terms of the funeral service being provided by the contract, including but not limited to, any discounts, guarantees, provisions for merchandise or service substitutions or other significant items; or

(6) Is not written in language which the board considers to be easily understood by the purchaser. [1989 c 390 § 9; 1986 c 259 § 72; 1982 c 66 § 11.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**Effective dates—Transfer of records, files, and pending business—Savings—1982 c 66:** See notes following RCW 18.39.240.

**18.39.345 Prearrangement trust—Examination by board.** (1) The board shall examine a prearrangement funeral service trust whenever it deems it necessary, but at least once every three years, or whenever the licensee fails after reasonable notice from the board to file the reports required by this chapter or the board.

(2) The expense of the prearrangement funeral service trust examination shall be paid by the licensee and shall not be deducted from the earnings of the trust. In the case of a "master trust," the expense of the prearrangement funeral service trust examination shall be shared jointly by all funeral establishments participating in such trust.

(3) Such examination shall be conducted in private in the principal office of the licensee and the records relating to prearrangement funeral service contracts and prearrangement funeral service trusts shall be available at such office. [1989 c 390 § 10.]

**18.39.350 Violations—Penalty—Consumer protection—Retail installment contracts.** Any person who violates or fails to comply with, or aids or abets any person in the violation of, or failure to comply with any of the provisions of this chapter is guilty of a class C felony pursuant to chapter 9A.20 RCW. Any such violation constitutes an unfair practice under chapter 19.86 RCW and this chapter and conviction thereunder is grounds for license revocation under this chapter. Retail installment contracts under this chapter shall be governed by chapter 63.14 RCW. [1989 c 390 § 11; 1982 c 66 § 13.]

**Effective dates—Transfer of records, files, and pending business—Savings—1982 c 66:** See notes following RCW 18.39.240.

**Unlawful business practices—Penalty:** RCW 18.39.220.

**18.39.360 Fraternal or benevolent organizations and labor unions excepted.** This chapter does not apply to any funeral right or benefit issued or granted as an incident to or by reason of membership in any fraternal or benevolent association or cooperative or society, or labor union not organized for profit. [1989 c 390 § 12; 1982 c 66 § 14.]

**Effective dates—Transfer of records, files, and pending business—Savings—1982 c 66:** See notes following RCW 18.39.240.

**18.39.370 Prearrangement service contracts—Abandoned trusts.** Any trust which has not matured or been refunded and for which no beneficiary can be located fifty years after its creation shall be considered abandoned

and will be handled in accordance with the escheat laws of the state of Washington. [1989 c 390 § 13.]

**18.39.400 Disciplinary authority of board—Rules.** In addition to the authority specified in this chapter, the board has the following additional authority concerning disciplinary hearings:

(1) To issue subpoenas and administer oaths in connection with any investigation, hearing, or proceeding held under this chapter;

(2) To take or cause to be taken depositions and use other discovery procedures as needed in any investigation, hearing, or proceeding held under this chapter;

(3) To compel attendance of witnesses at hearings;

(4) To take emergency action ordering summary suspension of a license, registration, endorsement, or permit, or restriction or limitation of the licensee's, registrant's, or endorsement or permit holder's practice pending proceedings by the board;

(5) To use the office of administrative hearings as authorized in chapter 34.12 RCW to conduct hearings. However, the board shall make the final decision regarding disposition of the license, registration, endorsement, or permit;

(6) To use individual members of the board to direct investigations. However, a member of the board used to direct an investigation may not subsequently participate in the hearing of the case;

(7) To enter into contracts for professional services determined to be necessary for adequate enforcement of this chapter;

(8) To contract with licensees, registrants, or endorsement or permit holders, or other persons or organizations to provide services necessary for the monitoring and supervision of licensees, registrants, or endorsement or permit holders who are placed on probation, whose professional activities are restricted, or who are for an authorized purpose subject to monitoring by the board;

(9) To adopt rules for standards of professional conduct or practice;

(10) To grant or deny license, registration, endorsement, or permit applications, and in the event of a finding of unprofessional conduct by an applicant or license, registration, endorsement, or permit holder, to impose a sanction against a license, registration, endorsement, or permit applicant or license, registration, endorsement, or permit holder provided by this chapter;

(11) To enter into an assurance of discontinuance in lieu of issuing a statement of charges or conducting a hearing. The assurance must consist of a statement of the law in question and an agreement to not violate the stated provision. The applicant or license, registration, endorsement, or permit holder may not be required to admit to a violation of the law, nor is the assurance such an admission. Violation of an assurance under this section is grounds for disciplinary action;

(12) To designate individuals authorized to sign subpoenas and statements of charges; and

(13) To revoke, suspend, or take other action provided for by RCW 18.39.500 against licenses, registrations,

endorsements, or permits issued under this chapter. [1994 c 17 § 2.]

**18.39.410 Unprofessional conduct.** The following shall constitute unprofessional conduct:

(1) Solicitation of dead human bodies by a licensee, registrant, endorsement, or permit holder, or agent, assistant, or employee of the licensee, registrant, endorsement, or permit holder whether the solicitation occurs after death or while death is impending. This chapter does not prohibit general advertising or the sale of prearrangement funeral service contracts;

(2) Solicitation may include employment of solicitors, payment of commission, bonus, rebate, or any form of gratuity or payment of a finders fee, referral fee, or other consideration given for the purpose of obtaining or providing the services for a dead human body or where death is impending;

(3) Acceptance by a licensee, registrant, endorsement, or permit holder or other employee of a funeral establishment of a commission, bonus, rebate, or gratuity in consideration of directing business to a cemetery, crematory, mausoleum, columbarium, florist, or other person providing goods and services to the disposition of dead human bodies;

(4) Using a casket or part of a casket that has previously been used as a receptacle for, or in connection with, the burial or other disposition of a dead human body without the written consent of the person lawfully entitled to control the disposition of remains of the deceased person in accordance with RCW 68.50.160. This subsection does not prohibit the use of rental caskets, such as caskets of which the outer shell portion is rented and the inner insert that contains the dead human body is purchased and used for the disposition, that are disclosed as such in the statement of funeral goods and services;

(5) Violation of a state law, municipal law, or county ordinance or regulation affecting the handling, custody, care, transportation, or disposition of dead human bodies;

(6) Refusing to promptly surrender the custody of a dead human body upon the expressed order of the person lawfully entitled to its custody under RCW 68.50.160;

(7) Selling, or offering for sale, a share, certificate, or an interest in the business of a funeral establishment, or in a corporation, firm, or association owning or operating a funeral establishment that promises or purports to give to purchasers a right to the services of a licensee, registrant, endorsement, or permit holder at a charge or cost less than offered or given to the public;

(8) The commission of an act involving moral turpitude, dishonesty, or corruption relating to the practice of the funeral profession 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 a conviction, however, the judgment and sentence is conclusive evidence at the ensuing disciplinary hearing of the guilt of the license, registration, endorsement, or permit holder, or applicant of the crime described in the indictment or information and of the person's violation of the statute on which it is based. For the purpose of this section, conviction includes all instances in which a plea of guilty or nolo contendere is the basis for the conviction in all

proceedings in which the sentence has been deferred or suspended. This section does not abrogate rights guaranteed under chapter 9.96A RCW;

(9) Misrepresentation or concealment of a material fact in obtaining a license, registration, endorsement, or permit or in reinstatement thereof;

(10) All advertising that is false, fraudulent, or misleading;

(11) Suspension or revocation or restriction of the individual's license, registration, endorsement, or permit 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;

(12) Violation of any state or federal statute or administrative ruling relating to funeral practice;

(13) Failure to cooperate with the board by:

(a) Not furnishing any papers or documents;

(b) Not furnishing in writing a full and complete explanation covering the matters contained in a complaint filed with the board; or

(c) Not responding to subpoenas issued by the board whether or not the recipient of the subpoena is the accused in the proceeding;

(14) Failure to comply with an order issued by the board or an assurance of discontinuance entered into with the board;

(15) Aiding or abetting an unlicensed or unregistered person to practice where a license, registration, endorsement, or permit is required;

(16) Misrepresentation or fraud in any aspect of the conduct of funeral practice;

(17) Conviction of a gross misdemeanor or felony relating to this title. For the purpose of this subsection, conviction includes all instances in which a plea of guilty or nolo contendere is the basis for conviction and all proceedings in which the sentence has been deferred or suspended. This section does not abrogate rights guaranteed under chapter 9.96A RCW;

(18) Interference with an investigation or disciplinary proceeding by willful misrepresentation of facts before the board or its authorized representative or the inspector, or by the use of threats or harassment against a witness to prevent that witness from providing evidence in a disciplinary hearing or other legal action;

(19) Diminished capacity or habitual intemperance in the use of alcohol, controlled substances, or prescribed drugs that impairs, interferes, or otherwise prevents the proper performance of licensed, registered, endorsed, or permitted duties or functions;

(20) Knowingly concealing information concerning a violation of this title;

(21) Incompetence or negligence as a licensee, registrant, endorsement, or permit holder in carrying out the duties of the profession. [1994 c 17 § 3.]

**18.39.420 Complaint to board—Submittal—Determination—Investigation—Immunity of complainant.** A person, including but not limited to a consumer, licensee, corporation, organization, and state and local governmental agency, may submit a written complaint to the board

charging a license, registration, endorsement, or permit holder or applicant with unprofessional conduct and specifying the grounds for the complaint. If the board determines that the complaint merits investigation, or if the board has reason to believe, without a formal complaint, that a license holder or applicant might have engaged in unprofessional conduct, the board shall investigate to determine whether there has been unprofessional conduct. A person who files a complaint under this section in good faith is immune from suit in a civil action related to the filing or contents of the complaint. [1994 c 17 § 4.]

**18.39.430 Statement of charge of violation—Notice—Hearing.** (1) If the board determines, upon investigation, that there is reason to believe a violation of this chapter has occurred, a statement of charge or charges should be prepared and served upon the license, registration, endorsement, or permit holder or applicant at the earliest practical time. The statement of charge or charges must be accompanied by a notice that the license, registration, endorsement, or permit holder or applicant may request a hearing to contest the charge or charges. The license, registration, endorsement, or permit holder or applicant must file a request for hearing with the board within twenty days after being served the statement of charges. The failure to request a hearing constitutes a default, upon which the board may enter a decision on the basis of the facts available to it.

(2) If a hearing is requested, the board shall fix the time of the hearing as soon as convenient, but the hearing must not be held earlier than thirty days after service of the charges upon the license, registration, endorsement, or permit holder or applicant. A notice of hearing must be issued at least twenty days before the hearing, specifying the time, date, and place of the hearing. The notice must also notify the license, registration, endorsement, or permit holder or applicant that a record of the proceeding will be kept, that the holder or applicant will have the opportunity to appear personally and to have counsel present, with the right to produce witnesses who will be subject to cross-examination, and evidence in the holder's or applicant's own behalf, to cross-examine witnesses testifying against the holder or applicant, to examine such documentary evidence as may be produced against the holder or applicant, to conduct depositions, and to have subpoenas issued by the board. [1994 c 17 § 5.]

**18.39.440 Hearings—Procedures—Administrative Procedure Act.** The procedures governing adjudicative proceedings before agencies under chapter 34.05 RCW, the Administrative Procedure Act, govern all hearings before the board. The board has, in addition to the powers and duties set forth in this chapter, all of the powers and duties under chapter 34.05 RCW, that include, without limitation, all powers relating to the administration of oaths, the receipt of evidence, the issuance and enforcing of subpoenas, and the taking of depositions. [1994 c 17 § 6.]

**18.39.450 Findings of fact—Order—Notice—Report.** (1) In the event of a finding of unprofessional conduct, the board shall prepare and serve findings of fact and an order as provided in chapter 34.05 RCW and the

board shall notify the public, which notice must include press releases to appropriate local news media and the major news wire services. If the license, registration, endorsement, or permit holder or applicant is found to have not committed unprofessional conduct, the board shall immediately prepare and serve findings of fact and an order of dismissal of the charges. The board shall retain the findings of fact and order as a permanent record.

(2) The board shall report the issuance of statements of charges and final orders in cases processed by the board to:

(a) The person or agency who brought to the board's attention information that resulted in the initiation of the case;

(b) Appropriate organizations, public or private, that serve the professions; and

(c) Counterpart licensing boards in other states or associations of state licensing boards.

(3) This section does not require the reporting of information that is exempt from public disclosure under chapter 42.17 RCW. [1994 c 17 § 7.]

**18.39.460 Actions against license—Exceptions.** The department shall not issue a license, registration, endorsement, or permit to a person whose license, registration, endorsement, or permit has been denied, revoked, or suspended by the board except in conformity with the terms and conditions of the certificate or order of denial, revocation, or suspension; or in conformity with an order of reinstatement issued by the board; or in accordance with the final judgment in a proceeding for review instituted under this chapter. [1994 c 17 § 8.]

**18.39.465 License suspension—Nonpayment or default on educational loan or scholarship.** The director shall suspend the license of any person who has been certified by a lending agency and reported to the director for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's license shall not be reissued until the person provides the director a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for licensure during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the director may impose. [1996 c 293 § 9.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.39.467 License suspension—Noncompliance with support order—Reissuance.** In the case of suspension for failure to comply with a support order under chapter 74.20A RCW or a \*residential or visitation order under chapter 26.09 RCW, if the person has continued to meet all other requirements for reinstatement during the suspension, reissuance of a license shall be automatic upon the director's

receipt of a release issued by the department of social and health services stating that the individual is in compliance with the order. [1997 c 58 § 820.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.39.470 Order—When effective—Stay.** An order under proceedings authorized under this chapter, after due notice and findings in accordance with this chapter and chapter 34.05 RCW, or an order of summary suspension entered under this chapter, takes effect immediately upon its being served. The order, if appealed to the court, may not be stayed pending the appeal unless the board or court to which the appeal is taken enters an order staying the order of the board, which stay must provide for terms necessary to protect the public. [1994 c 17 § 9.]

**18.39.480 Appeal.** An individual who has been disciplined or whose license, registration, endorsement, or permit has been denied by the board may appeal the decision as provided in chapter 34.05 RCW. [1994 c 17 § 10.]

**18.39.490 Reinstatement—Hearings—Examination.** A person whose license, registration, endorsement, or permit has been suspended or revoked under this chapter may petition the board for reinstatement after an interval as determined by the board in the order. The board shall hold hearings on the petition and may deny the petition or may order reinstatement, impose terms and conditions as provided in RCW 18.39.500, and issue an order of reinstatement. The board may require successful completion of an examination as a condition of reinstatement. [1994 c 17 § 11.]

**18.39.500 Finding of unprofessional conduct—Order—Sanctions—Stay—Costs.** Upon a finding that a license holder or applicant has committed unprofessional conduct, the board may issue an order providing for one or any combination of the following:

- (1) Revocation of the license, registration, endorsement, or permit;
- (2) Suspension of the license, registration, endorsement, or permit for a fixed or indefinite term;
- (3) Restriction or limitation of the practice;
- (4) Requiring the satisfactory completion of a specific program of remedial education or treatment;
- (5) The monitoring of the practice by a superior approved by the board;
- (6) Censure or reprimand;
- (7) Compliance with conditions of probation for a designated period of time;

(8) Payment of a fine for each violation of this chapter, not to exceed one thousand dollars per violation, that is to be paid to the board's fund;

(9) Denial of the license, registration, endorsement, or permit request; and

(10) Corrective action.

An action under this section may be totally or partly stayed by the board. In determining what action is appropriate, the board must first consider what sanctions are necessary to protect or compensate the public. Only after the provisions have been made may the board consider and include in the order requirements designed to rehabilitate the license, registration, endorsement, or permit holder or applicant. Costs associated with compliance with orders issued under this section are the obligation of the license, registration, endorsement, or permit holder or applicant.

The licensee, registrant, endorsement or permit holder, or applicant may enter into a stipulated disposition of charges that includes one or more of the sanctions of this section, but only after a statement of charges has been issued and the licensee, registrant, endorsement or permit holder, or applicant has been afforded the opportunity for a hearing and has elected on the record to forego such a hearing. The stipulation shall either contain one or more specific findings of unprofessional conduct or inability to practice, or a statement by the licensee, registrant, endorsement or permit holder, or applicant acknowledging that evidence is sufficient to justify one or more specified findings of unprofessional conduct or inability to practice. The stipulation entered into pursuant to this subsection shall be considered formal disciplinary action for all purposes. [1994 c 17 § 12.]

**18.39.510 Informal disposal—Statement of allegations—Summary of evidence—Stipulation—Sanctions—Disclosure—Enforcement.** (1) Prior to serving a statement of charges, the board may furnish a statement of allegations to the licensee, registrant, endorsement or permit holder, or applicant along with a detailed summary of the evidence relied upon to establish the allegations and a proposed stipulation for informal resolution of the allegations. These documents shall be exempt from public disclosure until such time as the allegations are resolved either by stipulation or otherwise.

(2) The board and the licensee, registrant, endorsement or permit holder, or applicant may stipulate that the allegations may be disposed of informally in accordance with this subsection. The stipulation shall contain a statement of the facts leading to the filing of the complaint; the act or acts of unprofessional conduct alleged to have been committed or the alleged basis for determining that the licensee, registrant, endorsement or permit holder, or applicant is unable to practice with reasonable skill and safety; a statement that the stipulation is not to be construed as a finding of either unprofessional conduct or inability to practice; an acknowledgement that a finding of unprofessional conduct or inability to practice, if proven, constitutes grounds for discipline under this chapter; an agreement on the part of the licensee, registrant, endorsement or permit holder, or applicant that the sanctions set forth in this chapter, except for revocation, suspension, censure, or reprimand of a licensee, registrant, endorsement of [or] permit holder, or

applicant may be imposed as part of the stipulation, except that no fine may be imposed but the licensee, registrant, endorsement or permit holder, or applicant may agree to reimburse the board the costs of investigation and processing the complaint up to an amount not exceeding one thousand dollars per allegation; and an agreement on the part of the board to forego further disciplinary proceedings concerning the allegations. A stipulation entered into pursuant to this subsection shall not be considered formal disciplinary action.

(3) If the licensee, registrant, endorsement or permit holder, or applicant declines to agree to disposition of the charges by means of a stipulation pursuant to subsection (2) of this section, the board may proceed to formal disciplinary action pursuant to this chapter.

(4) Upon execution of a stipulation under subsection (2) of this section by both the licensee, registrant, endorsement or permit holder, or applicant and the board, the complaint is deemed disposed of and shall become subject to public disclosure on the same basis and to the same extent as other records of the board. Should the licensee, registrant, endorsement or permit holder [holder], or applicant fail to pay any agreed reimbursement within thirty days of the date specified in the stipulation for payment, the board may seek collection of the amount agreed to be paid in the same manner as enforcement of a fine under this chapter. [1994 c 17 § 13.]

**18.39.520 Enforcement of fine.** If an order for payment of a fine is made as a result of an order entered under this chapter and timely payment is not made as directed in the final order, the board may enforce the order for payment in the superior court in the county in which the hearing was held. This right of enforcement is in addition to other rights the board may have as to a licensee, registrant, endorsement, or permit holder ordered to pay a fine but does not limit a licensee's, registrant's, or endorsement or permit holder's ability to seek judicial review under this chapter. In an action for enforcement of an order of payment of a fine, the board's order is conclusive proof of the validity of the order of payment of a fine and the terms of payment. [1994 c 17 § 14.]

**18.39.530 Practice without license—Investigation of complaint—Temporary cease and desist order—Injunction—Penalties.** (1) The director shall investigate a complaint concerning practice by an unlicensed person for which a license, registration, endorsement, or permit is required under this chapter. The director shall issue a cease and desist order to a person after notice and hearing and upon a determination that the person has violated this subsection. If the director makes a written finding of fact that the public interest will be irreparably harmed by delay in issuing an order, the director may issue a temporary cease and desist order. The cease and desist order does not relieve the person practicing or operating a business without a license, registration, permit, or registration from criminal prosecution for the unauthorized practice or operation, but the remedy of a cease and desist order is in addition to criminal liability. The cease and desist order is conclusive proof of unlicensed practice and may be enforced by civil contempt. This method of enforcement of the cease and

desist order may be used in addition to, or as an alternative to, provisions for enforcement or agency orders under chapter 34.05 RCW.

(2) The attorney general, a county prosecuting attorney, the director, the board, or a person may, in accordance with the laws of this state governing injunctions, maintain an action in the name of this state to enjoin a person practicing a profession or business for which a license, registration, endorsement, or permit is required under this chapter without a license, registration, endorsement, or permit from engaging in the practice or operation of the business until the required license, registration, endorsement, or permit is secured. However, the injunction does not relieve the person so practicing or operating a business without a license, registration, endorsement, or permit from criminal prosecution for the unauthorized practice or operation, but the remedy by injunction is in addition to criminal liability.

(3) Unlicensed practice of a profession or operation of a business for which a license, registration, endorsement, or permit is required under this chapter, unless otherwise exempted by law, is a gross misdemeanor. Fees, fines, forfeitures, and penalties collected or assessed by a court because of a violation of this section must be remitted to the board. [1994 c 17 § 15.]

**18.39.540 Violation of injunction—Penalties.** A person or business that violates an injunction issued under this chapter shall pay a civil penalty, as determined by the court, of not more than twenty-five thousand dollars that must be placed in the board account. For the purpose of this section, the superior court issuing an injunction shall retain jurisdiction and the cause must be continued, and the attorney general acting in the name of the state may petition for the recovery of civil penalties. [1994 c 17 § 16.]

**18.39.550 Crime by license, registration, endorsement, or permit holder—Notice by board.** If the board determines or has cause to believe that a license, registration, endorsement, or permit holder has committed a crime, the board, immediately subsequent to issuing findings of fact and a final order, shall notify the attorney general or the county prosecuting attorney in the county in which the act took place of the facts known to the board. [1994 c 17 § 17.]

**18.39.800 Funeral directors and embalmers account.** The funeral directors and embalmers account is created in the state treasury. All fees received by the department for licenses, registrations, renewals, examinations, and audits shall be forwarded to the state treasurer who shall credit the money to the account. All fines and civil penalties ordered by the superior court or fines ordered pursuant to RCW 18.130.160(8) against holders of licenses or registrations issued under the provisions of this chapter shall be paid to the account. All expenses incurred in carrying out the licensing and registration activities of the department and the state funeral directors and embalmers board under this chapter shall be paid from the account as authorized by legislative appropriation. Any residue in the account shall be accumulated and shall not revert to the general fund at the end of the biennium. All earnings of investments of balances in the account shall be credited to

the general fund. Any fund balance remaining in the health professions account attributable to the funeral director and embalmer professions as of July 1, 1993, shall be transferred to the funeral directors and embalmers account. [1996 c 217 § 9; 1993 c 43 § 2.]

**Effective date of 1993 c 43—1993 sp.s. c 24:** See note following RCW 18.39.290.

**18.39.900 Severability—1937 c 108.** If any section, subdivision, sentence or clause of this act shall be held invalid or unconstitutional, such holding shall not affect the validity of the remaining portions of this act. [1937 c 108 § 18.]

**18.39.901 Severability—1982 c 66.** 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. [1982 c 66 § 23.]

## Chapter 18.43

### ENGINEERS AND LAND SURVEYORS

#### Sections

- 18.43.010 General provisions.
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- 18.43.160 Certificate of registration or license suspension—Nonpayment or default on educational loan or scholarship.
- 18.43.170 Registration suspension—Noncompliance with support order—Reissuance.
- 18.43.900 Short title.
- 18.43.910 Severability—1947 c 283.
- 18.43.920 Severability—1959 c 297.
- 18.43.930 Severability—1961 c 142.

*Actions or claims for engineering and surveying services, limitations upon:* RCW 4.16.300 through 4.16.320.

*Noncompliance with surveys and monuments recording law—Grounds for revocation:* RCW 58.09.140.

*Public contracts for engineering services:* Chapter 39.80 RCW.

*Surveys and monuments recording law:* Chapter 58.09 RCW.

**18.43.010 General provisions.** In order to safeguard life, health, and property, and to promote the public welfare, any person in either public or private capacity practicing or offering to practice engineering or land surveying, shall

hereafter be required to submit evidence that he is qualified so to practice and shall be registered as hereinafter provided; and it shall be unlawful for any person to practice or to offer to practice in this state, engineering or land surveying, as defined in the provisions of this chapter, or to use in connection with his name or otherwise assume, use, or advertise any title or description tending to convey the impression that he is a professional engineer or a land surveyor, unless such a person has been duly registered under the provisions of this chapter. [1947 c 283 § 1; Rem. Supp. 1947 § 8306-21. Prior: 1935 c 167 § 2; RRS § 8306-2.]

*False advertising: Chapter 9.04 RCW.*

**18.43.020 Definitions.** (1) Engineer: The term "engineer" as used in this chapter shall mean a professional engineer as hereinafter defined.

(2) Professional engineer: The term "professional engineer" within the meaning and intent of this chapter, shall mean a person who, by reason of his or her special knowledge of the mathematical and physical sciences and the principles and methods of engineering analysis and design, acquired by professional education and practical experience, is qualified to practice engineering as hereinafter defined, as attested by his or her legal registration as a professional engineer.

(3) Engineer-in-training: The term "engineer-in-training" as used in this chapter means a candidate who has: (a) Satisfied the experience requirements in RCW 18.43.040 for registration; (b) successfully passed the examination in the fundamental engineering subjects; and (c) is enrolled by the board as an engineer-in-training.

(4) Engineering: The term "engineering" as used in this chapter shall mean the "practice of engineering" as hereinafter defined.

(5) Practice of engineering: The term "practice of engineering" within the meaning and intent of this chapter shall mean any professional service or creative work requiring engineering education, training, and experience and the application of special knowledge of the mathematical, physical, and engineering sciences to such professional services or creative work as consultation, investigation, evaluation, planning, design and supervision of construction for the purpose of assuring compliance with specifications and design, in connection with any public or private utilities, structures, buildings, machines, equipment, processes, works, or projects.

A person shall be construed to practice or offer to practice engineering, within the meaning and intent of this chapter, who practices any branch of the profession of engineering; or who, by verbal claim, sign, advertisement, letterhead, card, or in any other way represents himself or herself to be a professional engineer, or through the use of some other title implies that he or she is a professional engineer; or who holds himself or herself out as able to perform, or who does perform, any engineering service or work or any other professional service designated by the practitioner or recognized by educational authorities as engineering.

The practice of engineering shall not include the work ordinarily performed by persons who operate or maintain machinery or equipment.

(6) Land surveyor: The term "land surveyor" as used in this chapter shall mean a professional land surveyor.

(7) Professional land surveyor: The term "professional land surveyor" as used in this chapter means a person who, by reason of his or her special knowledge of the mathematical and physical sciences and principles and practices of land surveying, which is acquired by professional education and practical experience, is qualified to practice land surveying and as attested to by his or her legal registration as a professional land surveyor.

(8) Land-surveyor-in-training: The term "land-surveyor-in-training" as used in this chapter means a candidate who: (a) Has satisfied the experience requirements in RCW 18.43.040 for registration; (b) successfully passes the examination in the fundamental land surveying subjects; and (c) is enrolled by the board as a land-surveyor-in-training.

(9) Practice of land surveying: The term "practice of land surveying" within the meaning and intent of this chapter, shall mean assuming responsible charge of the surveying of land for the establishment of corners, lines, boundaries, and monuments, the laying out and subdivision of land, the defining and locating of corners, lines, boundaries and monuments of land after they have been established, the survey of land areas for the purpose of determining the topography thereof, the making of topographical delineations and the preparing of maps and accurate records thereof, when the proper performance of such services requires technical knowledge and skill.

(10) Board: The term "board" as used in this chapter shall mean the state board of registration for professional engineers and land surveyors, provided for by this chapter. [1995 c 356 § 1; 1991 c 19 § 1; 1947 c 283 § 2; Rem. Supp. 1947 § 8306-22. Prior: 1935 c 167 § 1; RRS § 8306-1.]

**Effective date—1995 c 356:** "This act shall take effect July 1, 1996." [1995 c 356 § 6.]

**18.43.030 Board of registration—Members—Terms—Qualifications—Compensation and travel expenses.** A state board of registration for professional engineers and land surveyors is hereby created which shall exercise all of the powers and perform all of the duties conferred upon it by this chapter. After July 9, 1986, the board shall consist of seven members, who shall be appointed by the governor and shall have the qualifications as hereinafter required. The terms of board members in office on June 11, 1986, shall not be affected. The first additional member shall be appointed for a four-year term and the second additional member shall be appointed for a three-year term. On the expiration of the term of any member, the governor shall appoint a successor for a term of five years to take the place of the member whose term on said board is about to expire. However, no member shall serve more than two consecutive terms on the board. Each member shall hold office until the expiration of the term for which such member is appointed or until a successor shall have been duly appointed and shall have qualified.

Five members of the board shall be registered professional engineers licensed under the provisions of this chapter. Two members shall be registered professional land surveyors

licensed under this chapter. Each of the members of the board shall have been actively engaged in the practice of engineering or land surveying for at least ten years subsequent to registration, five of which shall have been immediately prior to their appointment to the board.

Each member of the board shall be a citizen of the United States and shall have been a resident of this state for at least five years immediately preceding his appointment.

Each member of the board shall be compensated in accordance with RCW 43.03.240 and, in addition thereto, shall be reimbursed for travel expenses incurred in carrying out the provisions of this chapter in accordance with RCW 43.03.050 and 43.03.060.

The governor may remove any member of the board for misconduct, incompetency, or neglect of duty. Vacancies in the membership of the board shall be filled for the unexpired term by appointment by the governor as hereinabove provided. [1986 c 102 § 1; 1984 c 287 § 35; 1975-'76 2nd ex.s. c 34 § 37; 1947 c 283 § 3; Rem. Supp. 1947 § 8306-23.]

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**Effective date—Severability—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

**18.43.033 Pro tem board members—Limits—Duties.** Upon request of the board, and with approval of the director, the board chair shall appoint up to two individuals to serve as pro tem members of the board. The appointments are limited, as defined by the board chair, for the purpose of participating as a temporary member of the board on any combination of one or more committees or formal disciplinary hearing panels. An appointed individual must meet the same qualifications as a regular member of the board. While serving as a board member pro tem, an appointed person has all the powers, duties, and immunities of a regular member of the board and is entitled to the same compensation, including travel expenses, in accordance with RCW 18.43.030. A pro tem appointment may not last for more than one hundred eighty days unless approved by the director. [1997 c 247 § 1.]

**18.43.035 Bylaws—Employees—Rules—Investigations—Oaths, subpoenas—Periodic reports and roster.** The board may adopt and amend bylaws establishing its organization and method of operation, including but not limited to meetings, maintenance of books and records, publication of reports, code of ethics, and rosters, and adoption and use of a seal. Four members of the board shall constitute a quorum for the conduct of any business of the board. The board may employ such persons as are necessary to carry out its duties under this chapter. It may adopt rules reasonably necessary to administer the provisions of this chapter. It may conduct investigations concerning alleged violations of this chapter or the rules adopted by the board. In making such investigations and in all proceedings under RCW 18.43.110, the chairman of the board or any member of the board acting in his place may administer oaths or affirmations to witnesses appearing before the board, subpoena witnesses and compel their attendance, and require the production of books, records, papers and documents. If any

person shall refuse to obey any subpoena so issued, or shall refuse to testify or produce any books, records, papers or documents so required to be produced, the board may present its petition to the superior court of the county in which such person resides, setting forth the facts, and thereupon the court shall, in any proper case, enter a suitable order compelling compliance with this chapter and imposing such other terms and conditions as the court may deem equitable. The board shall submit to the governor such periodic reports as may be required. A roster, showing the names and places of business of all registered professional engineers and land surveyors may be published for distribution, upon request, to professional engineers and land surveyors registered under this chapter and to the public. [1997 c 247 § 2; 1986 c 102 § 2; 1977 c 75 § 10; 1961 c 142 § 1; 1959 c 297 § 1.]

**18.43.040 Registration requirements.** The following will be considered as minimum evidence satisfactory to the board that the applicant is qualified for registration as a professional engineer, engineer-in-training, professional land surveyor, or land-surveyor-in-training, respectively:

As a professional engineer: A specific record of eight years or more of experience in engineering work of a character satisfactory to the board and indicating that the applicant is competent to practice engineering; and successfully passing a written or oral examination, or both, in engineering as prescribed by the board.

Graduation in an approved engineering curriculum of four years or more from a school or college approved by the board as of satisfactory standing shall be considered equivalent to four years of such required experience. The satisfactory completion of each year of such an approved engineering course without graduation shall be considered as equivalent to a year of such required experience. Graduation in a curriculum other than engineering from a school or college approved by the board shall be considered as equivalent to two years of such required experience: PROVIDED, That no applicant shall receive credit for more than four years of experience because of undergraduate educational qualifications. The board may, at its discretion, give credit as experience not in excess of one year, for satisfactory postgraduate study in engineering.

As an engineer-in-training: An applicant for registration as a professional engineer shall take the prescribed examination in two stages. The first stage of the examination may be taken upon submission of his or her application for registration as an engineer-in-training and payment of the application fee prescribed in RCW 18.43.050 at any time after the applicant has completed four years of the required engineering experience, as defined in this section, or has achieved senior standing in a school or college approved by the board. The first stage of the examination shall test the applicant's knowledge of appropriate fundamentals of engineering subjects, including mathematics and the basic sciences.

At any time after the completion of the required eight years of engineering experience, as defined in this section, the applicant may take the second stage of the examination upon submission of an application for registration and payment of the application fee prescribed in RCW 18.43.050.

This stage of the examination shall test the applicant's ability, upon the basis of his or her greater experience, to apply his or her knowledge and experience in the field of his or her specific training and qualifications.

As a professional land surveyor: A specific record of eight years or more of experience in land surveying work of a character satisfactory to the board and indicating that the applicant is competent to practice land surveying, and successfully passing a written or oral examination, or both, in surveying as prescribed by the board.

Graduation from a school or college approved by the board as of satisfactory standing, including the completion of an approved course in surveying, shall be considered equivalent to four years of the required experience. Post-graduate college courses approved by the board shall be considered for up to one additional year of the required experience.

As a land-surveyor-in-training: An applicant for registration as a professional land surveyor shall take the prescribed examination in two stages. The first stage of the examination may be taken upon submission of his or her application for registration as a land-surveyor-in-training and payment of the application fee prescribed in RCW 18.43.050 at any time after the applicant has completed four years of the required land surveying experience, as defined in this section, or has achieved senior standing in a school or college approved by the board. The first stage of the examination shall test the applicant's knowledge of appropriate fundamentals of land surveying subjects, including mathematics and the basic sciences.

At any time after the completion of the required eight years of land surveying experience, as defined in this section, the applicant may take the second stage of the examination upon submission of an application for registration and payment of the application fee prescribed in RCW 18.43.050. This stage of the examination shall test the applicant's ability, upon the basis of greater experience, to apply knowledge and experience in the field of land surveying.

The first stage shall be successfully completed before the second stage may be attempted. Applicants who have been approved by the board to take the examination based on the requirement for six years of experience under this section before July 1, 1996, are eligible to sit for the examination.

No person shall be eligible for registration as a professional engineer, engineer-in-training, professional land surveyor, or land-surveyor-in-training, who is not of good character and reputation.

Teaching, of a character satisfactory to the board shall be considered as experience not in excess of two years for the appropriate profession.

The mere execution, as a contractor, of work designed by a professional engineer, or the supervision of the construction of such work as a foreman or superintendent shall not be deemed to be practice of engineering.

Any person having the necessary qualifications prescribed in this chapter to entitle him or her to registration shall be eligible for such registration although the person may not be practicing his or her profession at the time of making his or her application. [1995 c 356 § 2; 1991 c 19

§ 2; 1947 c 283 § 7; Rem. Supp. 1947 § 8306-24. Prior: 1935 c 167 § 2; RRS § 8306-2.]

Effective date—1995 c 356: See note following RCW 18.43.020.

**18.43.050 Application—Registration fees.** Application for registration shall be on forms prescribed by the board and furnished by the director, shall contain statements made under oath, showing the applicant's education and detail summary of his or her technical work and shall contain not less than five references, of whom three or more shall be engineers having personal knowledge of the applicant's engineering experience.

The registration fee for professional engineers shall be determined by the director as provided in RCW 43.24.086, which shall accompany the application and shall include the cost of examination and issuance of certificate. The fee for engineer-in-training shall be determined by the director as provided in RCW 43.24.086, which shall accompany the application and shall include the cost of examination and issuance of certificate.

The registration fee for professional land surveyors shall be determined by the director as provided in RCW 43.24.086, which shall accompany the application and shall include the cost of examination and issuance of certificate. The fee for land-surveyor-in-training shall be determined by the director as provided in RCW 43.24.086, which shall accompany the application and shall include the cost of examination and issuance of certificate.

Should the board find an applicant ineligible for registration, the registration fee shall be retained as an application fee. [1995 c 356 § 3; 1991 c 19 § 3; 1985 c 7 § 42; 1975 1st ex.s. c 30 § 46; 1947 c 283 § 8; Rem. Supp. 1947 § 8306-25. Prior: 1935 c 167 § 6; RRS § 8306-6.]

Effective date—1995 c 356: See note following RCW 18.43.020.

**18.43.060 Examinations.** When oral or written examinations are required, they shall be held at such time and place as the board shall determine. If examinations are required on fundamental engineering subjects (such as ordinarily given in college curricula) the applicant shall be permitted to take this part of the professional examination prior to his or her completion of the requisite years of experience in engineering work. The board shall issue to each applicant upon successfully passing the examination in fundamental engineering subjects a certificate stating that the applicant has passed the examination in fundamental engineering subjects and that his or her name has been recorded as an engineer-in-training.

The scope of the examination and the methods of procedure shall be prescribed by the board with special reference to the applicant's ability to design and supervise engineering works so as to insure the safety of life, health and property. Examinations shall be given for the purpose of determining the qualifications of applicants for registration separately in engineering and in land surveying. 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. [1991 c 19 § 4; 1961 c 142 § 2; 1947 c 283 § 9; Rem. Supp. 1947 § 8306-26. Prior: 1935 c 167 § 7; RRS § 8306-7.]

**18.43.070 Certificates and seals.** The director of licensing shall issue a certificate of registration upon payment of a registration fee as provided for in this chapter, to any applicant who, in the opinion of the board, has satisfactorily met all the requirements of this chapter. In case of a registered engineer, the certificate shall authorize the practice of "professional engineering" and specify the branch or branches in which specialized, and in case of a registered land surveyor, the certificate shall authorize the practice of "land surveying"

In case of engineer-in-training, the certificate shall state that the applicant has successfully passed the examination in fundamental engineering subjects required by the board and has been enrolled as an "engineer-in-training". In case of land-surveyor-in-training, the certificate shall state that the applicant has successfully passed the examination in fundamental surveying subjects required by the board and has been enrolled as a "land-surveyor-in-training." All certificates of registration shall show the full name of the registrant, shall have a serial number, and shall be signed by the chairman and the secretary of the board and by the director of licensing.

The issuance of a certificate of registration by the director of licensing shall be prima facie evidence that the person named therein is entitled to all the rights and privileges of a registered professional engineer or a registered land surveyor, while the said certificate remains unrevoked and unexpired.

Each registrant hereunder shall upon registration obtain a seal of the design authorized by the board, bearing the registrant's name and the legend "registered professional engineer" or "registered land surveyor" Plans, specifications, plats and reports prepared by the registrant shall be signed, dated, and stamped with said seal or facsimile thereof. Such signature and stamping shall constitute a certification by the registrant that the same was prepared by or under his or her direct supervision and that to his or her knowledge and belief the same was prepared in accordance with the requirements of the statute. It shall be unlawful for anyone to stamp or seal any document with said seal or facsimile thereof after the certificate of registrant named thereon has expired or been revoked, unless said certificate shall have been renewed or reissued. [1995 c 356 § 4; 1991 c 19 § 5; 1959 c 297 § 4; 1947 c 283 § 10; Rem. Supp. 1947 § 8306-27. Prior: 1935 c 167 §§ 8, 13; RRS § 8306-8, 13.]

Effective date—1995 c 356: See note following RCW 18.43.020.

**18.43.075 Retired status certificate.** The board may adopt rules under this section authorizing a retired status certificate. An individual certificated under this chapter who has reached the age of sixty-five years and has retired from the active practice of engineering and land surveying may, upon application and at the discretion of the board, be exempted from payment of annual renewal fees thereafter. [1995 c 356 § 5.]

Effective date—1995 c 356: See note following RCW 18.43.020.

**18.43.080 Expiration and renewals of certificates—Fees.** Certificates of registration, and certificates of authorization and renewals thereof shall expire on the last day of

the month of December following their issuance or renewal and shall become invalid on that date unless renewed. It shall be the duty of the administrator of the division of professional licensing to notify every person, firm or corporation registered under this chapter, of the date of the expiration of his certificate and the amount of the renewal fee that shall be required for its renewal for one year. Such notice shall be mailed at least thirty days before the end of December of each year. Renewal may be effected during the month of December by the payment of a fee determined by the director as provided in RCW 43.24.086. In case any professional engineer and/or land surveyor registered under this chapter shall fail to pay the renewal fee hereinabove provided for, within ninety days from the date when the same shall become due, the renewal fee shall be the current fee plus an amount equal to one year's fee. [1985 c 7 § 43; 1981 c 260 § 4. Prior: 1975 1st ex.s. c 30 § 47; 1975 c 23 § 1; 1965 ex.s. c 126 § 1; 1961 c 142 § 3; 1959 c 297 § 5; 1947 c 283 § 11; Rem. Supp. 1947 § 8306-28; prior: 1935 c 167 § 10; RRS § 8306-10.]

**18.43.100 Registration of out-of-state applicants.**

The board may, upon application and the payment of a fee determined by the director as provided in RCW 43.24.086, issue a certificate without further examination as a professional engineer or land surveyor to any person who holds a certificate of qualification of registration issued to the applicant following examination by proper authority, of any state or territory or possession of the United States, the District of Columbia, or of any foreign country, provided: (1) That the applicant's qualifications meet the requirements of the chapter and the rules established by the board, and (2) that the applicant is in good standing with the licensing agency in said state, territory, possession, district, or foreign country. [1991 c 19 § 7; 1985 c 7 § 44; 1975 1st ex.s. c 30 § 48; 1959 c 297 § 6; 1947 c 283 § 13; Rem. Supp. 1947 § 8306-30. Prior: 1935 c 167 § 5; RRS § 8306-5.]

**18.43.105 "Misconduct or malpractice in the practice of engineering" defined.** As used in this chapter "misconduct or malpractice in the practice of engineering" shall include but not be limited to the following:

- (1) Offering to pay, paying or accepting, either directly or indirectly, any substantial gift, bribe, or other consideration to influence the award of professional work;
- (2) Being wilfully untruthful or deceptive in any professional report, statement or testimony;
- (3) Attempting to injure falsely or maliciously, directly or indirectly, the professional reputation, prospects or business of anyone;
- (4) Failure to state separately or to charge separately for professional engineering services or land surveying where other services or work are also being performed in connection with the engineering services;
- (5) Conviction in any court of any offense involving moral turpitude;
- (6) Violation of any provisions of this chapter;
- (7) Conflict of interest—Having a financial interest in bidding for or performance of a contract to supply labor or materials for or to construct a project for which employed or retained as an engineer except with the consent of the client

or employer after disclosure of such facts; or allowing an interest in any business to affect a decision regarding engineering work for which retained, employed, or called upon to perform;

(8) Nondisclosure—Failure to promptly disclose to a client or employer any interest in a business which may compete with or affect the business of the client or employer;

(9) Unfair competition—Reducing a fee quoted for prospective employment or retainer as an engineer after being informed of the fee quoted by another engineer for the same employment or retainer;

(10) Improper advertising—Soliciting retainer or employment by advertisement which is undignified, self-laudatory, false or misleading, or which makes or invites comparison between the advertiser and other engineers;

(11) 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 professional engineering or land surveying. [1961 c 142 § 4; 1959 c 297 § 2.]

**18.43.110 Revocations, fines, reprimands, and suspensions.** The board shall have the exclusive power to fine and reprimand the registrant and suspend or revoke the certificate of registration of any registrant who is found guilty of:

The practice of any fraud or deceit in obtaining a certificate of registration; or

Any gross negligence, incompetency, or misconduct in the practice of engineering or land surveying as a registered engineer or land surveyor.

Any person may prefer a complaint alleging fraud, deceit, gross negligence, incompetency, or misconduct against any registrant and the complaint shall be in writing and shall be sworn to in writing by the person making the allegation. A registrant against whom a complaint was made must be immediately informed of such complaint by the board.

All procedures related to hearings on such charges shall be in accordance with provisions relating to adjudicative proceedings in chapter 34.05 RCW, the Administrative Procedure Act.

If, after such hearing, a majority of the board vote in favor of finding the violations had occurred, the board shall revoke or suspend the certificate of registration of such registered professional engineer or land surveyor.

The board, for reasons it deems sufficient, may reissue a certificate of registration to any person whose certificate has been revoked or suspended, providing a majority of the board vote in favor of such issuance. A new certificate of registration to replace any certificate revoked, lost, destroyed, or mutilated may be issued, subject to the rules of the board, and a charge determined by the director as provided in RCW 43.24.086 shall be made for such issuance.

Any person who shall feel aggrieved by any action of the board in denying or revoking his certificate of registration may appeal therefrom to the superior court of the county in which such person resides, and after full hearing, said court shall make such decree sustaining or revoking the action of the board as it may deem just and proper.

Fines imposed by the board shall not exceed one thousand dollars for each offense.

In addition to the imposition of civil penalties under this section, the board may refer violations of this chapter to the appropriate prosecuting attorney for charges under RCW 18.43.120. [1997 c 247 § 3; 1989 c 175 § 62; 1986 c 102 § 3; 1985 c 7 § 45; 1982 c 37 § 1; 1975 1st ex.s. c 30 § 49; 1947 c 283 § 14; Rem. Supp. 1947 § 8306-31. Prior: 1935 c 167 § 11; RRS § 8306-11.]

**Effective date—1989 c 175:** See note following RCW 34.05.010.

**18.43.120 Violations and penalties.** Any person who shall practice, or offer to practice, engineering or land surveying in this state without being registered in accordance with the provisions of the chapter, or any person presenting or attempting to use as his own the certificate of registration or the seal of another, or any person who shall give any false or forged evidence of any kind to the board or to any member thereof in obtaining a certificate of registration, or any person who shall falsely impersonate any other registrant, or any person who shall attempt to use the expired or revoked certificate of registration, or any person who shall violate any of the provisions of this chapter shall be guilty of a gross misdemeanor.

It shall be the duty of all officers of the state or any political subdivision thereof, to enforce the provisions of this chapter. The attorney general shall act as legal adviser of the board, and render such legal assistance as may be necessary in carrying out the provisions of this chapter. [1986 c 102 § 4; 1947 c 283 § 15; Rem. Supp. 1947 § 8306-32. Prior: 1935 c 167 § 14; RRS § 8306-14.]

*Forgery: RCW 9A.60.020.*

**18.43.130 Excepted services—Fees.** This chapter shall not be construed to prevent or affect:

(1) The practice of any other legally recognized profession or trade; or

(2) The practice of a person not a resident and having no established place of business in this state, practicing or offering to practice herein the profession of engineering or land surveying, when such practice does not exceed in the aggregate more than thirty days in any calendar year: **PROVIDED,** Such person has been determined by the board to be legally qualified by registration to practice the said profession in his or her own state or country in which the requirements and qualifications for obtaining a certificate of registration are not lower than those specified in this chapter. The person shall request such a determination by completing an application prescribed by the board and accompanied by a fee determined by the director. Upon approval of the application, the board shall issue a permit authorizing temporary practice; or

(3) The practice of a person not a resident and having no established place of business in this state, or who has recently become a resident thereof, practicing or offering to practice herein for more than thirty days in any calendar year the profession of engineering or land surveying, if he or she shall have filed with the board an application for a certificate of registration and shall have paid the fee required by this chapter: **PROVIDED,** That such person is legally qualified by registration to practice engineering or land surveying in

his or her own state or country in which the requirements and qualifications of obtaining a certificate of registration are not lower than those specified in this chapter. Such practice shall continue only for such time as the board requires for the consideration of the application for registration; or

(4) The work of an employee or a subordinate of a person holding a certificate of registration under this chapter, or an employee of a person practicing lawfully under provisions of this section: PROVIDED, That such work does not include final design or decisions and is done under the direct responsibility, checking, and supervision of a person holding a certificate of registration under this chapter or a person practicing lawfully under the provisions of this section; or

(5) The work of a person rendering engineering or land surveying services to a corporation, as an employee of such corporation, when such services are rendered in carrying on the general business of the corporation and such general business does not consist, either wholly or in part, of the rendering of engineering services to the general public: PROVIDED, That such corporation employs at least one person holding a certificate of registration under this chapter or practicing lawfully under the provisions of this chapter; or

(6) The practice of officers or employees of the government of the United States while engaged within the state in the practice of the profession of engineering or land surveying for the government of the United States; or

(7) Nonresident engineers employed for the purpose of making engineering examinations; or

(8) The practice of engineering or land surveying, or both, in this state by a corporation or joint stock association: PROVIDED, That

(a) The corporation has filed with the board an application for certificate of authorization upon a form to be prescribed by the board and containing information required to enable the board to determine whether such corporation is qualified in accordance with this chapter to practice engineering or land surveying, or both, in this state;

(b) For engineering, the corporation has filed with the board a certified copy of a resolution of the board of directors of the corporation that shall designate a person holding a certificate of registration under this chapter as responsible for the practice of engineering by the corporation in this state and shall provide that full authority to make all final engineering decisions on behalf of the corporation with respect to work performed by the corporation in this state shall be granted and delegated by the board of directors to the person so designated in the resolution. For land surveying, the corporation has filed with the board a certified copy of a resolution of the board of directors of the corporation which shall designate a person holding a certificate of registration under this chapter as responsible for the practice of land surveying by the corporation in this state and shall provide full authority to make all final land surveying decisions on behalf of the corporation with respect to work performed by the corporation in this state be granted and delegated by the board of directors to the person so designated in the resolution. If a corporation offers both engineering and land surveying services, the board of directors shall designate both a licensed engineer and a licensed land surveyor. If a person is licensed in both engineering and land surveying, the person may be designated for both

professions. The resolution shall further state that the bylaws of the corporation shall be amended to include the following provision: "The designated engineer or land surveyor, respectively, named in the resolution as being in responsible charge, or an engineer or land surveyor under the designated engineer or land surveyor's direct supervision, shall make all engineering or land surveying decisions pertaining to engineering or land surveying activities in the state of Washington." However, the filing of the resolution shall not relieve the corporation of any responsibility or liability imposed upon it by law or by contract;

(c) If there is a change in the designated engineer or designated land surveyor, the corporation shall notify the board in writing within thirty days after the effective date of the change. If the corporation changes its name, the corporation shall submit a copy of its amended certificate of authority or amended certificate of incorporation as filed with the secretary of state within thirty days of the filing;

(d) Upon the filing with the board the application for certificate for authorization, certified copy of resolution and an affidavit, the designation of a designated engineer or designated land surveyor, or both, specified in (b) of this subsection, a certificate of incorporation or certificate of authorization as filed with the secretary of state, and a copy of the corporation's current Washington business license, the board shall issue to the corporation a certificate of authorization to practice engineering or land surveying, or both, in this state upon a determination by the board that:

(i) The designated engineer or designated land surveyor, or both, hold a certificate of registration in this state in accordance with this chapter and the certificate is in force;

(ii) The designated engineer or designated land surveyor, or both, are not designated in responsible charge for another corporation or a limited liability company; and

(iii) The corporation is licensed with the secretary of state and holds a current unified business identification number and the board determines, based on evaluating the findings and information in this section, that the applicant corporation possesses the ability and competence to furnish engineering or land surveying services, or both, in the public interest.

The board may exercise its discretion to refuse to issue or it may suspend or revoke a certificate of authorization issued to a corporation if the board finds that any of the officers, directors, incorporators, or the stockholders holding a majority of stock of such corporation has committed misconduct or malpractice as defined in RCW 18.43.105 or has been found personally responsible for misconduct or malpractice under (f) and (g) of this subsection.

(e) Engineers or land surveyors organized as a professional service corporation under chapter 18.100 RCW are exempt from applying for a certificate of authorization under this chapter.

(f) Any corporation authorized to practice engineering under this chapter, together with its directors and officers for their own individual acts, are responsible to the same degree as an individual registered engineer, and must conduct its business without misconduct or malpractice in the practice of engineering as defined in this chapter.

(g) Any corporation that is certified under this chapter is subject to the authority of the board as provided in RCW 18.43.035, 18.43.105, 18.43.110, and 18.43.120.

(h) All plans, specifications, designs, and reports when issued in connection with work performed by a corporation under its certificate of authorization shall be prepared by or under the direct supervision of and shall be signed by and shall be stamped with the official seal of a person holding a certificate of registration under this chapter.

(i) For each certificate of authorization issued under this subsection (8) there shall be paid an initial fee determined by the director as provided in RCW 43.24.086 and an annual renewal fee determined by the director as provided in RCW 43.24.086.

(9) The practice of engineering and/or land surveying in this state by a partnership if the partnership employs at least one person holding a valid certificate of registration under this chapter to practice engineering or land surveying, or both. The board shall not issue certificates of authorization to partnerships after July 1, 1998. Partnerships currently registered with the board are not required to pay an annual renewal fee after July 1, 1998.

(10) The practice of engineering or land surveying, or both, in this state by limited liability companies: Provided, That

(a) The limited liability company has filed with the board an application for certificate of authorization upon a form to be prescribed by the board and containing information required to enable the board to determine whether the limited liability company is qualified under this chapter to practice either or both engineering or land surveying in this state.

(b) The limited liability company has filed with the board a certified copy of a resolution by the company manager or managers that shall designate a person holding a certificate of registration under this chapter as being responsible for the practice of engineering or land surveying, or both, by the limited liability company in this state and that the designated person has full authority to make all final engineering or land surveying decisions on behalf of the limited liability company with respect to work performed by the limited liability company in this state. The resolution shall further state that the limited liability company agreement shall be amended to include the following provision: "The designated engineer or land surveyor, respectively, named in the resolution as being in responsible charge, or an engineer or land surveyor under the designated engineer or land surveyor's direct supervision, shall make all engineering or land surveying decisions pertaining to engineering or land surveying activities in the state of Washington." However, the filing of the resolution shall not relieve the limited liability company of responsibility or liability imposed upon it by law or by contract.

(c) The designated engineer for the limited liability company must hold a current professional engineer license issued by this state.

The designated land surveyor for the limited liability company must hold a current professional land surveyor license issued by this state.

If a person is licensed as both a professional engineer and as a professional land surveyor in this state, then the limited liability company may designate the person as being in responsible charge for both professions.

If there is a change in the designated engineer or designated land surveyor, the limited liability company shall

notify the board in writing within thirty days after the effective date of the change. If the limited liability company changes its name, the company shall submit to the board a copy of the certificate of amendment filed with the secretary of state's office.

(d) Upon the filing with the board the application for certificate of authorization, a certified copy of the resolution, an affidavit from the designated engineer or the designated land surveyor, or both, specified in (b) and (c) of this subsection, a copy of the certificate of formation as filed with the secretary of state, and a copy of the company's current business license, the board shall issue to the limited liability company a certificate of authorization to practice engineering or land surveying, or both, in this state upon determination by the board that:

(i) The designated engineer or designated land surveyor, or both, hold a certificate of registration in this state under this chapter and the certificate is in force;

(ii) The designated engineer or designated land surveyor, or both, are not designated in responsible charge for another limited liability company or a corporation;

(iii) The limited liability company is licensed with the secretary of state and has a current unified business identification number and that the board determines, based on evaluating the findings and information under this subsection, that the applicant limited liability company possesses the ability and competence to furnish either or both engineering or land surveying services in the public interest.

The board may exercise its discretion to refuse to issue, or it may suspend or revoke a certificate of authorization issued to a limited liability company if the board finds that any of the managers or members holding a majority interest in the limited liability company has committed misconduct or malpractice as defined in RCW 18.43.105 or has been found personally responsible for misconduct or malpractice under the provisions of (f) and (g) of this subsection.

(e) Engineers or land surveyors organized as a professional limited liability company are exempt from applying for a certificate of authorization under this chapter.

(f) Any limited liability company authorized to practice engineering or land surveying, or both, under this chapter, together with its manager or managers and members for their own individual acts, are responsible to the same degree as an individual registered engineer or registered land surveyor, and must conduct their business without misconduct or malpractice in the practice of engineering or land surveying, or both.

(g) A limited liability company that is certified under this chapter is subject to the authority of the board as provided in RCW 18.43.035, 18.43.105, 18.43.110, and 18.43.120.

(h) All plans, specifications, designs, and reports when issued in connection with work performed by a limited liability company under its certificate of authorization shall be prepared by or under the direct supervision of and shall be signed by and shall be stamped with the official seal of a person holding a certificate of registration under this chapter.

(i) For each certificate of authorization issued under this subsection (10) there shall be paid an initial fee determined by the director as provided in RCW 43.24.086 and an annual renewal fee determined by the director as provided in RCW

43.24.086. [1997 c 247 § 4; 1991 c 19 § 6; 1985 c 7 § 46; 1975 1st ex.s. c 30 § 50; 1965 ex.s. c 126 § 2; 1961 c 142 § 5; 1959 c 297 § 7; 1947 c 283 § 16; Rem. Supp. 1947 § 8306-33. Prior: 1935 c 167 § 2; RRS § 8306-2.]

**Effective date—1997 c 247 § 4:** "Section 4 of this act takes effect July 1, 1998." [1997 c 247 § 5.]

**18.43.140 Injunctive relief, proof—Board's immunity from liability—Prosecutions.** The board is authorized to apply for relief by injunction without bond, to restrain a person from the commission of any act which is prohibited by this chapter. In such proceedings, it shall not be necessary to allege or prove either that an adequate remedy at law does not exist, or that substantial or irreparable damage would result from the continued violation thereof. The members of the board shall not be personally liable for their action in any such proceeding or in any other proceeding instituted by the board under the provisions of this chapter. The board in any proper case shall cause prosecution to be instituted in any county or counties where any violation of this chapter occurs, and shall aid in the prosecution of the violator. [1959 c 297 § 3.]

**18.43.150 Disposition of fees.** All fees collected under the provisions of RCW 18.43.050, 18.43.060, 18.43.080, 18.43.100, and 18.43.130 and fines collected under RCW 18.43.110 shall be paid into the professional engineers' account, which account is hereby established in the state treasury to be used to carry out the purposes and provisions of RCW 18.43.050, 18.43.060, 18.43.080, 18.43.100, 18.43.110, 18.43.120, 18.43.130, 18.43.140 and all other duties required for operation and enforcement of this chapter. [1991 c 277 § 2; 1985 c 57 § 5; 1965 ex.s. c 126 § 3.]

**Effective date—1991 c 277:** See note following RCW 18.85.220.

**Effective date—1985 c 57:** See note following RCW 18.04.105.

**18.43.160 Certificate of registration or license suspension—Nonpayment or default on educational loan or scholarship.** The board shall suspend the certificate of registration or license of any person who has been certified by a lending agency and reported to the board for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's certificate of registration or license shall not be reissued until the person provides the board a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for registration or licensure during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the board may impose. [1996 c 293 § 10.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.43.170 Registration suspension—Noncompliance with support order—Reissuance.** The board shall immediately suspend the registration 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 membership during the suspension, reissuance of the certificate of registration shall be automatic upon the board's receipt of a release issued by the department of social and health services stating that the person is in compliance with the order. [1997 c 58 § 821.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.43.900 Short title.** This chapter shall be known and may be cited as the "Professional Engineers' Registration Act". [1947 c 283 § 19.]

**18.43.910 Severability—1947 c 283.** If any section of this chapter shall be declared unconstitutional or invalid, such adjudication shall not invalidate any other provision or provisions thereof. [1947 c 283 § 17.]

**18.43.920 Severability—1959 c 297.** If any section of this act or part thereof shall be declared unconstitutional or invalid, such adjudication shall not invalidate any other provision or provisions thereof. [1959 c 297 § 8.]

**18.43.930 Severability—1961 c 142.** If any section of this act or part thereof shall be adjudged unconstitutional or invalid, such adjudication shall not invalidate any other provision or provisions thereof. [1961 c 142 § 6.]

## Chapter 18.44

### ESCROW AGENT REGISTRATION ACT

#### Sections

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**18.44.010 Definitions.** Unless the context otherwise requires terms used in this chapter shall have the following meanings:

(1) "Department" means the department of financial institutions.

(2) "Director" means the director of financial institutions, or his or her duly authorized representative.

(3) "Escrow" means any transaction wherein any person or persons, for the purpose of effecting and closing the sale, purchase, exchange, transfer, encumbrance, or lease of real or personal property to another person or persons, delivers any written instrument, money, evidence of title to real or personal property, or other thing of value to a third person to be held by such third person until the happening of a specified event or the performance of a prescribed condition or conditions, when it is then to be delivered by such third person, in compliance with instructions under which he is to act, to a grantee, grantor, promisee, promisor, obligee, obligor, lessee, lessor, bailee, bailor, or any agent or employee thereof.

(4) "Escrow agent" means any sole proprietorship, firm, association, partnership, or corporation engaged in the business of performing for compensation the duties of the third person referred to in RCW 18.44.010(3) above.

(5) "Certificated escrow agent" means any sole proprietorship, firm, association, partnership, or corporation holding a certificate of registration as an escrow agent under the provisions of this chapter.

(6) "Person" unless a different meaning appears from the context, includes an individual, a firm, association, partnership or corporation, or the plural thereof, whether resident, nonresident, citizen or not.

(7) "Escrow officer" means any natural person handling escrow transactions and licensed as such by the director.

(8) "Escrow commission" means the escrow commission of the state of Washington created by RCW 18.44.208.

(9) "Controlling person" is any person who owns or controls ten percent or more of the beneficial ownership of any escrow agent, regardless of the form of business organization employed and regardless of whether such interest stands in such person's true name or in the name of a nominee. [1995 c 238 § 1; 1985 c 7 § 47; 1979 c 158 § 42; 1977 ex.s. c 156 § 1; 1971 ex.s. c 245 § 1; 1965 c 153 § 1.]

**Effective date—1995 c 238:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1995." [1995 c 238 § 10.]

**18.44.020 Registration—Required—Exceptions.** It shall be unlawful for any person to engage in business as an escrow agent within this state unless such person possesses a valid certificate of registration issued by the director pursuant to this chapter: PROVIDED, That the registration and licensing requirements of this chapter shall not apply to:

(1) Any person doing business under the law of this state or the United States relating to banks, trust companies, mutual savings banks, savings and loan associations, credit unions, insurance companies, title insurance companies, the duly authorized agents of title insurance companies the business of which agents is exclusively devoted to the title insurance business, or any federally approved agency or lending institution under the National Housing Act.

(2) Any person licensed to practice law in this state while engaged in the performance of his professional duties.

(3) Any company, broker, or agent subject to the jurisdiction of the director while performing acts in the course of or incidental to sales or purchases of real or personal property handled or negotiated by such company, broker, or agent: PROVIDED, HOWEVER, That no compensation is received for escrow services.

(4) Any transaction in which money or other property is paid to, deposited with, or transferred to a joint control agent for disbursement or use in payment of the cost of labor, material, services, permits, fees, or other items of expense incurred in the construction of improvements upon real property.

(5) Any receiver, trustee in bankruptcy, executor, administrator, guardian, or other person acting under the supervision or order of any superior court of this state or of any federal court. [1977 ex.s. c 156 § 2; 1971 ex.s. c 245 § 2; 1967 ex.s. c 76 § 1; 1965 c 153 § 2.]

**18.44.030 Registration—Application, requisites.** An application for registration as an escrow agent shall be in writing in such form as is prescribed by the director, and shall be verified on oath by the applicant. If the applicant is a corporation, the application shall include a list of the officers and directors of such corporation, and their addresses; if the applicant is a firm or partnership, the application shall include a list of the names and addresses of the partners. The application shall include a consent to service of process, in such form as the director shall prescribe, and payment of the fee required by RCW 18.44.080. [1977 ex.s. c 156 § 3; 1965 c 153 § 3.]

**18.44.040 Registration—Filing requirements.** Each applicant shall, at the time of applying for registration, file with the director:

(1) The applicant's business form and place of organization.

(2) In the event the applicant is doing business under an assumed name, a certified copy of the certificate of assumed name as filed with the county clerk in the county or counties in which the applicant does business or proposes to do business, as provided in chapter 19.80 RCW.

(3) The qualification and business history including a commercial type credit and character report from a recognized credit reporting bureau satisfactory to the director on the applicant, principal officers, controlling person, or partners.

(4) Such proof as the director may require concerning the honesty, veracity, and good reputation, as well as the identity of the applicant, principal officers, controlling person, or partners. Identification of the applicant, principal officers, or partners shall include but not be limited to fingerprints.

(5) Whether the applicant, principal officers, or partners have been convicted of any crime within the preceding ten years which relate directly to the business or duties of escrow agents, or have suffered a judgment within the preceding five years in any civil action involving fraud, misrepresentation, or conversion.

(6) The identity of the natural person designated as the escrow officer to supervise the agent's escrow activity.

(7) Any other information the director may reasonably require. [1977 ex.s. c 156 § 4; 1971 ex.s. c 245 § 3; 1965 c 153 § 4.]

**18.44.050 Fidelity bond—Errors and omissions policy.** At the time of filing an application as an escrow agent, or any renewal or reinstatement thereof, the applicant shall satisfy the director that it has obtained the following as evidence of financial responsibility:

(1) A fidelity bond providing coverage in the aggregate amount of two hundred thousand dollars covering each corporate officer, partner, escrow officer, and employee of the applicant engaged in escrow transactions; and

(2) An errors and omissions policy issued to the escrow agent providing coverage in the minimum aggregate amount of fifty thousand dollars or, alternatively, cash or securities in the principal amount of fifty thousand dollars deposited in an approved depository on condition that they be available for payment of any claim payable under an equivalent errors

and omissions policy in that amount and pursuant to rules and regulations adopted by the department for that purpose.

For the purposes of this section, a "fidelity bond" shall mean a primary commercial blanket bond or its equivalent satisfactory to the director and written by an insurer authorized to transact surety business in the state of Washington. Such bond shall provide fidelity coverage for any fraudulent or dishonest acts committed by any one or more of the employees or officers as defined in the bond, acting alone or in collusion with others. Said bond shall be for the sole benefit of the escrow agent and under no circumstances whatsoever shall the bonding company be liable under the bond to any other party. The bond shall name the escrow agent as obligee and shall protect the obligee against the loss of money or other real or personal property belonging to the obligee, or in which the obligee has a pecuniary interest, or for which the obligee is legally liable or held by the obligee in any capacity, whether the obligee is legally liable therefor or not. The bond may be canceled by the insurer upon delivery of thirty days' written notice to the director and to the escrow agent.

For the purposes of this section, an "errors and omissions policy" shall mean a group or individual insurance policy satisfactory to the director and issued by an insurer authorized to transact insurance business in the state of Washington. Such policy shall provide coverage for unintentional errors and omissions of the escrow agent and its employees, and may be canceled by the insurer upon delivery of thirty days' written notice to the director and to the escrow agent.

Except as provided in RCW 18.44.360, the fidelity bond and the errors and omissions policy required by this section shall be kept in full force and effect as a condition precedent to the escrow agent's authority to transact escrow business in this state, and the escrow agent shall supply the director with satisfactory evidence thereof upon request. [1979 c 70 § 1; 1977 ex.s. c 156 § 5; 1971 ex.s. c 245 § 4; 1965 c 153 § 5.]

**18.44.060 Cancellation of bond, new bond required.** In the event of cancellation of a bond the director shall require the filing of a new bond. Failure to deposit such new bond after notification by the director that one is required shall be sufficient grounds for the suspension or revocation of the certificate of registration. [1965 c 153 § 6.]

**18.44.065 Reference to financial responsibility requirements prohibited.** No escrow agent, officer, or employee shall publish or otherwise place before the public any advertisement, announcement, or statement which uses or makes reference to the existence of the financial responsibility requirements of this chapter, including but not limited to references to "bonded" or "insured"

No firm or organization engaged in escrow transactions, whether or not such firm is doing business in a corporate form, shall use in the name of such firm any reference to the financial responsibility requirements of this chapter, including but not limited to "bonded" or "insured" [1977 ex.s. c 156 § 18.]

**18.44.067 Change in office location.** Notice in writing shall be given to the director and to the insurer providing coverage under RCW 18.44.050 as now or hereafter amended of any change of business location or of branch office location. Upon the surrender of the original registration for the agent or the registration applicable to a branch office and a payment of a fee, the director shall issue a new certificate covering the new location. [1977 ex.s. c 156 § 19.]

**18.44.070 Records and accounts—Segregation and disbursements of funds.** Every certificated escrow agent shall keep adequate records of all transactions handled by or through the agent including itemization of all receipts and disbursements of each transaction, which records shall be open to inspection by the director or the director's authorized representatives.

Every certificated agent shall keep a separate escrow fund account in a recognized Washington state depository authorized to receive funds, in which shall be kept separate and apart and segregated from the agent's own funds, all funds or moneys of clients which are being held by the agent pending the closing of a transaction and such funds shall be deposited not later than the first banking day following receipt thereof.

An escrow agent, unless exempted by RCW 18.44.020(2), shall not make disbursements on any escrow account without first receiving deposits directly relating to the account in amounts at least equal to the disbursements. An escrow agent shall not make disbursements until the next business day after the business day on which the funds are deposited unless the deposit is made in cash, by interbank electronic transfer, or in a form that permits conversion of the deposit to cash on the same day the deposit is made. The deposits shall be in one of the following forms:

- (1) Cash;
- (2) Interbank electronic transfers such that the funds are unconditionally received by the escrow agent or the agent's depository;
- (3) Checks, negotiable orders of withdrawal, money orders, cashier's checks, and certified checks that are payable in Washington state and drawn on financial institutions located in Washington state; or
- (4) Checks, negotiable orders of withdrawal, money orders, and any other item that has been finally paid as described in RCW 62A.4-213 before any disbursement; or
- (5) Any depository check, including any cashier's check, certified check, or teller's check, which is governed by the provisions of the Federal Expedited Funds Availability Act, 12 U.S.C. Sec. 4001 et seq.

The word "item" means any instrument for the payment of money even though it is not negotiable, but does not include money.

Violation of this section shall subject an escrow agent to penalties as prescribed in Title 9A RCW and remedies as provided in chapter 19.86 RCW and shall constitute grounds for suspension or revocation of the registration or license of any certified escrow agent. [1990 c 203 § 1; 1988 c 178 § 1; 1977 ex.s. c 156 § 6; 1965 c 153 § 7.]

**Severability—1988 c 178:** "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." [1988 c 178 § 4.]

**18.44.080 Fees.** The director shall charge and collect the following fees:

- (1) For filing an original or a renewal application for registration as an escrow agent, annual fees for the first office or location and for each additional office or location.
- (2) For filing an application for a change of address, for each certificate of registration and for each escrow officer license being so changed.
- (3) For filing an application for a duplicate of a certificate of registration or of an escrow officer license lost, stolen, destroyed, or for replacement.
- (4) For providing administrative support to the escrow commission.

All fees under this chapter shall be set by rule by the director. In fixing these fees, the director shall set the fees at a sufficient level to defray the costs of administering this chapter.

All fees received by the director under this chapter shall be paid into the state treasury to the credit of the banking examination fund. [1995 c 238 § 2; 1985 c 340 § 1; 1977 ex.s. c 156 § 7; 1971 ex.s. c 245 § 5; 1965 c 153 § 8.]

**Effective date—1995 c 238:** See note following RCW 18.44.010.

**18.44.090 Certificate of registration—Issuance.** Upon the filing of the application for registration as an escrow agent on a form provided by the director and satisfying the requirements as set forth in this chapter, the director shall issue and deliver to the applicant a certificate of registration to engage in the business of an escrow agent at the location set forth in the certificate. [1977 ex.s. c 156 § 8; 1965 c 153 § 9.]

**18.44.100 Certificate—Duration—Posting.** An escrow agent's certificate or [of] registration shall remain in effect until surrendered, revoked, suspended, or until it expires, and shall at all times be kept conspicuously posted in all places of business of the agent. [1965 c 153 § 10.]

**18.44.110 Certificate—Expiration and renewal.** Each escrow agent's certificate shall expire at noon on the thirty-first day of December of any calendar year. Registration may be renewed by filing an application and paying the annual registration fee for the next succeeding calendar year. [1985 c 340 § 2; 1965 c 153 § 11.]

**18.44.120 Certificate—Reinstatement.** An escrow agent's certificate which has not been renewed may be reinstated at any time prior to the thirtieth day of January following its expiration, upon the payment to the director of the annual registration fees then in default and a penalty equal to one-half of the annual registration fees then in default. [1965 c 153 § 12.]

**18.44.125 Certificate of registration suspension—Nonpayment or default on educational loan or scholarship.** The director shall suspend the certificate of registration of any person who has been certified by a lending agency and reported to the director for nonpayment or

default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's certificate of registration shall not be reissued until the person provides the director a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for registration during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the director may impose. [1996 c 293 § 11.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.44.127 Certificate of registration suspension—Noncompliance with support order—Reissuance.** The department shall immediately suspend the certificate of registration 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 certification during the suspension, reissuance of the certificate shall be automatic upon the department's receipt of a release issued by the department of social and health services stating that the person is in compliance with the order. [1997 c 58 § 822.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.44.130 Termination of certificate—Effect upon preexisting escrows—Notice to principals.** The revocation, suspension, surrender or expiration of an escrow agent's certificate shall not impair or affect preexisting escrows accepted by the agent prior to such revocation, suspension, surrender or expiration: PROVIDED, That the escrow agent shall within five work days provide written notice to all principals of such preexisting escrows of the agent's loss of registration. The notice shall include as a minimum the reason for the loss of registration, the estimated date for completing the escrow, and the condition of the agent's bond and whether it is in effect or whether notice of cancellation has been given. The notice shall afford the principals the right to withdraw the escrow without monetary loss. [1977 ex.s. c 156 § 9; 1965 c 153 § 13.]

**18.44.140 Engaging in business without certificate—Penalty.** Any person required by this chapter to obtain a

certificate of registration who engages in business as an escrow agent without applying for and receiving the certificate of registration required by this chapter, or wilfully continues to act as an escrow agent after surrender or revocation of his certificate, is guilty of a misdemeanor punishable by imprisonment for not more than ninety days, or by a fine of not more than two hundred fifty dollars, or by both such fine and imprisonment. [1965 c 153 § 14.]

**Date for initial compliance:** "All persons doing business within this state as an escrow agent as defined in this act, who may be required by this act to register with the department, shall comply with the provisions hereof not later than December 31, 1965." [1965 c 153 § 15.]

**18.44.145 Referral fees prohibited.** (1) "Real property lender" as used in this section means a bank, savings bank, savings and loan association, credit union, mortgage company, or other corporation, association, or partnership that makes loans secured by real property located in this state.

(2) No real property lender, escrow agent, or officer or employee of any escrow agent or real property lender may give or agree to pay or give any money, service, or object of value to any real estate agent or broker, to any real property lender, or to any officer or employee of any agent, broker, or lender in return for the referral of any real estate escrow services. Nothing in this subsection prohibits the payment of fees or other compensation permitted under the federal Real Estate Settlement Procedures Act as amended (12 U.S.C. sections 2601 through 2617).

(3) A violation of this section constitutes a violation of RCW 19.86.020, and any person harmed in his or her business or property is entitled to the remedies provided under RCW 19.86.090. [1988 c 178 § 3.]

**Severability—1988 c 178:** See note following RCW 18.44.070.

**18.44.150 Enforcement officials.** The attorney general and the prosecuting attorneys of the several counties shall be responsible for the enforcement of this chapter. [1965 c 153 § 16.]

**18.44.160 Remedies—Injunction—Restraining order.** Whenever it shall appear that any person, required by this chapter to register with the department, is conducting business as an escrow agent without having applied for and obtained a certificate of registration, or that any certificated escrow agent is conducting business in a manner deemed unsafe or injurious to the public or any party having business relations with such escrow agent as a contracting party to an escrow agreement as defined in RCW 18.44.010, or in violation of any of the provisions of this chapter, the attorney general or the prosecuting attorney of the appropriate county may, after such investigation as may be necessary, apply to the appropriate court for an order enjoining the person from engaging in or continuing to engage in the activity violative of this chapter, and upon a showing that such person has engaged, or is about to engage, in any such activity, a permanent or temporary injunction, restraining order, or other appropriate order may be issued by the court. [1977 ex.s. c 156 § 10; 1965 c 153 § 17.]

**18.44.170 Remedies—Affecting corporate franchise.**

Upon petition by the attorney general, the court may, in its discretion, order the dissolution, or suspension or forfeiture of franchise, of any corporation for repeated or flagrant violation of this chapter or the terms of any order of injunction hereunder. [1965 c 153 § 18.]

**18.44.175 Violations—Cease and desist orders—Injunction—Restraining order.** If the director determines after notice and hearing that a person has:

- (1) Violated any provision of this chapter; or
- (2) Directly, or through an agent or employee, engaged in any false, deceptive, or misleading
  - (a) advertising or promotional activity, or
  - (b) business practices; or
- (3) Violated any lawful order, rule, or regulation of the director; the director may issue an order requiring the person to cease and desist from the unlawful practice and to take such affirmative action as in the judgment of the director will carry out the purposes of this chapter.

If the director makes a finding of fact in writing that the public interest will be irreparably harmed by delay in issuing an order, the director may issue a temporary cease and desist order. Prior to issuing the temporary cease and desist order, the director, whenever possible by telephone or otherwise, shall give notice of the proposal to issue a temporary cease and desist order to the person. Every temporary cease and desist order shall include in its terms a provision that upon request a hearing will be held to determine whether or not the order becomes permanent.

If it appears that a person has engaged or is about to engage in an act or practice constituting a violation of a provision of this chapter, or a rule or order under this chapter, the director, with or without prior administrative proceedings, may bring an action in the superior court to enjoin the acts or practices and to enforce compliance with this chapter or any rule, regulation, or order under this chapter. Upon proper showing, injunctive relief or temporary restraining orders shall be granted and a receiver or conservator may be appointed. The director shall not be required to post a bond in any court proceedings. [1977 ex.s. c 156 § 20.]

**18.44.180 Proof of registration prerequisite to action for fee.** No person engaged in the business or acting in the capacity of an escrow agent may bring or maintain any action in any court of this state for the collection or compensation for the performances of any services entered upon after December 31, 1965, for which registration is required under this chapter without alleging and proving that he was a duly certificated escrow agent at the time of commencement of such services. [1965 c 153 § 19.]

**18.44.190 Receivership.** Upon application by the director or any other interested party and upon a showing that the interest of the creditors so requires, the superior court may appoint a receiver to take over, operate, or liquidate any escrow office in this state. [1971 ex.s. c 245 § 6.]

**18.44.200 Escrow officer required for handling transactions—Exceptions—Responsibility of supervising escrow agent.** No escrow agent shall engage in the business of handling escrow transactions unless such transactions are supervised by a licensed "escrow officer": PROVIDED, That (1) in the case of a partnership, one licensed partner shall act on behalf of the partnership; (2) in the case of a corporation, one licensed officer thereof shall act on behalf of the corporation; and (3) each branch office shall be required to have at least one licensed escrow officer designated by the escrow agent. Responsibility for the conduct of any escrow agent, escrow officers, or branch escrow officers covered by this chapter shall rest with the escrow officer having direct supervision of such person's escrow activities. The branch escrow officer shall bear responsibility for persons operating under each branch escrow officer's supervision at a branch escrow office. [1977 ex.s. c 156 § 11; 1971 ex.s. c 245 § 7.]

**18.44.208 Escrow commission—Members—Terms—Compensation and travel expenses.** There is established an escrow commission of the state of Washington, to consist of the director of financial institutions or his or her designee as chairman, and five other members who shall act as advisors to the director as to the needs of the escrow profession, including but not limited to the design and conduct of tests to be administered to applicants for escrow licenses, the schedule of license fees to be applied to the escrow licensees, educational programs, audits and investigations of the escrow profession designed to protect the consumer, and such other matters determined appropriate. The director is hereby empowered to and shall appoint the other members, each of whom shall have been a resident of this state for at least five years and shall have at least five years experience in the practice of escrow as an escrow agent or as a person in responsible charge of escrow transactions.

The members of the first commission shall serve for the following terms: One member for one year, one member for two years, one member for three years, one member for four years, and one member for five years, from the date of their appointment, or until their successors are duly appointed and qualified. Every member of the commission shall receive a certificate of appointment from the director and before beginning the member's term of office shall file with the secretary of state a written oath or affirmation for the faithful discharge of the member's official duties. On the expiration of the term of each member, the director shall appoint a successor to serve for a term of five years or until the member's successor has been appointed and qualified.

The director may remove any member of the commission for cause. Vacancies in the commission for any reason shall be filled by appointment for the unexpired term.

Members shall be compensated in accordance with RCW 43.03.240, and shall be reimbursed for their travel expenses incurred in carrying out the provisions of this chapter in accordance with RCW 43.03.050 and 43.03.060. [1995 c 238 § 3; 1985 c 340 § 3; 1984 c 287 § 36.]

**Effective date—1995 c 238:** See note following RCW 18.44.010.

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**18.44.215 Compensation and travel expenses of commission members.** The escrow commission members shall each be compensated in accordance with RCW 43.03.240 and shall be reimbursed for travel expenses as provided for state officials and employees in RCW 43.03.050 and 43.03.060, when called into session by the director or when otherwise engaged in the business of the commission. [1984 c 287 § 37; 1977 ex.s. c 156 § 29.]

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**18.44.220 Escrow officers—Examination—Fee—Qualifications.** Any person desiring to be an escrow officer must successfully pass an examination. The person shall make application for an escrow officer examination on a form provided by the director and pay an examination fee. The applicant shall satisfy the director that the applicant is at least eighteen years old and is a resident of the state of Washington. [1985 c 340 § 4; 1977 ex.s. c 156 § 13; 1971 ex.s. c 245 § 9.]

**18.44.240 Escrow officer examination—Subjects—Annual.** The escrow officer examination shall encompass the following:

- (1) Appropriate knowledge of the English language, including reading, writing, and arithmetic;
- (2) An understanding of the principles of real estate conveyancing, the general purposes and legal effects of deeds, mortgages, deeds of trust, contracts of sale, exchanges, rental and optional agreements, leases, earnest money agreements, personal property transfers, and encumbrances;
- (3) An understanding of the obligations between principal and agent; and
- (4) An understanding of the meaning and nature of encumbrances upon real property.

The examination shall be in such form as prescribed by the director and approved by the commission, and shall be given at least annually. [1977 ex.s. c 156 § 14; 1971 ex.s. c 245 § 11.]

**18.44.250 Director—Educational conferences—Examinations.** The director shall have the authority to hold educational conferences for the benefit of the industry and shall conduct examinations for licenses as an escrow officer. [1977 ex.s. c 156 § 15; 1971 ex.s. c 245 § 12.]

**18.44.260 Actions against registration or license—Grounds.** The director may, upon notice to the escrow agent and to the insurer providing coverage under RCW 18.44.050 as now or hereafter amended, by order deny, suspend, or revoke the certificate of registration or license of any escrow agent or escrow officer if he finds that the applicant or any partner, officer, director, controlling person, or employee is guilty of the following:

- (1) Obtaining a license or registration by means of fraud, misrepresentation, concealment, or through the mistake or inadvertence of the director.
- (2) Violating any of the provisions of this chapter or any lawful rules or regulations made by the director pursuant thereto.

(3) The commission of a crime against the laws of this or any other state or government, involving moral turpitude or dishonest dealings.

(4) Knowingly committing or being a party to, any material fraud, misrepresentation, concealment, conspiracy, collusion, trick, scheme, or device whereby any other person lawfully relying upon the word, representation, or conduct of the licensee or agent or any partner, officer, director, controlling person, or employee acts to his injury or damage.

(5) Conversion of any money, contract, deed, note, mortgage, or abstract or other evidence of title to his own use or to the use of his principal or of any other person, when delivered to him in trust or on condition, in violation of the trust or before the happening of the condition; and failure to return any money or contract, deed, note, mortgage, abstract or other evidence of title within thirty days after the owner thereof is entitled thereto, and makes demand therefor, shall be prima facie evidence of such conversion.

(6) Failing, upon demand, to disclose any information within his knowledge to, or to produce any document, book, or record in his possession for inspection of, the director or his authorized representatives.

(7) Committing any act of fraudulent or dishonest dealing, and a certified copy of the final holding of any court of competent jurisdiction in such matter shall be conclusive evidence in any hearing under this chapter.

(8) Accepting, taking or charging any undisclosed commission, rebate or direct profit on expenditures made for the principal. [1977 ex.s. c 156 § 16; 1971 ex.s. c 245 § 13.]

**18.44.270 Application of Administrative Procedure Act.** The proceedings for revocation, suspension, or refusal to renew or accept an application for renewal of an escrow agent's registration or escrow officer license, and any appeal therefrom or review thereof shall be governed by the provisions of chapter 34.05 RCW. [1977 ex.s. c 156 § 17; 1971 ex.s. c 245 § 14.]

**18.44.280 Investigation of violations—Procedure—Powers of director.** The director may:

(1) Make necessary public or private investigations within or outside of this state to determine whether any person has violated or is about to violate this chapter or any rule, regulation, or order under this chapter, or to aid in the enforcement of this chapter or in the prescribing of rules and forms under this chapter; or

(2) Require or permit any person to file a statement in writing, under oath or otherwise as the director determines, as to all facts and circumstances concerning the matter to be investigated.

For the purpose of any investigation or proceeding under this chapter, the director or any officer designated by him may administer oaths or affirmations, and upon his own motion or upon request of any party, may subpoena witnesses, compel their attendance, take evidence, and require the production of any matter which is relevant to the investigation, including the existence, description, nature, custody, condition, and location of any books, documents, or other tangible things and the identity and location of persons having knowledge or relevant facts, or any other matter

reasonably calculated to lead to the discovery of material evidence.

Upon failure to obey a subpoena or to answer questions propounded by the investigating officer and upon reasonable notice to all persons affected thereby, the director may apply to the superior court for an order compelling compliance.

Except as otherwise provided in this chapter, all proceedings under this chapter shall be in accordance with the administrative procedure act, chapter 34.05 RCW. [1977 ex.s. c 156 § 21.]

**18.44.290 Escrow officer's license—Application—Form—Timely filing—Proof of moral character, etc.** Any person desiring to be an escrow officer shall meet the requirements of RCW 18.44.220 as provided in this chapter. The applicant shall make application endorsed by a certificated escrow agent to the director on a form to be prescribed and furnished by the director. Such application must be received by the director within one year of passing the escrow officer examination. With this application the applicant shall:

(1) Pay a license fee as set forth by rule; and

(2) Furnish such proof as the director may require concerning his or her honesty, truthfulness, good reputation, and identity, including but not limited to fingerprints. [1995 c 238 § 4; 1977 ex.s. c 156 § 22.]

**Effective date—1995 c 238:** See note following RCW 18.44.010.

**18.44.300 License—Fees—Renewal.** Any person desiring to be an escrow officer must include with the application a license fee. Every escrow officer license issued under the provisions of this chapter expires on the date one year from the date of issue which date will henceforth be the renewal date. An annual license renewal fee in the same amount must be paid on or before each renewal date: PROVIDED, That licenses issued or renewed prior to September 21, 1977 shall use the existing renewal date as the date of issue. If the application for a renewal license is not received by the director on or before the renewal date such license is expired. The license may be reinstated at any time prior to the next succeeding renewal date following its expiration upon the payment to the director of the annual renewal fee then in default. Acceptance by the director of an application for renewal after the renewal date shall not be a waiver of the delinquency. Licenses not renewed within one year of the renewal date then in default shall be canceled. A new license may be obtained by satisfying the procedures and qualifications for initial licensing, including where applicable successful completion of examinations. [1985 c 340 § 5; 1977 ex.s. c 156 § 23.]

**18.44.310 License—Retention and display by agent—Termination—Inactive licenses.** The license of an escrow officer shall be retained and displayed at all times by the certificated escrow agent, and when the officer ceases to represent the agent, the license shall cease to be in force. Notice of such termination shall be given by the next regular business day by the escrow agent to the director and such notice shall be accompanied by and include the surrender of the escrow officer's license. Failure to notify the director of such termination after demand by the affected escrow officer

shall work a forfeiture of the escrow agent's certificate of registration.

The director may hold the escrow officer's license inactive upon application of the escrow officer: PROVIDED, That the escrow officer shall pay the annual renewal fee. Such license may be activated upon application of a certificated escrow agent on a form provided by the director and the payment of a fee. The director shall thereupon issue a new license for the unexpired term if such escrow officer is otherwise entitled thereto. An escrow officer's first license shall not be issued inactive. [1989 c 51 § 1; 1985 c 340 § 6; 1977 ex.s. c 156 § 24.]

**18.44.320 Rules—Enforcement—Hearings—Actions against registration or licenses—Powers of director.** The director may issue rules and regulations to govern the activities of certificated escrow agents and escrow officers. The director shall enforce all laws, rules, and regulations relative to the registration of escrow agents and licensing of escrow officers. The director may hold hearings and suspend or revoke the registration or licenses of violators and may deny, suspend, or revoke the authority of an escrow officer to act as the designated escrow officer of a person who commits violations of this chapter or of the rules and regulations.

Except as specifically provided in this chapter, the rules adopted and the hearings conducted shall be in accordance with the provisions of chapter 34.05 RCW, the administrative procedure act. [1977 ex.s. c 156 § 25.]

**18.44.330 Branch offices—Application to establish—Requirements.** An escrow agent shall not operate an escrow business in a location other than the location set forth on the agent's certificate of registration issued by the director. The escrow agent may apply to the director for authority to establish one or more branch offices under the same name as the main office.

Any person desiring to operate a branch escrow office shall make application on a form provided by the director and pay a fee as set forth in this chapter. Such application shall identify the natural person designated as the escrow officer to supervise the agent's escrow activity at the escrow agent branch office.

No escrow agent branch office certificate of registration shall be issued until the applicant has satisfied the director that the escrow activity of said branch meets all financial responsibility requirements governing the conduct of escrow activity. [1977 ex.s. c 156 § 26.]

**18.44.340 Branch offices—Issuance of certificate.** Upon the filing of the application for an escrow agent branch office and satisfying the requirements of this chapter, the director shall issue and deliver to the applicant a certificate of registration to engage in the business of an escrow agent at the branch location set forth on the certificate. [1977 ex.s. c 156 § 27.]

**18.44.350 Certificates and licenses—Form and size—Contents.** Each escrow agent and escrow agent branch office certificate of registration and each escrow officer license, when issued, shall be in the form and size

prescribed by the director and shall state in addition to any other matter required by the director:

- (1) The name of the licensee or registrant;
- (2) The name under which the applicant will do business;
- (3) The address at which the applicant will do business;
- (4) The expiration date of the license or registration; and
- (5) In the case of a corporation, partnership, or branch office, the name of the natural person who is designated to act as the escrow officer on behalf thereof. [1977 ex.s. c 156 § 28.]

**18.44.360 Waiver of bond or policy where not reasonably available—Determination procedure—Waiver period.** The director shall, within thirty days after the written request of the escrow commission, hold a public hearing to determine whether the fidelity bond and/or the errors and omissions policy specified in RCW 18.44.050 as now or hereafter amended is reasonably available to a substantial number of certificated escrow agents. If the director determines and the insurance commissioner concurs that such bond and/or policy is not reasonably available, the director shall waive the requirements for such bond and/or policy for a fixed period of time. [1988 c 178 § 2; 1977 ex.s. c 156 § 30.]

**Severability—1988 c 178:** See note following RCW 18.44.070.

**18.44.370 Mutual corporation for insuring where bond or policy not reasonably available.** After a written determination by the director, with the consent of the insurance commissioner, that the fidelity bond and/or the errors and omissions policy required under RCW 18.44.050 as now or hereafter amended is cost-prohibitive, or after a determination as provided in RCW 18.44.360 that such bond or policy is not reasonably available, upon the request of an association comprised of certificated escrow agents, the director, with the consent of the insurance commissioner, may authorize such association to organize a mutual corporation pursuant to chapter 24.06 RCW, exempt from the provisions of Title 48 RCW, for the purpose of insuring or self-insuring against claims arising out of escrow transactions, if, in the director's judgment, there is a substantial likelihood that the corporation will operate for the benefit of the public and if the corporation shall have established rules, procedures, and reserves which satisfy the director that it will operate in a financially responsible manner which provides a substantial probability that it shall be able to pay any claims made against the corporation, up to the limits of financial responsibility as provided in RCW 18.44.050, as now or hereafter amended. The director, with the consent of the insurance commissioner, may limit the authority of the corporation to the insuring or self-insuring of claims which would be within the coverage specified in RCW 18.44.050. The director, with the consent of the insurance commissioner, may revoke the authority of the corporation to transact insurance or self-insurance if he determines, pursuant to chapter 34.05 RCW, that the corporation is not acting in a financially responsible manner or for the benefit of the public. [1987 c 471 § 4; 1977 ex.s. c 156 § 31.]

**Severability—1987 c 471:** "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." [1987 c 471 § 11.]

**Effective date—1987 c 471:** "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1987." [1987 c 471 § 13.]

**18.44.375 Waiver of errors and omissions policy requirement—Criteria.** The following criteria will be considered by the director when deciding whether to grant a licensed escrow agent a waiver from the errors and omissions policy requirement under RCW 18.44.050:

(1) Whether the director has determined pursuant to RCW 18.44.360 that an errors and omissions policy is not reasonably available to a substantial number of licensed escrow agents;

(2) Whether purchasing an errors and omissions policy would be cost-prohibitive for the licensed escrow agent requesting the exemption;

(3) Whether a licensed escrow agent has wilfully violated the provisions of chapter 18.44 RCW, which violation thereby resulted in the termination of the agent's certificate, or engaged in any other conduct resulting in the termination of the escrow certificate;

(4) Whether a licensed escrow agent has paid claims directly or through an errors and omissions carrier, exclusive of costs and attorney fees, in excess of ten thousand dollars in the calendar year preceding the year for which the waiver is requested;

(5) Whether a licensed escrow agent has paid claims directly or through an errors or omissions insurance carrier, exclusive of costs and attorney fees, totaling in excess of twenty thousand dollars in the three calendar years preceding the calendar year for which the exemption is requested; and

(6) Whether the licensed escrow agent has been convicted of a crime involving honesty or moral turpitude.

These criteria are not intended to be a wholly inclusive list of factors to be applied by the director when considering the merits of a licensed escrow agent's request for a waiver of the required errors and omissions policy. [1987 c 471 § 5.]

**Effective date—Severability—1987 c 471:** See notes following RCW 18.44.370.

**18.44.380 Waiver—Affidavit.** A request for a waiver of the required errors and omissions policy may be accomplished under the statute by submitting to the director an affidavit that substantially addresses the following:

#### REQUEST FOR WAIVER OF ERRORS AND OMISSIONS POLICY

I, . . . . ., residing at . . . . ., City of . . . . ., County of . . . . ., State of Washington, declare the following:

(1) The state escrow commission has determined that an errors and omissions policy is not reasonably available to a substantial number of licensed escrow officers; and

(2) Purchasing an errors and omissions policy is cost-prohibitive at this time; and

(3) I have not engaged in any conduct that resulted in the termination of my escrow certificate; and

(4) I have not paid, directly or through an errors and omissions policy, claims in excess of ten thousand dollars,

exclusive of costs and attorneys' fees, during the calendar year preceding submission of this affidavit; and

(5) I have not paid, directly or through an errors and omissions policy, claims, exclusive of costs and attorneys' fees, totaling in excess of twenty thousand dollars in the three calendar years immediately preceding submission of this affidavit; and

(6) I have not been convicted of a crime involving honesty or moral turpitude during the calendar year preceding submission of this application.

THEREFORE, in consideration of the above, I, . . . . ., respectfully request that the director of financial institutions grant this request for a waiver of the requirement that I purchase and maintain an errors and omissions policy covering my activities as an escrow agent licensed by the state of Washington for the period from . . . . ., 19. . ., to . . ., 19.

Submitted this day of . . . . day of . . . . ., 19. . .

. . . . .
(signature)

State of Washington, }
County of . . . . . } ss.

I certify that I know or have satisfactory evidence that . . . . ., signed this instrument and acknowledged it to be . . . . . free and voluntary act for the uses and purposes mentioned in the instrument.

Dated . . . . .
Signature of . . . . .
Notary Public . . . . .
Title . . . . .
My appointment expires . . . . .

(Seal or stamp)

[1995 c 238 § 5; 1987 c 471 § 10.]

Effective date—1995 c 238: See note following RCW 18.44.010.

Effective date—Severability—1987 c 471: See notes following RCW 18.44.370.

18.44.385 Waiver—Determination. The director shall, within thirty days following submission of a written petition for waiver of the insurance requirements found in RCW 18.44.050, issue a written determination granting or rejecting an applicant's request for waiver. [1987 c 471 § 6.]

Effective date—Severability—1987 c 471: See notes following RCW 18.44.370.

18.44.390 Waiver—Certificate of waiver. Upon granting a waiver of insurance requirements found in RCW 18.44.050, the director shall issue a certificate of waiver, which certificate shall be mailed to the escrow agent who requested the waiver. [1987 c 471 § 7.]

Effective date—Severability—1987 c 471: See notes following RCW 18.44.370.

18.44.395 Waiver—Denial. Upon determining that a licensed escrow agent is to be denied a waiver of the errors and omissions policy requirements of RCW 18.44.050, the director shall within thirty days of the denial of an escrow agent's request for same, provide to the escrow agent a writ-

ten explanation of the reasons for the director's decision to deny the requested waiver. [1987 c 471 § 8.]

Effective date—Severability—1987 c 471: See notes following RCW 18.44.370.

18.44.398 Waiver—Application by escrow license applicant. Nothing in RCW 18.44.050 and 18.44.375 through 18.44.395 shall be construed as prohibiting a person applying for an escrow license from applying for a certificate of waiver of the errors and omissions policy requirement when seeking an escrow license. [1987 c 471 § 9.]

Effective date—Severability—1987 c 471: See notes following RCW 18.44.370.

18.44.900 Construction—1965 c 153. Nothing in this chapter shall be so construed as to authorize any escrow agent, or his employees or agents, to engage in the practice of law, and nothing in this chapter shall be so construed as to impose any additional liability on any depository authorized by this chapter and the receipt or acquittance of the persons so paid by such depository shall be a valid and sufficient release and discharge of such depository. [1965 c 153 § 20.]

18.44.910 Short title. This chapter shall be known and cited as the "Escrow Agent Registration Act" [1965 c 153 § 21.]

18.44.920 Severability—1971 ex.s. c 245. 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. [1971 ex.s. c 245 § 15.]

18.44.921 Severability—1977 ex.s. c 156. If any provision of this 1977 amendatory 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. [1977 ex.s. c 156 § 33.]

18.44.922 Severability—1979 c 70. 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. [1979 c 70 § 2.]

Chapter 18.45

FURNITURE AND BEDDING INDUSTRY

Sections

- 18.45.010 Definitions.
18.45.020 Administration of chapter.
18.45.440 Inspection of premises, records, materials—Powers of secretary.
18.45.450 Condemnation of articles, materials—Grounds—Disposition.
18.45.470 Condemned articles—Failure to relinquish—Penalty.

18.45.010 Definitions.

Reviser's note: RCW 18.45.010 was amended by 1979 c 141 § 27 without reference to its repeal by 1979 c 99 § 1, effective June 30, 1982. It has been decodified for publication purposes pursuant to RCW 1 12.025.

**18.45.020 Administration of chapter.**

**Reviser's note:** RCW 18.45.020 was amended by 1979 c 141 § 28 without reference to its repeal by 1979 c 99 § 51, effective June 30, 1982. It has been decodified for publication purposes pursuant to RCW 1.12.025.

**18.45.440 Inspection of premises, records, materials—Powers of secretary.**

**Reviser's note:** RCW 18.45.440 was amended by 1979 c 141 § 29 without reference to its repeal by 1979 c 99 § 51, effective June 30, 1982. It has been decodified for publication purposes pursuant to RCW 1.12.025.

**18.45.450 Condemnation of articles, materials—Grounds—Disposition.**

**Reviser's note:** RCW 18.45.450 was amended by 1979 c 141 § 30 without reference to its repeal by 1979 c 99 § 51, effective June 30, 1982. It has been decodified for publication purposes pursuant to RCW 1.12.025.

**18.45.470 Condemned articles—Failure to relinquish—Penalty.**

**Reviser's note:** RCW 18.45.470 was amended by 1979 c 141 § 31 without reference to its repeal by 1979 c 99 § 51, effective June 30, 1982. It has been decodified for publication purposes pursuant to RCW 1.12.025.

## Chapter 18.46 MATERNITY HOMES

## Sections

18.46.005	Purpose.
18.46.010	Definitions.
18.46.020	License required.
18.46.030	Application for license—Fee.
18.46.040	License—Issuance—Renewal—Limitations—Display.
18.46.050	Actions against license.
18.46.055	License suspension—Nonpayment or default on educational loan or scholarship.
18.46.060	Rules.
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18.46.110	Fire protection—Duties of chief of the Washington state patrol.
18.46.120	Operating without license—Penalty.
18.46.130	Operating without license—Injunction.
18.46.140	Application of chapter to homes operated by certain religious organizations.
18.46.900	Severability—1951 c 168.

*Abortion: Chapter 9.02 RCW.*

*Crimes relating to pregnancy and childbirth: RCW 9A.32.060.*

*Filing certificate of birth: RCW 70.58.080.*

*Record as to patients or inmates for purposes of vital statistics: RCW 70.58.270.*

**18.46.005 Purpose.** The purpose of this chapter is to provide for the development, establishment, and enforcement of standards for the maintenance and operation of maternity homes, which, in the light of advancing knowledge, will promote safe and adequate care and treatment of the individuals therein. [1951 c 168 § 1.]

**18.46.010 Definitions.** (1) "Maternity home" means any home, place, hospital or institution in which facilities are maintained for the care of four or more women, not related by blood or marriage to the operator, during pregnancy or during or within ten days after delivery: PROVIDED,

HOWEVER, That this chapter shall not apply to any hospital approved by the American College of Surgeons, American Osteopathic Association or its successor.

(2) "Person" means any individual, firm, partnership, corporation, company, association, or joint stock association, and the legal successor thereof.

(3) "Department" means the state department of health. [1991 c 3 § 100; 1985 c 213 § 8; 1979 c 141 § 32; 1951 c 168 § 2. Prior: 1943 c 214 § 1; Rem. Supp. 1943 § 6130-47.]

**Savings—Effective date—1985 c 213:** See notes following RCW 43.20.050.

**18.46.020 License required.** After July 1, 1951 no person shall operate a maternity home in this state without a license under this chapter. [1951 c 168 § 3. Prior: 1943 c 214 § 2; Rem. Supp. 1943 § 6130-48.]

**18.46.030 Application for license—Fee.** An application for license shall be made to the department upon forms provided by it and shall contain such information as the department reasonably requires, which may include affirmative evidence of ability to comply with rules and regulations as are lawfully prescribed hereunder. Each application for license or renewal of license shall be accompanied by a license fee as established by the department under RCW 43.20B.110: PROVIDED, That no fee shall be required of charitable or nonprofit or government-operated institutions. [1987 c 75 § 4; 1982 c 201 § 5; 1951 c 168 § 4.]

**Savings—Severability—1987 c 75:** See RCW 43.20B.900 and 43.20B.901.

**18.46.040 License—Issuance—Renewal—Limitations—Display.** Upon receipt of an application for a license and the license fee, the licensing agency shall issue a license if the applicant and the maternity home facilities meet the requirements established under this chapter. A license, unless suspended or revoked, shall be renewable annually. Applications for renewal shall be on forms provided by the department and shall be filed in the department not less than ten days prior to its expiration. Each application for renewal shall be accompanied by a license fee as established by the department under RCW 43.20B.110. Each license shall be issued only for the premises and persons named in the application and shall not be transferable or assignable except with the written approval of the department. Licenses shall be posted in a conspicuous place on the licensed premises. [1987 c 75 § 5; 1982 c 201 § 6; 1951 c 168 § 5. Prior: 1943 c 214 § 3; Rem. Supp. 1943 § 6130-49.]

**Savings—Severability—1987 c 75:** See RCW 43.20B.900 and 43.20B.901.

**18.46.050 Actions against license.** (1) The department may deny, suspend, or revoke a license in any case in which it finds that there has been failure or refusal to comply with the requirements established under this chapter or the rules adopted under it.

(2) The department shall immediately suspend the license 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 shall be automatic upon the department's receipt of a release issued by the department of social and health services stating that the person is in compliance with the order.

RCW 43.70.115 governs notice of a license denial, revocation, suspension, or modification and provides the right to an adjudicative proceeding but shall not apply to actions taken under subsection (2) of this section. [1997 c 58 § 823; 1991 c 3 § 101; 1989 c 175 § 63; 1985 c 213 § 9; 1951 c 168 § 6.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**Effective date—1989 c 175:** See note following RCW 34.05.010.

**Savings—Effective date—1985 c 213:** See notes following RCW 43.20.050.

**18.46.055 License suspension—Nonpayment or default on educational loan or scholarship.** The department shall suspend the license of any person who has been certified by a lending agency and reported to the department for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's license shall not be reissued until the person provides the department a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for licensure during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the department may impose. [1996 c 293 § 12.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.46.060 Rules.** The department, after consultation with representatives of maternity home operators, state medical association, Washington Osteopathic Association, state nurses association, state hospital association, and any other representatives as the department may deem necessary, shall adopt, amend, and promulgate such rules and regulations with respect to all maternity homes in the promotion of safe and adequate medical and nursing care of inmates in the maternity home and the sanitary, hygienic and safe condition of the maternity home in the interest of the health, safety and welfare of the people. [1985 c 213 § 10; 1951 c 168 § 7.]

**Savings—Effective date—1985 c 213:** See notes following RCW 43.20.050

**18.46.070 Rules—Time for compliance.** Any maternity home which is in operation at the time of promulgation of any applicable rules or regulations under this chapter shall be given a reasonable time, under the particular circumstances, not to exceed three months from the date of such promulgation, to comply with the rules and regulations established under this chapter. [1951 c 168 § 8.]

**18.46.080 Inspections—Approval of new facilities.** The department shall make or cause to be made an inspection and investigation of all maternity homes, and every inspection may include an inspection of every part of the premises. The department may make an examination of all records, methods of administration, the general and special dietary and the stores and methods of supply. The board may prescribe by regulation that any licensee or applicant desiring to make specified types of alteration or addition to its facilities or to construct new facilities shall before commencing such alterations, addition, or new construction submit plans and specifications therefor to the department for preliminary inspection and approval or recommendations with respect to compliance with regulations and standards herein authorized. Necessary conferences and consultations may be provided. [1951 c 168 § 9. Prior: 1943 c 214 § 4; Rem. Supp. 1943 § 6130-50.]

**18.46.090 Information confidential.** All information received by the department through filed reports, inspection, or as otherwise authorized under this chapter shall not be disclosed publicly in any manner as to identify individuals or maternity homes except in a proceeding involving the question of licensure. [1951 c 168 § 10.]

**18.46.110 Fire protection—Duties of chief of the Washington state patrol.** Fire protection with respect to all maternity homes to be licensed hereunder, shall be the responsibility of the chief of the Washington state patrol, through the director of fire protection, who shall adopt by reference, such recognized standards as may be applicable to nursing homes, places of refuge, and maternity homes for the protection of life against the cause and spread of fire and fire hazards. The department upon receipt of an application for a license, shall submit to the chief of the Washington state patrol, through the director of fire protection, in writing, a request for an inspection, giving the applicant's name and the location of the premises to be licensed. Upon receipt of such a request, the chief of the Washington state patrol, through the director of fire protection, or his or her deputy, shall make an inspection of the maternity home to be licensed, and if it is found that the premises do not comply with the required safety standards and fire regulations as promulgated by the chief of the Washington state patrol, through the director of fire protection, he or she shall promptly make a written report to the department as to the manner in which the premises may qualify for a license and set forth the conditions to be remedied with respect to fire regulations. The department, applicant or licensee shall notify the chief of the Washington state patrol, through the

director of fire protection, upon completion of any requirements made by him or her, and the chief of the Washington state patrol, through the director of fire protection, or his or her deputy, shall make a reinspection of such premises. Whenever the maternity home to be licensed meets with the approval of the chief of the Washington state patrol, through the director of fire protection, he or she shall submit to the department, a written report approving same with respect to fire protection before a license can be issued. The chief of the Washington state patrol, through the director of fire protection, shall make or cause to be made such inspection of such maternity homes as he or she deems necessary.

In cities which have in force a comprehensive building code, the regulation of which is equal to the minimum standards of the code for maternity homes adopted by the chief of the Washington state patrol, through the director of fire protection, the building inspector and the chief of the fire department, provided the latter is a paid chief of a paid fire department, shall make the inspection and shall approve the premises before a license can be issued.

In cities where such building codes are in force, the chief of the Washington state patrol, through the director of fire protection, may, upon request by the chief fire official, or the local governing body, or of a taxpayer of such city, assist in the enforcement of any such code pertaining to maternity homes. [1995 c 369 § 5; 1986 c 266 § 82; 1951 c 168 § 12.]

**Effective date—1995 c 369:** See note following RCW 43.43.930.

**Severability—1986 c 266:** See note following RCW 38.52.005.

*State fire protection: Chapter 48.48 RCW.*

**18.46.120 Operating without license—Penalty.** Any person operating or maintaining any maternity home without a license under this chapter shall be guilty of a misdemeanor. Each day of a continuing violation after conviction shall be considered a separate offense. [1951 c 168 § 13.]

**18.46.130 Operating without license—Injunction.** Notwithstanding the existence or use of any other remedy, the department may in the manner provided by law, upon the advice of the attorney general who shall represent the department in all proceedings, maintain an action in the name of the state for an injunction or other process against any person to restrain or prevent the operation or maintenance of a maternity home not licensed under this chapter. [1951 c 168 § 14.]

*Injunctions: Chapter 7.40 RCW.*

**18.46.140 Application of chapter to homes operated by certain religious organizations.** Nothing in this chapter or the rules and regulations adopted pursuant thereto shall be construed as authorizing the supervision, regulation, or control of the remedial and nursing care of residents or patients in any maternity home as defined in this chapter, conducted for or by members of a recognized religious sect, denomination, or organization which in accordance with its creed, tenets, or principles depends for healing upon prayer in the practice of religion, nor shall the existence of any of the above conditions militate against the licensing of such home or institution. [1951 c 168 § 15.]

**18.46.900 Severability—1951 c 168.** If any provision of this chapter or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the provisions or application of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of the chapter are declared to be severable. [1951 c 168 § 17.]

## Chapter 18.48

### ADULT FAMILY HOMES

#### Sections

18.48.010	Definitions.
18.48.020	Registration.
18.48.030	Application of uniform disciplinary act.
18.48.040	Multiple facility operators—Registration.
18.48.050	Elder care—Professionalization of providers.
18.48.060	Advisory committee—Composition—Vacancies—Meetings—Travel expenses—Civil immunity.

*Licensing of adult family homes by department of social and health services: Chapter 70.128 RCW.*

**18.48.010 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Secretary" means the secretary of the department of health.

(2) "Adult family home" means a regular family abode of a person or persons who provide personal care, special care, room, and board to more than one but not more than six adults who are not related by blood or marriage to the person or persons providing the services.

(3) "Resident manager" means a person who is employed or otherwise is contracted with by the provider to manage the adult family home.

(4) "Provider" means any person who is licensed under chapter 70.128 RCW to operate an adult family home. For the purposes of this section, "person" means any individual, partnership, corporation, association, or limited liability company. [1996 c 81 § 2; 1995 c 260 § 7.]

**Effective date—1996 c 81:** See note following RCW 70.128.120.

**Effective date—1995 c 260 §§ 7-11:** "Sections 7 through 11 of this act shall take effect July 1, 1996." [1995 1st sp.s. c 18 § 116; 1995 c 260 § 12.]

**18.48.020 Registration.** (1) The secretary shall register adult family home providers and resident managers.

(2) The secretary, by policy or rule, shall define terms and establish forms and procedures for registration applications, including the payment of registration fees pursuant to RCW 43.70.250. An application for an adult family home resident manager or provider registration shall include at least the following information:

(a) Name and address; and

(b) If the provider is a corporation, copies of its articles of incorporation and current bylaws, together with the names and addresses of its officers and directors.

(3) The secretary shall adopt policies or rules to establish the registration periods, fees, and procedures. If the adult family home is sold or ownership or management is transferred, the registration shall be voided and the

provider and resident manager shall apply for a new registration. [1996 c 81 § 4; 1995 c 260 § 8.]

**Effective date—1996 c 81:** See note following RCW 70.128.120.

**Effective date—1995 c 260 §§ 7-11:** See note following RCW 18.48.010.

**18.48.030 Application of uniform disciplinary act.**

The uniform disciplinary act, chapter 18.130 RCW, shall govern the issuance and denial of registration and the discipline of persons registered under this chapter. The secretary shall be the disciplinary authority under this chapter. [1995 c 260 § 9.]

**Effective date—1995 c 260 §§ 7-11:** See note following RCW 18.48.010.

**18.48.040 Multiple facility operators—Registration.**

A provider who operates more than one adult family home must register for each separate location. [1996 c 81 § 3.]

**Effective date—1996 c 81:** See note following RCW 70.128.120.

**18.48.050 Elder care—Professionalization of providers.**

Adult family homes have developed rapidly in response to the health and social needs of the aging population in community settings, especially as the aging population has increased in proportion to the general population. The growing demand for elder care with a new focus on issues affecting senior citizens, including persons with developmental disabilities, mental illness, or dementia, has prompted a growing professionalization of adult family home providers to address quality care and quality of life issues consistent with standards of accountability and regulatory safeguards for the health and safety of the residents. The establishment of an advisory committee to the department of health and the department of social and health services under RCW 18.48.060 formalizes a stable process for discussing and considering these issues among residents and their advocates, regulatory officials, and adult family home providers. The dialogue among all stakeholders interested in maintaining a healthy option for the aging population in community settings assures the highest regard for the well-being of these residents within a benign and functional regulatory environment. [1998 c 272 § 7.]

**Findings—Severability—Effective date—1998 c 272:** See notes following RCW 18.20.230.

**18.48.060 Advisory committee—Composition—Vacancies—Meetings—Travel expenses—Civil immunity.**

(1) The secretary, in consultation with the secretary of social and health services, shall appoint an advisory committee on matters relating to the regulation, administrative rules, enforcement process, staffing, and training requirements of adult family homes. The advisory committee shall be composed of six members, of which two members shall be resident advocates, three members shall represent adult family home providers, and one member shall represent the public and serve as chair. The members shall generally represent the interests of aging residents, residents with dementia, residents with mental illness, and residents with developmental disabilities[,] respectively. Members representing adult family home providers must have at least two years' experience as licensees. The membership must

generally reflect urban and rural areas and western and eastern parts of the state. A member may not serve more than two consecutive terms.

(2) The secretary may remove a member of the advisory committee for cause as specified by rule adopted by the department. If there is a vacancy, the secretary shall appoint a member to serve for the remainder of the unexpired term.

(3) The advisory committee shall meet at the times and places designated by the secretary and shall hold meetings during the year as necessary to provide advice to the secretary on matters relating to the regulation of adult family homes. A majority of the members may request a meeting of the committee for any express purpose directly related to the regulation of adult family homes. A majority of members currently serving shall constitute a quorum.

(4) Establishment of the advisory committee shall not prohibit the department of health from utilizing other advisory activities that the department of health deems necessary for program development.

(5) Each member of the advisory committee shall serve without compensation but may be reimbursed for travel expenses as authorized in RCW 43.03.060.

(6) The secretary, members of the advisory committee, or individuals acting on their behalf are immune from civil liability for official acts performed in the course of their duties. [1998 c 272 § 8.]

**Findings—Severability—Effective date—1998 c 272:** See notes following RCW 18.20.230.

**Chapter 18.50  
MIDWIFERY**

Sections

- 18.50.003 Regulation of health care professions—Criteria.
- 18.50.005 Definitions.
- 18.50.010 Practicing midwifery defined—Gratuitous services—Duty to consult with physician.
- 18.50.020 License required.
- 18.50.030 Exemptions—Practice of religion—Treatment by prayer.
- 18.50.032 Exemptions—Registered nurses and nurse midwives.
- 18.50.034 Exemptions—Persons enrolled in midwifery programs.
- 18.50.040 Candidates for examination—Application—Eligibility—Student midwife permits.
- 18.50.045 Midwifery education programs—Accreditation.
- 18.50.050 Compliance with secretary's determination.
- 18.50.060 Examinations—Times and places—Subjects—Issuance of license.
- 18.50.065 Credentialing by endorsement.
- 18.50.102 Registration—Renewal fee.
- 18.50.105 Inform patient of qualifications of midwife—Form.
- 18.50.108 Written plan for consultation, emergency transfer, and transport.
- 18.50.115 Administration of drugs and medications—Rules.
- 18.50.126 Application of uniform disciplinary act.
- 18.50.130 "Certificate" and "license" synonymous.
- 18.50.135 Rules.
- 18.50.140 Midwifery advisory committee—Generally.
- 18.50.150 Midwifery advisory committee—Advice and recommendations.
- 18.50.900 Repeal and saving.

*Abortion: Chapter 9.02 RCW.*

*Actions for injuries resulting from health care: Chapter 7.70 RCW.*

*Crimes relating to pregnancy and childbirth: RCW 9A.32.060.*

*Filing certificate of birth: RCW 70.58.080.*

*Health professions account—Fees credited—Requirements for biennial budget request: RCW 43.70.320.*

*Record as to patients or inmates for purposes of vital statistics: RCW 70.58.270.*

*Secretary of health or designee ex officio member of health professional licensure and disciplinary boards: RCW 43.70.300.*

**18.50.003 Regulation of health care professions—Criteria.** See chapter 18.120 RCW.

**18.50.005 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter:

- (1) "Department" means the department of health.
- (2) "Secretary" means the secretary of health.
- (3) "Midwife" means a midwife licensed under this chapter.

(4) "Physician" means a physician licensed under chapter 18.57 or 18.71 RCW. [1991 c 3 § 102; 1987 c 467 § 1; 1981 c 53 § 2.]

**Effective date—1981 c 53:** "Sections 1, 2, 5, 6, 8, 9, 10, 11, and 13 through 17 of this act shall take effect January 15, 1982." [1981 c 53 § 19.] For codification of 1981 c 53, see Codification Tables, Volume 0.

**18.50.010 Practicing midwifery defined—Gratuitous services—Duty to consult with physician.** Any person shall be regarded as practicing midwifery within the meaning of this chapter who shall render medical aid for a fee or compensation to a woman during prenatal, intrapartum, and postpartum stages or who shall advertise as a midwife by signs, printed cards, or otherwise. Nothing shall be construed in this chapter to prohibit gratuitous services. It shall be the duty of a midwife to consult with a physician whenever there are significant deviations from normal in either the mother or the infant. [1991 c 3 § 103; 1987 c 467 § 2; 1981 c 53 § 5; 1917 c 160 § 8; RRS § 10181. Formerly RCW 18.50.010, 18.50.030, part, and 18.50.090.]

**Effective date—1981 c 53:** See note following RCW 18.50.005.

**18.50.020 License required.** Any person who shall practice midwifery in this state after July 1, 1917, shall first obtain from the secretary a license so to do, and the said secretary is authorized to grant such license after examination of the applicant as hereinafter provided. [1991 c 3 § 104; 1917 c 160 § 1; RRS § 10174.]

**18.50.030 Exemptions—Practice of religion—Treatment by prayer.** This chapter shall not be construed to interfere in any way with the practice of religion, nor be held to apply to or regulate any kind of treatment by prayer. [1917 c 160 § 12; RRS § 10185. FORMER PART OF SECTION: 1917 c 160 § 8, part; RRS § 10181, part, now codified in RCW 18.50.010.]

*Gratuitous services exempted: RCW 18.50.010.*

**18.50.032 Exemptions—Registered nurses and nurse midwives.** Registered nurses and nurse midwives certified by the nursing care quality assurance commission under chapter 18.79 RCW shall be exempt from the requirements and provisions of this chapter. [1994 sp.s. c 9 § 704; 1981 c 53 § 10.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Effective date—1981 c 53:** See note following RCW 18.50.005.

**18.50.034 Exemptions—Persons enrolled in midwifery programs.** Nothing in this chapter shall be construed to apply to or interfere in any way with the practice of midwifery by a person who is enrolled in a program of midwifery approved and accredited by the secretary: PROVIDED, That the performance of such services is only pursuant to a regular course of instruction or assignment from the student's instructor, and that such services are performed only under the supervision and control of a person licensed in the state of Washington to perform services encompassed under this chapter. [1991 c 3 § 105; 1981 c 53 § 11.]

**Effective date—1981 c 53:** See note following RCW 18.50.005.

**18.50.040 Candidates for examination—Application—Eligibility—Student midwife permits.** (1) Any person seeking to be examined shall present to the secretary, at least forty-five days before the commencement of the examination, a written application on a form or forms provided by the secretary setting forth under affidavit such information as the secretary may require and proof the candidate has received a high school degree or its equivalent; that the candidate is twenty-one years of age or older; that the candidate has received a certificate or diploma from a midwifery program accredited by the secretary and licensed under chapter 28C.10 RCW, when applicable, or a certificate or diploma in a foreign institution on midwifery of equal requirements conferring the full right to practice midwifery in the country in which it was issued. The diploma must bear the seal of the institution from which the applicant was graduated. Foreign candidates must present with the application a translation of the foreign certificate or diploma made by and under the seal of the consulate of the country in which the certificate or diploma was issued.

(2) The candidate shall meet the following conditions:

(a) Obtaining a minimum period of midwifery training for at least three years including the study of the basic nursing skills that the department shall prescribe by rule. However, if the applicant is a registered nurse or licensed practical nurse under chapter 18.79 RCW, or has had previous nursing education or practical midwifery experience, the required period of training may be reduced depending upon the extent of the candidate's qualifications as determined under rules adopted by the department. In no case shall the training be reduced to a period of less than two years.

(b) Meeting minimum educational requirements which shall include studying obstetrics; neonatal pediatrics; basic sciences; female reproductive anatomy and physiology; behavioral sciences; childbirth education; community care; obstetrical pharmacology; epidemiology; gynecology; family planning; genetics; embryology; neonatology; the medical and legal aspects of midwifery; nutrition during pregnancy and lactation; breast feeding; nursing skills, including but not limited to injections, administering intravenous fluids, catheterization, and aseptic technique; and such other requirements prescribed by rule.

(c) For a student midwife during training, undertaking the care of not less than fifty women in each of the prenatal,

intrapartum, and early postpartum periods, but the same women need not be seen through all three periods. A student midwife may be issued a permit upon the satisfactory completion of the requirements in (a), (b), and (c) of this subsection and the satisfactory completion of the licensure examination required by RCW 18.50.060. The permit permits the student midwife to practice under the supervision of a midwife licensed under this chapter, a physician or a certified nurse-midwife licensed under the authority of chapter 18.79 RCW. The permit shall expire within one year of issuance and may be extended as provided by rule.

(d) Observing an additional fifty women in the intrapartum period before the candidate qualifies for a license.

(3) Notwithstanding subsections (1) and (2) of this section, the department shall adopt rules to provide credit toward the educational requirements for licensure before July 1, 1988, of nonlicensed midwives, including rules to provide:

(a) Credit toward licensure for documented deliveries;

(b) The substitution of relevant experience for classroom time; and

(c) That experienced lay midwives may sit for the licensing examination without completing the required course work.

The training required under this section shall include training in either hospitals or alternative birth settings or both with particular emphasis on learning the ability to differentiate between low-risk and high-risk pregnancies. [1994 sp.s. c 9 § 705; 1991 c 3 § 106; 1987 c 467 § 3; 1986 c 299 § 24; 1981 c 53 § 6; 1917 c 160 § 2; RRS § 10175.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Severability—Effective date—1986 c 299:** See RCW 28C.10.900 and 28C.10.902.

**Effective date—1981 c 53:** See note following RCW 18.50.005.

**18.50.045 Midwifery education programs—Accreditation.** The secretary shall promulgate standards by rule under chapter 34.05 RCW for accrediting midwifery educational programs. The standards shall cover the provision of adequate clinical and didactic instruction in all subjects and noncurriculum matters under this section including, but not limited to, staffing and teacher qualifications. In developing the standards, the secretary shall be advised by and receive the recommendations of the midwifery advisory committee. [1991 c 3 § 107; 1981 c 53 § 7.]

**18.50.050 Compliance with secretary's determination.** Applicants shall comply with administrative procedures, administrative requirements, and fees determined by the secretary as provided by RCW 43.70.250 and 43.70.280. [1996 c 191 § 24; 1991 c 3 § 108; 1985 c 7 § 48; 1975 1st ex.s. c 30 § 51; 1917 c 160 § 3; RRS § 10176.]

*Limitation on increases in midwifery fees:* RCW 43.24.086.

**18.50.060 Examinations—Times and places—Subjects—Issuance of license.** (1) The secretary is hereby authorized and empowered to execute the provisions of this chapter and shall offer examinations in midwifery at least twice a year at such times and places as the secretary may select. The examinations shall be written and shall be in the English language.

(2) The secretary, with the assistance of the midwifery advisory committee, shall develop or approve a licensure examination in the subjects that the secretary determines are within the scope of and commensurate with the work performed by a licensed midwife. The examination shall be sufficient to test the scientific and practical fitness of candidates to practice midwifery. All application papers shall be deposited with the secretary and there retained for at least one year, when they may be destroyed.

(3) If the examination is satisfactorily completed, the secretary shall issue to such candidate a license entitling the candidate to practice midwifery in the state of Washington. [1991 c 3 § 109; 1987 c 467 § 4; 1981 c 53 § 8; 1979 c 158 § 43; 1917 c 160 § 4; RRS § 10177.]

**Effective date—1981 c 53:** See note following RCW 18.50.005.

**18.50.065 Credentialing by endorsement.** An applicant holding a credential in another state may be credentialed to practice in this state without examination if the secretary determines that the other state's credentialing standards are substantially equivalent to the standards in this state. [1991 c 332 § 32.]

**Application to scope of practice—Captions not law—1991 c 332:** See notes following RCW 18.130.010.

**18.50.102 Registration—Renewal fee.** Every person licensed to practice midwifery shall register with the secretary and pay a renewal fee determined by the secretary as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 25; 1991 c 3 § 110; 1985 c 7 § 49; 1981 c 53 § 13.]

**Effective date—1981 c 53:** See note following RCW 18.50.005.

*Limitation on increases in midwifery fees:* RCW 43.24.086.

**18.50.105 Inform patient of qualifications of midwife—Form.** The secretary, with the advice of the midwifery advisory committee, shall develop a form to be used by a midwife to inform the patient of the qualifications of a licensed midwife. [1991 c 3 § 111; 1981 c 53 § 12.]

**18.50.108 Written plan for consultation, emergency transfer, and transport.** Every licensed midwife shall develop a written plan for consultation with other health care providers, emergency transfer, transport of an infant to a newborn nursery or neonatal intensive care nursery, and transport of a woman to an appropriate obstetrical department or patient care area. The written plan shall be submitted annually together with the license renewal fee to the department. [1981 c 53 § 14.]

**Effective date—1981 c 53:** See note following RCW 18.50.005.

**18.50.115 Administration of drugs and medications—Rules.** A midwife licensed under this chapter may obtain and administer prophylactic ophthalmic medication, postpartum oxytocic, vitamin K, Rho immune globulin (human), and local anesthetic and may administer such other drugs or medications as prescribed by a physician. A pharmacist who dispenses such drugs to a licensed midwife shall not be liable for any adverse reactions caused by any method of use by the midwife.

The secretary, after consultation with representatives of the midwife advisory committee, the board of pharmacy, and the medical quality assurance commission, may adopt rules that authorize licensed midwives to purchase and use legend drugs and devices in addition to the drugs authorized in this chapter. [1994 sp.s. c 9 § 707; 1991 c 3 § 112; 1987 c 467 § 6.]

**Severability—Headings and captions not law—Effective date—**1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

**18.50.126 Application of uniform disciplinary act.** The uniform disciplinary act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter. [1987 c 150 § 31; 1986 c 259 § 75.]

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.50.130 "Certificate" and "license" synonymous.** The words "certificate" and "license" shall be known as interchangeable terms in this chapter. [1917 c 160 § 11; RRS § 10184.]

**18.50.135 Rules.** The secretary shall promulgate rules under chapter 34.05 RCW as are necessary to carry out the purposes of this chapter. [1991 c 3 § 113; 1981 c 53 § 15.]

**Effective date—1981 c 53:** See note following RCW 18.50.005.

**18.50.140 Midwifery advisory committee—Generally.** The midwifery advisory committee is created. The committee shall be composed of one physician who is a practicing obstetrician; one practicing physician; one certified nurse midwife licensed under chapter 18.79 RCW; three midwives licensed under this chapter; and one public member, who shall have no financial interest in the rendering of health services. The committee may seek other consultants as appropriate, including persons trained in childbirth education and perinatology or neonatology.

The members are appointed by the secretary and serve at the pleasure of the secretary but may not serve more than five years consecutively. The terms of office shall be staggered. Members of the committee shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060. [1994 sp.s. c 9 § 706; 1991 c 3 § 114; 1987 c 467 § 5; 1981 c 53 § 3.]

**Severability—Headings and captions not law—Effective date—**1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

**18.50.150 Midwifery advisory committee—Advice and recommendations.** The midwifery advisory committee shall advise and make recommendations to the secretary on issues including, but not limited to, continuing education, mandatory reexamination, and peer review. [1998 c 245 § 6; 1991 c 3 § 115; 1981 c 53 § 4.]

**18.50.900 Repeal and saving.** All acts or parts of acts inconsistent with the provisions of this chapter may be and the same are hereby repealed: PROVIDED, This chapter shall not repeal the provisions of the vital statistics

laws of the state, but shall be deemed as additional and cumulative provisions. [1917 c 160 § 10.]

## Chapter 18.51 NURSING HOMES

### Sections

- 18.51.005 Purpose.
- 18.51.007 Legislative intent.
- 18.51.009 Resident rights.
- 18.51.010 Definitions.
- 18.51.030 License required.
- 18.51.040 Application for license.
- 18.51.050 License—Issuance, renewal—Fee—Display.
- 18.51.054 Denial of license.
- 18.51.060 Penalties—Grounds.
- 18.51.065 Penalties—Hearing (*as amended by 1989 c 175*).
- 18.51.065 Penalties—Hearing (*as amended by 1989 c 372*).
- 18.51.067 License suspension—Noncompliance with support order—Reissuance.
- 18.51.070 Rules.
- 18.51.091 Inspection of nursing homes and community-based services—Notice of violations—Approval of alterations or new facilities.
- 18.51.140 Fire protection—Duties of chief of the Washington state patrol.
- 18.51.145 Building inspections—Authority of chief of the Washington state patrol.
- 18.51.150 Operating without license—Penalty.
- 18.51.160 Operating without license—Injunction.
- 18.51.170 Application of chapter to homes or institutions operated by certain religious organizations.
- 18.51.180 Out-patient services—Authorized—Defined.
- 18.51.185 Out-patient services—Cost studies—Vendor rates.
- 18.51.190 Complaint of violation—Request for inspection—Notice—Confidentiality.
- 18.51.200 Preliminary review of complaint—On-site investigation.
- 18.51.210 Authority to enter and inspect nursing home—Advance notice—Defense.
- 18.51.220 Retaliation or discrimination against complainant prohibited, penalty—Presumption.
- 18.51.230 General inspection before license renewal—Required—Advance notice prohibited.
- 18.51.240 Alterations or additions—Preliminary inspection and approval.
- 18.51.250 Nursing homes without violations—Public agencies notified—Priority.
- 18.51.260 Posting citations for violation of RCW 18.51.060.
- 18.51.270 Annual report of citations—Publication—Contents.
- 18.51.280 Chapter cumulative.
- 18.51.290 Writings as public records.
- 18.51.300 Retention and preservation of records of patients.
- 18.51.310 Comprehensive plan for utilization review—Licensing standards—Regulations.
- 18.51.320 Contact with animals—Rules.
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*Boarding homes: Chapter 18.20 RCW.*

*Employment of dental hygienist without supervision of dentist authorized: RCW 18.29.056.*

*Labor regulations, collective bargaining—Health care activities: Chapter 49.66 RCW.*

*Maternity homes: Chapter 18.46 RCW.*

*Resident care, operating standards: Chapter 74.42 RCW.*

**18.51.005 Purpose.** The purpose of this chapter is to provide for the development, establishment, and enforcement of standards for the maintenance and operation of nursing homes, which, in the light of advancing knowledge, will promote safe and adequate care and treatment of the individuals therein. An important secondary purpose is the improvement of nursing home practices by educational methods so that such practices eventually exceed the minimum requirements of the basic law and its original standards. [1951 c 117 § 1.]

**18.51.007 Legislative intent.** It is the intent of the legislature in enacting \*this 1975 amendatory act to establish (1) a system for the imposition of prompt and effective sanctions against nursing homes in violation of the laws and regulations of this state relating to patient care; (2) an inspection and reporting system to insure that nursing homes are in compliance with state statutes and regulations pertaining to patient care; and (3) a mechanism to insure that licenses are issued to or retained by only those nursing homes that meet state standards for resident health and safety. [1981 1st ex.s. c 2 § 14; 1975 1st ex.s. c 99 § 3.]

**\*Reviser's note:** "This 1975 amendatory act" [1975 1st ex.s. c 99] consisted of RCW 18.51.007, 18.51.055, 18.51.065, and 18.51.190 through 18.51.290, amendments to RCW 18.51.050 and 18.51.060, and the repeal of RCW 18.51.090, 18.51.120, and 18.51.130.

**Severability—Effective dates—1981 1st ex.s. c 2:** See notes following RCW 18.51.010.

**18.51.009 Resident rights.** RCW 70.129.007, 70.129.105, and 70.129.150 through 70.129.170 apply to this chapter and persons regulated under this chapter. [1994 c 214 § 22.]

**Severability—Conflict with federal requirements—Captions not law—1994 c 214:** See RCW 70.129.900 through 70.129.902.

**18.51.010 Definitions.** (1) "Nursing home" means any home, place or institution which operates or maintains facilities providing convalescent or chronic care, or both, for a period in excess of twenty-four consecutive hours for three or more patients not related by blood or marriage to the operator, who by reason of illness or infirmity, are unable properly to care for themselves. Convalescent and chronic care may include but not be limited to any or all procedures commonly employed in waiting on the sick, such as administration of medicines, preparation of special diets, giving of bedside nursing care, application of dressings and bandages, and carrying out of treatment prescribed by a duly licensed practitioner of the healing arts. It may also include care of mentally incompetent persons. It may also include commu-

nity-based care. Nothing in this definition shall be construed to include general hospitals or other places which provide care and treatment for the acutely ill and maintain and operate facilities for major surgery or obstetrics, or both. Nothing in this definition shall be construed to include any boarding home, guest home, hotel or related institution which is held forth to the public as providing, and which is operated to give only board, room and laundry to persons not in need of medical or nursing treatment or supervision except in the case of temporary acute illness. The mere designation by the operator of any place or institution as a hospital, sanitarium, or any other similar name, which does not provide care for the acutely ill and maintain and operate facilities for major surgery or obstetrics, or both, shall not exclude such place or institution from the provisions of this chapter: PROVIDED, That any nursing home providing psychiatric treatment shall, with respect to patients receiving such treatment, comply with the provisions of RCW 71.12.560 and 71.12.570.

(2) "Person" means any individual, firm, partnership, corporation, company, association, or joint stock association, and the legal successor thereof.

(3) "Secretary" means the secretary of the department of social and health services.

(4) "Department" means the state department of social and health services.

(5) "Community-based care" means but is not limited to the following:

(a) Home delivered nursing services;

(b) Personal care;

(c) Day care;

(d) Nutritional services, both in-home and in a communal dining setting;

(e) Habilitation care; and

(f) Respite care. [1983 c 236 § 1; 1981 1st ex.s. c 2 § 15; 1973 1st ex.s. c 108 § 1; 1953 c 160 § 1; 1951 c 117 § 2.]

**Construction—1983 c 236:** "Nothing in this 1983 act affects the provisions of chapter 70.38 RCW." [1983 c 236 § 3.] This applies to the 1983 c 236 amendments to RCW 18.51.010 and 18.51.091.

**Severability—1981 1st ex.s. c 2:** "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." [1981 1st ex.s. c 2 § 28.]

**Effective dates—1981 1st ex.s. c 2:** "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions. Sections 1, 2, 3, and 10 through 26 of this act shall take effect on July 1, 1981. Section 4 of this act shall take effect on July 1, 1983. Sections 5 through 9 of this act shall take effect on July 1, 1984." [1981 1st ex.s. c 2 § 27.]

The above two annotations apply to 1981 1st ex.s. c 2. For codification of that act, see Codification Tables, Volume 0.

**18.51.030 License required.** After July 1, 1951 no person shall operate or maintain a nursing home in this state without a license under this chapter. [1951 c 117 § 4.]

**18.51.040 Application for license.** An application for license shall be made to the department upon forms provided by it and shall contain such information as the department reasonably requires, which may include affirmative evidence of ability to comply with the rules and regulations as are

lawfully prescribed hereunder. [1953 c 160 § 3; 1951 c 117 § 5.]

**18.51.050 License—Issuance, renewal—Fee—Display.** Upon receipt of an application for license, the department shall issue a license if the applicant and the nursing home facilities meet the requirements established under this chapter, except that the department shall issue a temporary license to a court-appointed receiver for a period not to exceed six months from the date of appointment. Prior to the issuance or renewal of the license, the licensee shall pay a license fee as established by the department. No fee shall be required of government operated institutions or court-appointed receivers. All licenses issued under the provisions of this chapter shall expire on a date to be set by the department, but no license issued pursuant to this chapter shall exceed thirty-six months in duration. When a change of ownership occurs, the entity becoming the licensed operating entity of the facility shall pay a fee established by the department at the time of application for the license. The previously determined date of license expiration shall not change. The department shall establish license fees at an amount adequate to reimburse the department in full for all costs of its licensing activities for nursing homes, adjusted to cover the department's cost of reimbursing such fees through medicaid.

All applications and fees for renewal of the license shall be submitted to the department not later than thirty days prior to the date of expiration of the license. All applications and fees for change of ownership licenses shall be submitted to the department not later than sixty days before the date of the proposed change of ownership. Each license shall be issued only to the operating entity and those persons named in the license application. The license is valid only for the operation of the facility at the location specified in the license application. Licenses are not transferable or assignable. Licenses shall be posted in a conspicuous place on the licensed premises. [1991 sp.s. c 8 § 1; 1989 c 372 § 1; 1985 c 284 § 4; 1981 2nd ex.s. c 11 § 2; 1981 1st ex.s. c 2 § 17; 1975 1st ex.s. c 99 § 1; 1971 ex.s. c 247 § 2; 1953 c 160 § 4; 1951 c 117 § 6.]

**Effective date—1991 sp.s. c 8:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1991." [1991 sp.s. c 8 § 21.]

**Severability—Effective dates—1981 1st ex.s. c 2:** See notes following RCW 18.51.010.

**18.51.054 Denial of license.** The department may deny a license to any applicant if the department finds that the applicant or any partner, officer, director, managerial employee, or owner of five percent or more of the applicant:

(1) Operated a nursing home without a license or under a revoked or suspended license; or

(2) Knowingly or with reason to know made a false statement of a material fact (a) in an application for license or any data attached thereto, or (b) in any matter under investigation by the department; or

(3) Refused to allow representatives or agents of the department to inspect (a) all books, records, and files required to be maintained or (b) any portion of the premises of the nursing home; or

(4) Willfully prevented, interfered with, or attempted to impede in any way (a) the work of any authorized representative of the department or (b) the lawful enforcement of any provision of this chapter or chapter 74.42 RCW; or

(5) Has a history of significant noncompliance with federal or state regulations in providing nursing home care. In deciding whether to deny a license under this section, the factors the department considers shall include the gravity and frequency of the noncompliance. [1989 c 372 § 7; 1985 c 284 § 1.]

**18.51.060 Penalties—Grounds.** (1) In any case in which the department finds that a licensee, or any partner, officer, director, owner of five percent or more of the assets of the nursing home, or managing employee failed or refused to comply with the requirements of this chapter or of chapter 74.42 RCW, or the standards, rules and regulations established under them or, in the case of a Medicaid contractor, failed or refused to comply with the Medicaid requirements of Title XIX of the social security act, as amended, and regulations promulgated thereunder, the department may take any or all of the following actions:

(a) Suspend, revoke, or refuse to renew a license;

(b) Order stop placement;

(c) Assess monetary penalties of a civil nature;

(d) Deny payment to a nursing home for any Medicaid resident admitted after notice to deny payment. Residents who are Medicaid recipients shall not be responsible for payment when the department takes action under this subsection;

(e) Appoint temporary management as provided in subsection (7) of this section.

(2) The department may suspend, revoke, or refuse to renew a license, assess monetary penalties of a civil nature, or both, in any case in which it finds that the licensee, or any partner, officer, director, owner of five percent or more of the assets of the nursing home, or managing employee:

(a) Operated a nursing home without a license or under a revoked or suspended license; or

(b) Knowingly or with reason to know made a false statement of a material fact in his application for license or any data attached thereto, or in any matter under investigation by the department; or

(c) Refused to allow representatives or agents of the department to inspect all books, records, and files required to be maintained or any portion of the premises of the nursing home; or

(d) Willfully prevented, interfered with, or attempted to impede in any way the work of any duly authorized representative of the department and the lawful enforcement of any provision of this chapter or of chapter 74.42 RCW; or

(e) Willfully prevented or interfered with any representative of the department in the preservation of evidence of any violation of any of the provisions of this chapter or of chapter 74.42 RCW or the standards, rules, and regulations adopted under them; or

(f) Failed to report patient abuse or neglect in violation of chapter 70.124 RCW; or

(g) Fails to pay any civil monetary penalty assessed by the department pursuant to this chapter within ten days after such assessment becomes final.

(3) The department shall deny payment to a nursing home having a Medicaid contract with respect to any Medicaid-eligible individual admitted to the nursing home when:

(a) The department finds the nursing home not in compliance with the requirements of Title XIX of the social security act, as amended, and regulations promulgated thereunder, and the facility has not complied with such requirements within three months; in such case, the department shall deny payment until correction has been achieved; or

(b) The department finds on three consecutive standard surveys that the nursing home provided substandard quality of care; in such case, the department shall deny payment for new admissions until the facility has demonstrated to the satisfaction of the department that it is in compliance with Medicaid requirements and that it will remain in compliance with such requirements.

(4)(a) Civil penalties collected under this section or under chapter 74.42 RCW shall be deposited into a special fund administered by the department to be applied to the protection of the health or property of residents of nursing homes found to be deficient, including payment for the costs of relocation of residents to other facilities, maintenance of operation of a facility pending correction of deficiencies or closure, and reimbursement of residents for personal funds lost.

(b) Civil monetary penalties, if imposed, may be assessed and collected, with interest, for each day a nursing home is or was out of compliance. Civil monetary penalties shall not exceed three thousand dollars per violation. Each day upon which the same or a substantially similar action occurs is a separate violation subject to the assessment of a separate penalty.

(c) Any civil penalty assessed under this section or chapter 74.46 RCW shall be a nonreimbursable item under chapter 74.46 RCW.

(5)(a) The department shall order stop placement on a nursing home, effective upon oral or written notice, when the department determines:

(i) The nursing home no longer substantially meets the requirements of chapter 18.51 or 74.42 RCW, or in the case of Medicaid contractors, the requirements of Title XIX of the social security act, as amended, and any regulations promulgated under such statutes; and

(ii) The deficiency or deficiencies in the nursing home:

(A) Jeopardize the health and safety of the residents, or

(B) Seriously limit the nursing home's capacity to provide adequate care.

(b) When the department has ordered a stop placement, the department may approve a readmission to the nursing home from a hospital when the department determines the readmission would be in the best interest of the individual seeking readmission.

(c) The department shall terminate the stop placement when:

(i) The provider states in writing that the deficiencies necessitating the stop placement action have been corrected; and

(ii) The department staff confirms in a timely fashion not to exceed fifteen working days that:

(A) The deficiencies necessitating stop placement action have been corrected, and

(B) The provider exhibits the capacity to maintain adequate care and service.

(d) A nursing home provider shall have the right to an informal review to present written evidence to refute the deficiencies cited as the basis for the stop placement. A request for an informal review must be made in writing within ten days of the effective date of the stop placement.

(e) A stop placement shall not be delayed or suspended because the nursing home requests a hearing pursuant to chapter 34.05 RCW or an informal review. The stop placement shall remain in effect until:

(i) The department terminates the stop placement; or

(ii) The stop placement is terminated by a final agency order, after a hearing, pursuant to chapter 34.05 RCW.

(6) If the department determines that an emergency exists as a result of a nursing home's failure or refusal to comply with requirements of this chapter or, in the case of a Medicaid contractor, its failure or refusal to comply with Medicaid requirements of Title XIX of the social security act, as amended, and rules adopted thereunder, the department may suspend the nursing home's license and order the immediate closure of the nursing home, the immediate transfer of residents, or both.

(7) If the department determines that the health or safety of residents is immediately jeopardized as a result of a nursing home's failure or refusal to comply with requirements of this chapter or, in the case of a Medicaid contractor, its failure or refusal to comply with Medicaid requirements of Title XIX of the social security act, as amended, and rules adopted thereunder, the department may appoint temporary management to:

(a) Oversee the operation of the facility; and

(b) Ensure the health and safety of the facilities residents while:

(i) Orderly closure of the facility occurs; or

(ii) The deficiencies necessitating temporary management are corrected.

(8) The department shall by rule specify criteria as to when and how the sanctions specified in this section shall be applied. Such criteria shall provide for the imposition of incrementally more severe penalties for deficiencies that are repeated, uncorrected, pervasive, or present a threat to the health, safety, or welfare of the residents. [1989 c 372 § 8; 1987 c 476 § 23; 1981 1st ex.s. c 2 § 18; 1979 ex.s. c 228 § 10; 1975 1st ex.s. c 99 § 2; 1953 c 160 § 5; 1951 c 117 § 7.]

**Severability—Effective dates—1981 1st ex.s. c 2:** See notes following RCW 18.51.010.

**18.51.065 Penalties—Hearing (as amended by 1989 c 175).** (~~All orders of the department denying, suspending, or revoking the license or assessing a monetary penalty shall become final twenty days after the same has been served upon the applicant or licensee unless a hearing is requested. All hearings hereunder and judicial review of such determinations shall be in accordance with the administrative procedure act, chapter 34.04 RCW.~~) RCW 43.20A.205 governs notice of a license denial, revocation, suspension, or modification and provides the right to an adjudicative proceeding. RCW 43.20A.215 governs notice of a civil fine and provides the right to an adjudicative proceeding. [1989 c 175 § 64; 1981 1st ex.s. c 2 § 19; 1975 1st ex.s. c 99 § 16.]

**Effective date—1989 c 175:** See note following RCW 34.05.010.

**18.51.065 Penalties—Hearing** (*as amended by 1989 c 372*). (1) All orders of the department denying, suspending, or revoking the license or assessing a monetary penalty shall become final twenty days after the same has been served upon the applicant or licensee unless a hearing is requested. All orders of the department imposing stop placement, temporary management, emergency closure, emergency transfer, or license suspension, shall be effective immediately upon notice. Orders of the department imposing denial of payment shall become final twenty days after the same has been served, unless a hearing is requested, except that such orders shall be effective immediately upon notice and pending any hearing when the department determines the deficiencies jeopardize the health and safety of the residents or seriously limit the nursing home's capacity to provide adequate care. All hearings hereunder and judicial review of such determinations shall be in accordance with the administrative procedure act, chapter ((34-04)) 34.05 RCW, except that all orders of the department imposing stop placement, temporary management, emergency closure, emergency transfer, or license suspension shall be effective pending any hearing, and except that chapter 34.05 RCW shall have no application to receivership, which is instituted by direct petition to superior court as provided for in RCW 18.51.410 through 18.51.520. [1989 c 372 § 9; 1981 1st ex.s. c 2 § 19; 1975 1st ex.s. c 99 § 16.]

**Reviser's note:** RCW 18.51.065 was amended twice during the 1989 legislative session, each without reference to the other. For rule of construction concerning sections amended more than once during the same legislative session, see RCW 1.12.025.

**Severability—Effective dates—1981 1st ex.s. c 2:** See notes following RCW 18.51.010.

**18.51.067 License suspension—Noncompliance with support order—Reissuance.** The department shall immediately suspend the license of a person who has been certified pursuant to RCW 74.20A.320 by the department of social and health services, division of [child] support, as a person who is not in compliance with a child 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 shall be automatic upon the department's receipt of a release issued by the division of child support stating that the person is in compliance with the order. [1997 c 58 § 824.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.51.070 Rules.** The department, after consultation with the nursing home advisory council and the board of health, shall adopt, amend, and promulgate such rules, regulations, and standards with respect to all nursing homes to be licensed hereunder as may be designed to further the accomplishment of the purposes of this chapter in promoting safe and adequate medical and nursing care of individuals in nursing homes and the sanitary, hygienic and safe conditions of the nursing home in the interest of public health, safety, and welfare. [1979 ex.s. c 211 § 64; 1951 c 117 § 8.]

**Effective date—1979 ex.s. c 211:** "Section 64 of this 1979 act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately [May 30, 1979]." [1979 ex.s. c 211

§ 71.] "Section 64 of this 1979 act" is the 1979 ex.s. c 211 amendment to RCW 18.51.070.

**18.51.091 Inspection of nursing homes and community-based services—Notice of violations—Approval of alterations or new facilities.** The department shall make or cause to be made at least one inspection of each nursing home prior to license renewal and shall inspect community-based services as part of the licensing renewal survey. The inspection shall be made without providing advance notice of it. Every inspection may include an inspection of every part of the premises and an examination of all records, methods of administration, the general and special dietary and the stores and methods of supply. Those nursing homes that provide community-based care shall establish and maintain separate and distinct accounting and other essential records for the purpose of appropriately allocating costs of the providing of such care: PROVIDED, That such costs shall not be considered allowable costs for reimbursement purposes under chapter 74.46 RCW. Following such inspection or inspections, written notice of any violation of this law or the rules and regulations promulgated hereunder, shall be given the applicant or licensee and the department. The notice shall describe the reasons for the facility's noncompliance. The department may prescribe by regulations that any licensee or applicant desiring to make specified types of alterations or additions to its facilities or to construct new facilities shall, before commencing such alteration, addition or new construction, submit its plans and specifications therefor to the department for preliminary inspection and approval or recommendations with respect to compliance with the regulations and standards herein authorized. [1987 c 476 § 24; 1983 c 236 § 2; 1981 2nd ex.s. c 11 § 3; 1979 ex.s. c 211 § 63.]

**Construction—1983 c 236:** See note following RCW 18.51.010.

**Effective date—1979 ex.s. c 211:** See RCW 74.42.920.

*Nursing home standards: Chapter 74.42 RCW.*

**18.51.140 Fire protection—Duties of chief of the Washington state patrol.** Standards for fire protection and the enforcement thereof, with respect to all nursing homes to be licensed hereunder, shall be the responsibility of the chief of the Washington state patrol, through the director of fire protection, who shall adopt such recognized standards as may be applicable to nursing homes for the protection of life against the cause and spread of fire and fire hazards. The department upon receipt of an application for a license, shall submit to the chief of the Washington state patrol, through the director of fire protection, in writing, a request for an inspection, giving the applicant's name and the location of the premises to be licensed. Upon receipt of such a request, the chief of the Washington state patrol, through the director of fire protection, or his or her deputy, shall make an inspection of the nursing home to be licensed, and if it is found that the premises do not comply with the required safety standards and fire regulations as promulgated by the chief of the Washington state patrol, through the director of fire protection, he or she shall promptly make a written report to the nursing home and the department as to the manner and time allowed in which the premises must qualify for a license and set forth the conditions to be remedied with

respect to fire regulations. The department, applicant or licensee shall notify the chief of the Washington state patrol, through the director of fire protection, upon completion of any requirements made by him or her, and the chief of the Washington state patrol, through the director of fire protection, or his or her deputy, shall make a reinspection of such premises. Whenever the nursing home to be licensed meets with the approval of the chief of the Washington state patrol, through the director of fire protection, he or she shall submit to the department, a written report approving same with respect to fire protection before a full license can be issued. The chief of the Washington state patrol, through the director of fire protection, shall make or cause to be made inspections of such nursing homes at least every eighteen months.

In cities which have in force a comprehensive building code, the provisions of which are determined by the chief of the Washington state patrol, through the director of fire protection, to be equal to the minimum standards of the code for nursing homes adopted by the chief of the Washington state patrol, through the director of fire protection, the chief of the fire department, provided the latter is a paid chief of a paid fire department, shall make the inspection with the chief of the Washington state patrol, through the director of fire protection, or his or her deputy and they shall jointly approve the premises before a full license can be issued. [1995 1st sp.s. c 18 § 43; 1995 c 369 § 6; 1986 c 266 § 83; 1953 c 160 § 9; 1951 c 117 § 15.]

**Conflict with federal requirements—Severability—Effective date—**1995 1st sp.s. c 18: See notes following RCW 74.39A.030.

**Effective date—**1995 c 369: See note following RCW 43.43.930.

**Severability—**1986 c 266: See note following RCW 38.52.005.

*State fire protection: Chapter 48.48 RCW.*

**18.51.145 Building inspections—Authority of chief of the Washington state patrol.** Inspections of nursing homes by local authorities shall be consistent with the requirements of chapter 19.27 RCW, the state building code. Findings of a serious nature shall be coordinated with the department and the chief of the Washington state patrol, through the director of fire protection, for determination of appropriate actions to ensure a safe environment for nursing home residents. The chief of the Washington state patrol, through the director of fire protection, shall have exclusive authority to determine appropriate corrective action under this section. [1995 c 369 § 7; 1986 c 266 § 84; 1983 1st ex.s. c 67 § 45; 1981 1st ex.s. c 2 § 16.]

**Effective date—**1995 c 369: See note following RCW 43.43.930.

**Severability—**1986 c 266: See note following RCW 38.52.005.

**Severability—**1983 1st ex.s. c 67: See RCW 74.46.905.

**Effective dates—**1983 1st ex.s. c 67: See note following RCW 74.46.901.

**Severability—Effective dates—**1981 1st ex.s. c 2: See notes following RCW 18.51.010.

*Conflict with federal requirements and this section: RCW 74.46.840.*

**18.51.150 Operating without license—Penalty.** Any person operating or maintaining any nursing home without a license under this chapter shall be guilty of a misdemeanor and each day of a continuing violation after conviction shall be considered a separate offense. [1951 c 117 § 16.]

**18.51.160 Operating without license—Injunction.** Notwithstanding the existence or use of any other remedy, the department, may, in the manner provided by law, upon the advice of the attorney general who shall represent the department in the proceedings, maintain an action in the name of the state for an injunction or other process against any person to restrain or prevent the operation or maintenance of a nursing home without a license under this chapter. [1951 c 117 § 17.]

*Injunctions: Chapter 7.40 RCW.*

**18.51.170 Application of chapter to homes or institutions operated by certain religious organizations.** Nothing in this chapter or the rules and regulations adopted pursuant thereto shall be construed as authorizing the supervision, regulation, or control of the remedial care or treatment of residents or patients in any nursing home or institution conducted for those who rely upon treatment by prayer or spiritual means in accordance with the creed or tenets of any well-recognized church or religious denomination, or for any nursing home or institution operated for the exclusive care of members of a convent as defined in RCW 84.36.800 or rectory, monastery, or other institution operated for the care of members of the clergy. [1977 c 48 § 1; 1951 c 117 § 21.]

**18.51.180 Out-patient services—Authorized—Defined.** A nursing home may, pursuant to rules and regulations adopted by the department of social and health services, offer out-patient services to persons who are not otherwise patients at such nursing home. Any certified nursing home offering out-patient services may receive payments from the federal medicare program for such services as are permissible under that program.

Out-patient services may include any health or social care needs, except surgery, that could feasibly be offered on an out-patient basis. [1973 1st ex.s. c 71 § 1.]

**18.51.185 Out-patient services—Cost studies—Vendor rates.** The department of social and health services shall assist the nursing home industry in researching the costs of out-patient services allowed under RCW 18.51.180. Such cost studies shall be utilized by the department in the determination of reasonable vendor rates for nursing homes offering such services to insure an adequate return to the nursing homes and a cost savings to the state as compared to the cost of institutionalization. [1973 1st ex.s. c 71 § 2.]

**18.51.190 Complaint of violation—Request for inspection—Notice—Confidentiality.** Any person may request an inspection of any nursing home subject to licensing under this chapter in accordance with the provisions of this chapter by giving notice to the department of an alleged violation of applicable requirements of state law. The complainant shall be encouraged to submit a written, signed complaint following a verbal report. The substance of the complaint shall be provided to the licensee no earlier than at the commencement of the inspection. Neither the substance of the complaint provided the licensee nor any copy of the complaint or record published, released, or otherwise made available to the licensee shall disclose the

name of any individual complainant or other person mentioned in the complaint, except the name or names of any duly authorized officer, employee, or agent of the department conducting the investigation or inspection pursuant to this chapter, unless such complainant specifically requests the release of such name or names. [1981 1st ex.s. c 2 § 20; 1975 1st ex.s. c 99 § 4.]

**Severability—Effective dates—1981 1st ex.s. c 2:** See notes following RCW 18.51.010.

**18.51.200 Preliminary review of complaint—On-site investigation.** Upon receipt of a complaint, the department shall make a preliminary review of the complaint. Unless the department determines that the complaint is wilfully intended to harass a licensee or is without any reasonable basis, or unless the department has sufficient information that corrective action has been taken, it shall make an on-site investigation within a reasonable time after the receipt of the complaint or otherwise ensure complaints are responded to. In either event, the complainant shall be promptly informed of the department's proposed course of action. If the complainant requests the opportunity to do so, the complainant or his representative, or both, may be allowed to accompany the inspector to the site of the alleged violations during his tour of the facility, unless the inspector determines that the privacy of any patient would be violated thereby. [1981 1st ex.s. c 2 § 21; 1975 1st ex.s. c 99 § 5.]

**Severability—Effective dates—1981 1st ex.s. c 2:** See notes following RCW 18.51.010.

**18.51.210 Authority to enter and inspect nursing home—Advance notice—Defense.** (1) Any duly authorized officer, employee, or agent of the department may enter and inspect any nursing home, including, but not limited to, interviewing residents and reviewing records, at any time to enforce any provision of this chapter. Inspections conducted pursuant to complaints filed with the department shall be conducted in such a manner as to ensure maximum effectiveness. No advance notice shall be given of any inspection conducted pursuant to this chapter unless previously and specifically authorized by the secretary or required by federal law.

(2) Any public employee giving such advance notice in violation of this section shall be suspended from all duties without pay for a period of not less than five nor more than fifteen days.

(3) In any hearing held pursuant to this chapter, it shall be a defense to a violation relating to the standard of care to be afforded public patients to show that the department does not provide reasonable funds to meet the cost of reimbursement standard allegedly violated. [1981 1st ex.s. c 2 § 22; 1975 1st ex.s. c 99 § 6.]

**Severability—Effective dates—1981 1st ex.s. c 2:** See notes following RCW 18.51.010.

**18.51.220 Retaliation or discrimination against complainant prohibited, penalty—Presumption.** (1) No licensee shall discriminate or retaliate in any manner against a patient or employee in its nursing home on the basis or for the reason that such patient or employee or any other person has initiated or participated in any proceeding specified in

this chapter. A licensee who violates this section is subject to a civil penalty of not more than three thousand dollars.

(2) Any attempt to expel a patient from a nursing home, or any type of discriminatory treatment of a patient by whom, or upon whose behalf, a complaint has been submitted to the department or any proceeding instituted under or related to this chapter within one year of the filing of the complaint or the institution of such action, shall raise a rebuttable presumption that such action was taken by the licensee in retaliation for the filing of the complaint. [1987 c 476 § 25; 1975 1st ex.s. c 99 § 7.]

**18.51.230 General inspection before license renewal—Required—Advance notice prohibited.** The department shall, in addition to any inspections conducted pursuant to complaints filed pursuant to RCW 18.51.190, conduct at least one general inspection prior to license renewal of all nursing homes in the state without providing advance notice of such inspection. Periodically, such inspection shall take place in part between the hours of 7 p.m. and 5 a.m. or on weekends. [1981 2nd ex.s. c 11 § 4; 1975 1st ex.s. c 99 § 10.]

**18.51.240 Alterations or additions—Preliminary inspection and approval.** The department may prescribe by regulations that any licensee or applicant desiring to make specific types of alterations or additions to its facilities or to construct new facilities shall, before commencing such alteration, addition or new construction, submit its plans and specifications therefor to the department for preliminary inspection and approval or recommendations with respect to compliance with the regulations and standards herein authorized. [1981 1st ex.s. c 2 § 23; 1975 1st ex.s. c 99 § 11.]

**Severability—Effective dates—1981 1st ex.s. c 2:** See notes following RCW 18.51.010.

**18.51.250 Nursing homes without violations—Public agencies notified—Priority.** On or before February 1st of each year, the department shall notify all public agencies which refer patients to nursing homes of all of the nursing homes in the area found upon inspection within the previous twelve-month period to be without violations. Public agencies shall give priority to such nursing homes in referring publicly assisted patients. [1975 1st ex.s. c 99 § 12.]

**18.51.260 Posting citations for violation of RCW 18.51.060.** Each citation for a violation specified in RCW 18.51.060 which is issued pursuant to this section and which has become final, or a copy or copies thereof, shall be prominently posted, as prescribed in regulations issued by the director, until the violation is corrected to the satisfaction of the department up to a maximum of one hundred twenty days. The citation or copy shall be posted in a place or places in plain view of the patients in the nursing home, persons visiting those patients, and persons who inquire about placement in the facility. [1987 c 476 § 26; 1975 1st ex.s. c 99 § 13.]

**18.51.270 Annual report of citations—Publication—Contents.** The department shall annually publish a report listing all licensees by name and address, indicating (1) the number of citations and the nature of each citation issued to each licensee during the previous twelve-month period and the status of any action taken pursuant to each citation, including penalties assessed, and (2) the nature and status of action taken with respect to each uncorrected violation for which a citation is outstanding.

The report shall be available to the public, at cost, at all offices of the department. [1975 1st ex.s. c 99 § 14.]

**18.51.280 Chapter cumulative.** The remedies provided by this chapter are cumulative, and shall not be construed as restricting any remedy, provisional or otherwise, provided by law for the benefit of any party, and no judgment under this chapter shall preclude any party from obtaining additional relief based upon the same facts. [1975 1st ex.s. c 99 § 8.]

**18.51.290 Writings as public records.** Any writing received, owned, used, or retained by the department in connection with the provisions of this chapter is a public record and, as such, is open to public inspection. Copies of such records provided for public inspection shall comply with RCW 42.17.260(1). The names of duly authorized officers, employees, or agents of the department shall be included. [1980 c 184 § 4; 1975 1st ex.s. c 99 § 9.]

**Conflict with federal requirements—1980 c 184:** See RCW 74.42.630.

**18.51.300 Retention and preservation of records of patients.** Unless specified otherwise by the department, a nursing home shall retain and preserve all records which relate directly to the care and treatment of a patient for a period of no less than eight years following the most recent discharge of the patient; except the records of minors, which shall be retained and preserved for a period of no less than three years following attainment of the age of eighteen years, or ten years following such discharge, whichever is longer.

If a nursing home ceases operations, it shall make immediate arrangements, as approved by the department, for preservation of its records.

The department shall by regulation define the type of records and the information required to be included in the records to be retained and preserved under this section; which records may be retained in photographic form pursuant to chapter 5.46 RCW. [1995 1st sp.s. c 18 § 44; 1981 1st ex.s. c 2 § 24; 1975 1st ex.s. c 175 § 2.]

**Conflict with federal requirements—Severability—Effective date—1995 1st sp.s. c 18:** See notes following RCW 74.39A.030.

**Severability—Effective dates—1981 1st ex.s. c 2:** See notes following RCW 18.51.010.

**18.51.310 Comprehensive plan for utilization review—Licensing standards—Regulations.** (1) The department shall establish, in compliance with federal and state law, a comprehensive plan for utilization review as necessary to safeguard against unnecessary utilization of care and services and to assure quality care and services provided to nursing facility residents.

(2) The department shall adopt licensing standards suitable for implementing the civil penalty system authorized under this chapter and chapter 74.46 RCW.

(3) No later than July 1, 1981, the department shall adopt all those regulations which meet all conditions necessary to fully implement the civil penalty system authorized by this chapter, chapter 74.42 RCW, and chapter 74.46 RCW. [1991 sp.s. c 8 § 2; 1981 2nd ex.s. c 11 § 5; 1981 1st ex.s. c 2 § 12; 1980 c 184 § 5; 1979 ex.s. c 211 § 67; 1977 ex.s. c 244 § 1.]

**Effective date—1991 sp.s. c 8:** See note following RCW 18.51.050.

**Severability—Effective dates—1981 1st ex.s. c 2:** See notes following RCW 18.51.010.

**Conflict with federal requirements—1980 c 184:** See RCW 74.42.630.

**Effective date—1979 ex.s. c 211:** See RCW 74.42.920.

**18.51.320 Contact with animals—Rules.** (1) A nursing home licensee shall give each patient a reasonable opportunity to have regular contact with animals. The licensee may permit appropriate animals to live in the facilities and may permit appropriate animals to visit if the animals are properly supervised.

(2) The department shall adopt rules for the care, type, and maintenance of animals in nursing home facilities. [1984 c 127 § 2.]

**Intent—1984 c 127:** "The legislature finds that the senior citizens of this state, particularly those living in low-income public housing or in nursing homes, often lead lonely and harsh lives. The legislature recognizes that the warmth and companionship provided by pets can significantly improve the quality of senior citizens' lives. This legislation is intended to insure that senior citizens and persons in nursing homes will not be deprived of access to pets." [1984 c 127 § 1.]

**18.51.350 Conflict with federal requirements.** If any part of this chapter is found to conflict with federal requirements which are a prescribed condition to the allocation of federal funds to the state, the conflicting part of this chapter is hereby declared to be inoperative solely to the extent of the conflict, and such finding or determination shall not affect the operation of the remainder of this chapter. [1981 2nd ex.s. c 11 § 1.]

**18.51.400 Receivership—Legislative findings.** The legislature finds that the closure of a nursing home can have devastating effects on residents and, under certain circumstances, courts should consider placing nursing homes in receivership. As receivership has long existed as a remedy to preserve assets subject to litigation and to reorganize troubled affairs, the legislature finds that receivership is to be used to correct problems associated with either the disregard of residents' health, safety, or welfare or with the possible closure of the nursing home for any reason. [1987 c 476 § 9.]

**18.51.410 Receivership—Petition to establish—Grounds.** A petition to establish a receivership shall allege that one or more of the following conditions exist and that the current operator has demonstrated an inability or unwillingness to take actions necessary to immediately correct the conditions alleged:

(1) The facility is operating without a license;

(2) The facility has not given the department prior written notice of its intent to close and has not made arrangements within thirty days before closure for the orderly transfer of its residents: PROVIDED, That if the facility has given the department prior written notice but the department has not acted with all deliberate speed to transfer the facility's residents, this shall bar the filing of a petition under this subsection;

(3) The health, safety, or welfare of the facility's residents is immediately jeopardized;

(4) The facility demonstrates a pattern and practice of violating chapter 18.51 or 74.42 RCW and rules adopted thereunder such that the facility has demonstrated a repeated inability to maintain minimum patient care standards; or

(5) The facility demonstrates a pattern or practice of violating a condition level as defined by the federal government under the authority of Title XIX of the social security act.

The department may file a petition in the superior court in the county in which the nursing home is located or in the superior court of Thurston county. The current or former operator or licensee and the owner of the nursing home, if different than the operator or licensee, shall be made a party to the action. The court shall grant the petition if it finds, by a preponderance of the evidence, that one or more of the conditions listed in subsections (1) through (5) of this section exists and, subject to RCW 18.51.420, that the current operator is unable or unwilling to take actions necessary to immediately correct the conditions. [1989 c 372 § 10; 1987 c 476 § 10.]

**18.51.420 Receivership—Defenses to petition.** It shall be a defense to the petition to establish a receivership that the conditions alleged do not in fact exist. It shall not be a defense to the petition to allege that the respondent did not possess knowledge of the alleged condition or could not have been reasonably expected to know about the alleged condition. In a petition that alleges that the health, safety, or welfare of the residents of the facility is at issue, it shall not be a defense to the petition that the respondent had not been afforded a reasonable opportunity to correct the alleged condition. [1987 c 476 § 11.]

**18.51.430 Receivership—Persons qualified to act as receiver.** A petition for receivership shall include the name of the candidate for receiver. The department shall maintain a list of qualified persons to act as receivers, however, no person may be considered to be qualified to be a receiver who:

(1) Is the owner, licensee, or administrator of the facility;

(2) Is affiliated with the facility;

(3) Has a financial interest in the facility at the time the receiver is appointed; or

(4) Has owned or operated a nursing home that has been ordered into receivership.

If a receiver is appointed, he or she may be drawn from the list but need not be, but an appointee shall have experience in providing long-term health care and a history of satisfactory operation of a nursing home. Preference may be

granted to persons expressing an interest in permanent operation of the facility. [1989 c 372 § 3; 1987 c 476 § 12.]

**18.51.440 Receivership—Judicial hearing.** Upon receipt of a petition for receivership, the court shall hear the matter within fourteen days. Temporary relief may be obtained under chapter 7.40 RCW and other applicable laws. In all actions arising under RCW 18.51.410 through 18.51.530, the posting of a certified copy of the summons and petition in a conspicuous place in the nursing home shall constitute service of those documents upon the respondent. [1989 c 372 § 11; 1987 c 476 § 13.]

**18.51.450 Receivership—Appointment of receiver.** Upon agreement of the candidate for receiver to the terms of the receivership and any special instructions of the court, the court may appoint that person as receiver of the nursing home if the court determines it is likely that a permanent operator will be found or conditions will be corrected without undue risk of harm to the patients. Appointment of a receiver may be in lieu of or in addition to temporary removal of some or all of the patients in the interests of their health, security, or welfare. A receiver shall be appointed for a term not to exceed six months, but a term may be extended for good cause shown. [1987 c 476 § 14.]

**18.51.460 Receivership—Termination—Conditions.** (1) The receivership shall terminate:

(a) When all deficiencies have been eliminated and the court determines that the facility has the management capability to ensure continued compliance with all requirements; or

(b) When all residents have been transferred and the facility closed.

(2) Upon the termination of a receivership, the court may impose conditions to assure the continued compliance with chapters 18.51 and 74.42 RCW, and, in the case of medicaid contractors, continued compliance with Title XIX of the social security act, as amended, and regulations promulgated thereunder. [1989 c 372 § 12; 1987 c 476 § 15.]

**18.51.470 Receivership—Accounting of acts and expenditures by receiver.** The receiver shall render to the court an accounting of acts performed and expenditures made during the receivership. Nothing in this section relieves a court-appointed receiver from the responsibility of making all reports and certifications to the department required by law and regulation relating to the receiver's operation of the nursing home, the care of its residents, and participation in the medicaid program, if any. [1987 c 476 § 16.]

**18.51.480 Receivership—Compensation, liability—Revision of medicaid reimbursement rate.** If a receiver is appointed, the court shall set reasonable compensation for the receiver to be paid from operating revenues of the nursing home. The receiver shall be liable in his or her personal capacity only for negligent acts, intentional acts, or a breach of a fiduciary duty to either the residents of the

facility or the current or former licensee or owner of the facility.

The department may revise the nursing home's medicaid reimbursement rate, consistent with reimbursement principles in chapter 74.46 RCW and rules adopted under that chapter, if revision is necessary to cover the receiver's compensation and other reasonable costs associated with the receivership and transition of control. Rate revision may also be granted if necessary to cover start-up costs and costs of repairs, replacements, and additional staff needed for patient health, security, or welfare. The property return on investment components of the medicaid rate shall be established for the receiver consistent with reimbursement principles in chapter 74.46 RCW. The department may also expedite the issuance of necessary licenses, contracts, and certifications, temporary or otherwise, necessary to carry out the purposes of receivership. [1987 c 476 § 17.]

**18.51.490 Receivership—Powers of receiver.** Upon appointment of a receiver, the current or former licensee or operator and managing agent, if any, shall be divested of possession and control of the nursing home in favor of the receiver who shall have full responsibility and authority to continue operation of the home and the care of the residents. The receiver may perform all acts reasonably necessary to carry out the purposes of receivership, including, but not limited to:

(1) Protecting the health, security, and welfare of the residents;

(2) Remedying violations of state and federal law and regulations governing the operation of the home;

(3) Hiring, directing, managing, and discharging all consultants and employees for just cause; discharging the administrator of the nursing home; recognizing collective bargaining agreements; and settling labor disputes;

(4) Receiving and expending in a prudent manner all revenues and financial resources of the home; and

(5) Making all repairs and replacements needed for patient health, security, and welfare: **PROVIDED**, That expenditures for repairs or replacements in excess of five thousand dollars shall require approval of the court which shall expedite approval or disapproval for such expenditure.

Upon order of the court, a receiver may not be required to honor leases, mortgages, secured transactions, or contracts if the rent, price, or rate of interest was not a reasonable rent, price, or rate of interest at the time the contract was entered into or if a material provision of the contract is unreasonable. [1987 c 476 § 18.]

**18.51.500 Receivership—Financial assistance—Use of revenues and proceeds of facility.** Upon order of the court, the department shall provide emergency or transitional financial assistance to a receiver not to exceed thirty thousand dollars. The receiver shall file with the court an accounting for any money expended. Any emergency or transitional expenditure made by the department on behalf of a nursing home not certified to participate in the Medicaid Title XIX program shall be recovered from revenue generated by the facility which revenue is not obligated to the operation of the facility. An action to recover such sums may be filed by the department against the former licensee

or owner at the time the expenditure is made, regardless of whether the facility is certified to participate in the Medicaid Title XIX program or not.

In lieu of filing an action, the department may file a lien on the facility or on the proceeds of the sale of the facility. Such a lien shall take priority over all other liens except for liens for wages to employees. The owner of the facility shall be entitled to the proceeds of the facility or the sale of the facility to the extent that these exceed the liabilities of the facility, including liabilities to the state, receiver, employees, and contractors, at the termination of the receivership.

Revenues relating to services provided by the current or former licensee, operator, or owner and available operating funds belonging to such licensee, operator, or owner shall be under the control of the receiver. The receiver shall consult the court in cases of extraordinary or questionable debts incurred prior to his or her appointment and shall not have the power to close the home or sell any assets of the home without prior court approval.

Priority shall be given to debts and expenditures directly related to providing care and meeting the needs of patients. Any payment made to the receiver shall discharge the obligation of the payor to the owner of the facility. [1989 c 372 § 4; 1987 c 476 § 19.]

**18.51.510 Receivership—State medical assistance.**

If the nursing home is providing care to recipients of state medical assistance, the receiver shall become the medicaid contractor for the duration of the receivership period and shall assume all reporting and other responsibilities required by applicable laws and regulations. The receiver shall be responsible for the refund of medicaid rate payments in excess of costs during the period of the receivership. [1987 c 476 § 20.]

**18.51.520 Receivership—Foreclosures and seizures not allowed.** No seizure, foreclosure, or interference with nursing home revenues, supplies, real property, improvements, or equipment may be allowed for the duration of the receivership without prior court approval. [1987 c 476 § 21.]

**18.51.530 Notice of change of ownership or management.** At least sixty days before the effective date of any change of ownership, change of operating entity, or change of management of a nursing home, the current operating entity shall notify separately and in writing, each resident of the home or the resident's guardian of the proposed change. The notice shall include the identity of the proposed new owner, operating entity, or managing entity and the names, addresses, and telephone numbers of departmental personnel to whom comments regarding the change may be directed. If the proposed new owner, operating entity, or managing entity is a corporation, the notice shall include the names of all officers and the registered agent in the state of Washington. If the proposed new owner, operating entity, or managing entity is a partnership, the notice shall include the names of all general partners. This section shall apply regardless of whether the current operating entity holds a medicaid provider contract with the

department and whether the operating entity intends to enter such a contract. [1987 c 476 § 22.]

**18.51.540 Cost disclosure to attending physicians.**

(1) The legislature finds that the spiraling costs of nursing home care continue to surmount efforts to contain them, increasing at approximately twice the inflationary rate. The causes of this phenomenon are complex. By making nursing home facilities and care providers more aware of the cost consequences of care services for consumers, these providers may be inclined to exercise more restraint in providing only the most relevant and cost-beneficial services and care, with a potential for reducing the utilization of those services. The requirement of the nursing home to inform physicians, consumers, and other care providers of the charges of the services that they order may have a positive effect on containing health costs.

(2) All nursing home administrators in facilities licensed under this chapter shall be required to develop and maintain a written procedure for disclosing patient charges to attending physicians with admitting privileges. The nursing home administrator shall have the capability to provide an itemized list of the charges for all health care services that may be ordered by a physician. The information shall be made available on request of consumers, or the physicians or other appropriate health care providers responsible for prescribing care. [1993 c 492 § 268.]

**Findings—Intent—1993 c 492:** See notes following RCW 43.20.050.

**Short title—Severability—Savings—Captions not law—Reservation of legislative power—Effective dates—1993 c 492:** See RCW 43.72.910 through 43.72.915.

**18.51.900 Severability—1951 c 117.** If any provision of this act or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the provisions or application of this act which can be given effect without the invalid provisions or application, and to this end the provisions of this act are declared to be severable. [1951 c 117 § 22.]

**18.51.910 Nursing home advisory council—Termination.** The nursing home advisory council and its powers and duties shall be terminated on June 30, 1992, as provided in RCW 18.51.911. [1990 c 297 § 3; 1988 c 288 § 4; 1986 c 270 § 3; 1983 c 197 § 24. Formerly RCW 43.131.301.]

**18.51.911 Nursing home advisory council—Repeal.** The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective June 30, 1993:

(1) Section 11, chapter 117, Laws of 1951, section 1, chapter 85, Laws of 1971 ex. sess., section 65, chapter 211, Laws of 1979 ex. sess., section 39, chapter 287, Laws of 1984 and RCW 18.51.100; and

(2) Section 12, chapter 117, Laws of 1951, section 66, chapter 211, Laws of 1979 ex. sess. and RCW 18.51.110. [1990 c 297 § 4; 1988 c 288 § 5; 1986 c 270 § 4; 1983 c 197 § 50. Formerly RCW 43.131.302.]

**Chapter 18.52**

**NURSING HOME ADMINISTRATORS**

Sections

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18.52.160	Examinations—Times and places—Meetings of board.
18.52.900	Severability—1970 ex.s. c 57.

*Labor regulations, collective bargaining—Health care activities: Chapter 49.66 RCW.*

**18.52.010 Short title—Intent.** This chapter shall be known as the "Nursing Home Administrator Licensing Act" and is intended to establish and provide for the enforcement of standards for the licensing of nursing home administrators. The legislature finds that the quality of patient care in nursing homes is directly related to the competence of the nursing home administrators. It is the intent of this chapter that licensed nursing home administrators continually maintain (1) the suitable character required and (2) the capacity to consider the available resources and personnel of the facility subject to their authority and come to reasonable decisions implementing patient care. [1977 ex.s. c 243 § 1; 1970 ex.s. c 57 § 1.]

**18.52.020 Definitions.** When used in this chapter, unless the context otherwise clearly requires:

(1) "Board" means the state board of nursing home administrators representative of the professions and institutions concerned with the care of the chronically ill and infirm aged patients.

(2) "Secretary" means the secretary of health or the secretary's designee.

(3) "Nursing home" means any facility or portion thereof licensed under state law as a nursing home.

(4) "Nursing home administrator" means an individual qualified by education, experience, training, and examination to administer a nursing home. A nursing home administrator administering a nursing home must be in active administrative charge as defined by the board. Nothing in this definition or this chapter shall be construed to prevent any person, so long as he or she is otherwise qualified, from obtaining and maintaining a license even though he or she has not administered or does not continue to administer a nursing home. [1992 c 53 § 1; 1991 c 3 § 116; 1979 c 158 § 44; 1970 ex.s. c 57 § 2.]

**18.52.025 Authority of secretary of health.** In addition to any other authority provided by law, the secretary shall have the following authority:

(1) To set all fees required in this chapter in accordance with RCW 43.70.250 which may include fees for approval

of continuing competency, supervision of practical experience, all applications, verification, renewal, examination, and late penalties;

(2) To establish forms necessary to administer this chapter;

(3) To issue a license to any applicant who has met the education, training, and examination requirements for licensure and deny a license to applicants who do not meet the minimum qualifications for licensure, except that proceedings concerning the denial of licenses based on unprofessional conduct or impaired practice shall be governed by the uniform disciplinary act, chapter 18.130 RCW;

(4) To employ clerical, administrative, and investigative staff as needed to implement and administer this chapter and to employ individuals including those licensed under this chapter to serve as examiners or consultants as necessary to implement and administer this chapter; and

(5) To maintain the official department record of all applicants and licensees. [1992 c 53 § 2.]

**18.52.030 Management and supervision of nursing homes by licensed administrators required.** Nursing homes operating within this state shall be under the active, overall administrative charge and supervision of an on-site full-time administrator licensed as provided in this chapter. No person acting in any capacity, unless the holder of a nursing home administrator's license issued under this chapter, shall be charged with the overall responsibility to make decisions or direct actions involved in managing the internal operation of a nursing home, except as specifically delegated in writing by the administrator to identify a responsible person to act on the administrator's behalf when the administrator is absent. The administrator shall review the decisions upon the administrator's return and amend the decisions if necessary. The board shall define by rule the parameters for on-site full-time administrators in nursing homes with small resident populations and nursing homes in rural areas, or separately licensed facilities collocated on the same campus, as well as provide for the administrative requirements for nursing homes that are temporarily without administrators. [1992 c 53 § 3; 1970 ex.s. c 57 § 3.]

**18.52.040 Board of nursing home administrators—Created—Membership.** The state board of nursing home administrators shall consist of nine members appointed by the governor. Four members shall be persons licensed under this chapter who have at least four years actual experience in the administration of a licensed nursing home in this state immediately preceding appointment to the board and who are not employed by the state or federal government.

Four members shall be representatives of the health care professions providing medical or nursing services in nursing homes who are privately or self-employed; or shall be persons employed by educational institutions who have special knowledge or expertise in the field of health care administration, health care education or long-term care or both, or care of the aged and chronically ill.

One member shall be a resident of a nursing home or a family member of a resident or a person eligible for medicare. No member who is a nonadministrator representative shall have any direct or family financial interest in nursing

homes while serving as a member of the board. The governor shall consult with and seek the recommendations of the appropriate state-wide business and professional organizations and societies primarily concerned with long term health care facilities in the course of considering his appointments to the board. Board members currently serving shall continue to serve until the expiration of their appointments. [1992 c 53 § 4; 1975 1st ex.s. c 97 § 1; 1970 ex.s. c 57 § 4.]

**18.52.050 Board—Generally.** Members of the board shall be citizens of the United States and residents of this state. All administrator members of the board shall be holders of licenses under this chapter. The terms of all members shall be five years. Any board member may be removed for just cause including a finding of fact of unprofessional conduct or impaired practice. The governor may appoint a new member to fill any vacancy on the board for the remainder of the unexpired term. No board member may serve more than two consecutive terms, whether full or partial. Board members shall serve until their successors are appointed. Board members shall be compensated in accordance with RCW 43.03.240 and shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060. The board may elect annually a chair and vice-chair to direct the meetings of the board. The board shall meet at least four times each year and may hold additional meetings as called by the secretary or the chair. [1992 c 53 § 5; 1970 ex.s. c 57 § 5.]

**18.52.061 Board—Authority.** In addition to any authority provided by law, the board shall have the following authority:

(1) To adopt rules in accordance with chapter 34.05 RCW necessary to implement this chapter;

(2) To prepare and administer or approve the preparation and administration of examinations for licensure;

(3) To conduct a hearing on an appeal of a denial of license based on the applicant's failure to meet the minimum qualifications for licensure. The hearing shall be conducted pursuant to chapter 34.05 RCW;

(4) To establish by rule the procedures for an appeal of an examination failure;

(5) To adopt rules implementing a continuing competency program;

(6) To issue subpoenas, statements of charges, statements of intent to deny licenses, and orders, and to delegate in writing to a designee to issue subpoenas; and

(7) To issue temporary license permits under circumstances defined by the board. [1992 c 53 § 6.]

**18.52.066 Application of uniform disciplinary act.** The uniform disciplinary act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter. [1987 c 150 § 32.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.52.071 Qualifications of licensees.** The department shall issue a license to any person applying for a

nursing home administrator's license who meets the following requirements:

(1) Successful completion of the requirements for a baccalaureate degree from a recognized institution of higher learning and any federal requirements;

(2) Successful completion of a practical experience requirement as determined by the board;

(3) Successful completion of examinations administered or approved by the board, or both, which shall be designed to test the candidate's competence to administer a nursing home;

(4) At least twenty-one years of age; and

(5) Not having engaged in unprofessional conduct as defined in RCW 18.130.180 or being unable to practice with reasonable skill and safety as defined in RCW 18.130.170. The board shall establish by rule what constitutes adequate proof of meeting the above requirements.

A limited license indicating the limited extent of authority to administer institutions conducted by and for those who rely upon treatment by prayer or spiritual means in accordance with the creed or tenets of any well-recognized church or religious denomination shall be issued to individuals demonstrating membership in such church or denomination. However, nothing in this chapter shall be construed to require an applicant employed by such institution to demonstrate proficiency in any medical techniques or to meet any medical educational qualifications or medical standards not in accord with the remedial care and treatment provided in such institutions. [1996 c 271 § 1; 1992 c 53 § 7.]

**18.52.110 License renewal.** (1) Every holder of a nursing home administrator's license shall renew that license by fulfilling the continuing competency requirement and by complying with administrative procedures, administrative requirements, and fees as determined according to RCW 43.70.250 and 43.70.280. The board may prescribe rules for maintenance of a license for temporary or permanent withdrawal or retirement from the active practice of nursing home administration.

(2) A condition of renewal shall be the presentation of proof by the applicant that the board requirement for continuing competency related to the administration of nursing homes has been met. [1996 c 191 § 26; 1992 c 53 § 8; 1991 c 3 § 120; 1984 c 279 § 69; 1975 1st ex.s. c 30 § 54; 1971 ex.s. c 266 § 9; 1970 ex.s. c 57 § 11.]

**Severability—1984 c 279:** See RCW 18.130.901.

**18.52.130 Recognition of out-of-state licensees.** The secretary may issue a nursing home administrator's license to anyone who holds a current administrator's license from another jurisdiction upon receipt of an application and complying with administrative procedures, administrative requirements, and fees determined according to RCW 43.70.250 and 43.70.280, if the standards for licensing in such other jurisdiction are substantially equivalent to those prevailing in this state, and that the applicant is otherwise qualified as determined by the board. [1996 c 191 § 27; 1992 c 53 § 9; 1991 c 3 § 121; 1985 c 7 § 50; 1975 1st ex.s. c 30 § 55; 1970 ex.s. c 57 § 13.]

**18.52.140 Penalty for unlicensed acts.** It shall be unlawful and constitute a gross misdemeanor for any person to act or serve in the capacity of a nursing home administrator unless he or she is the holder of a nursing home administrator's license issued in accordance with the provisions of this chapter: **PROVIDED HOWEVER,** That persons carrying out functions and duties delegated by a licensed administrator as defined in RCW 18.52.030 shall not be construed to be committing any unlawful act under this chapter. [1992 c 53 § 10; 1970 ex.s. c 57 § 14.]

**18.52.160 Examinations—Times and places—Meetings of board.** The board shall meet as often as may be necessary to carry out the duties of the board under this chapter. Examinations shall be administered at intervals not less than semiannually and at such times and places as may be determined by the board. There shall not be a limit upon the number of times a candidate may take the required examination. [1984 c 279 § 71; 1970 ex.s. c 57 § 17.]

**Severability—1984 c 279:** See RCW 18.130.901.

**18.52.900 Severability—1970 ex.s. c 57.** If any provision of this 1970 act, or the application thereof to any person or circumstance, is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable. [1970 ex.s. c 57 § 20.]

## Chapter 18.52C NURSING POOLS

### Sections

18.52C.010 Legislative intent.

18.52C.020 Definitions.

18.52C.030 Registration required.

18.52C.040 Duties of nursing pool—Application of uniform disciplinary act—Criminal background checks.

18.52C.050 Registration prerequisite to state reimbursement.

**18.52C.010 Legislative intent.** The legislature intends to protect the public's right to high quality health care by assuring that nursing pools employ, procure or refer competent and qualified health care or long-term care personnel, and that such personnel are provided to health care facilities, agencies, or individuals in a way to meet the needs of residents and patients. [1997 c 392 § 526; 1988 c 243 § 1.]

**Short title—Findings—Construction—Conflict with federal requirements—Part headings and captions not law—1997 c 392:** See notes following RCW 74.39A.009.

**18.52C.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Secretary" means the secretary of the department of health.

(2) "Health care facility" means a nursing home, hospital, hospice care facility, home health care agency, hospice agency, boarding home, adult family home, group home, or other entity for the delivery of health care or long-

term care services, including chore services provided under chapter 74.39A RCW.

(3) "Nursing home" means any nursing home facility licensed pursuant to chapter 18.52 RCW.

(4) "Nursing pool" means any person engaged in the business of providing, procuring, or referring health care or long-term care personnel for temporary employment in health care facilities, such as licensed nurses or practical nurses, nursing assistants, and chore service providers. "Nursing pool" does not include an individual who only engages in providing his or her own services.

(5) "Person" includes an individual, firm, corporation, partnership, or association. [1997 c 392 § 527; 1991 c 3 § 130; 1988 c 243 § 2.]

**Short title—Findings—Construction—Conflict with federal requirements—Part headings and captions not law—1997 c 392:** See notes following RCW 74.39A.009.

**18.52C.030 Registration required.** A person who operates a nursing pool shall register the pool with the secretary. Each separate location of the business of a nursing pool shall have a separate registration.

The secretary shall establish administrative procedures, administrative requirements, and fees as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 28; 1991 c 3 § 131; 1988 c 243 § 3.]

**18.52C.040 Duties of nursing pool—Application of uniform disciplinary act—Criminal background checks.**

(1) The nursing pool shall document that each temporary employee or referred independent contractor provided or referred to health care facilities currently meets the applicable minimum state credentialing requirements.

(2) The nursing pool shall not require, as a condition of employment or referral, that employees or independent contractors of the nursing pool recruit new employees or independent contractors for the nursing pool from among the permanent employees of the health care facility to which the nursing pool employee or independent contractor has been assigned or referred.

(3) The nursing pool shall carry professional and general liability insurance to insure against any loss or damage occurring, whether professional or otherwise, as the result of the negligence of its employees, agents or independent contractors for acts committed in the course of their employment with the nursing pool: **PROVIDED**, That a nursing pool that only refers self-employed, independent contractors to health care facilities shall carry professional and general liability insurance to cover its own liability as a nursing pool which refers self-employed, independent contractors to health care facilities: **AND PROVIDED FURTHER**, That it shall require, as a condition of referral, that self-employed, independent contractors carry professional and general liability insurance to insure against loss or damage resulting from their own acts committed in the course of their own employment by a health care facility.

(4) The uniform disciplinary act, chapter 18.130 RCW, shall govern the issuance and denial of registration and the discipline of persons registered under this chapter. The secretary shall be the disciplinary authority under this chapter.

(5) The nursing pool shall conduct a criminal background check on all employees and independent contractors as required under RCW 43.43.842 prior to employment or referral of the employee or independent contractor. [1997 c 392 § 528; 1991 c 3 § 132; 1988 c 243 § 4.]

**Short title—Findings—Construction—Conflict with federal requirements—Part headings and captions not law—1997 c 392:** See notes following RCW 74.39A.009.

**18.52C.050 Registration prerequisite to state reimbursement.** No state agency shall allow reimbursement for the use of temporary health care personnel from nursing pools that are not registered pursuant to this chapter: **PROVIDED**, That individuals directly retained by a health care facility without intermediaries may be reimbursed. [1988 c 243 § 5.]

## Chapter 18.53 OPTOMETRY

### Sections

18.53.003	Regulation of health care professions—Criteria.
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18.53.912	Severability—1981 c 58.
18.53.920	Repeal—1919 c 144.

**Reviser's note:** Certain powers and duties of the department of licensing and the director of licensing transferred to the department of health and the secretary of health. See RCW 43.70.220.

*Health professions account—Fees credited—Requirements for biennial budget request:* RCW 43.70.320.

*Homeless person vision services:* RCW 43.20A.800 through 43.20A.850.

*Rebating by practitioners of healing professions prohibited:* Chapter 19.68 RCW.

**18.53.003 Regulation of health care professions—Criteria.** See chapter 18.120 RCW.

**18.53.005 Legislative finding and declaration.** The legislature finds and declares that the practice of optometry is a learned profession and affects the health, welfare and safety of the people of this state, and should be regulated in the public interest and limited to qualified persons licensed and authorized to practice under the provisions of chapters 18.53 and 18.54 RCW. [1981 c 58 § 1; 1975 1st ex.s. c 69 § 1.]

**18.53.010 Definition—Scope of practice.** (1) The practice of optometry is defined as the examination of the human eye, the examination and ascertaining any defects of the human vision system and the analysis of the process of vision. The practice of optometry may include, but not necessarily be limited to, the following:

(a) The employment of any objective or subjective means or method including the use of drugs topically applied to the eye for diagnostic and therapeutic purposes by those licensed under this chapter and who meet the requirements of subsections (2) and (3) of this section, and the use of any diagnostic instruments or devices for the examination or analysis of the human vision system, the measurement of the powers or range of human vision, or the determination of the refractive powers of the human eye or its functions in general; and

(b) The prescription and fitting of lenses, prisms, therapeutic or refractive contact lenses and the adaption or adjustment of frames and lenses used in connection therewith; and

(c) The prescription and provision of visual therapy, therapeutic aids and other optical devices, and the treatment with topically applied drugs by those licensed under this chapter and who meet the requirements of subsections (2) and (3) of this section; and

(d) The ascertainment of the perceptive, neural, muscular or pathological condition of the visual system; and

(e) The adaptation of prosthetic eyes.

(2) Those persons using drugs for diagnostic purposes in the practice of optometry shall have a minimum of sixty hours of didactic and clinical instruction in general and ocular pharmacology as applied to optometry, and for therapeutic purposes, an additional minimum of seventy-five hours of didactic and clinical instruction as established by the board, and certification from an institution of higher learning, accredited by those agencies recognized by the United States office of education or the council on postsecondary accreditation to qualify for certification by the optometry board of Washington to use drugs for diagnostic and therapeutic purposes. Such course or courses shall be the fiscal responsibility of the participating and attending optometrist.

(3) The board shall establish a schedule of drugs for diagnostic and treatment purposes limited to the practice of optometry, and no person licensed pursuant to this chapter shall prescribe, dispense, purchase, possess, or administer drugs except as authorized and to the extent permitted by the board.

(4) The board shall develop a means of identification and verification of optometrists certified to use therapeutic drugs for the purpose of issuing prescriptions as authorized by this section. [1989 c 36 § 1; 1981 c 58 § 2; 1975 1st

ex.s. c 69 § 2; 1919 c 144 § 1; RRS § 10147. Prior: 1909 c 235 § 1.]

**18.53.021 License required.** It is a violation of RCW 18.130.190 for any person to practice optometry in this state without first obtaining a license from the secretary of health. [1991 c 3 § 133; 1987 c 150 § 38.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.53.030 Temporary permit—When issued.** The board may at its discretion, issue a permit to practice optometry during the interim between examinations, to any person who has filed an application for examination which has been accepted by the board as admitting the applicant to the next examination. Such permit shall be valid only until the date of the next examination and shall not be issued sooner than thirty days following any regular examination, and no permit shall be issued to any person who has failed before the board, nor where a certificate has been revoked. [1986 c 259 § 80; 1919 c 144 § 8; RRS § 10153.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.53.035 Credentialing by endorsement.** An applicant holding a credential in another state may be credentialed to practice in this state without examination if the board determines that the other state's credentialing standards are substantially equivalent to the standards in this state. [1991 c 332 § 30.]

**Application to scope of practice—Captions not law—1991 c 332:** See notes following RCW 18.130.010.

**18.53.040 Exemptions—Exceptions—Limitation.** Nothing in this chapter shall be construed to pertain in any manner to the practice of any regularly qualified oculist or physician, who is regularly licensed to practice medicine in the state of Washington, or to any person who is regularly licensed to practice as a dispensing optician in the state of Washington, nor to any person who in the regular course of trade, sells or offers for sale, spectacles or eyeglasses as regular merchandise without pretense of adapting them to the eyes of the purchaser, and not in evasion of this chapter: PROVIDED, That any such regularly qualified oculist or physician or other person shall be subject to the provisions of \*subdivisions (10) through (15) of RCW 18.53.140, in connection with the performance of any function coming within the definition of the practice of optometry as defined in this chapter: PROVIDED FURTHER, HOWEVER, That in no way shall this section be construed to permit a dispensing optician to practice optometry as defined in \*\*this 1975 amendatory act. [1975 1st ex.s. c 69 § 15; 1937 c 155 § 3; 1919 c 144 § 15; Rem. Supp. 1937 § 10159. Prior: 1909 c 235 § 13.]

**Reviser's note:** \*(1) RCW 18.53.140 was amended by 1986 c 259 § 82, changing subsections (10) through (15) to subsections (9) through (14), respectively.

\*\*\*(2) "This 1975 amendatory act" [1975 1st ex.s. c 69] consists of RCW 18.53.005, 18.53.155, 18.53.200, 18.53.911, amendments to RCW 18.53.010, 18.53.020, 18.53.040, 18.53.060, 18.53.070, 18.53.100, 18.53.140, 18.53.190, 18.54.070, 18.54.080, 18.54.140 and the repeal of RCW 18.53.090.

**18.53.050 License renewal.** Every licensed optometrist shall renew his or her license by complying with administrative procedures, administrative requirements, and fees determined according to RCW 43.70.250 and 43.70.280. [1996 c 191 § 29; 1991 c 3 § 134; 1985 c 7 § 51; 1983 c 168 § 8; 1981 c 277 § 8; 1975 1st ex.s. c 30 § 56; 1971 ex.s. c 266 § 10; 1955 c 275 § 1; 1919 c 144 § 13; RRS § 10158.]

**Severability—1983 c 168:** See RCW 18.120.910.

**18.53.060 License applicants—Eligibility—Qualifications—Examinations—Exception.** From and after January 1, 1940, in order to be eligible for examination for registration, a person shall be a citizen of the United States of America, who shall have a preliminary education of or equal to four years in a state accredited high school and has completed a full attendance course in a regularly chartered school of optometry maintaining a standard which is deemed sufficient and satisfactory by the optometry board, who is a person of good moral character, who has a visual acuity in at least one eye, of a standard known as 20/40 under correction: PROVIDED, That from and after January 1, 1975, in order to be eligible for examination for a license, a person shall have the following qualifications:

(1) Be a graduate of a state accredited high school or its equivalent;

(2) Have a diploma or other certificate of completion from an accredited college of optometry or school of optometry, maintaining a standard which is deemed sufficient and satisfactory by the optometry board, conferring its degree of doctor of optometry or its equivalent, maintaining a course of four scholastic years in addition to pre-professional college level studies, and teaching substantially all of the following subjects: General anatomy, anatomy of the eyes, physiology, physics, chemistry, pharmacology, biology, bacteriology, general pathology, ocular pathology, ocular neurology, ocular myology, psychology, physiological optics, optometrical mechanics, clinical optometry, visual field charting and orthoptics, general laws of optics and refraction and use of the ophthalmoscope, retinoscope and other clinical instruments necessary in the practice of optometry; and

(3) Be of good moral character.

Such person shall file an application for an examination and license with said board at any time thirty days prior to the time fixed for such examination, or at a later date if approved by the board, and such application must be on forms approved by the board, and properly attested, and if found to be in accordance with the provisions of this chapter shall entitle the applicant upon payment of the proper fee, to take the examination prescribed by the board. Such examination shall not be out of keeping with the established teachings and adopted textbooks of the recognized schools of optometry, and shall be confined to such subjects and practices as are recognized as essential to the practice of optometry. All candidates without discrimination, who shall successfully pass the prescribed examination, shall be registered by the board and shall, upon payment of the proper fee, be issued a license. Any license to practice optometry in this state issued by the secretary, and which shall be in full force and effect at the time of passage of

\*this 1975 amendatory act, shall be continued. [1995 c 198 § 6; 1991 c 3 § 135; 1975 1st ex.s. c 69 § 4; 1937 c 155 § 1; 1919 c 144 § 5; Rem. Supp. 1937 § 10150. Prior: 1909 c 235 § 7. Formerly RCW 18.53.060 and 18.53.080.]

\*Reviser's note: "This 1975 amendatory act," see note following RCW 18.53.040.

**18.53.070 Licensing—Procedures, requirements, fees.** Administrative procedures, administrative requirements, and fees for issuing a license shall be determined as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 30; 1991 c 3 § 136; 1985 c 7 § 52; 1981 c 260 § 5. Prior: 1975 1st ex.s. c 69 § 5; 1975 1st ex.s. c 30 § 57; 1919 c 144 § 9; RRS § 10151; prior: 1909 c 235 § 7.]

**18.53.100 Disciplinary action—Grounds.** The following constitutes grounds for disciplinary action under chapter 18.130 RCW:

(1) Any form of fraud or deceit used in securing a license; or

(2) Any unprofessional conduct, of a nature likely to deceive or defraud the public; or

(3) The employing either directly or indirectly of any person or persons commonly known as "cappers" or "steerers" to obtain business; or

(4) To employ any person to solicit from house to house, or to personally solicit from house to house; or

(5) Advertisement in any way in which untruthful, improbable or impossible statements are made regarding treatments, cures or values; or

(6) The use of the term "eye specialist" in connection with the name of such optometrist; or

(7) Inability to demonstrate, in a manner satisfactory to the secretary or the board of optometry, their practical ability to perform any function set forth in RCW 18.53.010 which they utilize in their practice. [1991 c 3 § 137; 1986 c 259 § 81; 1975 1st ex.s. c 69 § 6; 1919 c 144 § 11; RRS § 10156. Prior: 1909 c 235 §§ 11, 12.]

**Savings—1986 c 259 §§ 81, 85:** "The repeal of RCW 18.53.020 and the amendment of RCW 18.53.100 by this act shall not be construed as affecting any rights and duties which matured, penalties which were incurred, and proceedings which were begun before June 11, 1986." [1986 c 259 § 86.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

*Alcoholism, intoxication, and drug addiction treatment: Chapter 70.96A RCW.*

*False advertising: Chapter 9.04 RCW.*

*Violation of Uniform Controlled Substances Act—Suspension of license: RCW 69.50.413.*

**18.53.101 Application of uniform disciplinary act.** The uniform disciplinary act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter and chapter 18.54 RCW. [1987 c 150 § 36; 1986 c 259 § 78.]

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.53.140 Unlawful acts.** It shall be unlawful for any person:

(1) To sell or barter, or offer to sell or barter any license issued by the secretary; or

(2) To purchase or procure by barter any license with the intent to use the same as evidence of the holder's qualification to practice optometry; or

(3) To alter with fraudulent intent in any material regard such license; or

(4) To use or attempt to use any such license which has been purchased, fraudulently issued, counterfeited or materially altered as a valid license; or

(5) To practice optometry under a false or assumed name, or as a representative or agent of any person, firm or corporation with which the licensee has no connection: PROVIDED, Nothing in this chapter nor in the optometry law shall make it unlawful for any lawfully licensed optometrist or association of lawfully licensed optometrists to practice optometry under the name of any lawfully licensed optometrist who may transfer by inheritance or otherwise the right to use such name; or

(6) To practice optometry in this state either for him or herself or any other individual, corporation, partnership, group, public or private entity, or any member of the licensed healing arts without having at the time of so doing a valid license issued by the secretary of health; or

(7) To in any manner barter or give away as premiums either on his own account or as agent or representative for any other purpose, firm or corporation, any eyeglasses, spectacles, lenses or frames; or

(8) To use drugs in the practice of optometry, except those topically applied for diagnostic or therapeutic purposes; or

(9) To use advertising whether printed, radio, display, or of any other nature, which is misleading or inaccurate in any material particular, nor shall any such person in any way misrepresent any goods or services (including but without limitation, its use, trademark, grade, quality, size, origin, substance, character, nature, finish, material, content, or preparation) or credit terms, values, policies, services, or the nature or form of the business conducted; or

(10) To advertise the "free examination of eyes," "free consultation," "consultation without obligation," "free advice," or any words or phrases of similar import which convey the impression to the public that eyes are examined free or of a character tending to deceive or mislead the public, or in the nature of "bait advertising;" or

(11) To use an advertisement of a frame or mounting which is not truthful in describing the frame or mounting and all its component parts. Or advertise a frame or mounting at a price, unless it shall be depicted in the advertisement without lenses inserted, and in addition the advertisement must contain a statement immediately following, or adjacent to the advertised price, that the price is for frame or mounting only, and does not include lenses, eye examination and professional services, which statement shall appear in type as large as that used for the price, or advertise lenses or complete glasses, viz.: frame or mounting with lenses included, at a price either alone or in conjunction with professional services; or

(12) To use advertising, whether printed, radio, display, or of any other nature, which inaccurately lays claim to a policy or continuing practice of generally underselling competitors; or

(13) To use advertising, whether printed, radio, display or of any other nature which refers inaccurately in any

material particular to any competitors or their goods, prices, values, credit terms, policies or services; or

(14) To use advertising whether printed, radio, display, or of any other nature, which states any definite amount of money as "down payment" and any definite amount of money as a subsequent payment, be it daily, weekly, monthly, or at the end of any period of time. [1991 c 3 § 138; 1989 c 36 § 2; 1986 c 259 § 82; 1981 c 58 § 3; 1979 c 158 § 47; 1975 1st ex.s. c 69 § 7; 1945 c 78 § 1; 1935 c 134 § 1; 1919 c 144 § 7; Rem. Supp. 1945 § 10152. Cf. 1909 c 235 § 5.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

*False advertising: Chapter 9.04 RCW.*

*Violation of Uniform Controlled Substances Act—Suspension of license: RCW 69.50.413.*

**18.53.145 Unlawful advertising of indemnity benefits.** It shall be unlawful for any licensee subject to the provisions of chapter 18.53 RCW to advertise to the effect that benefits in the form of indemnity will accrue to subscribers of health care service contracts for services performed by the licensee for a subscriber when the licensee is neither a health care service contractor nor a participant. A violation of this section shall be punishable as provided in RCW 18.53.140(10). [1969 c 143 § 2.]

**18.53.150 Violations generally—Penalty.** Any person violating this chapter is guilty of a misdemeanor. [1986 c 259 § 83; 1919 c 144 § 22; RRS § 10163. Prior: 1909 c 235 § 12.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.53.160 Public aid ocular services—Discrimination prohibited.** All agencies of the state and its subdivisions, and all commissions, clinics and boards administering relief, public assistance, public welfare assistance, social security, health insurance, or health service under the laws of this state, shall accept the services of licensed optometrists for any service covered by their licenses relating to any person receiving benefits from said agencies or subdivisions and shall pay for such services in the same way as practitioners of other professions may be paid for similar services. None of the said governmental agencies, or agents, officials or employees thereof, including the public schools, in the performance of their duties shall in any way show discrimination among licensed ocular practitioners. [1949 c 149 § 1; Rem. Supp. 1949 § 9991a.]

**18.53.165 Discrimination prohibited—Legislative finding and declaration.** The legislature finds and declares that the costs of health care to the people are rising disproportionately to other costs and that there is a paramount concern that the right of the people to obtain access to health care in all its facets is being impaired thereby. For this reason, the reliance on the mechanism of insurance, whether profit or nonprofit, is the only effective manner in which the large majority of the people can attain access to quality health care, and it is therefore declared to be in the public interest that health care insurance be regulated to assure that all the people have access to health care rendered by whatever means, and to the greatest extent possible.

RCW 18.53.165 through 18.53.190 and 18.53.901, prohibiting discrimination against the legally recognized and licensed profession of optometrists, is necessary in the interest of the public health, welfare and safety. [1973 c 48 § 1.]

**18.53.170 Discrimination prohibited—Acceptance of services by state agencies and subdivisions.** Notwithstanding any other provision of law, the state and its political subdivisions shall accept the services of licensed optometrists for any service covered by their licenses with relation to any person receiving benefits, salaries, wages, or any other type of compensation from the state, its agencies or subdivisions. [1973 c 48 § 2.]

**18.53.175 Discrimination prohibited—State agencies and subdivisions—Officials and employees.** The state and its political subdivisions, and all officials, agents, employees, or representatives thereof, are prohibited from in any way discriminating against licensed optometrists in performing and receiving compensation for services covered by their licenses. [1973 c 48 § 3.]

**18.53.180 Discrimination prohibited—Agreements or contracts by state and subdivisions.** Notwithstanding any other provision of law, the state and its political subdivisions, and all officials, agents, employees, or representatives thereof, are prohibited from entering into any agreement or contract with any individual, group, association, or corporation which in any way, directly or indirectly, discriminates against licensed optometrists in performing and receiving compensation for services covered by their licenses. [1973 c 48 § 4.]

**18.53.185 Discrimination prohibited—Costs immaterial.** Notwithstanding any other provision of law, for the purpose of RCW 18.53.165 through 18.53.180 and 18.53.190 it is immaterial whether the cost of any policy, plan, agreement, or contract be deemed additional compensation for services, or otherwise. [1973 c 48 § 5.]

**18.53.190 Discrimination prohibited—Application of law.** RCW 18.53.165 through 18.53.185 shall apply to all agreements, renewals, or contracts issued on or after June 7, 1973.

Health care service contracts having a participant agreement with a majority of the licensed optometrists within its service area may provide benefits to persons or groups of persons through contracts which allow a subscriber to utilize on an equal participation basis the services of any participant provided in the contract, and such contracts shall not be discriminatory. [1975 1st ex.s. c 69 § 8; 1973 c 48 § 6.]

**18.53.200 Privileged communications.** The information and records of a licensed optometrist pertaining to a patient shall be privileged communications, the same as now or hereafter may exist in the relationship of physician and patient and shall not be released or subjected to disclosure without the consent of the patient or as otherwise required by law. [1975 1st ex.s. c 69 § 14.]

*Privileged communications—Physician and patient: RCW 5.60.060.*

**18.53.900 Short title—1919 c 144.** This act shall be known, and may be referred to as, "The Optometry Law". [1919 c 144 § 20.]

**18.53.901 Severability—1973 c 48.** If any provision of this 1973 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. [1973 c 48 § 7.]

**18.53.910 Severability—1919 c 144.** Any question of unconstitutionality arising concerning any of the sections or provisions of this act shall in no wise affect any other section or provision of the act. [1919 c 144 § 18.]

**18.53.911 Severability—1975 1st ex.s. c 69.** If any provision of this 1975 amendatory 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. [1975 1st ex.s. c 69 § 17.]

**18.53.912 Severability—1981 c 58.** If any provision of this amendatory 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. [1981 c 58 § 4.]

**18.53.920 Repeal—1919 c 144.** All acts and parts of acts inconsistent with this act are hereby repealed. [1919 c 144 § 19.]

## Chapter 18.54

### OPTOMETRY BOARD

#### Sections

18.54.005	Regulation of health care professions—Criteria.
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18.54.076	Application of uniform disciplinary act.
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18.54.130	Compensation and travel expenses of members.
18.54.140	Board may draw from health professions account.
18.54.150	Devolution of powers relating to revocation of certificates.
18.54.900	Short title.
18.54.910	Severability—1963 c 25.
18.54.920	RCW 43.24.060, 43.24.110, and 43.24.120 not applicable to optometry.

**Reviser's note:** Powers and duties of the department of licensing and the director of licensing transferred to the department of health and the secretary of health. See RCW 43.70.220.

*Health professions account—Fees credited—Requirements for biennial budget request: RCW 43.70.320.*

*Secretary of health or designee ex officio member of health professional licensure and disciplinary boards: RCW 43.70.300.*

**18.54.005 Regulation of health care professions—Criteria.** See chapter 18.120 RCW.

**18.54.010 Definitions.** Unless the context clearly indicates otherwise, the terms used in this chapter take their meanings as follows:

(1) "Board" means the optometry board;

(2) "License" means a certificate or permit to practice optometry as provided in \*RCW 18.53.020 as amended from time to time;

(3) "Members" means members of the optometry board. [1963 c 25 § 1.]

**\*Reviser's note:** RCW 18.53.020 was repealed by 1986 c 259 § 85.

**18.54.020 Examining committee reconstituted as optometry board.** The examining committee, heretofore created pursuant to RCW 43.24.060, is reorganized and reconstituted as the optometry board. [1963 c 25 § 2.]

*RCW 43.24.060, 43.24.110, and 43.24.120 not applicable to optometry: RCW 18.54.920.*

**18.54.030 Composition—Appointments—Qualifications—Terms—Vacancies.** The initial composition of the optometry board includes the three members of the examining committee for optometry plus two more optometrists to be appointed by the governor.

The governor must make all appointments to the optometry board. Only optometrists who are citizens of the United States, residents of this state, having been licensed to practice and practicing optometry in this state for a period of at least four years immediately preceding the effective date of appointment, and who have no connection with any school or college embracing the teaching of optometry or with any optical supply business may be appointed.

The governor may set the terms of office of the initial board at his discretion, to establish the following perpetual succession: The terms of the initial board include one position for one year, two for two years and two for three years; and upon the expiration of the terms of the initial board, all appointments are for three years.

In addition to the members specified in this section, the governor shall appoint a consumer member of the board, who shall serve for a term of three years.

In the event that a vacancy occurs on the board in the middle of an appointee's term, the governor must appoint a successor for the unexpired portion of the term only. [1984 c 279 § 54; 1963 c 25 § 3.]

**Severability—1984 c 279:** See RCW 18.130.901.

**18.54.040 Officers.** The board must elect a chairman and secretary from its members, to serve for a term of one year or until their successors are elected and qualified. [1963 c 25 § 4.]

**18.54.050 Meetings.** The board must meet at least once yearly or more frequently upon call of the chairman or the secretary of health at such times and places as the chairman or the secretary of health may designate by giving three days' notice or as otherwise required by RCW 42.30.075. [1991 c 3 § 139; 1989 c 175 § 65; 1979 c 158 § 48; 1975 1st ex.s. c 69 § 9; 1963 c 25 § 5.]

**Effective date—1989 c 175:** See note following RCW 34.05.010.

**Severability—1975 1st ex.s. c 69:** See RCW 18.53.911.

**18.54.060 Quorum.** Three members constitute a quorum for the transaction of business of the board. [1963 c 25 § 6.]

**18.54.070 Powers and duties—Examinations—Rules.** The board has the following powers and duties:

(1) To develop and administer, or approve, or both, a licensure examination. The board may approve an examination prepared or administered by a private testing agency or association of licensing authorities.

(2) The board shall adopt rules and regulations to promote safety, protection and the welfare of the public, to carry out the purposes of this chapter, to aid the board in the performance of its powers and duties, and to govern the practice of optometry. [1995 c 198 § 7; 1991 c 3 § 140; 1986 c 259 § 84; 1979 c 158 § 49; 1975 1st ex.s. c 69 § 10; 1963 c 25 § 7.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**Severability—1975 1st ex.s. c 69:** See RCW 18.53.911.

**18.54.076 Application of uniform disciplinary act.** The uniform disciplinary act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter and chapter 18.53 RCW. [1987 c 150 § 37; 1986 c 259 § 79.]

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.54.090 Administrative procedures—Minimum fees.** The board is an administrative agency of the state of Washington, and the provisions of the administrative procedure act, chapter 34.05 RCW as amended from time to time, govern the conduct and proceedings of the board. Nothing in this chapter shall be construed to give the board the power to set or recommend a minimum schedule of fees to be charged by licensed optometrist. [1963 c 25 § 9.]

**18.54.130 Compensation and travel expenses of members.** Members of the board are entitled to receive their travel expenses in accordance with RCW 43.03.050 and 43.03.060. Each member of the board will also be compensated in accordance with RCW 43.03.240. [1984 c 287 § 41; 1975-'76 2nd ex.s. c 34 § 39; 1967 c 188 § 3; 1963 c 25 § 13.]

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**Effective date—Severability—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

**18.54.140 Board may draw from health professions account.** Notwithstanding any other provisions of law, rule or regulation, the board may draw from the health professions account on vouchers approved by the secretary of health, so much money as is necessary to carry into effect, to administer, and to enforce the provisions of this chapter. [1991 c 3 § 141; 1983 c 168 § 9; 1979 c 158 § 50; 1975 1st ex.s. c 69 § 12; 1963 c 25 § 14.]

**Severability—1983 c 168:** See RCW 18.120.910.

**Severability—1975 1st ex.s. c 69:** See RCW 18.53.911.

*Health professions account: RCW 43.70.320.*

**18.54.150 Devolution of powers relating to revocation of certificates.** All powers previously vested in the director of licenses under the provisions of RCW 18.53.100 are vested in the optometry board. [1963 c 25 § 15.]

**18.54.900 Short title.** This act may be known and cited as the "optometry board act." [1963 c 25 § 16.]

**18.54.910 Severability—1963 c 25.** If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provisions to other persons or circumstances is not affected. [1963 c 25 § 17.]

**18.54.920 RCW 43.24.060, 43.24.110, and 43.24.120 not applicable to optometry.** The provisions of RCW 43.24.060, 43.24.110 and 43.24.120 are not applicable to the licensing and regulation of the practice of optometry. [1963 c 25 § 18.]

*Examining committee reconstituted as optometry board: RCW 18.54.020.*

## Chapter 18.55 OCULARISTS

### Sections

18.55.005	Regulation of health care professions—Criteria.
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18.55.010	Licensing—Exemptions—Limitations.
18.55.015	Intent.
18.55.020	Definitions.
18.55.030	Licenses—Renewal.
18.55.040	License applicants—Qualifications—Examination.
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18.55.075	Scope of practice.
18.55.085	Unprofessional conduct.
18.55.095	Authority of secretary.
18.55.105	Out-of-state applicants.
18.55.900	Severability—1980 c 101.

*Health professions account—Fees credited—Requirements for biennial budget request: RCW 43.70.320.*

*Health professions advisory committee: RCW 18.138.120.*

*Secretary of health or designee ex officio member of health professional licensure and disciplinary boards: RCW 43.70.300.*

**18.55.005 Regulation of health care professions—Criteria.** See chapter 18.120 RCW.

**18.55.007 License required.** No person may practice or represent himself or herself as an ocularist without first having a valid license to do so. [1987 c 150 § 40.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.55.010 Licensing—Exemptions—Limitations.** (1) Nothing in this chapter shall:

(a) Be construed to limit or restrict a duly licensed physician or employees working under the personal supervision of a duly licensed physician from the practices enumerated in this chapter;

(b) Be construed to prohibit an unlicensed person from performing mechanical work upon inert matter in an ocularist's office or laboratory;

(c) Be construed to authorize or permit a licensee under this chapter to hold himself or herself out as being able to, or to offer to, or to undertake to attempt, by any manner of means, to examine or exercise eyes, or diagnose, treat, correct, relieve, operate, or prescribe for disease or any visual deficiency.

(2) Each practitioner duly licensed pursuant to chapters 18.53, 18.57, and 18.71 RCW shall have all the rights and privileges which may accrue under this chapter to ocularists licensed under this chapter. [1980 c 101 § 1.]

**18.55.015 Intent.** The legislature finds it necessary to regulate the practice of ocularist to protect the public health, safety, and welfare. The legislature intends that only individuals who meet and maintain minimum standards of competence and conduct may provide service to the public. [1991 c 180 § 1.]

**18.55.020 Definitions.** The terms defined in this section shall have the meaning ascribed to them wherever appearing in this chapter, unless a different meaning is specifically used to such term in such statute.

(1) "Department" means the department of health.

(2) "Secretary" means the secretary of health.

(3) "Ocularist" means a person licensed under this chapter.

(4) "Apprentice" means a person designated an apprentice in the records of the secretary to receive from a licensed ocularist training and direct supervision in the work of an ocularist.

(5) "Stock-eye" means an ocular stock prosthesis that has not been originally manufactured or altered by the ocularist or service provider selling or fitting, or both, said prosthesis to a patient or customer. "Altered" means either taking away or adding materials, or colorization, or otherwise changing the prosthesis' appearance, function, or fit in the socket or on the implant of the patient or customer.

(6) "Modified stock-eye" means a stock-eye that has been altered in some manner by the ocularist or service provider selling or fitting, or both, said prosthesis to a patient or customer. "Altered" is as defined in subsection (5) of this section. A modified stock-eye cannot be defined as either a "custom" or "impression-fitted" eye or prosthesis by adding material that incorporates an impression-surface of the patient or customer socket or implant surfaces.

(7) "Custom-eye" means an original, newly manufactured eye or prosthesis that has been specifically crafted by an ocularist or authorized service provider for the patient or customer to whom it is sold or provided. The "custom-eye" may be either an impression-fitted eye (an impression of the socket or implant surfaces) or an empirical/wax pattern-fitted method eye, or a combination of either, as delineated in the ocularist examination. [1994 sp.s. c 9 § 504; 1991 c 180 § 2; (1991 c 3 § 142 repealed by 1991 sp.s. c 11 § 2); 1980 c 101 § 2.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**18.55.030 Licenses—Renewal.** The secretary shall determine administrative procedures, administrative requirements, and fees for licenses and renewals as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 31; 1991 c 3 § 143; 1980 c 101 § 3.]

**18.55.040 License applicants—Qualifications—Examination.** No applicant shall be licensed under this chapter until the applicant complies with administrative procedures, administrative requirements, and fees determined by the secretary according to RCW 43.70.250 and 43.70.280. Qualifications must require that the applicant:

- (1) Is eighteen years or more of age;
- (2) Has graduated from high school or has received a general equivalency degree;
- (3) Is of good moral character; and
- (4)(a) Had at least ten thousand hours of apprenticeship training under the direct supervision of a licensed ocularist; or
- (b) Successfully completed a prescribed course in ocularist training programs approved by the secretary; or
- (c) Has had at least ten thousand hours of apprenticeship training under the direct supervision of a practicing ocularist, or has the equivalent experience as a practicing ocularist, or any combination of training and supervision, not in the state of Washington; and
- (5) Successfully passes an examination conducted or approved by the secretary. [1996 c 191 § 32; 1991 c 180 § 4; (1991 c 3 § 144 repealed by 1991 sp.s. c 11 § 2); 1985 c 7 § 53; 1980 c 101 § 4.]

**18.55.045 Examination.** The secretary may approve an examination prepared or administered by a private testing agency or association of licensing authorities. The examination shall determine if the applicant has a thorough knowledge of the principles governing the practice of an ocularist. [1991 c 180 § 5.]

**18.55.050 Licenses or registrations—Renewal.** Every individual licensed or registered under this chapter shall comply with administrative procedures, administrative requirements, and fees determined by the secretary, as provided by RCW 43.70.250 and 43.70.280 to renew his or her license. [1996 c 191 § 33; 1991 c 180 § 6; (1991 c 3 § 145 repealed by 1991 sp.s. c 11 § 2); 1985 c 7 § 54; 1980 c 101 § 7.]

**18.55.060 Apprentices.** (1) A person wishing to work as an apprentice ocularist shall submit to the secretary the registration fee and completed application form signed by the applicant and the licensed ocularist who shall be responsible for the acts of the apprentice in the performance of his or her work in the apprenticeship program.

(2) Apprentices shall complete their ten thousand hours of apprenticeship within eight years and shall not work longer as an apprentice unless the secretary determines, after a hearing, that the apprentice was prevented by causes beyond his or her control from completing the apprenticeship and becoming a licensee hereunder in eight years.

(3) No licensee under this chapter may have more than two apprentices in training at one time. [1991 c 180 § 7; 1991 c 3 § 146; 1980 c 101 § 5.]

**Reviser's note:** This section was amended by 1991 c 3 § 146 and by 1991 c 180 § 7, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**18.55.066 Application of uniform disciplinary act.** The uniform disciplinary act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter. [1987 c 150 § 39; 1986 c 259 § 89.]

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.55.075 Scope of practice.** An ocularist designs, fabricates, and fits ocular prosthetic appliances. An ocularist is authorized to perform the necessary procedures to provide an ocular prosthetic service for the patient in the ocularist's office or laboratory on referral of a physician. A referral is not required for the replacement of an ocular prosthetic appliance. The ocularist is authorized to make judgment on the needed care, replacement, and use of an ocular prosthetic appliance. The ocularist is authorized to design, fabricate, and fit human prosthetics in the following categories:

- (1) Stock and custom prosthetic eyes;
- (2) Stock and custom therapeutic scleral shells;
- (3) Stock and custom therapeutic painted iris shells;
- (4) External orbital and facial prosthetics; and
- (5) Ocular conformers: PROVIDED, That nothing

herein shall be construed to allow the fitting or fabricating of contact lenses. [1991 c 180 § 3.]

**18.55.085 Unprofessional conduct.** An ocularist or authorized service provider shall explain to patients or customers exactly which type of prosthesis or service they are receiving or purchasing. Failure to do so, or misrepresentation of said services, constitutes unprofessional conduct under this chapter and chapter 18.130 RCW. [1991 c 180 § 9.]

**18.55.095 Authority of secretary.** In addition to any other authority provided by law, the secretary may:

- (1) Adopt rules in accordance with chapter 34.05 RCW necessary to implement this chapter;
- (2) Establish forms necessary to administer this chapter;
- (3) Issue a license to any applicant who has met the education, training, and examination requirements for licensure and deny a license to applicants who do not meet the minimum qualifications for licensure. Proceedings concerning the denial of licenses based on unprofessional conduct or impaired practice shall be governed by the uniform disciplinary act, chapter 18.130 RCW;
- (4) Employ clerical, administrative, and investigative staff as needed to implement and administer this chapter and hire individuals, including those licensed under this chapter, to serve as examiners or consultants as necessary to implement and administer this chapter;
- (5) Maintain the official departmental record of all applicants and licensees;

(6) Determine the minimum education and experience requirements for licensure, including but not limited to approval of educational programs;

(7) Prepare and administer or approve the preparation and administration of examinations for licensure; and

(8) Establish and implement by rule a continuing competency program. [1991 c 180 § 8.]

**18.55.105 Out-of-state applicants.** An applicant holding a credential in another state may be credentialed to practice in this state without examination if the secretary determines that the other state's credentialing standards are substantially equivalent to the standards in this state. [1991 c 180 § 12.]

**18.55.900 Severability—1980 c 101.** 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. [1980 c 101 § 11.]

## Chapter 18.57

### OSTEOPATHY—OSTEOPATHIC MEDICINE AND SURGERY

#### Sections

- 18.57.001 Definitions.
- 18.57.002 Regulation of health care professions—Criteria.
- 18.57.003 State board of osteopathic medicine and surgery—  
Membership—Qualifications—Officers—Meetings—  
Compensation and travel expenses—Removal.
- 18.57.005 Powers and duties of board.
- 18.57.011 Application of uniform disciplinary act.
- 18.57.020 Licenses—Application requirements.
- 18.57.031 License required.
- 18.57.035 Postgraduate training licenses.
- 18.57.040 Licensing exemptions.
- 18.57.045 Inactive licenses.
- 18.57.050 Renewal of licenses—Continuing education requirements.
- 18.57.080 Examinations.
- 18.57.130 Persons licensed by other states—Requirements—Fees.
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- 18.57.260 Physicians filing charges or presenting evidence before com-  
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- 18.57.270 Records of medical society or hospital committee or board  
not subject to civil process.
- 18.57.900 Interchangeable terms.
- 18.57.910 Repeal.
- 18.57.915 Severability—1979 c 117.
- 18.57.920 Application—1998 c 314.
- 18.57.930 Application—1998 c 314.

*Actions against limitation of:* RCW 4.16.350.

*Crimes relating to pregnancy and childbirth:* RCW 9A.32.060.

*Health professions account—Fees credited—Requirements for biennial  
budget request:* RCW 43.70.320.

*Lien of doctors:* Chapter 60.44 RCW.

*Rebating by practitioners of healing professions prohibited:* Chapter 19.68  
RCW.

#### 18.57.001 Definitions.

As used in this chapter:  
(1) "Board" means the Washington state board of osteopathic medicine and surgery;

(2) "Department" means the department of health;

(3) "Secretary" means the secretary of health; and

(4) "Osteopathic medicine and surgery" means the use of any and all methods in the treatment of disease, injuries, deformities, and all other physical and mental conditions in and of human beings, including the use of osteopathic manipulative therapy. [1996 c 178 § 2; 1991 c 160 § 1; 1991 c 3 § 147; 1979 c 117 § 1.]

**Effective date—1996 c 178:** See note following RCW 18.35.110.

#### 18.57.002 Regulation of health care professions— Criteria.

See chapter 18.120 RCW.

#### 18.57.003 State board of osteopathic medicine and surgery—Membership—Qualifications—Officers— Meetings—Compensation and travel expenses—Removal.

There is hereby created an agency of the state of Washington, consisting of seven individuals appointed by the governor to be known as the Washington state board of osteopathic medicine and surgery.

On expiration of the term of any member, the governor shall appoint for a period of five years a qualified individual to take the place of such member. Each member shall hold office until the expiration of the term for which such member is appointed or until a successor shall have been appointed and shall have qualified. Initial appointments shall be made and vacancies in the membership of the board shall be filled for the unexpired term by appointment by the governor.

Each member of the board shall be a citizen of the United States and must be an actual resident of this state. One member shall be a consumer who has neither a financial nor a fiduciary relationship to a health care delivery system, and every other member must have been in active practice as a licensed osteopathic physician and surgeon in this state for at least five years immediately preceding appointment.

The board shall elect a chairperson, a secretary, and a vice-chairperson from its members. Meetings of the board shall be held at least four times a year and at such place as the board shall determine and at such other times and places as the board deems necessary.

An affirmative vote of a simple majority of the members present at a meeting or hearing shall be required for the board to take any official action. The board may not take any action without a quorum of the board members present. A simple majority of the board members currently serving constitutes a quorum of the board.

Each member of the board shall be compensated 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.

Any member of the board may be removed by the governor for neglect of duty, misconduct, malfeasance or misfeasance in office, or upon written request of two-thirds of the physicians licensed under this chapter and in active practice in this state. [1991 c 160 § 2; 1984 c 287 § 42; 1979 c 117 § 2.]

**Legislative findings—Severability—Effective date—1984 c 287:**  
See notes following RCW 43.03.220.

*Secretary of health or designee ex officio member of health professional licensure and disciplinary boards:* RCW 43.70.300.

**18.57.005 Powers and duties of board.** The board shall have the following powers and duties:

(1) To administer examinations to applicants for licensure under this chapter;

(2) To make such rules and regulations as are not inconsistent with the laws of this state as may be deemed necessary or proper to carry out the purposes of this chapter;

(3) To establish and administer requirements for continuing professional education as may be necessary or proper to insure the public health and safety as a prerequisite to granting and renewing licenses under this chapter: PROVIDED, That such rules shall not require a licensee under this chapter to engage in continuing education related to or provided by any specific branch, school, or philosophy of medical practice or its political and/or professional organizations, associations, or societies;

(4) To keep an official record of all its proceedings, which record shall be evidence of all proceedings of the board which are set forth therein. [1986 c 259 § 94; 1979 c 117 § 3.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.57.011 Application of uniform disciplinary act.**

The uniform disciplinary act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter. [1987 c 150 § 41; 1986 c 259 § 92.]

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.57.020 Licenses—Application requirements.**

A license shall be issued by the secretary authorizing the holder to practice osteopathic medicine and surgery. In order to procure a license to practice osteopathic medicine and surgery, the applicant must provide the board evidence that a diploma has been issued to the applicant by an accredited school of osteopathic medicine and surgery, approved by the board. The application shall be made upon a form prepared by the secretary, with the approval of the board, and it shall contain such information concerning said osteopathic medical instruction and the preliminary education of the applicant as the board may by rule provide. Applicants who have failed to meet the requirements must be rejected.

An applicant for a license to practice osteopathic medicine and surgery must furnish evidence satisfactory to the board that he or she has served for not less than one year in a postgraduate training program approved by the board.

In addition, the applicant may be required to furnish evidence satisfactory to the board that he or she is physically and mentally capable of safely carrying on the practice of osteopathic medicine and surgery. The board may require any applicant to submit to such examination or examinations as it deems necessary to determine an applicant's physical and/or mental capability to safely practice osteopathic medicine and surgery. The applicant shall also show that he or she has not been guilty of any conduct which would

constitute grounds for denial, suspension, or revocation of such license under the laws of the state of Washington.

Nothing in this section shall be construed as prohibiting the board from requiring such additional information from applicants as it deems necessary.

Nothing in this chapter shall be construed to require any applicant for licensure, or any licensee, as a requisite of retaining or renewing licensure under this chapter, to be a member of any political and/or professional organization. [1991 c 160 § 3; (1991 c 3 § 148 repealed by 1991 sp.s. c 11 § 2); 1979 c 117 § 11; 1959 c 110 § 1; 1919 c 4 § 4; RRS § 10056. Cf. 1909 c 192 § 6. Formerly RCW 18.57.020, 18.57.060, 18.57.070, and 18.57.090.]

**18.57.031 License required.** No person may practice or represent himself or herself as an osteopathic physician and surgeon without first having a valid license to do so. [1987 c 150 § 42.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.57.035 Postgraduate training licenses.** The board may grant approval to issue without examination a license to an osteopathic physician and surgeon in a board-approved postgraduate training program in this state if the applicant files an application and meets all the requirements for licensure set forth in RCW 18.57.020 except for completion of one year of postgraduate training. The secretary shall issue a postgraduate osteopathic medicine and surgery license that permits the physician in postgraduate training to practice osteopathic medicine and surgery only in connection with his or her duties as a physician in postgraduate training and does not authorize the physician to engage in any other form of practice. Each physician in postgraduate training shall practice osteopathic medicine and surgery only under the supervision of a physician licensed in this state under this chapter or chapter 18.71 RCW, but such supervision shall not be construed to necessarily require the personal presence of the supervising physician at the place where services are rendered.

All persons licensed under this section shall be subject to the jurisdiction of the board of osteopathic medicine and surgery as set forth in this chapter and chapter 18.130 RCW.

Persons applying for licensure pursuant to this section shall comply with administrative procedures, administrative requirements, and fees determined as provided in RCW 43.70.250 and 43.70.280. Any person who obtains a license pursuant to this section may, apply for licensure under this chapter, but shall submit a new application form and comply with all other licensing requirements of this chapter. [1996 c 191 § 34; 1991 c 160 § 9.]

**18.57.040 Licensing exemptions.** Nothing in this chapter shall be construed to prohibit:

- (1) Service in the case of emergency;
- (2) The domestic administration of family remedies;
- (3) The practice of midwifery as permitted under chapter 18.50 RCW;
- (4) The practice of osteopathic medicine and surgery by any commissioned medical officer in the United States government or military service or by any osteopathic

physician and surgeon employed by a federal agency, in the discharge of his or her official duties;

(5) Practice by a dentist licensed under chapter 18.32 RCW when engaged exclusively in the practice of dentistry;

(6) Practice by any osteopathic physician and surgeon from any other state or territory in which he or she resides: PROVIDED, That such practitioner shall not open an office or appoint a place of meeting patients or receive calls within the limits of this state;

(7) Practice by a person who is a student enrolled in an accredited school of osteopathic medicine and surgery approved by the board: PROVIDED, That the performance of such services be only pursuant to a course of instruction or assignments from his or her instructor or school, and such services are performed only under the supervision of a person licensed pursuant to this chapter or chapter 18.71 RCW;

(8) Practice by an osteopathic physician and surgeon serving a period of clinical postgraduate medical training in a postgraduate program approved by the board: PROVIDED, That the performance of such services be only pursuant to a course of instruction in said program, and said services are performed only under the supervision and control of a person licensed pursuant to this chapter or chapter 18.71 RCW; or

(9) Practice by a person who is enrolled in a physician assistant program approved by the board who is performing such services only pursuant to a course of instruction in said program: PROVIDED, That such services are performed only under the supervision and control of a person licensed pursuant to this chapter or chapter 18.71 RCW.

This chapter shall not be construed to apply in any manner to any other system or method of treating the sick or afflicted or to apply to or interfere in any way with the practice of religion or any kind of treatment by prayer. [1991 c 160 § 5; 1919 c 4 § 19; RRS § 10071. FORMER PART OF SECTION: 1921 c 82 § 1, part; 1919 c 4 § 17, part; RRS § 10069, part, now codified in RCW 18.57.130.]

*Midwifery: Chapter 18.50 RCW.*

**18.57.045 Inactive licenses.** A licensed osteopathic physician and surgeon who desires to leave the active practice of osteopathic medicine and surgery in this state may secure from the secretary an inactive license. The administrative procedures, administrative requirements, and fees for an inactive license shall be determined as provided in RCW 43.70.250 and 43.70.280. The holder of an inactive license may reactivate his or her license to practice osteopathic medicine and surgery in accordance with rules adopted by the board. [1996 c 191 § 35; 1991 c 160 § 4.]

**18.57.050 Renewal of licenses—Continuing education requirements.** The board may establish rules and regulations governing mandatory continuing education requirements which shall be met by physicians applying for renewal of licenses. Administrative procedures, administrative requirements, and fees for applications and renewals shall be established as provided in RCW 43.70.250 and 43.70.280. The board shall determine prerequisites for relicensing. [1996 c 191 § 36; 1991 c 160 § 6; (1991 c 3 § 149 repealed by 1991 sp.s. c 11 § 2); 1985 c 7 § 55; 1979

c 117 § 12; 1975 1st ex.s. c 30 § 58; 1971 ex.s. c 266 § 11; 1919 c 4 § 6; RRS § 10058. Cf. 1909 c 192 § 7. Formerly RCW 18.57.050 and 18.57.120.]

**18.57.080 Examinations.** Applicants for a license to practice osteopathic medicine and surgery must successfully complete an examination prepared or approved by the board. The examination shall be conducted in the English language, shall determine the applicant's fitness to practice osteopathic medicine and surgery, and may be in whole or in part in writing or by practical application on those general subjects and topics of which knowledge is commonly and generally required of applicants who have obtained the doctor of osteopathic medicine and surgery conferred by accredited schools of osteopathic medicine and surgery approved by the board. If an examination does not encompass the subject of osteopathic principles and practice, the applicant shall be required to complete the board-administered examination. The board may prepare and administer or approve preparation and administration of examinations on such subjects as the board deems advisable. The examination papers of any examination administered by the board shall form a part of the applicant's records and shall be retained as determined by the secretary for a period of not less than one year. All applicants for examination or reexamination shall comply with administrative procedures, administrative requirements, and fees determined as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 37; 1991 c 160 § 7; (1991 c 3 § 150 repealed by 1991 sp.s. c 11 § 2); 1979 c 117 § 13; 1919 c 4 § 5; RRS § 10057. Cf. 1909 c 192 § 6. Formerly RCW 18.57.080 and 18.57.090, part.]

**18.57.130 Persons licensed by other states—Requirements—Fees.** Any person who meets the requirements of RCW 18.57.020 as now or hereafter amended and has been examined and licensed to practice osteopathic medicine and surgery by a state board of examiners of another state or the duly constituted authorities of another state authorized to issue licenses to practice osteopathic medicine and surgery upon examination, shall upon approval of the board be entitled to receive a license to practice osteopathic medicine and surgery in this state upon complying with administrative procedures, administrative requirements, and paying a fee determined as provided in RCW 43.70.250 and 43.70.280 and filing a copy of his or her license in such other state, duly certified by the authorities granting the license to be a full, true, and correct copy thereof, and certifying also that the standard of requirements adopted by such authorities as provided by the law of such state is substantially equal to that provided for by the provisions of this chapter: PROVIDED, That no license shall issue without examination to any person who has previously failed in an examination held in this state: PROVIDED, FURTHER, That all licenses herein mentioned may be revoked for unprofessional conduct, in the same manner and upon the same grounds as if issued under this chapter: PROVIDED, FURTHER, That no one shall be permitted to practice surgery under this chapter who has not a license to practice osteopathic medicine and surgery. [1996 c 191 § 38. Prior: 1991 c 160 § 10; 1991 c 3 § 151; 1985 c 7 § 56; 1979 c 117 § 15; 1975 1st ex.s. c 30 § 59; 1921 c 82 § 1; 1919 c 4 §

17; RRS § 10069. Formerly RCW 18.57.010, 18.57.040, part, and 18.57.130.]

**18.57.140 Advertising regulations.** On all cards, signs, letterheads, envelopes and billheads used by those licensed by this chapter to practice osteopathic medicine and surgery the word "osteopathic" shall always immediately precede the word "physician" and if the word "surgeon" is used in connection with said name, the word "osteopathic" shall also immediately precede said word "surgeon." [1996 c 178 § 3; 1919 c 4 § 20; RRS § 10072.]

**Effective date—1996 c 178:** See note following RCW 18.35.110.

**18.57.145 Use of designations in combination with name.** No provision of this chapter or of any other law shall prevent any person who holds a valid, unrevoked certificate to practice osteopathic medicine and surgery from using in combination with his or her name the designation "Osteopathic Physician and Surgeon" or the abbreviation of his or her professional degree, Doctor of Osteopathy (D.O.), provided he or she hold such professional degree, or any combination thereof upon his or her stationery, in any professional lists or directories or in other places where the same may properly appear as permitted within the canons of ethics approved by the board. [1991 c 160 § 8; 1959 c 110 § 2.]

**18.57.150 Applicability of health regulations.** All persons granted licenses or certificates under this chapter shall be subject to the state and municipal regulations relating to the control of contagious diseases, the reporting and certifying to births and deaths, and all matters pertaining to public health; and all such reports shall be accepted as legal. [1919 c 4 § 18; RRS § 10070.]

*Vital statistics: Chapter 70.58 RCW.*

**18.57.160 Unlawful practices—Penalty.** Every person falsely claiming himself to be the person named in a certificate issued to another, or falsely claiming himself to be the person entitled to the same, shall be guilty of a felony, and, upon conviction thereof, shall be subject to such penalties as are provided by the laws of this state for the crime of forgery. [1981 c 277 § 9; 1919 c 4 § 15; RRS § 10067. Cf. 1909 c 192 § 15.]

*Forgery: RCW 9A.60.020.*

**18.57.174 Duty to report unprofessional conduct—Exceptions.** [(1)] A health care professional licensed under chapter 18.57 RCW shall report to the board when he or she has personal knowledge that a practicing osteopathic physician has either committed an act or acts which may constitute statutorily defined unprofessional conduct or that a practicing osteopathic physician may be unable to practice osteopathic medicine with reasonable skill and safety to patients by reason of illness, drunkenness, excessive use of drugs, narcotics, chemicals, or any other type of material, or as a result of any impairing mental or physical conditions.

(2) Reporting under this section is not required by:

(a) An appropriately appointed peer review committee member of a licensed hospital or by an appropriately

designated professional review committee member of an osteopathic medical society during the investigative phase of their respective operations if these investigations are completed in a timely manner; or

(b) A treating licensed health care professional of an osteopathic physician currently involved in a treatment program as long as the physician patient actively participates in the treatment program and the physician patient's impairment does not constitute a clear and present danger to the public health, safety, or welfare.

(3) The board may impose disciplinary sanctions, including license suspension or revocation, on any health care professional subject to the jurisdiction of the board who has failed to comply with this section. [1986 c 300 § 9.]

**Legislative findings—1986 c 300:** "(1) The legislature finds that medical malpractice will be reduced if hospitals establish coordinated medical malpractice prevention programs and provide greater scrutiny of physicians prior to granting or renewing hospital privileges.

(2) The legislature also finds that physician disciplinary boards can reduce medical malpractice if they have access to additional information on health care providers who are incompetent or impaired." [1986 c 300 § 1.]

**Severability—1986 c 300:** "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." [1986 c 300 § 12.]

**18.57.245 Insurer's report of malpractice payments.** Every institution or organization providing professional liability insurance to osteopathic physicians shall send a complete report to the board of all malpractice settlements, awards, or payments in excess of twenty thousand dollars as a result of a claim or action for damages alleged to have been caused by an insured physician's incompetency or negligence in the practice of osteopathic medicine. Such institution or organization shall also report the award, settlement, or payment of three or more claims during a year as the result of the alleged physician's incompetence or negligence in the practice of medicine regardless of the dollar amount of the award or payment.

Reports required by this section shall be made within sixty days of the date of the settlement or verdict. Failure to comply with this section is punishable by a civil penalty not to exceed two hundred fifty dollars. [1986 c 300 § 10.]

**Legislative findings—Severability—1986 c 300:** See notes following RCW 18.57.174.

**18.57.250 Physician members of committees to evaluate credentials and qualifications of physicians—Immunity from civil suit.** See RCW 4.24.240.

**18.57.260 Physicians filing charges or presenting evidence before committees, boards, or hospitals—Immunity from civil suit.** See RCW 4.24.250, 4.24.260.

**18.57.270 Records of medical society or hospital committee or board not subject to civil process.** See RCW 4.24.250.

**18.57.900 Interchangeable terms.** The words "certificates" and "licenses" shall be known as interchangeable terms in this chapter. [1919 c 4 § 21; RRS § 10073.]

**18.57.910 Repeal.** All acts and parts of acts in conflict herewith are hereby repealed. [1919 c 4 § 22.]

**18.57.915 Severability—1979 c 117.** If any provision of this 1979 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. [1979 c 117 § 19.]

**18.57.920 Application—1998 c 314.** (*Effective January 1, 1999, until June 30, 2002.*) (1) Nothing in \*section 19 of this act imposes any additional duties or responsibilities on, or removes any duties or responsibilities from, an osteopath licensed under this chapter, except as specifically included in chapter 13.34 RCW and RCW 70.96A.330 and 74.09.310.

(2) This section expires June 30, 2002. [1998 c 314 § 37.]

**\*Reviser's note:** Section 19, chapter 314, Laws of 1998 was vetoed.  
**Effective date—1998 c 314:** See note following RCW 13.34.800.

**18.57.930 Application—1998 c 314.** (*Effective January 1, 1999, until June 30, 2002.*) (1) Nothing in \*section 26 of this act imposes any additional duties or responsibilities on, or removes any duties or responsibilities from, an osteopath licensed under this chapter, except as specifically included in chapter 13.34 RCW and RCW 74.09.320 and 70.96A.340.

(2) This section expires June 30, 2002. [1998 c 314 § 43.]

**\*Reviser's note:** Section 26, chapter 314, Laws of 1998 was vetoed.  
**Effective date—1998 c 314:** See note following RCW 13.34.800.

## Chapter 18.57A

### OSTEOPATHIC PHYSICIANS' ASSISTANTS

#### Sections

- 18.57A.005 Regulation of health care professions—Criteria.
- 18.57A.010 Definitions.
- 18.57A.020 Rules fixing qualifications and restricting practice—Applications—Discipline.
- 18.57A.025 Application of uniform disciplinary act.
- 18.57A.030 Limitations on practice.
- 18.57A.040 Practice arrangements.
- 18.57A.050 Osteopathic physician's liability, responsibility.
- 18.57A.060 Limitations on health care services.
- 18.57A.070 Acupuncture.

**Reviser's note:** Certain powers and duties of the department of licensing and the director of licensing transferred to the department of health and the secretary of health. Sec RCW 43.70.220.

*Health professions account—Fees credited—Requirements for biennial budget request:* RCW 43.70.320.

*Violation of chapter 69.50 RCW, the Uniform Controlled Substances Act—Suspension of license:* RCW 69.50.413.

**18.57A.005 Regulation of health care professions—Criteria.** See chapter 18.120 RCW.

**18.57A.010 Definitions.** (1) "Osteopathic physician's assistant" means a person who has satisfactorily completed a board-approved training program designed to prepare persons to practice osteopathic medicine to a limited extent;

(2) "Board" means the board of osteopathic medicine and surgery; and

(3) "Practice medicine" shall have the meaning defined in RCW 18.57.001. [1979 c 117 § 17; 1971 ex.s. c 30 § 7.]

**Severability—1979 c 117:** See RCW 18.57.915.

**Severability—1971 ex.s. c 30:** See note following RCW 18.71A.010.

**18.57A.020 Rules fixing qualifications and restricting practice—Applications—Discipline.** (1) The board shall adopt rules fixing the qualifications and the educational and training requirements for licensure as an osteopathic physician assistant or for those enrolled in any physician assistant training program. The requirements shall include completion of an accredited physician assistant training program approved by the board and eligibility to take an examination approved by the board, providing such examination tests subjects substantially equivalent to the curriculum of an accredited physician assistant training program.

(2)(a) The board shall adopt rules governing the extent to which:

(i) Physician assistant students may practice medicine during training; and

(ii) Physician assistants may practice after successful completion of a training course.

(b) Such rules shall provide:

(i) That the practice of an osteopathic physician assistant shall be limited to the performance of those services for which he or she is trained; and

(ii) That each osteopathic physician assistant shall practice osteopathic medicine only under the supervision and control of an osteopathic physician licensed in this state, but such supervision and control shall not be construed to necessarily require the personal presence of the supervising physicians at the place where services are rendered. The board may authorize the use of alternative supervisors who are licensed either under chapter 18.57 or 18.71 RCW.

(3) Applicants for licensure shall file an application with the board on a form prepared by the secretary with the approval of the board, detailing the education, training, and experience of the physician assistant and such other information as the board may require. The application shall be accompanied by a fee determined by the secretary as provided in RCW 43.70.250 and 43.70.280. A surcharge of twenty-five dollars per year may be charged on each license renewal or issuance of a new license to be collected by the department of health for physician assistant participation in an impaired practitioner program. Each applicant shall furnish proof satisfactory to the board of the following:

(a) That the applicant has completed an accredited physician assistant program approved by the board and is eligible to take the examination approved by the board;

(b) That the applicant is of good moral character; and

(c) That the applicant is physically and mentally capable of practicing osteopathic medicine as an osteopathic physician assistant with reasonable skill and safety. The board may require any applicant to submit to such examination or examinations as it deems necessary to determine an applicant's physical and/or mental capability to safely practice as an osteopathic physician assistant.

(4) The board may approve, deny, or take other disciplinary action upon the application for a license as provided

in the uniform disciplinary act, chapter 18.130 RCW. The license shall be renewed as determined under RCW 43.70.250 and 43.70.280. [1998 c 132 § 13; 1996 c 191 § 39; 1993 c 28 § 1; 1992 c 28 § 1; 1971 ex.s. c 30 § 8.]

**Finding—Intent—Severability—1998 c 132:** See notes following RCW 18.71.0195.

**Severability—1971 ex.s. c 30:** See note following RCW 18.71A.010.

#### 18.57A.025 Application of uniform disciplinary act.

The uniform disciplinary act, chapter 18.130 RCW, governs the approval or disapproval of applications and the discipline of persons authorized to practice under this chapter. [1986 c 259 § 93.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.57A.030 Limitations on practice.** An osteopathic physician assistant as defined in this chapter may practice osteopathic medicine in this state only with the approval of the practice arrangement plan by the board and only to the extent permitted by the board. An osteopathic physician assistant who has received a license but who has not received board approval of the practice arrangement plan under RCW 18.57A.040 may not practice. An osteopathic physician assistant shall be subject to discipline by the board under the provisions of chapter 18.130 RCW. [1993 c 28 § 2; 1986 c 259 § 95; 1971 ex.s. c 30 § 9.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**Severability—1971 ex.s. c 30:** See note following RCW 18.71A.010.

**18.57A.040 Practice arrangements.** (1) No osteopathic physician assistant practicing in this state shall be employed or supervised by an osteopathic physician or physician group without the approval of the board.

(2) Prior to commencing practice, an osteopathic physician assistant licensed in this state shall apply to the board for permission to be employed or supervised by an osteopathic physician or physician group. The practice arrangement plan shall be jointly submitted by the osteopathic physician or physician group and osteopathic physician assistant. The secretary may charge a fee as provided in RCW 43.70.250 to recover the cost for the plan review. The practice arrangement plan shall delineate the manner and extent to which the physician assistant would practice and be supervised. Whenever an osteopathic physician assistant is practicing in a manner inconsistent with the approved practice arrangement plan, the board may take disciplinary action under chapter 18.130 RCW. [1993 c 28 § 3; 1991 c 3 § 152. Prior: 1986 c 259 § 96; 1985 c 7 § 57; 1975 1st ex.s. c 30 § 60; 1971 ex.s. c 30 § 10.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**Severability—1971 ex.s. c 30:** See note following RCW 18.71A.010.

**18.57A.050 Osteopathic physician's liability, responsibility.** No osteopathic physician who supervises a licensed osteopathic physician assistant in accordance with and within the terms of any permission granted by the board shall be considered as aiding and abetting an unlicensed person to practice osteopathic medicine within the meaning of RCW 18.57.001: PROVIDED, HOWEVER, That the supervising osteopathic physician and the osteopathic physician assistant shall retain professional and personal

responsibility for any act which constitutes the practice of osteopathic medicine as defined in RCW 18.57.001 when performed by the physician assistant. [1993 c 28 § 4; 1986 c 259 § 97; 1971 ex.s. c 30 § 11.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**Severability—1971 ex.s. c 30:** See note following RCW 18.71A.010.

**18.57A.060 Limitations on health care services.** No health care services may be performed under this chapter in any of the following areas:

(1) The measurement of the powers or range of human vision, or the determination of the accommodation and refractive state of the human eye or the scope of its functions in general, or the fitting or adaptation of lenses or frames for the aid thereof.

(2) The prescribing or directing the use of, or using, any optical device in connection with ocular exercises, visual training, vision training or orthoptics.

(3) The prescribing of contact lenses for, or the fitting or adaptation of contact lenses to, the human eye.

(4) Nothing in this section shall preclude the performance of routine visual screening.

(5) The practice of dentistry or dental hygiene as defined in chapter 18.32 and 18.29 RCW respectively. The exemptions set forth in RCW 18.32.030, paragraphs (1) and (8), shall not apply to a physician's assistant.

(6) The practice of chiropractic as defined in chapter 18.25 RCW including the adjustment or manipulation of the articulations of the spine.

(7) The practice of \*podiatry as defined in chapter 18.22 RCW. [1973 c 77 § 20; 1971 ex.s. c 30 § 12.]

**\*Reviser's note:** The term "podiatry" was changed to "podiatric medicine and surgery" by 1990 c 147.

**Severability—1971 ex.s. c 30:** See note following RCW 18.71A.010.

**18.57A.070 Acupuncture.** (1) The performance of acupuncture for the purpose of demonstration, therapy, or the induction of analgesia by a person licensed under this chapter shall be within the scope of practice authorized: PROVIDED, HOWEVER, That a person licensed to perform acupuncture under this section shall only do so under the direct supervision of a licensed osteopathic physician.

(2) The board shall determine the qualifications of a person authorized to perform acupuncture under subsection (1) of this section. In establishing a procedure for certification of such practitioners the board shall consider a license or certificate which acknowledges that the person has the qualifications to practice acupuncture issued by the government of the Republic of China (Taiwan), the Peoples' Republic of China, British Crown Colony of Hong Kong, Korea, Great Britain, France, the Federated Republic of Germany (West Germany), Italy, Japan, or any other country or state which has generally equivalent standards of practices of acupuncture as determined by the board as evidence of such qualification.

(3) As used in this section "acupuncture" means the insertion of needles into the human body by piercing the skin of the body for the purpose of relieving pain, treating disease, or to produce analgesia, or as further defined by rules and regulations of the board. [1977 ex.s. c 233 § 1.]

*Acupuncture: Chapter 18.06 RCW.*

## Chapter 18.59 OCCUPATIONAL THERAPY

### Sections

18.59.005	Regulation of health care professions—Criteria.
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18.59.050	Licenses—Application—Requirements—Waiver.
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18.59.100	Duty to refer medical cases.
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18.59.120	Board of occupational therapy practice established— Members—Terms—Meetings—Compensation.
18.59.130	Board—Powers and duties—Rules.
18.59.141	Application of uniform disciplinary act.
18.59.150	Board—Staff.
18.59.900	Short title.
18.59.905	Severability—1984 c 9.

*Health professions account—Fees credited—Requirements for biennial budget request: RCW 43.70.320.*

**18.59.005 Regulation of health care professions—Criteria.** See chapter 18.120 RCW.

**18.59.010 Purpose.** In order to safeguard the public health, safety, and welfare; to protect the public from being misled by incompetent, unethical, and unauthorized persons; to assure the highest degree of professional conduct on the part of occupational therapists and occupational therapy assistants; and to assure the availability of occupational therapy services of high quality to persons in need of such services, it is the purpose of this chapter to provide for the regulation of persons offering occupational therapy services to the public. [1984 c 9 § 2.]

**18.59.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Board" means the board of occupational therapy practice.

(2) "Occupational therapy" is the scientifically based use of purposeful activity with individuals who are limited by physical injury or illness, psychosocial dysfunction, developmental or learning disabilities, or the aging process in order to maximize independence, prevent disability, and maintain health. The practice encompasses evaluation, treatment, and consultation. Specific occupational therapy services include but are not limited to: Using specifically designed activities and exercises to enhance neurodevelopmental, cognitive, perceptual motor, sensory integrative, and psychomotor functioning; administering and interpreting tests such as manual muscle and sensory integration; teaching daily living skills; developing prevocational skills and play and avocational capabilities; designing, fabricating, or applying selected orthotic and prosthetic devices or selected adaptive equipment; and adapting environments for the handicapped. These services are provided individually, in groups, or through social systems.

(3) "Occupational therapist" means a person licensed to practice occupational therapy under this chapter.

(4) "Occupational therapy assistant" means a person licensed to assist in the practice of occupational therapy under the supervision or with the regular consultation of an occupational therapist.

(5) "Occupational therapy aide" means a person who is trained to perform specific occupational therapy techniques under professional supervision as defined by the board but who does not perform activities that require advanced training in the sciences or practices involved in the profession of occupational therapy.

(6) "Person" means any individual, partnership, unincorporated organization, or corporate body, except that only an individual may be licensed under this chapter.

(7) "Department" means the department of health.

(8) "Secretary" means the secretary of health. [1991 c 3 § 153; 1984 c 9 § 3.]

**18.59.031 License required.** No person may practice or represent himself or herself as an occupational therapist without first having a valid license to do so. [1987 c 150 § 44.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.59.040 Activities not regulated by chapter—Limited permits.** This chapter shall not be construed as preventing or restricting the practice, services, or activities of:

(1) A person licensed in this state under any other law from engaging in the profession or occupation for which the person is licensed;

(2) A person employed as an occupational therapist or occupational therapy assistant by the government of the United States, if the person provides occupational therapy solely under the directions or control of the organization by which the person is employed;

(3) A person pursuing a course of study leading to a degree or certificate in occupational therapy in an accredited or approved educational program if the activities and services constitute a part of a supervised course of study, if the person is designated by a title which clearly indicated the person's status as a student or trainee;

(4) A person fulfilling the supervised fieldwork experience requirements of RCW 18.59.050, if the activities and services constitute a part of the experience necessary to meet the requirements of RCW 18.59.050;

(5) A person performing occupational therapy services in the state, if the services are performed for no more than ninety working days and if:

(a) The person is licensed under the laws of another state which has licensure requirements at least as stringent as the requirements of this chapter, as determined by the board; or

(b) The person has met commonly accepted standards for the practice of occupational therapy as specifically defined by the board;

(6) A person employed by or supervised by an occupational therapist as an occupational therapy aide;

(7) A person with a limited permit. A limited permit may be granted to persons who have completed the educa-

tion and experience requirements of this chapter, or education and experience requirements which the board deems equivalent to those specified as requirements for licensure. The limited permit allows the applicant to practice in association with an occupational therapist. The limited permit is valid until the results of the next examination have been made public. One extension of this permit may be granted if the applicant has failed the examination, but during this period the person shall be under the direct supervision of an occupational therapist;

(8) Any persons who teach daily living skills, develop prevocational skills, and play and avocational capabilities, or adapt equipment or environments for the handicapped, or who do specific activities to enhance cognitive, perceptual motor, sensory integrative and psychomotor skills, but who do not hold themselves out to the public by any title, initials, or description of services as being engaged in the practice of occupational therapy; or

(9) Any person who designs, fabricates, or applies orthotic or prosthetic devices which are prescribed by a health care professional authorized by the laws of the state of Washington to prescribe the device or to direct the design, fabrication or application of the device. [1985 c 296 § 1; 1984 c 9 § 5.]

**18.59.050 Licenses—Application—Requirements—Waiver.** (1) An applicant applying for a license as an occupational therapist or as an occupational therapy assistant shall file a written application on forms provided by the department showing to the satisfaction of the board that the applicant meets the requirements specified in this subsection.

(a) The applicant shall be of good moral character.

(b) The applicant shall present evidence satisfactory to the board of having successfully completed the academic requirements of an educational program in occupational therapy recognized by the board, with concentration in biological or physical science, psychology, sociology, and with education in selected manual skills.

(i) For an occupational therapist, such a program shall be nationally accredited and approved by rules of the board.

(ii) For an occupational therapy assistant, such a program shall be nationally accredited and approved by rules of the board.

(c) The applicant shall submit to the board evidence of having successfully completed a period of supervised fieldwork experience at a recognized educational institution or a training program approved by the educational institution at which the applicant met the academic requirements.

(i) For an occupational therapist, a minimum of six months of supervised fieldwork experience is required.

(ii) For an occupational therapy assistant, a minimum of two months of supervised fieldwork experience is required.

(d) An applicant for licensure as an occupational therapist or as an occupational therapy assistant shall pass an examination as provided in RCW 18.59.060.

(2) The board may waive the educational requirements specified under subsection (1)(b)(ii) of this section for an occupational therapy assistant who has met the experience and any other requirements established by the board. Upon successful completion of the examination required of the

occupational therapist, the individual shall be granted a license. [1984 c 9 § 6.]

**18.59.060 Examinations.** (1) A person applying for licensure shall demonstrate eligibility in accordance with RCW 18.59.050 and shall apply for examination upon a form and in such a manner as the department prescribes. The application shall be accompanied by the fee prescribed by RCW 18.59.110, which fee shall not be refunded. A person who fails an examination may apply for reexamination. The application shall be accompanied by the prescribed fee.

(2) An applicant for licensure under this chapter shall be given a written examination to test the applicant's knowledge of the basic and clinical sciences relating to occupational therapy and occupational therapy theory and practice, including the applicant's professional skills of occupational therapy techniques and methods, and such other subjects as the board deems useful to determine the applicant's fitness to practice. The board shall approve the examination and establish standards for acceptable performance.

(3) Applicants for licensure shall be examined at a time and place and under such supervision as the board may determine. The examination shall be given at least twice each year at such places as the board determines, and the board shall give reasonable public notice of the examinations in accordance with its rules at least sixty days prior to the administration of the examination.

(4) Applicants may obtain their examination scores and may review their papers in accordance with such rules as the board establishes. [1984 c 9 § 7.]

**18.59.070 Waiver of examination and licensing requirements—Applicants licensed in other states or territories.** (1) The board shall waive the examination and grant a license to a person engaged in the profession of an occupational therapist or an occupational therapy assistant on June 7, 1984, if the board determines that the person meets commonly accepted standards for the profession, as established by rule of the board. The board may waive the examination, education, or experience requirements and grant a license to any person meeting the standards adopted by the board under this section after June 7, 1984, if the board considers the requirements for licensure in this chapter as having been met.

(2) The board may grant a license to any applicant who presents proof of current licensure as an occupational therapist or occupational therapy assistant in another state, the District of Columbia, or a territory of the United States, which requires standards for licensure considered by the board to be equivalent to the requirements for licensure under this chapter.

(3) The board shall waive the education and experience requirements for licensure in RCW 18.59.050(1) (c) and (d) for applicants for licensure who present evidence to the board that they have been engaged in the practice of occupational therapy for the three years immediately prior to June 7, 1984. The proof of actual practice shall be presented to the board in such a manner as the board prescribes by rule. To obtain the waiver, an applicant shall file an application for examination no later than six months from June 7, 1984.

An applicant who has filed for examination under this subsection shall be excluded from the licensure requirement until the date the results of the examination are made public, and may conduct the appropriate activities under \*RCW 18.59.030. [1984 c 9 § 8.]

**\*Reviser's note:** RCW 18.59.030 was repealed by 1986 c 259 § 103.

**18.59.080 License issuance—Posting required.** The secretary shall issue a license to a person who meets the licensing requirements of this chapter upon payment of the prescribed license fee. The license shall be posted in a conspicuous location at the person's work site. [1991 c 3 § 154; 1984 c 9 § 9.]

**18.59.090 Renewal of licenses—Reinstatement of suspended or revoked licenses—Inactive status.** (1) Licenses under this chapter shall be renewed at the time and in the manner determined by the secretary and with the payment of a renewal fee. The board shall establish requirements for license renewal which provide evidence of continued competency. The secretary may provide for the late renewal of a license upon the payment of a late fee in accordance with its rules which may include additional continuing education or examination requirements.

(2) A suspended license is subject to expiration and may be renewed as provided in this section, but the renewal does not entitle the licensee, while the license remains suspended and until it is reinstated, to engage in the licensed activity, or in any other conduct or activity in violation of the order or judgment by which the license was suspended. If a license revoked on disciplinary grounds is reinstated, the licensee, as a condition of reinstatement, shall pay the renewal fee and any applicable late fee.

(3) Any occupational therapist or occupational therapy assistant licensed under this chapter not practicing occupational therapy or providing services may place his or her license in an inactive status. The secretary may prescribe requirements for maintaining an inactive status and converting from an inactive or active status. [1991 c 3 § 155; 1990 c 13 § 1; 1984 c 9 § 10.]

**18.59.100 Duty to refer medical cases.** An occupational therapist shall, after evaluating a patient and if the case is a medical one, refer the case to a physician for appropriate medical direction if such direction is lacking. Treatment by an occupational therapist of such a medical case may take place only upon the referral of a physician or \*podiatrist licensed to practice medicine in this state. [1986 c 259 § 101; 1984 c 9 § 11.]

**\*Reviser's note:** The term "podiatrist" was changed to "podiatric physician and surgeon" by 1990 c 147.

**Savings—1986 c 259 §§ 101, 103:** "The repeal of RCW 18.59.030 and 18.59.200 and the amendment of RCW 18.59.100 by this act shall not be construed as affecting any rights and duties which matured, penalties which were incurred, and proceedings which were begun before June 11, 1986." [1986 c 259 § 104.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.59.110 Applications—Licenses—Limited permits.** Administrative procedures, administrative requirements, and fees shall be established as provided in RCW 43.70.250 and

43.70.280 for applications, initial and renewal licenses, and limited permits. [1996 c 191 § 41; 1991 c 3 § 156; 1985 c 7 § 58; 1984 c 9 § 12.]

**18.59.120 Board of occupational therapy practice established—Members—Terms—Meetings—Compensation.** (1) There is established a board of occupational therapy practice. The board shall consist of five members appointed by the governor, who may consider the persons who are recommended for appointment by occupational therapy associations of the state. The members of the board shall be residents of the state. Four of the members shall have been engaged in rendering services to the public, teaching, or research in occupational therapy for at least five years immediately preceding their appointment. Three of these four board members shall be occupational therapists who shall at all times be holders of licenses for the practice of occupational therapy in the state, except for the initial members of the board, all of whom shall fulfill the requirements for licensure under this chapter. At least one member of the board shall be an occupational therapy assistant licensed to assist in the practice of occupational therapy, except for the initial member appointed to this position, who shall fulfill the requirements for licensure as an occupational therapy assistant under this chapter. The remaining member of the board shall be a member of the public with an interest in the rights of consumers of health services.

(2) The governor shall, within sixty days after June 7, 1984, appoint one member for a term of one year, two members for a term of two years, and two members for a term of three years. Appointments made thereafter shall be for three-year terms, but no person shall be appointed to serve more than two consecutive full terms. Terms shall begin on the first day of the calendar year and end on the last day of the calendar year or until successors are appointed, except for the initial appointed members, who shall serve through the last calendar day of the year in which they are appointed before commencing the terms prescribed by this section. The governor shall make appointments for vacancies in unexpired terms within ninety days after the vacancies occur.

(3) The board shall meet during the first month of each calendar year to select a chairman and for other purposes. At least one additional meeting shall be held before the end of each calendar year. Further meetings may be convened at the call of the chairman or the written request of any two board members. A majority of members of the board constitutes a quorum for all purposes. All meetings of the board shall be open to the public, except that the board may hold closed sessions to prepare, approve, grade, or administer examinations or, upon request of an applicant who fails an examination, to prepare a response indicating the reasons for the applicant's failure.

(4) Members of the board shall receive compensation in the amount of fifty dollars for each day's attendance at proper meetings of the committee. [1984 c 9 § 13.]

**18.59.130 Board—Powers and duties—Rules.** (1) The board shall administer, coordinate, and enforce this chapter, evaluate qualifications under this chapter, and pro-

vide for supervision of examinations of applicants for licensure under this chapter.

(2) The board may adopt such rules as it deems necessary in the administration of this chapter. [1986 c 259 § 102; 1984 c 9 § 14.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

#### 18.59.141 Application of uniform disciplinary act.

The uniform disciplinary act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter. [1987 c 150 § 43; 1986 c 259 § 100.]

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1986 c 259:** See note following RCW 18.130.010.

#### 18.59.150 Board—Staff.

The secretary shall provide such administrative and investigative staff as are necessary for the board to carry out its duties under this chapter. [1991 c 3 § 157; 1984 c 9 § 15.]

#### 18.59.900 Short title.

This chapter shall be known and may be cited as the occupational therapy practice act. [1984 c 9 § 1.]

#### 18.59.905 Severability—1984 c 9.

If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected. [1984 c 9 § 21.]

### Chapter 18.64 PHARMACISTS

#### Sections

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*Health professions account—Fees credited—Requirements for biennial budget request: RCW 43.70.320.*

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*Rebating by vendors of medical supplies prohibited: Chapter 19.68 RCW.*

*Regulation of practice of medicine and surgery, sale of drugs and medicines: State Constitution Art. 20 § 2.*

*Unlawful to refill trademarked containers: RCW 19.76.110.*

**18.64.001 State board of pharmacy—Creation—Membership—Oath—Vacancies.** There shall be a state board of pharmacy consisting of seven members, to be appointed by the governor by and with the advice and consent of the senate. Five of the members shall be designated as pharmacist members and two of the members shall be designated a public member.

Each pharmacist member shall be a citizen of the United States and a resident of this state, and at the time of his appointment shall have been a duly registered pharmacist under the laws of this state for a period of at least five consecutive years immediately preceding his appointment and shall at all times during his incumbency continue to be a duly licensed pharmacist: PROVIDED, That subject to the availability of qualified candidates the governor shall appoint pharmacist members representative of the areas of practice and geographically representative of the state of Washington.

The public member shall be a citizen of the United States and a resident of this state. The public member shall be appointed from the public at large, but shall not be affiliated with any aspect of pharmacy.

Members of the board shall hold office for a term of four years, and the terms shall be staggered so that the terms of office of not more than two members will expire simultaneously on the third Monday in January of each year.

No person who has been appointed to and served for two four year terms shall be eligible for appointment to the board.

Each member shall qualify by taking the usual oath of a state officer, which shall be filed with the secretary of state, and each member shall hold office for the term of his appointment and until his successor is appointed and qualified.

In case of the resignation or disqualification of a member, or a vacancy occurring from any cause, the governor shall appoint a successor for the unexpired term. [1984 c 153 § 1; 1981 c 338 § 17; 1973 1st ex.s. c 18 § 1; 1963 c 38 § 16; 1935 c 98 § 1; RRS § 10132. Formerly RCW 43.69.010.]

**18.64.002 Regulation of health care professions—Criteria.** See chapter 18.120 RCW.

**18.64.003 State board of pharmacy—Meetings—Chairperson—Compensation and travel expenses.** Members of the board shall meet at such places and times as it shall determine and as often as necessary to discharge the duties imposed upon it. The board shall elect a chairperson and a vice chairperson from among its members. Each member shall be compensated 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. [1984 c 287 § 43; 1979 c 90 § 1; 1975-'76 2nd ex.s. c 34 § 40; 1963 c 38 § 17; 1935 c 98 § 2; RRS § 10132-1. Formerly RCW 43.69.020.]

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**Effective date—Severability—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

**18.64.005 State board of pharmacy—Powers and duties.** The board shall:

(1) Regulate the practice of pharmacy and enforce all laws placed under its jurisdiction;

(2) Prepare or determine the nature of, and supervise the grading of, examinations for applicants for pharmacists' licenses;

(3) Establish the qualifications for licensure of pharmacists or pharmacy interns;

(4) Conduct hearings for the revocation or suspension of licenses, permits, registrations, certificates, or any other authority to practice granted by the board, which hearings may also be conducted by an administrative law judge appointed under chapter 34.12 RCW;

(5) Issue subpoenas and administer oaths in connection with any hearing, or disciplinary proceeding held under this chapter or any other chapter assigned to the board;

(6) Assist the regularly constituted enforcement agencies of this state in enforcing all laws pertaining to drugs, controlled substances, and the practice of pharmacy, or any other laws or rules under its jurisdiction;

(7) Promulgate rules for the dispensing, distribution, wholesaling, and manufacturing of drugs and devices and the practice of pharmacy for the protection and promotion of the public health, safety, and welfare. Violation of any such rules shall constitute grounds for refusal, suspension, or revocation of licenses or any other authority to practice issued by the board;

(8) Adopt rules establishing and governing continuing education requirements for pharmacists and other licensees applying for renewal of licenses under this chapter;

(9) Be immune, collectively and individually, from suit in any action, civil or criminal, based upon any disciplinary proceedings or other official acts performed as members of such board. Such immunity shall apply to employees of the department when acting in the course of disciplinary proceedings;

(10) Suggest strategies for preventing, reducing, and eliminating drug misuse, diversion, and abuse, including professional and public education, and treatment of persons misusing and abusing drugs;

(11) Conduct or encourage educational programs to be conducted to prevent the misuse, diversion, and abuse of drugs for health care practitioners and licensed or certified health care facilities;

(12) Monitor trends of drug misuse, diversion, and abuse and make periodic reports to disciplinary boards of licensed health care practitioners and education, treatment, and appropriate law enforcement agencies regarding these trends;

(13) Enter into written agreements with all other state and federal agencies with any responsibility for controlling drug misuse, diversion, or abuse and with health maintenance organizations, health care service contractors, and health care providers to assist and promote coordination of agencies responsible for ensuring compliance with controlled substances laws and to monitor observance of these laws and cooperation between these agencies. The department of social and health services, the department of labor and industries, and any other state agency including licensure disciplinary boards, shall refer all apparent instances of over-prescribing by practitioners and all apparent instances of legend drug overuse to the department. The department shall also encourage such referral by health maintenance organizations, health service contractors, and health care providers. [1990 c 83 § 1; 1989 1st ex.s. c 9 § 409; 1984 c 153 § 2; 1981 c 67 § 21; 1979 c 90 § 2; 1973 1st ex.s. c 18 § 2; 1963 c 38 § 18; 1935 c 98 § 3; RRS § 10132-2. Formerly RCW 43.69.030.]

**Section captions not law—1990 c 83:** "Section captions as used in this act do not constitute any part of the law." [1990 c 83 § 3.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**Effective dates—Severability—1981 c 67:** See notes following RCW 34.12.010.

**18.64.009 Department of health—Enforcement employees declared to be peace officers—Authority.** Employees of the department, who are designated by the

board as enforcement officers, are declared to be peace officers and shall be vested with police powers to enforce chapters 18.64, 69.04, 69.36, 69.40, 69.41, and 69.50 RCW and all other laws enforced by the board. [1989 1st ex.s. c 9 § 411; 1985 c 7 § 59; 1979 c 90 § 4; 1969 ex.s. c 82 § 1.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**18.64.011 Definitions.** Unless the context clearly requires otherwise, definitions of terms shall be as indicated when used in this chapter.

(1) "Person" means an individual, corporation, government, governmental subdivision or agency, business trust, estate, trust, partnership or association, or any other legal entity.

(2) "Board" means the Washington state board of pharmacy.

(3) "Drugs" means:

(a) Articles recognized in the official United States pharmacopoeia or the official homeopathic pharmacopoeia of the United States;

(b) Substances intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals;

(c) Substances (other than food) intended to affect the structure or any function of the body of man or other animals; or

(d) Substances intended for use as a component of any substances specified in (a), (b), or (c) of this subsection, but not including devices or their component parts or accessories.

(4) "Device" means instruments, apparatus, and contrivances, including their components, parts, and accessories, intended (a) for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals, or (b) to affect the structure or any function of the body of man or other animals.

(5) "Nonlegend" or "nonprescription" drugs means any drugs which may be lawfully sold without a prescription.

(6) "Legend drugs" means any drugs which are required by any applicable federal or state law or regulation to be dispensed on prescription only or are restricted to use by practitioners only.

(7) "Controlled substance" means a drug or substance, or an immediate precursor of such drug or substance, so designated under or pursuant to the provisions of chapter 69.50 RCW.

(8) "Prescription" means an order for drugs or devices issued by a practitioner duly authorized by law or rule in the state of Washington to prescribe drugs or devices in the course of his or her professional practice for a legitimate medical purpose.

(9) "Practitioner" means a physician, dentist, veterinarian, nurse, or other person duly authorized by law or rule in the state of Washington to prescribe drugs.

(10) "Pharmacist" means a person duly licensed by the Washington state board of pharmacy to engage in the practice of pharmacy.

(11) "Practice of pharmacy" includes the practice of and responsibility for: Interpreting prescription orders; the compounding, dispensing, labeling, administering, and distributing of drugs and devices; the monitoring of drug

therapy and use; the initiating or modifying of drug therapy in accordance with written guidelines or protocols previously established and approved for his or her practice by a practitioner authorized to prescribe drugs; the participating in drug utilization reviews and drug product selection; the proper and safe storing and distributing of drugs and devices and maintenance of proper records thereof; the providing of information on legend drugs which may include, but is not limited to, the advising of therapeutic values, hazards, and the uses of drugs and devices.

(12) "Pharmacy" means every place properly licensed by the board of pharmacy where the practice of pharmacy is conducted.

(13) The words "drug" and "devices" shall not include surgical or dental instruments or laboratory materials, gas and oxygen, therapy equipment, X-ray apparatus or therapeutic equipment, their component parts or accessories, or equipment, instruments, apparatus, or contrivances used to render such articles effective in medical, surgical, or dental treatment, or for use or consumption in or for mechanical, industrial, manufacturing, or scientific applications or purposes, nor shall the word "drug" include any article or mixture covered by the Washington pesticide control act (chapter 15.58 RCW), as enacted or hereafter amended, nor medicated feed intended for and used exclusively as a feed for animals other than man.

(14) The word "poison" shall not include any article or mixture covered by the Washington pesticide control act (chapter 15.58 RCW), as enacted or hereafter amended.

(15) "Deliver" or "delivery" means the actual, constructive, or attempted transfer from one person to another of a drug or device, whether or not there is an agency relationship.

(16) "Dispense" means the interpretation of a prescription or order for a drug, biological, or device and, pursuant to that prescription or order, the proper selection, measuring, compounding, labeling, or packaging necessary to prepare that prescription or order for delivery.

(17) "Distribute" means the delivery of a drug or device other than by administering or dispensing.

(18) "Compounding" shall be the act of combining two or more ingredients in the preparation of a prescription.

(19) "Wholesaler" shall mean a corporation, individual, or other entity which buys drugs or devices for resale and distribution to corporations, individuals, or entities other than consumers.

(20) "Manufacture" means the production, preparation, propagation, compounding, or processing of a drug or other substance or device or the packaging or repackaging of such substance or device, or the labeling or relabeling of the commercial container of such substance or device, but does not include the activities of a practitioner who, as an incident to his or her administration or dispensing such substance or device in the course of his or her professional practice, prepares, compounds, packages, or labels such substance or device.

(21) "Manufacturer" shall mean a person, corporation, or other entity engaged in the manufacture of drugs or devices.

(22) "Labeling" shall mean the process of preparing and affixing a label to any drug or device container. The label

must include all information required by current federal and state law and pharmacy rules.

(23) "Administer" means the direct application of a drug or device, whether by injection, inhalation, ingestion, or any other means, to the body of a patient or research subject.

(24) "Master license system" means the mechanism established by chapter 19.02 RCW by which master licenses, endorsed for individual state-issued licenses, are issued and renewed utilizing a master application and a master license expiration date common to each renewable license endorsement.

(25) "Department" means the department of health.

(26) "Secretary" means the secretary of health or the secretary's designee.

(27) "Health care entity" means an organization that provides health care services in a setting that is not otherwise licensed by the state. Health care entity includes a free-standing outpatient surgery center or a free-standing cardiac care center. It does not include an individual practitioner's office or a multipractitioner clinic. [1997 c 129 § 1; 1995 c 319 § 2; 1989 1st ex.s. c 9 § 412; 1984 c 153 § 3; 1982 c 182 § 29; 1979 c 90 § 5; 1963 c 38 § 1.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**Severability—1982 c 182:** See RCW 19.02.901.

**18.64.020 Licensing required.** It shall hereafter be unlawful for any person to practice pharmacy or to institute or operate any pharmacy unless such person shall be a licensed pharmacist or shall place in charge of said pharmacy a licensed pharmacist: PROVIDED, That persons licensed as manufacturers or as wholesalers, and their employees, acting within the scope of their licenses, shall be exempt from this section. [1979 c 90 § 6; 1899 c 121 § 1; RRS § 10126. Prior: 1891 c 113 § 1. Formerly RCW 18.67.010, part.]

**18.64.040 Examination fee.** Every applicant for license examination under this chapter shall pay the sum determined by the secretary under RCW 43.70.250 and 43.70.280 before the examination is attempted. [1996 c 191 § 42; 1989 1st ex.s. c 9 § 413; 1979 c 90 § 7; 1971 ex.s. c 201 § 1; 1963 c 38 § 2; 1949 c 153 § 1; 1935 c 98 § 4; 1909 c 213 § 5; 1899 c 121 § 10; Rem. Supp. 1949 § 10135.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**Severability—1971 ex.s. c 201:** "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." [1971 ex.s. c 201 § 9.]

**18.64.043 Pharmacy license—Fee—Display—Declaration of ownership and location—Penalties.** (1) The owner of each pharmacy shall pay an original license fee to be determined by the secretary, and annually thereafter, on or before a date to be determined by the secretary, a fee to be determined by the secretary, for which he or she shall receive a license of location, which shall entitle the owner to operate such pharmacy at the location specified, or such other temporary location as the secretary may approve, for the period ending on a date to be determined by the

secretary as provided in RCW 43.70.250 and 43.70.280, and each such owner shall at the time of filing proof of payment of such fee as provided in RCW 18.64.045 as now or hereafter amended, file with the department on a blank therefor provided, a declaration of ownership and location, which declaration of ownership and location so filed as aforesaid shall be deemed presumptive evidence of ownership of the pharmacy mentioned therein.

(2) It shall be the duty of the owner to immediately notify the department of any change of location or ownership and to keep the license of location or the renewal thereof properly exhibited in said pharmacy.

(3) Failure to comply with this section shall be deemed a misdemeanor, and each day that said failure continues shall be deemed a separate offense.

(4) In the event such license fee remains unpaid on the date due, no renewal or new license shall be issued except upon compliance with administrative procedures, administrative requirements, and fees determined as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 43; 1991 c 229 § 3; 1989 1st ex.s. c 9 § 414; 1984 c 153 § 4; 1979 c 90 § 8; 1971 ex.s. c 201 § 2; 1963 c 38 § 3; 1949 c 153 § 4; 1935 c 98 § 8; 1909 c 213 § 12; Rem. Supp. 1949 § 10145. Formerly RCW 18.67.020.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**Severability—1971 ex.s. c 201:** See note following RCW 18.64.040.

**18.64.044 Shopkeeper's registration—Penalty.** (1) A shopkeeper registered as provided in this section may sell nonprescription drugs, if such drugs are sold in the original package of the manufacturer.

(2) Every shopkeeper not a licensed pharmacist, desiring to secure the benefits and privileges of this section, is hereby required to register as a shopkeeper through the master license system, and he or she shall pay the fee determined by the secretary for registration, and on a date to be determined by the secretary thereafter the fee determined by the secretary for renewal of the registration; and shall at all times keep said registration or the current renewal thereof conspicuously exposed in the shop to which it applies. In event such shopkeeper's registration is not renewed by the master license expiration date, no renewal or new registration shall be issued except upon payment of the registration renewal fee and the master license delinquency fee under chapter 19.02 RCW. This registration fee shall not authorize the sale of legend drugs or controlled substances.

(3) The registration fees determined by the secretary under subsection (2) of this section shall not exceed the cost of registering the shopkeeper.

(4) Any shopkeeper who shall vend or sell, or offer to sell to the public any such nonprescription drug or preparation without having registered to do so as provided in this section, shall be guilty of a misdemeanor and each sale or offer to sell shall constitute a separate offense. [1989 1st ex.s. c 9 § 401; 1989 c 352 § 1; 1984 c 153 § 5; 1982 c 182 § 30; 1979 c 90 § 17.]

**Reviser's note:** This section was amended by 1989 c 352 § 1 and by 1989 1st ex.s. c 9 § 401, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**Severability—1982 c 182:** See RCW 19.02.901.

**Master license**

**delinquency fee—Rate—Disposition:** RCW 19.02.085.  
**expiration date:** RCW 19.02.090.

**system**

**existing licenses or permits registered under, when:** RCW 19.02.810.  
**generally:** RCW 18.64.011(24).  
**to include additional licenses:** RCW 19.02.110.

**18.64.045 Manufacturer's license—Fees—Display—Declaration of ownership and location—Penalties.** The owner of each and every place of business which manufactures drugs shall pay a license fee to be determined by the secretary, and thereafter, on or before a date to be determined by the secretary, a fee to be determined by the secretary as provided in RCW 43.70.250 and 43.70.280, for which the owner shall receive a license of location from the department, which shall entitle the owner to manufacture drugs at the location specified for the period ending on a date to be determined by the secretary, and each such owner shall at the time of payment of such fee file with the department, on a blank therefor provided, a declaration of ownership and location, which declaration of ownership and location so filed as aforesaid shall be deemed presumptive evidence of the ownership of such place of business mentioned therein. It shall be the duty of the owner to notify immediately the department of any change of location or ownership and to keep the license of location or the renewal thereof properly exhibited in such place of business. Failure to conform with this section shall be deemed a misdemeanor, and each day that said failure continues shall be deemed a separate offense. In event such license fee remains unpaid on the date due, no renewal or new license shall be issued except upon compliance with administrative procedures, administrative requirements, and fees determined as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 44; 1991 c 229 § 4; 1989 1st ex.s. c 9 § 416; 1984 c 153 § 6; 1979 c 90 § 9; 1971 ex.s. c 201 § 3; 1963 c 38 § 4; 1949 c 153 § 5; Rem. Supp. 1949 § 10154-4. Formerly RCW 18.67.140.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**Severability—1971 ex.s. c 201:** See note following RCW 18.64.040.

**18.64.046 Wholesaler's license—Required—Authority of licensee—Penalty.** The owner of each place of business which sells legend drugs and nonprescription drugs, or nonprescription drugs at wholesale shall pay a license fee to be determined by the secretary, and thereafter, on or before a date to be determined by the secretary as provided in RCW 43.70.250 and 43.70.280, a like fee to be determined by the secretary, for which the owner shall receive a license of location from the department, which shall entitle such owner to either sell legend drugs and nonprescription drugs or nonprescription drugs at wholesale at the location specified for the period ending on a date to be determined by the secretary, and each such owner shall at the time of payment of such fee file with the department, on a blank therefor provided, a declaration of ownership and location, which declaration of ownership and location so filed as aforesaid shall be deemed presumptive evidence of the ownership of such place of business mentioned therein.

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It shall be the duty of the owner to notify immediately the department of any change of location and ownership and to keep the license of location or the renewal thereof properly exhibited in such place of business. Failure to conform with this section shall be deemed a misdemeanor, and each day that said failure continues shall be deemed a separate offense. In event such license fee remains unpaid on the date due, no renewal or new license shall be issued except upon compliance with administrative procedures, administrative requirements, and fees determined as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 45; 1991 c 229 § 5; 1989 1st ex.s. c 9 § 417; 1984 c 153 § 7; 1979 c 90 § 18.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**18.64.047 Itinerant vendor's or peddler's registration—Fee—Penalties.** Any itinerant vendor or any peddler of any nonprescription drug or preparation for the treatment of disease or injury, shall pay a registration fee determined by the secretary on a date to be determined by the secretary as provided in RCW 43.70.250 and 43.70.280. The department may issue a registration to such vendor on an approved application made to the department. Any itinerant vendor or peddler who shall vend or sell, or offer to sell to the public any such nonprescription drug or preparation without having registered to do so as provided in this section, shall be guilty of a misdemeanor and each sale or offer to sell shall constitute a separate offense. In event such registration fee remains unpaid on the date due, no renewal or new registration shall be issued except upon compliance with administrative procedures, administrative requirements, and fees determined as provided in RCW 43.70.250 and 43.70.280. This registration shall not authorize the sale of legend drugs or controlled substances. [1996 c 191 § 46; 1991 c 229 § 6; 1989 1st ex.s. c 9 § 418; 1984 c 153 § 8; 1979 c 90 § 10; 1971 ex.s. c 201 § 4; 1963 c 38 § 5; 1949 c 153 § 3; 1935 c 98 § 7; 1899 c 121 § 16; Rem. Supp. 1949 § 10141. Formerly RCW 18.60.010 through 18.60.030.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**Severability—1971 ex.s. c 201:** See note following RCW 18.64.040.

**18.64.050 Duplicate for lost or destroyed license or certificate—Certified documents—Fees.** In the event that a license or certificate issued by the department is lost or destroyed, the person to whom it was issued may obtain a duplicate thereof upon furnishing proof of such fact satisfactory to the department and the payment of a fee determined by the secretary.

In the event any person desires any certified document to which he is entitled, he shall receive the same upon payment of a fee determined by the secretary. [1989 1st ex.s. c 9 § 419; 1984 c 153 § 9; 1963 c 38 § 6; 1935 c 98 § 9; RRS § 10145-1. FORMER PART OF SECTION: 1935 c 98 § 10; RRS § 10145-2, now codified as RCW 18.64.055.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**18.64.080 Licensing of pharmacists—Registration of interns—Prerequisites—Examinations—Reciprocity—Fees—Renewal.** (1) The department may license as a pharmacist any person who has filed an application therefor, subscribed by the person under oath or affirmation, containing such information as the board may by regulation require, and who—

(a) Is at least eighteen years of age;

(b) Has satisfied the board that he or she is of good moral and professional character, that he or she will carry out the duties and responsibilities required of a pharmacist, and that he or she is not unfit or unable to practice pharmacy by reason of the extent or manner of his or her proven use of alcoholic beverages, drugs, or controlled substances, or by reason of a proven physical or mental disability;

(c) Holds a baccalaureate degree in pharmacy or a doctor of pharmacy degree granted by a school or college of pharmacy which is accredited by the board of pharmacy;

(d) Has completed or has otherwise met the internship requirements as set forth in board rules;

(e) Has satisfactorily passed the necessary examinations approved by the board and administered by the department.

(2) The department shall, at least once in every calendar year, offer an examination to all applicants for a pharmacist license who have completed their educational and internship requirements pursuant to rules promulgated by the board. The examination shall be determined by the board. In case of failure at a first examination, the applicant shall have within three years the privilege of a second and third examination. In case of failure in a third examination, the applicant shall not be eligible for further examination until he or she has satisfactorily completed additional preparation as directed and approved by the board. The applicant must pay the examination fee determined by the secretary for each examination taken. Upon passing the required examinations and complying with all the rules and regulations of the board and the provisions of this chapter, the department shall grant the applicant a license as a pharmacist and issue to him or her a certificate qualifying him or her to enter into the practice of pharmacy.

(3) Any person enrolled as a student of pharmacy in an accredited college may file with the department an application for registration as a pharmacy intern in which application he or she shall be required to furnish such information as the board may, by regulation, prescribe and, simultaneously with the filing of said application, shall pay to the department a fee to be determined by the secretary. All certificates issued to pharmacy interns shall be valid for a period to be determined by the board, but in no instance shall the certificate be valid if the individual is no longer making timely progress toward graduation, provided however, the board may issue an intern certificate to a person to complete an internship to be eligible for initial licensure or for the reinstatement of a previously licensed pharmacist.

(4) To assure adequate practical instruction, pharmacy internship experience as required under this chapter shall be obtained after registration as a pharmacy intern by practice in any licensed pharmacy or other program meeting the requirements promulgated by regulation of the board, and shall include such instruction in the practice of pharmacy as the board by regulation shall prescribe.

(5) The department may, without examination other than one in the laws relating to the practice of pharmacy, license as a pharmacist any person who, at the time of filing application therefor, is currently licensed as a pharmacist in any other state, territory, or possession of the United States. The person shall produce evidence satisfactory to the department of having had the required secondary and professional education and training and who was licensed as a pharmacist by examination in another state prior to June 13, 1963, shall be required to satisfy only the requirements which existed in this state at the time he or she became licensed in such other state, and that the state in which the person is licensed shall under similar conditions grant reciprocal licenses as pharmacist without examination to pharmacists duly licensed by examination in this state. Every application under this subsection shall be accompanied by a fee determined by the department.

(6) The department shall provide for, regulate, and require all persons licensed as pharmacists to renew their license periodically, and shall prescribe the form of such license and information required to be submitted by all applicants. [1989 1st ex.s. c 9 §§ 403, 420; 1989 c 352 § 3; 1984 c 153 § 10; 1981 c 147 § 1; 1979 c 90 § 11; 1972 ex.s. c 9 § 1. Prior: 1971 ex.s. c 292 § 25; 1971 ex.s. c 201 § 5; 1963 c 38 § 7; 1931 c 56 § 1; 1927 c 253 § 1; 1923 c 180 § 3; RRS § 10126-3. Formerly RCW 18.64.010, part, 18.64.080 and 18.64.090, part.]

**Reviser's note:** This section was amended by 1989 c 352 § 3 and by 1989 1st ex.s. c 9 §§ 403, 420, all without reference to the other. All amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**18.64.140 License—Fees—Display—Inactive license.** Every licensed pharmacist who desires to practice pharmacy shall secure from the department a license, the fee for which shall be determined by the secretary under RCW 43.70.250 and 43.70.280. The administrative procedures, administrative requirements, renewal fee, and late renewal fee shall also be determined under RCW 43.70.250 and 43.70.280. Payment of this fee shall entitle the licensee to a pharmacy law book, subsequent current mailings of all additions, changes, or deletions in the pharmacy practice act, chapter 18.64 RCW, and all additions, changes, or deletions of pharmacy board and department regulations. The current license shall be conspicuously displayed to the public in the pharmacy to which it applies. Any licensed pharmacist who desires to leave the active practice of pharmacy in this state may secure from the department an inactive license. The initial license and renewal fees shall be determined by the secretary under RCW 43.70.250 and 43.70.280. The holder of an inactive license may reactivate his or her license to practice pharmacy in accordance with rules adopted by the board. [1996 c 191 § 47; 1991 c 229 § 7; 1989 1st ex.s. c 9 § 421; 1984 c 153 § 11; 1979 c 90 § 12; 1971 ex.s. c 201 § 6; 1963 c 38 § 9; 1949 c 153 § 2; 1935 c 98 § 5; 1899 c 121 § 11; Rem. Supp. 1949 § 10136. Formerly RCW 18.64.140 and 18.64.150.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**Severability—1971 ex.s. c 201:** See note following RCW 18.64.040.

**18.64.160 Disciplinary action against pharmacist's and intern's licenses—Grounds.** In addition to the grounds under RCW 18.130.170 and 18.130.180, the board of pharmacy may take disciplinary action against the license of any pharmacist or intern upon proof that:

(1) His or her license was procured through fraud, misrepresentation, or deceit;

(2) In the event that a pharmacist is determined by a court of competent jurisdiction to be mentally incompetent, the pharmacist shall automatically have his or her license suspended by the board upon the entry of the judgment, regardless of the pendency of an appeal;

(3) He or she has knowingly violated or permitted the violation of any provision of any state or federal law, rule, or regulation governing the possession, use, distribution, or dispensing of drugs, including, but not limited to, the violation of any provision of this chapter, Title 69 RCW, or rule or regulation of the board;

(4) He or she has knowingly allowed any unlicensed person to take charge of a pharmacy or engage in the practice of pharmacy, except a pharmacy intern or pharmacy assistant acting as authorized in this chapter or chapter 18.64A RCW in the presence of and under the immediate supervision of a licensed pharmacist;

(5) He or she has compounded, dispensed, or caused the compounding or dispensing of any drug or device which contains more or less than the equivalent quantity of ingredient or ingredients specified by the person who prescribed such drug or device: PROVIDED, HOWEVER, That nothing herein shall be construed to prevent the pharmacist from exercising professional judgment in the preparation or providing of such drugs or devices. [1993 c 367 § 13; 1985 c 7 § 60; 1984 c 153 § 12; 1979 c 90 § 13; 1963 c 38 § 10; 1909 c 213 § 10; RRS § 10143. Formerly RCW 18.64.160 through 18.64.190.]

**18.64.163 Uniform Disciplinary Act.** The Uniform Disciplinary Act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses of pharmacists and pharmacy interns, and the discipline of licensed pharmacists and pharmacy interns under this chapter. [1993 c 367 § 14.]

**18.64.165 Refusal, suspension, and revocation of other licenses.** The board shall have the power to refuse, suspend, or revoke the license of any manufacturer, wholesaler, pharmacy, shopkeeper, itinerant vendor, peddler, poison distributor, health care entity, or precursor chemical distributor upon proof that:

(1) The license was procured through fraud, misrepresentation, or deceit;

(2) The licensee has violated or has permitted any employee to violate any of the laws of this state or the United States relating to drugs, controlled substances, cosmetics, or nonprescription drugs, or has violated any of the rules and regulations of the board of pharmacy or has been convicted of a felony. [1995 c 319 § 5. Prior: 1989 1st ex.s. c 9 § 404; 1989 c 352 § 4; 1979 c 90 § 14; 1963 c 38 § 15.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

*Violation of chapter 69.50 RCW, the Uniform Controlled Substances Act—Suspension of license: RCW 69.50.413.*

**18.64.200 Refusal, suspension, and revocation of other licenses—Appeal procedure.** In any case of the refusal, suspension or revocation of a license by said board under the provisions of this chapter, appeal may be taken in accordance with the Administrative Procedure Act. [1963 c 38 § 11; 1909 c 213 § 11; RRS § 10144. Formerly RCW 18.64.200 through 18.64.240.]

*Administrative Procedure Act: Title 34 RCW.*

**18.64.205 Retired active license status.** The board may adopt rules pursuant to this section authorizing a retired active license status. An individual licensed pursuant to this chapter, who is practicing only in emergent or intermittent circumstances as defined by rule established by the board, may hold a retired active license at a reduced renewal fee established by the secretary under RCW 43.70.250 and 43.70.280. Such a license shall meet the continuing education requirements, if any, established by the board for renewals, and is subject to the provisions of the uniform disciplinary act, chapter 18.130 RCW. Individuals who have entered into retired status agreements with the disciplinary authority in any jurisdiction shall not qualify for a retired active license under this section. [1996 c 191 § 48; 1991 c 229 § 2.]

**18.64.245 Prescription records.** Every proprietor or manager of a pharmacy shall keep readily available a suitable record of prescriptions which shall preserve for a period of not less than two years the record of every prescription dispensed at such pharmacy which shall be numbered, dated, and filed, and shall produce the same in court or before any grand jury whenever lawfully required to do so. The record shall be maintained either separately from all other records of the pharmacy or in such form that the information required is readily retrievable from ordinary business records of the pharmacy. All record-keeping requirements for controlled substances must be complied with. Such record of prescriptions shall be for confidential use in the pharmacy, only. The record of prescriptions shall be open for inspection by the board of pharmacy or any officer of the law, who is authorized to enforce chapter 18.64, 69.41, or 69.50 RCW. [1989 1st ex.s. c 9 § 402; 1989 c 352 § 2; 1979 c 90 § 15; 1939 c 28 § 1; RRS § 6154-1. Formerly RCW 18.67.090.]

**Reviser's note:** This section was amended by 1989 c 352 § 2 and by 1989 1st ex.s. c 9 § 402, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**18.64.246 Prescriptions—Labels—Cover or cap to meet safety standards.** To every box, bottle, jar, tube or other container of a prescription which is dispensed there shall be fixed a label bearing the name and address of the pharmacy wherein the prescription is compounded, the corresponding serial number of the prescription, the name of the prescriber, his directions, the name of the medicine and the strength per unit dose, name of patient, date, the expira-

tion date, and initials of the licensed pharmacist who has compounded the prescription, and the security of the cover or cap on every bottle or jar shall meet safety standards promulgated by the state board of pharmacy: PROVIDED, That at the physician's request, the name and dosage of the drug need not be shown. If the prescription is for a combination drug product, the generic names of the drugs combined or the trade name used by the manufacturer or distributor for the product shall be noted on the label. This section shall not apply to the dispensing of medicines to inpatients in hospitals. [1984 c 153 § 13; 1971 ex.s. c 99 § 1; 1939 c 28 § 2; RRS § 6154-2. Formerly RCW 18.67.080.]

**18.64.247 Penalty for violation of RCW 18.64.245, 18.64.246.** Any person violating or failing to comply with the requirements of RCW 18.64.245 and 18.64.246 shall be guilty of a misdemeanor. [1939 c 28 § 3; RRS § 6154-3. Formerly RCW 18.67.091.]

**18.64.250 Unlawful practices—Penalty for violations—Exceptions.** (1) Any person not a licensed pharmacist and not having continuously and regularly in his employ a duly licensed pharmacist within the full meaning of this chapter, who shall practice pharmacy; or

(2) Any person who shall permit the compounding and dispensing of prescriptions, or vending of drugs, medicines, or poisons in his or her store or place of business, except under the supervision of a licensed pharmacist; or

(3) Any licensed pharmacist or shopkeeper licensed under this chapter, who while continuing in business, shall fail or neglect to procure his or her renewal of license; or

(4) Any person who shall wilfully make any false representations to procure a license for himself or herself or for any other person; or

(5) Any person who shall violate any of the provisions of this chapter wilfully and knowingly; or

(6) Any person who shall take or use or exhibit in or upon any place of business, or advertise in a newspaper, telephone directory, or other directory, or by electronic media, or in any other manner, the title of pharmacist, pharmacy intern, pharmacy assistant, druggist, pharmacy, drug store, medicine store, drug department, drugs, drug sundries, or any title or name of like description or import, or display or permit to be displayed upon said place of business the characteristic pharmacy symbols, bottles or globes, either colored or filled with colored liquids, without having continuously and regularly employed in his or her shop, store, or place of business, during business hours of the pharmacy, a pharmacist duly licensed under this chapter; shall be guilty of a misdemeanor, and each and every day that such prohibited practice continues shall be deemed a separate offense. [1979 c 90 § 16; 1963 c 38 § 12; 1935 c 98 § 6; 1909 c 213 § 7; 1899 c 121 § 13; RRS § 10138. Formerly RCW 18.64.250, 18.64.010, 18.64.030, 18.67.030, 18.67.040 and 18.67.130. FORMER PART OF SECTION: 1909 c 213 § 13; RRS § 10146, now codified as RCW 18.64.280.]

**18.64.255 Authorized practices.** Nothing in this chapter shall operate in any manner:

(1) To restrict the scope of authorized practice of any practitioner other than a pharmacist, duly licensed as such under the laws of this state. However, a health care entity shall comply with all state and federal laws and rules relating to the dispensing of drugs and the practice of pharmacy; or

(2) In the absence of the pharmacist from the hospital pharmacy, to prohibit a registered nurse designated by the hospital and the responsible pharmacist from obtaining from the hospital pharmacy such drugs as are needed in an emergency: PROVIDED, That proper record is kept of such emergency, including the date, time, name of prescriber, the name of the nurse obtaining the drugs, and a list of what drugs and quantities of same were obtained; or

(3) To prevent shopkeepers, itinerant vendors, peddlers, or salesmen from dealing in and selling nonprescription drugs, if such drugs are sold in the original packages of the manufacturer, or in packages put up by a licensed pharmacist in the manner provided by the state board of pharmacy, if such shopkeeper, itinerant vendor, salesman, or peddler shall have obtained a registration. [1995 c 319 § 7; 1984 c 153 § 14; 1981 c 147 § 3; 1979 c 90 § 19.]

**18.64.257 Prescription of legend drugs by dialysis programs.** This chapter shall not prevent a medicare-approved dialysis center or facility operating a medicare-approved home dialysis program from selling, delivering, possessing, or dispensing directly to its dialysis patients, in case or full shelf lots, if prescribed by a physician licensed under chapter 18.57 or 18.71 RCW, those legend drugs determined by the board pursuant to rule. [1987 c 41 § 1.]

*Application of legend drug statutes to dialysis programs: RCW 69.41.032.*

**18.64.270 Responsibility for drug purity—Adulteration—Penalty.** Every proprietor of a wholesale or retail drug store shall be held responsible for the quality of all drugs, chemicals or medicines sold or dispensed by him except those sold in original packages of the manufacturer and except those articles or preparations known as patent or proprietary medicines. Any person who shall knowingly, wilfully or fraudulently falsify or adulterate any drug or medicinal substance or preparation authorized or recognized by an official compendium or used or intended to be used in medical practice, or shall wilfully, knowingly or fraudulently offer for sale, sell or cause the same to be sold for medicinal purposes, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine in any sum not less than seventy-five nor more than one hundred and fifty dollars or by imprisonment in the county jail for a period of not less than one month nor more than three months, and any person convicted a third time for violation of any of the provisions of this section may suffer both fine and imprisonment. In any case he shall forfeit to the state of Washington all drugs or preparations so falsified or adulterated. [1963 c 38 § 13; 1899 c 121 § 14; RRS § 10139. Prior: 1891 c 153 § 15. Formerly RCW 18.67.100 and 18.67.120.]

**18.64.275 Limitations on liability for dispensing of prescription.** (1) A pharmacist who dispenses a prescription product in the form manufactured by a commercial manufac-

turer pursuant to a prescription issued by a licensed practitioner is not liable to a person who was injured through the use of the product, based on a claim of the following:

- (a) Strict liability in tort; or
- (b) Implied warranty provisions under the uniform commercial code Title 62A RCW.

(2) The limitation on pharmacist's liability as provided in subsection (1) of this section shall only apply if the pharmacist complies with recordkeeping requirements pursuant to chapters 18.64, 69.41, and 69.50 RCW, and related administrative rules.

(3) A pharmacist who dispenses a prescription product in the form manufactured by a commercial manufacturer issued by a licensed practitioner is liable to the claimant only if the claimant's harm was proximately caused by (a) the negligence of the pharmacist; (b) breach of an express warranty made by the pharmacist; or (c) the intentional misrepresentation of facts about the product by the pharmacist or the intentional concealment of information about the product by the pharmacist. A pharmacist shall not be liable for the product manufacturer's liability except as provided in RCW 7.72.040. [1991 c 189 § 1.]

**18.64.280 General penalty.** Any person who shall violate any of the provisions of chapter 18.64 RCW and for which a penalty is not provided shall be deemed guilty of a gross misdemeanor. [1963 c 38 § 14; 1909 c 213 § 13; RRS § 10146. Formerly RCW 18.64.250, part.]

**18.64.300 Pharmacist members of committees to evaluate credentials and qualifications of pharmacists—Immunity from civil suit.** See RCW 4.24.240.

**18.64.301 Pharmacists filing charges or presenting evidence before pharmaceutical society—Immunity from civil suit.** See RCW 4.24.250, 4.24.260.

**18.64.302 Records of pharmaceutical society not subject to civil process.** See RCW 4.24.250.

**18.64.310 Department of health—Powers and duties.** The department shall:

(1) Establish reasonable license and examination fees and fees for services to other agencies in accordance with RCW 43.70.250 and 43.70.280. In cases where there are unanticipated demands for services, the department may request payment for services directly from the agencies for whom the services are performed, to the extent that revenues or other funds are available. Drug-related investigations regarding licensed health care practitioners shall be funded by an appropriation to the department from the health professions account. The payment may be made on either an advance or a reimbursable basis as approved by the director of financial management;

(2) Employ, with confirmation by the board, an executive officer, who shall be exempt from the provisions of chapter 41.06 RCW and who shall be a pharmacist licensed in Washington, and employ inspectors, investigators, chemists, and other persons as necessary to assist it for any purpose which it may deem necessary;

(3) Investigate and prosecute, at the direction of the board, including use of subpoena powers, violations of law or regulations under its jurisdiction or the jurisdiction of the board of pharmacy;

(4) Make, at the direction of the board, inspections and investigations of pharmacies and other places, including dispensing machines, in which drugs or devices are stored, held, compounded, dispensed, sold, or administered to the ultimate consumer, to take and analyze any drugs or devices and to seize and condemn any drugs or devices which are adulterated, misbranded, stored, held, dispensed, distributed, administered, or compounded in violation of or contrary to law. The written operating agreement between the department and the board, as required by RCW 43.70.240 shall include provisions for the department to involve the board in carrying out its duties required by this section. [1996 c 191 § 49; 1989 1st ex.s. c 9 § 410.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**18.64.350 Nonresident pharmacies—Findings.** (1) The legislature finds and declares that the practice of pharmacy is a dynamic, patient-oriented health service that applies a scientific body of knowledge to improve and promote patient health by means of appropriate drug use and drug-related therapy.

(2) The legislature recognizes that with the proliferation of alternate methods of health delivery, there has arisen among third-party payors and insurance companies the desire to control the cost and utilization of pharmacy services through a variety of mechanisms, including the use of mail-order pharmacies located outside the state of Washington.

(3) As a result, the legislature finds and declares that to continue to protect the Washington consumer-patient, all out-of-state pharmacies that provide services to Washington residents shall be licensed by the department of health, disclose specific information about their services, and provide pharmacy services at a high level of protection and competence. [1991 c 87 § 1.]

**Effective date—1991 c 87:** "This act shall take effect October 1, 1991." [1991 c 87 § 15.]

**18.64.360 Nonresident pharmacies—Definition—Requirements—Exemption.** (1) For the purposes of this chapter any pharmacy located outside this state that ships, mails, or delivers, in any manner, except when delivered in person to an individual, controlled substances, legend drugs, or devices into this state is a nonresident pharmacy, and shall be licensed by the department of health, and shall disclose to the department the following:

(a) The location, names, and titles of all owners including corporate officers and all pharmacists employed by the pharmacy who are dispensing controlled substances, legend drugs, or devices to residents of this state. A report containing this information shall be made on an annual basis and within ninety days after a change of location, corporate officer, or pharmacist;

(b) Proof of compliance with all lawful directions and requests for information from the regulatory or licensing agency of the state in which it is licensed as well as with all requests for information made by the department of health

under this section. The nonresident pharmacy shall maintain, at all times, a valid unexpired license, permit, or registration to operate the pharmacy in compliance with the laws of the state in which it is located. As a prerequisite to be licensed by the department of health, the nonresident pharmacy shall submit a copy of the most recent inspection report issued by the regulatory licensing agency of the state in which it is located;

(c) Proof that it maintains its records of controlled substances, legend drugs, or devices dispensed to patients in this state so that the records are readily retrievable from the records of other drugs dispensed.

(2) Any pharmacy subject to this section shall, during its regular hours of operation, provide a toll-free telephone service to facilitate communication between patients in this state and a pharmacist at the pharmacy who has access to the patient's records. This toll-free number shall be disclosed on the label affixed to each container of drugs dispensed to patients in this state.

(3) A pharmacy subject to this section shall comply with board rules regarding the maintenance and use of patient medication record systems.

(4) A pharmacy subject to this section shall comply with board of pharmacy rules regarding the provision of drug information to the patient. Drug information may be contained in written form setting forth directions for use and any additional information necessary to assure the proper utilization of the medication prescribed. A label bearing the expiration date of the prescription must be affixed to each box, bottle, jar, tube, or other container of a prescription that is dispensed in this state by a pharmacy subject to this section.

(5) A pharmacy subject to this section shall not dispense medication in a quantity greater than authorized by the prescriber.

(6) The license fee specified by the secretary, in accordance with the provisions of RCW 43.70.250, shall not exceed the fee charged to a pharmacy located in this state.

(7) The license requirements of this section apply to nonresident pharmacies that ship, mail, or deliver controlled substances, legend drugs, and devices into this state only under a prescription. The board of pharmacy may grant an exemption from licensing under this section upon application by an out-of-state pharmacy that restricts its dispensing activity in Washington to isolated transactions.

(8) Each nonresident pharmacy that ships, mails, or delivers legend drugs or devices into this state shall designate a resident agent in Washington for service of process. The designation of such an agent does not indicate that the nonresident pharmacy is a resident of Washington for tax purposes. [1996 c 109 § 1; 1991 c 87 § 2.]

**Effective date—1991 c 87:** See note following RCW 18.64.350.

**18.64.370 Nonresident pharmacies—License required—Application—Renewal.** (1) A nonresident pharmacy that has not obtained a license from the department of health shall not conduct the business of selling or distributing drugs in this state.

(2) Applications for a nonresident pharmacy license under RCW 18.64.350 through 18.64.400 shall be made on a form furnished by the department. The department may

require such information as it deems is reasonably necessary to carry out the purpose of RCW 18.64.350 through 18.64.400.

(3) The nonresident pharmacy license shall be renewed annually on a date to be established by the department by rule. In the event the license fee remains unpaid, no renewal or new license shall be issued except upon payment of the license renewal fee and a penalty fee equal to the original license fee. [1991 c 87 § 3.]

**Effective date—1991 c 87:** See note following RCW 18.64.350.

**18.64.380 Nonresident pharmacies—Information required—Inspection.** A nonresident pharmacy shall:

(1) Submit to the department, upon request, information acceptable to the secretary concerning controlled substances shipped, mailed, or delivered to a Washington resident.

(2) Submit to on-site inspection by the department of the nonresident pharmacy's prescription records if the information in subsection (1) of this section is not provided to the department upon request. [1991 c 87 § 4.]

**Effective date—1991 c 87:** See note following RCW 18.64.350.

**18.64.390 Nonresident pharmacies—Violations—Penalties.** (1) The board may deny, revoke, or suspend a nonresident pharmacy license or impose a fine not to exceed one thousand dollars per violation for failure to comply with any requirement of RCW 18.64.350 through 18.64.400.

(2) The board may deny, revoke, or suspend a nonresident pharmacy license or impose a fine not to exceed one thousand dollars per violation for conduct that causes serious bodily or psychological injury to a resident of this state if the secretary has referred the matter to the regulatory or licensing agency in the state in which the pharmacy is located and that regulatory or licensing agency fails to initiate an investigation within forty-five days of the referral under this subsection or fails to make a determination on the referral. [1991 c 87 § 5.]

**Effective date—1991 c 87:** See note following RCW 18.64.350.

**18.64.400 Nonresident pharmacies—Definition—Advertising.** For the purposes of this chapter, a nonresident pharmacy is defined as any pharmacy located outside this state that ships, mails, or delivers, in any manner, except when delivered in person to an individual, controlled substances, legend drugs, or devices into this state. It is unlawful for:

(1) Any nonresident pharmacy that is not licensed under RCW 18.64.350 through 18.64.400 to advertise its service in this state; or

(2) Any resident of this state to advertise the pharmaceutical services of a nonresident pharmacy with the knowledge that the nonresident pharmacy is not licensed by the department and that the advertisement will or is likely to induce persons within this state to use the nonresident pharmacy to fill prescriptions. [1991 c 87 § 6.]

**Effective date—1991 c 87:** See note following RCW 18.64.350.

**18.64.410 Nonresident pharmacies—Rules.** The board may adopt rules to implement the provisions of RCW 18.64.350 through 18.64.400 and 18.64.420. [1991 c 87 § 11.]

**Effective date—1991 c 87:** See note following RCW 18.64.350.

**18.64.420 Nonresident pharmacies—Information confidential—Exceptions.** All records, reports, and information obtained by the department from or on behalf of an entity licensed under chapter 48.20, 48.21, 48.44, or 48.46 RCW shall be confidential and exempt from inspection and copying under chapter 42.17 RCW. Nothing in this section restricts the investigation or the proceedings of the board or the department so long as the board and the department comply with the provisions of chapter 42.17 RCW. Nothing in this section or in chapter 42.17 RCW shall restrict the board or the department from complying with any mandatory reporting requirements that exist or may exist under federal law, nor shall the board or the department be restricted from providing to any person the name of any nonresident pharmacy that is or has been licensed or disciplined under RCW 18.64.350 through 18.64.400. [1991 c 87 § 12.]

**Effective date—1991 c 87:** See note following RCW 18.64.350.

**18.64.430 Cost disclosure to health care providers.** The registered or licensed pharmacist of [under] this chapter shall establish and maintain a procedure for disclosing to physicians and other health care providers with prescriptive authority information detailed by prescriber, of the cost and dispensation of all prescriptive medications prescribed by him or her for his or her patients on request. These charges should be made available on at least a quarterly basis for all requested patients and should include medication, dosage, number dispensed, and the cost of the prescription. Pharmacies may provide this information in a summary form for each prescribing physician for all patients rather than as individually itemized reports. All efforts should be made to utilize the existing computerized records and software to provide this information in the least costly format. [1993 c 492 § 267.]

**Cost containment—1993 c 492:** "The legislature finds that the spiraling costs of health care continue to surmount efforts to contain them, increasing at approximately twice the inflationary rate. One of the fastest growing segments of the health care expenditure involves prescription medications. By making physicians and other health care providers with prescriptive authority more aware of the cost consequences of health care treatments for consumers, these providers may be inclined to exercise more restraint in providing only the most relevant and cost-beneficial drug and medication treatments. The requirement of the pharmacy to inform physicians and other health care providers of the charges of prescription drugs and medications that they order may have a positive effect on containing health costs. Further, the option of the physician or other health care provider to inform the patient of these charges may strengthen the necessary dialogue in the provider-patient relationship that tends to be diminished by intervening third-party payers." [1993 c 492 § 266.]

**Findings—Intent—1993 c 492:** See notes following RCW 43.20.050.

**Short title—Severability—Savings—Captions not law—Reservation of legislative power—Effective dates—1993 c 492:** See RCW 43.72.910 through 43.72.915.

**18.64.450 Health care entity—License requirements for legend drugs and controlled substances—Exception.** (1) In order for a health care entity to purchase, administer, dispense, and deliver legend drugs, the health care entity must be licensed by the department.

(2) In order for a health care entity to purchase, administer, dispense, and deliver controlled substances, the health

care entity must annually obtain a license from the department in accordance with the board's rules.

(3) The receipt, administration, dispensing, and delivery of legend drugs or controlled substances by a health care entity must be performed under the supervision or at the direction of a pharmacist.

(4) A health care entity may only administer, dispense, or deliver legend drugs and controlled substances to patients who receive care within the health care entity and in compliance with rules of the board. Nothing in this subsection shall prohibit a practitioner, in carrying out his or her licensed responsibilities within a health care entity, from dispensing or delivering to a patient of the health care entity drugs for that patient's personal use in an amount not to exceed seventy-two hours of usage. [1995 c 319 § 3.]

**18.64.460 Health care entity—License fee—Requirements—Penalty.** (1) The owner of a health care entity shall pay an original license fee to be determined by the secretary, and annually thereafter, on or before a date to be determined by the secretary, a fee to be determined by the secretary, for which he or she shall receive a license of location, which shall entitle the owner to purchase legend drugs or controlled substances at the location specified for the period ending on a date to be determined by the secretary. A declaration of ownership and location filed with the department under this section shall be deemed presumptive evidence of ownership of the health care entity.

(2) The owner shall immediately notify the department of any change of location or ownership in which case a new application and fee shall be submitted.

(3) It shall be the duty of the owner to keep the license of location or the renewal license properly exhibited in the health care entity.

(4) Failure to comply with this section is a misdemeanor and each day that the failure continues is a separate offense.

(5) In the event that a license fee remains unpaid after the date due, no renewal or new license may be issued except upon payment of the license renewal fee and a penalty fee equal to the original license fee. [1995 c 319 § 4.]

**18.64.470 Health care entity—Records.** Every proprietor or manager of a health care entity shall keep readily available a suitable record of drugs, which shall preserve for a period of not less than two years the record of every drug used at such health care entity. The record shall be maintained either separately from all other records of the health care entity or in such form that the information required is readily retrievable from ordinary business records of the health care entity. All recordkeeping requirements for controlled substances must be complied with. Such record of drugs shall be for confidential use in the health care entity, only. The record of drugs shall be open for inspection by the board of pharmacy, who is authorized to enforce chapter 18.64, 69.41, or 69.50 RCW. [1995 c 319 § 6.]

**18.64.900 Severability—1923 c 180.** Should any section or parts of sections of this act be declared unconstitutional it shall in no case affect the validity of other provisions of this act. [1923 c 180 § 12.]

**18.64.910 Severability—1935 c 98.** If any section, sentence, clause or part of this act shall be adjudged to be invalid, such adjudication shall not affect the remaining portions of the act. [1935 c 98 § 12.]

**18.64.911 Severability—1963 c 38.** 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. [1963 c 38 § 24.]

**18.64.920 Repealer—1935 c 98.** All acts and parts of acts in conflict herewith are hereby repealed. [1935 c 98 § 11.]

## Chapter 18.64A PHARMACY ASSISTANTS

### Sections

- 18.64A.005 Regulation of health care professions—Criteria.
  - 18.64A.010 Definitions.
  - 18.64A.020 Rules—Qualifications and training programs.
  - 18.64A.030 Rules—Duties of technicians, assistants.
  - 18.64A.040 Limitations on practice.
  - 18.64A.050 Disciplinary action against certificate—Grounds.
  - 18.64A.055 Uniform Disciplinary Act.
  - 18.64A.060 Pharmacy's application for ancillary personnel—Fee—Approval or rejection by board—Hearing—Appeal.
  - 18.64A.070 Persons presently acting as technicians—Pharmacies presently employing those persons.
  - 18.64A.080 Pharmacy's or pharmacist's liability, responsibility.
  - 18.64A.900 Severability—1977 ex.s. c 101.
- Health professions account—Fees credited—Requirements for biennial budget request: RCW 43.70.320.*

**18.64A.005 Regulation of health care professions—Criteria.** See chapter 18.120 RCW.

**18.64A.010 Definitions.** Terms used in this chapter shall have the meaning set forth in this section unless the context clearly indicates otherwise:

- (1) "Board" means the state board of pharmacy;
- (2) "Department" means the department of health;
- (3) "Pharmacist" means a person duly licensed by the state board of pharmacy to engage in the practice of pharmacy;
- (4) "Pharmacy" means every place properly licensed by the board of pharmacy where the practice of pharmacy is conducted;
- (5) "Pharmacy ancillary personnel" means pharmacy technicians and pharmacy assistants;
- (6) "Pharmacy technician" means:
  - (a) A person who is enrolled in, or who has satisfactorily completed, a board approved training program designed to prepare persons to perform nondiscretionary functions associated with the practice of pharmacy; or
  - (b) A person who is a graduate with a degree in pharmacy or medicine of a foreign school, university, or college recognized by the board;
- (7) "Pharmacy assistant" means a person registered by the board to perform limited functions in the pharmacy;

(8) "Practice of pharmacy" means the definition given in RCW 18.64.011;

(9) "Secretary" means the secretary of health or the secretary's designee. [1997 c 417 § 1; 1989 1st ex.s. c 9 § 422; 1977 ex.s. c 101 § 1.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**18.64A.020 Rules—Qualifications and training programs.** (1) The board shall adopt, in accordance with chapter 34.05 RCW, rules fixing the classification and qualifications and the educational and training requirements for persons who may be employed as pharmacy technicians or who may be enrolled in any pharmacy technician training program. Such rules shall provide that:

(a) Licensed pharmacists shall supervise the training of pharmacy technicians; and

(b) Training programs shall assure the competence of pharmacy technicians to aid and assist pharmacy operations. Training programs shall consist of instruction and/or practical training.

Such rules may include successful completion of examinations for applicants for pharmacy technician certificates. If such examination rules are adopted, the board shall prepare or determine the nature of, and supervise the grading of the examinations. The board may approve an examination prepared or administered by a private testing agency or association of licensing authorities.

(2) The board may disapprove or revoke approval of any training program for failure to conform to board rules. In the case of the disapproval or revocation of approval of a training program by the board, a hearing shall be conducted in accordance with RCW 18.64.160, and appeal may be taken in accordance with the Administrative Procedure Act, chapter 34.05 RCW. [1997 c 417 § 2; 1995 c 198 § 8; 1977 ex.s. c 101 § 2.]

**18.64A.030 Rules—Duties of technicians, assistants.** The board shall adopt, in accordance with chapter 34.05 RCW, rules governing the extent to which pharmacy ancillary personnel may perform services associated with the practice of pharmacy. These rules shall provide for the certification of pharmacy technicians by the department at a fee determined by the secretary under RCW 43.70.250:

(1) "Pharmacy technicians" may assist in performing, under the supervision and control of a licensed pharmacist, manipulative, nondiscretionary functions associated with the practice of pharmacy and other such duties and subject to such restrictions as the board may by rule adopt.

(2) "Pharmacy assistants" may perform, under the supervision of a licensed pharmacist, duties including but not limited to, typing of prescription labels, filing, refiling, bookkeeping, pricing, stocking, delivery, nonprofessional phone inquiries, and documentation of third party reimbursements and other such duties and subject to such restrictions as the board may by rule adopt. [1997 c 417 § 3; 1996 c 191 § 50; 1989 1st ex.s. c 9 § 423; 1977 ex.s. c 101 § 3.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**18.64A.040 Limitations on practice.** (1) Pharmacy ancillary personnel shall practice pharmacy in this state only after authorization by the board and only to the extent permitted by the board in accordance with this chapter.

(2) A pharmacist shall be assisted by pharmacy ancillary personnel in the practice of pharmacy in this state only after authorization by the board and only to the extent permitted by the board in accordance with this chapter: **PROVIDED**, That no pharmacist may supervise more than one pharmacy technician: **PROVIDED FURTHER**, That in pharmacies operating in connection with facilities licensed pursuant to chapter 70.41, 71.12, 71A.20, or 74.42 RCW, whether or not situated within the said facility which shall be physically separated from any area of a pharmacy where dispensing of prescriptions to the general public occurs, the ratio of pharmacists to pharmacy technicians shall be as follows: In the preparation of medicine or other materials used by patients within the facility, one pharmacist supervising no more than three pharmacy technicians; in the preparation of medicine or other materials dispensed to persons not patients within the facility, one pharmacist supervising not more than one pharmacy technician.

(3) The board may by rule modify the standard ratios set out in subsection (2) of this section governing the utilization of pharmacy technicians by pharmacies and pharmacists. Should a pharmacy desire to use more pharmacy technicians than the standard ratios, the pharmacy must submit to the board a pharmacy services plan for approval.

(a) The pharmacy services plan shall include, at a minimum, the following information: Pharmacy design and equipment, information systems, workflow, and quality assurance procedures. In addition, the pharmacy services plan shall demonstrate how it facilitates the provision of pharmaceutical care by the pharmacy.

(b) Prior to approval of a pharmacy services plan, the board may require additional information to ensure appropriate oversight of pharmacy ancillary personnel.

(c) The board may give conditional approval for pilot or demonstration projects.

(d) Variance from the approved pharmacy services plan is grounds for disciplinary action under RCW 18.64A.050. [1997 c 417 § 4; 1992 c 40 § 1; 1977 ex.s. c 101 § 4.]

**18.64A.050 Disciplinary action against certificate—Grounds.** In addition to the grounds under RCW 18.130.170 and 18.130.180, the board of pharmacy may take disciplinary action against the certificate of any pharmacy technician upon proof that:

(1) His or her certificate was procured through fraud, misrepresentation or deceit;

(2) He or she has been found guilty of any offense in violation of the laws of this state relating to drugs, poisons, cosmetics or drug sundries by any court of competent jurisdiction. Nothing herein shall be construed to affect or alter the provisions of RCW 9.96A.020;

(3) He or she has exhibited gross incompetency in the performance of his or her duties;

(4) He or she has willfully or repeatedly violated any of the rules and regulations of the board of pharmacy or of the department;

(5) He or she has willfully or repeatedly performed duties beyond the scope of his or her certificate in violation of the provisions of this chapter; or

(6) He or she has impersonated a licensed pharmacist. [1997 c 417 § 5; 1993 c 367 § 15; 1989 1st ex.s. c 9 § 424; 1977 ex.s. c 101 § 5.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

*Violation of chapter 69.50 RCW, the Uniform Controlled Substances Act—Suspension of license: RCW 69.50.413.*

**18.64A.055 Uniform Disciplinary Act.** The Uniform Disciplinary Act, chapter 18.130 RCW, governs the issuance and denial of certificates and the discipline of certificants under this chapter. [1993 c 367 § 16.]

**18.64A.060 Pharmacy's application for ancillary personnel—Fee—Approval or rejection by board—Hearing—Appeal.** No pharmacy licensed in this state shall utilize the services of pharmacy ancillary personnel without approval of the board.

Any pharmacy licensed in this state may apply to the board for permission to use the services of pharmacy ancillary personnel. The application shall be accompanied by a fee and shall comply with administrative procedures and administrative requirements set pursuant to RCW 43.70.250 and 43.70.280, shall detail the manner and extent to which the pharmacy ancillary personnel would be used and supervised, and shall provide other information in such form as the secretary may require.

The board may approve or reject such applications. In addition, the board may modify the proposed utilization of pharmacy ancillary personnel and approve the application as modified. Whenever it appears to the board that pharmacy ancillary personnel are being utilized in a manner inconsistent with the approval granted, the board may withdraw such approval. In the event a hearing is requested upon the rejection of an application, or upon the withdrawal of approval, a hearing shall be conducted in accordance with chapter 18.64 RCW, as now or hereafter amended, and appeal may be taken in accordance with the Administrative Procedure Act, chapter 34.05 RCW. [1997 c 417 § 6; 1996 c 191 § 51; 1989 1st ex.s. c 9 § 425; 1977 ex.s. c 101 § 6.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**18.64A.070 Persons presently acting as technicians—Pharmacies presently employing those persons.**

(1) Persons presently assisting a pharmacist by performing the functions of a pharmacy technician may continue to do so under the supervision of a licensed pharmacist: **PROVIDED**, That within eighteen months after May 28, 1977, such persons shall be in compliance with the provisions of this chapter.

(2) Pharmacies presently employing persons to perform the functions of a pharmacy technician may continue to do so while obtaining board approval for the use of certified pharmacy technicians: **PROVIDED**, That within eighteen months after May 28, 1977, such pharmacies shall be in compliance with the provisions of this chapter. [1997 c 417 § 7; 1977 ex.s. c 101 § 7.]

**18.64A.080 Pharmacy's or pharmacist's liability, responsibility.** A pharmacy or pharmacist which utilizes the services of pharmacy ancillary personnel with approval by the board, is not aiding and abetting an unlicensed person to practice pharmacy within the meaning of chapter 18.64 RCW: PROVIDED, HOWEVER, That the pharmacy or pharmacist shall retain responsibility for any act performed by pharmacy ancillary personnel in the course of employment. [1997 c 417 § 8; 1977 ex.s. c 101 § 8.]

**18.64A.900 Severability—1977 ex.s. c 101.** 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. [1977 ex.s. c 101 § 10.]

## Chapter 18.71 PHYSICIANS

### Sections

- 18.71.002 Purpose.
- 18.71.003 Declaration of purpose.
- 18.71.005 Regulation of health care professions—Criteria.
- 18.71.010 Definitions.
- 18.71.011 Definition of practice of medicine—Engaging in practice of chiropractic prohibited, when.
- 18.71.015 Commission established—Membership—Qualifications—Duties and powers—Compensation—Order of removal—Vacancies.
- 18.71.017 Rules by commission—Successor to other boards.
- 18.71.019 Application of Uniform Disciplinary Act—Request for review of revocation order.
- 18.71.0191 Executive director—Staff.
- 18.71.0193 Duty to report unprofessional conduct—Exceptions.
- 18.71.0195 Disciplinary reports—Confidentiality—Immunity.
- 18.71.021 License required.
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- 18.71.040 Application—Fee.
- 18.71.050 Application—Eligibility requirements—United States and Canadian graduates.
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- 18.71.055 Schools of medicine—Requirements for approval.
- 18.71.060 Record of proceedings of commission and of applications.
- 18.71.070 Examination—Record.
- 18.71.080 License renewal—Continuing education requirement—Failure to renew, procedure.
- 18.71.085 Inactive licenses—Renewal—Application of disciplinary provisions.
- 18.71.090 License without examination—Reciprocity—National board examinees—Fee.
- 18.71.095 Limited licenses.
- 18.71.100 Applicability of health regulations.
- 18.71.151 Physician members of committees to evaluate credentials and qualifications of physicians—Immunity from civil suit.
- 18.71.161 Physicians filing charges or presenting evidence before committees, boards, or hospitals—Immunity from civil suit.
- 18.71.171 Records of medical society or hospital committee or board not subject to civil process.
- 18.71.190 False personation—Penalty.
- 18.71.200 Emergency medical service personnel—Definitions.
- 18.71.205 Emergency medical service personnel—Certification.
- 18.71.210 Emergency medical service personnel—Liability.
- 18.71.212 Medical program directors—Certification.
- 18.71.213 Medical program directors—Termination—Temporary delegation of authority.
- 18.71.215 Medical program directors—Liability for acts or omissions of others
- 18.71.220 Rendering emergency care—Immunity of physician or hospital from civil liability.

- 18.71.230 Disciplinary action against persons exempt from licensure.
- 18.71.240 Abortion—Right to medical treatment of infant born alive.
- 18.71.300 Impaired physician program—Definitions.
- 18.71.310 Impaired physician program—License surcharge.
- 18.71.315 Impaired physician account—Created.
- 18.71.320 Impaired physician program—Procedures.
- 18.71.330 Impaired physician program—Evaluation of physician.
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- 18.71.350 Report of malpractice payments by insurers.
- 18.71.360 Driving records.
- 18.71.401 Funds collected—Where deposited.
- 18.71.420 Allocation of all appropriated funds.
- 18.71.910 Repeal—1909 c 192.
- 18.71.920 Repeal—1957 c 60.
- 18.71.930 Severability—1957 c 60.
- 18.71.940 Severability—1961 c 284.
- 18.71.941 Severability—1975 1st ex.s. c 171.
- 18.71.950 Application—1998 c 314.
- 18.71.960 Application—1998 c 314.

**Reviser's note:** Certain powers and duties of the department of social and health services and the secretary of social and health services transferred to the department of health and the secretary of health. See RCW 43.70.060.

*Abortion: Chapter 9.02 RCW.*

*Accepted medical procedures not to include adjustment by hand of any articulation of the spine: RCW 18.25.005.*

*Actions against, limitation of: RCW 4.16.350.*

*Actions for negligence against, evidence and proof required to prevail: RCW 4.24.290.*

*Audits and investigations: RCW 74.09.290.*

*Crimes relating to pregnancy and childbirth: RCW 9A.32.060.*

*Health care assistants: Chapter 18.135 RCW.*

*Health professions account—Fees credited—Requirements for biennial budget request: RCW 43.70.320.*

*Homeless person vision services: RCW 43.20A.800 through 43.20A.850.*

*License of doctors as examining physician for contestants in boxing and wrestling events: RCW 67.08.090.*

*Lien of doctors: Chapter 60.44 RCW.*

*Rebating by practitioners of healing professions prohibited: Chapter 19.68 RCW.*

*Regulation of practice of medicine and surgery, sale of drugs and medicines: State Constitution Art. 20 § 2.*

**18.71.002 Purpose.** It is the purpose of the medical quality assurance commission to regulate the competency and quality of professional health care providers under its jurisdiction by establishing, monitoring, and enforcing qualifications for licensing, consistent standards of practice, continuing competency mechanisms, and discipline. Rules, policies, and procedures developed by the commission must promote the delivery of quality health care to the residents of the state of Washington. [1994 sp.s. c 9 § 301.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**18.71.003 Declaration of purpose.** This chapter is passed:

(1) In the exercise of the police power of the state to protect public health, to promote the welfare of the state, and to provide an adequate public agency to act as a disciplinary body for the members of the medical profession licensed to practice medicine and surgery in this state;

(2) Because the health and well-being of the people of this state are of paramount importance;

(3) Because the conduct of members of the medical profession licensed to practice medicine and surgery in this

state plays a vital role in preserving the health and well-being of the people of the state; and

(4) Because the agency which now exists to handle disciplinary proceedings for members of the medical profession licensed to practice medicine and surgery in this state is ineffective and very infrequently employed, and consequently there is no effective means of handling such disciplinary proceedings when they are necessary for the protection of the public health. [1955 c 202 § 1. Formerly RCW 18.72.010.]

**18.71.005 Regulation of health care professions—Criteria.** See chapter 18.120 RCW.

**18.71.010 Definitions.** The following terms used in this chapter shall have the meanings set forth in this section unless the context clearly indicates otherwise:

(1) "Commission" means the Washington state medical quality assurance commission.

(2) "Secretary" means the secretary of health.

(3) "Resident physician" means an individual who has graduated from a school of medicine which meets the requirements set forth in RCW 18.71.055 and is serving a period of postgraduate clinical medical training sponsored by a college or university in this state or by a hospital accredited by this state. For purposes of this chapter, the term shall include individuals designated as intern or medical fellow.

(4) "Emergency medical care" or "emergency medical service" has the same meaning as in chapter 18.73 RCW. [1994 sp.s. c 9 § 302; 1991 c 3 § 158; 1988 c 104 § 1; 1979 c 158 § 51; 1975 1st ex.s. c 171 § 1; 1961 c 284 § 1; 1957 c 60 § 2. Prior: 1947 c 168 § 1, part; 1919 c 134 § 3, part; 1909 c 192 § 6, part; Rem. Supp. 1947 § 10008, part; prior: 1905 c 41 § 1, part; 1901 c 42 § 1, part; 1890 p 115 § 3, part; Code 1881 § 2285, part.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** Sec RCW 18.79.900 through 18.79.902.

*Uniform Anatomical Gift Act: Chapter 68.50 RCW.*

**18.71.011 Definition of practice of medicine—Engaging in practice of chiropractic prohibited, when.** A person is practicing medicine if he does one or more of the following:

(1) Offers or undertakes to diagnose, cure, advise or prescribe for any human disease, ailment, injury, infirmity, deformity, pain or other condition, physical or mental, real or imaginary, by any means or instrumentality;

(2) Administers or prescribes drugs or medicinal preparations to be used by any other person;

(3) Severs or penetrates the tissues of human beings;

(4) Uses on cards, books, papers, signs or other written or printed means of giving information to the public, in the conduct of any occupation or profession pertaining to the diagnosis or treatment of human disease or conditions the designation "doctor of medicine", "physician", "surgeon", "m.d." or any combination thereof unless such designation additionally contains the description of another branch of the healing arts for which a person has a license: PROVIDED HOWEVER, That a person licensed under this chapter shall not engage in the practice of chiropractic as defined in RCW 18.25.005. [1975 1st ex.s. c 171 § 15.]

**18.71.015 Commission established—Membership—Qualifications—Duties and powers—Compensation—Order of removal—Vacancies.** The Washington state medical quality assurance commission is established, consisting of thirteen individuals licensed to practice medicine in the state of Washington under this chapter, two individuals who are licensed as physician assistants under chapter 18.71A RCW, and four individuals who are members of the public. Each congressional district now existing or hereafter created in the state must be represented by at least one physician member of the commission. The terms of office of members of the commission are not affected by changes in congressional district boundaries. Public members of the commission may not be a member of any other health care licensing board or commission, or have a fiduciary obligation to a facility rendering health services regulated by the commission, or have a material or financial interest in the rendering of health services regulated by the commission.

The members of the commission shall be appointed by the governor. Members of the initial commission may be appointed to staggered terms of one to four years, and thereafter all terms of appointment shall be for four years. The governor shall consider such physician and physician assistant members who are recommended for appointment by the appropriate professional associations in the state. In appointing the initial members of the commission, it is the intent of the legislature that, to the extent possible, the existing members of the board of medical examiners and medical disciplinary board repealed under section 336, chapter 9, Laws of 1994 sp. sess. be appointed to the commission. No member may serve more than two consecutive full terms. Each member shall hold office until a successor is appointed.

Each member of the commission must be a citizen of the United States, must be an actual resident of this state, and, if a physician, must have been licensed to practice medicine in this state for at least five years.

The commission shall meet as soon as practicable after appointment and elect officers each year. Meetings shall be held at least four times a year and at such place as the commission determines and at such other times and places as the commission deems necessary. A majority of the commission members appointed and serving constitutes a quorum for the transaction of commission business.

The affirmative vote of a majority of a quorum of the commission is required to carry any motion or resolution, to adopt any rule, or to pass any measure. The commission may appoint panels consisting of at least three members. A quorum for the transaction of any business by a panel is a minimum of three members. A majority vote of a quorum of the panel is required to transact business delegated to it by the commission.

Each member of the commission shall be compensated in accordance with RCW 43.03.240 and in addition thereto shall be reimbursed for travel expenses incurred in carrying out the duties of the commission in accordance with RCW 43.03.050 and 43.03.060. Any such expenses shall be paid from funds appropriated to the department of health.

Whenever the governor is satisfied that a member of a commission has been guilty of neglect of duty, misconduct, or malfeasance or misfeasance in office, the governor shall

file with the secretary of state a statement of the causes for and the order of removal from office, and the secretary shall forthwith send a certified copy of the statement of causes and order of removal to the last known post office address of the member.

Vacancies in the membership of the commission shall be filled for the unexpired term by appointment by the governor.

The members of the commission are immune from suit in an action, civil or criminal, based on its disciplinary proceedings or other official acts performed in good faith as members of the commission.

Whenever the workload of the commission requires, the commission may request that the secretary appoint pro tempore members of the commission. When serving, pro tempore members of the commission have all of the powers, duties, and immunities, and are entitled to all of the emoluments, including travel expenses, of regularly appointed members of the commission. [1994 sp.s. c 9 § 303. Prior: 1991 c 44 § 1; 1991 c 3 § 159; 1990 c 196 § 11; 1987 c 116 § 1; 1984 c 287 § 44; 1979 c 158 § 52; 1975-'76 2nd ex.s. c 34 § 41; 1975 1st ex.s. c 171 § 2; 1961 c 284 § 2.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**Effective date—Severability—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

*Secretary of health or designee ex officio member of health professional licensure and disciplinary boards:* RCW 43.70.300.

**18.71.017 Rules by commission—Successor to other boards.** The board [commission] may adopt such rules as are not inconsistent with the laws of this state as may be determined necessary or proper to carry out the purposes of this chapter. The commission is the successor in interest of the board of medical examiners and the medical disciplinary board. All contracts, undertakings, agreements, rules, regulations, and policies continue in full force and effect on July 1, 1994, unless otherwise repealed or rejected by this chapter or by the commission. [1994 sp.s. c 9 § 304; 1961 c 284 § 11.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**18.71.019 Application of Uniform Disciplinary Act—Request for review of revocation order.** The Uniform Disciplinary Act, chapter 18.130 RCW, governs unlicensed practice and the issuance and denial of licenses and discipline of licensees under this chapter. When a panel of the commission revokes a license, the respondent may request review of the revocation order of the panel by the remaining members of the commission not involved in the initial investigation. The respondent's request for review must be filed within twenty days of the effective date of the order revoking the respondent's license. The review shall be scheduled for hearing by the remaining members of the commission not involved in the initial investigation within sixty days. The commission shall adopt rules establishing review procedures. [1996 c 195 § 1; 1994 sp.s. c 9 § 305; 1987 c 150 § 45; 1986 c 259 § 105.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.71.0191 Executive director—Staff.** The secretary of the department of health shall appoint, from a list of three names supplied by the commission, an executive director who shall act to carry out the provisions of this chapter. The secretary shall also employ such additional staff including administrative assistants, investigators, and clerical staff as are required to enable the commission to accomplish its duties and responsibilities. The executive director is exempt from the provisions of the civil service law, chapter 41.06 RCW, as now or hereafter amended. [1994 sp.s. c 9 § 326; 1991 c 3 § 168; 1979 ex.s. c 111 § 6. Formerly RCW 18.72.155.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Severability—1979 ex.s. c 111:** "If any provision of this 1979 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." [1979 ex.s. c 111 § 21.]

**18.71.0193 Duty to report unprofessional conduct—Exceptions.** (1) A licensed health care professional licensed under this chapter shall report to the commission when he or she has personal knowledge that a practicing physician has either committed an act or acts which may constitute statutorily defined unprofessional conduct or that a practicing physician may be unable to practice medicine with reasonable skill and safety to patients by reason of illness, drunkenness, excessive use of drugs, narcotics, chemicals, or any other type of material, or as a result of any mental or physical conditions.

(2) Reporting under this section is not required by:

(a) An appropriately appointed peer review committee member of a licensed hospital or by an appropriately designated professional review committee member of a county or state medical society during the investigative phase of their respective operations if these investigations are completed in a timely manner; or

(b) A treating licensed health care professional of a physician currently involved in a treatment program as long as the physician patient actively participates in the treatment program and the physician patient's impairment does not constitute a clear and present danger to the public health, safety, or welfare.

(3) The commission may impose disciplinary sanctions, including license suspension or revocation, on any health care professional subject to the jurisdiction of the commission who has failed to comply with this section. [1994 sp.s. c 9 § 327; 1986 c 300 § 5. Formerly RCW 18.72.165.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Legislative findings—Severability—1986 c 300:** See notes following RCW 18.57.174.

**18.71.0195 Disciplinary reports—Confidentiality—Immunity.** (1) The contents of any report filed under RCW 18.130.070 shall be confidential and exempt from public disclosure pursuant to chapter 42.17 RCW, except that it

may be reviewed (a) by the licensee involved or his or her counsel or authorized representative who may submit any additional exculpatory or explanatory statements or other information, which statements or other information shall be included in the file, or (b) by a representative of the commission, or investigator thereof, who has been assigned to review the activities of a licensed physician.

Upon a determination that a report is without merit, the commission's records may be purged of information relating to the report.

(2) Every individual, medical association, medical society, hospital, medical service bureau, health insurance carrier or agent, professional liability insurance carrier, professional standards review organization, agency of the federal, state, or local government, or the entity established by RCW 18.71.300 and its officers, agents, and employees are immune from civil liability, whether direct or derivative, for providing information to the commission under RCW 18.130.070, or for which an individual health care provider has immunity under the provisions of RCW 4.24.240, 4.24.250, or 4.24.260. [1998 c 132 § 2; 1994 sp.s. c 9 § 328; 1986 c 259 § 117; 1979 ex.s. c 111 § 15. Formerly RCW 18.72.265.]

**Finding—Intent—1998 c 132:** "The legislature finds that the self-imposed license surcharge on physician licenses to fund a program to help physicians with chemical dependency or mental illness is not being fully spent on that program. It is the intent of the legislature that the program be fully funded and that funds collected into the impaired physician account be spent only on the program." [1998 c 132 § 1.]

**Severability—1998 c 132:** "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." [1998 c 132 § 15.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**Severability—1979 ex.s. c 111:** See note following RCW 18.71.0191.

**18.71.021 License required.** No person may practice or represent himself or herself as practicing medicine without first having a valid license to do so. [1987 c 150 § 46.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.71.030 Exemptions.** Nothing in this chapter shall be construed to apply to or interfere in any way with the practice of religion or any kind of treatment by prayer; nor shall anything in this chapter be construed to prohibit:

(1) The furnishing of medical assistance in cases of emergency requiring immediate attention;

(2) The domestic administration of family remedies;

(3) The administration of oral medication of any nature to students by public school district employees or private elementary or secondary school employees as provided for in chapter 28A.210 RCW;

(4) The practice of dentistry, osteopathic medicine and surgery, nursing, chiropractic, podiatric medicine and surgery, optometry, naturopathy, or any other healing art licensed under the methods or means permitted by such license;

(5) The practice of medicine in this state by any commissioned medical officer serving in the armed forces of the United States or public health service or any medical

officer on duty with the United States veterans administration while such medical officer is engaged in the performance of the duties prescribed for him or her by the laws and regulations of the United States;

(6) The practice of medicine by any practitioner licensed by another state or territory in which he or she resides, provided that such practitioner shall not open an office or appoint a place of meeting patients or receiving calls within this state;

(7) The practice of medicine by a person who is a regular student in a school of medicine approved and accredited by the commission, however, the performance of such services be only pursuant to a regular course of instruction or assignments from his or her instructor, or that such services are performed only under the supervision and control of a person licensed pursuant to this chapter;

(8) The practice of medicine by a person serving a period of postgraduate medical training in a program of clinical medical training sponsored by a college or university in this state or by a hospital accredited in this state, however, the performance of such services shall be only pursuant to his or her duties as a trainee;

(9) The practice of medicine by a person who is regularly enrolled in a physician assistant program approved by the commission, however, the performance of such services shall be only pursuant to a regular course of instruction in said program and such services are performed only under the supervision and control of a person licensed pursuant to this chapter;

(10) The practice of medicine by a licensed physician assistant which practice is performed under the supervision and control of a physician licensed pursuant to this chapter;

(11) The practice of medicine, in any part of this state which shares a common border with Canada and which is surrounded on three sides by water, by a physician licensed to practice medicine and surgery in Canada or any province or territory thereof;

(12) The administration of nondental anesthesia by a dentist who has completed a residency in anesthesiology at a school of medicine approved by the commission, however, a dentist allowed to administer nondental anesthesia shall do so only under authorization of the patient's attending surgeon, obstetrician, or psychiatrist, and the commission has jurisdiction to discipline a dentist practicing under this exemption and enjoin or suspend such dentist from the practice of nondental anesthesia according to this chapter and chapter 18.130 RCW;

(13) Emergency lifesaving service rendered by a physician's trained emergency medical service intermediate life support technician and paramedic, as defined in RCW 18.71.200, if the emergency lifesaving service is rendered under the responsible supervision and control of a licensed physician;

(14) The provision of clean, intermittent bladder catheterization for students by public school district employees or private school employees as provided for in RCW 18.79.290 and 28A.210.280. [1996 c 178 § 4; 1995 c 65 § 1; 1994 sp.s. c 9 § 306. Prior: 1990 c 196 § 12; 1990 c 33 § 552; 1988 c 48 § 4; 1986 c 259 § 108; 1983 c 2 § 1; prior: 1982 c 195 § 3; 1982 c 51 § 1; 1975 1st ex.s. c 171 § 5; 1973 1st ex.s. c 110 § 1; 1961 c 284 § 4; 1919 c 134 § 12; 1909 c 192 § 19; RRS § 10024.]

**Effective date—1996 c 178:** See note following RCW 18.35.110.

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Purpose—Statutory references—Severability—1990 c 33:** See RCW 28A.900.100 through 28A.900.102.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**Severability—1983 c 2:** "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." [1983 c 2 § 21.]

**Severability—1982 c 195:** See note following RCW 28A.210.260.

**18.71.040 Application—Fee.** Every applicant for a certificate to practice medicine and surgery shall pay a fee determined by the secretary as provided in RCW 43.70.250. [1991 c 3 § 160; 1985 c 322 § 1. Prior: 1975 1st ex.s. c 171 § 6; 1975 1st ex.s. c 30 § 61; 1955 c 202 § 35; prior: 1941 c 166 § 1, part; 1913 c 82 § 1, part; 1909 c 192 § 7, part; Rem. Supp. 1941 § 10010-1, part.]

**18.71.050 Application—Eligibility requirements—United States and Canadian graduates.** (1) Each applicant who has graduated from a school of medicine located in any state, territory, or possession of the United States, the District of Columbia, or the Dominion of Canada, shall file an application for licensure with the commission on a form prepared by the secretary with the approval of the commission. Each applicant shall furnish proof satisfactory to the commission of the following:

(a) That the applicant has attended and graduated from a school of medicine approved by the commission;

(b) That the applicant has completed two years of postgraduate medical training in a program acceptable to the commission, provided that applicants graduating before July 28, 1985, may complete only one year of postgraduate medical training;

(c) That the applicant is of good moral character; and

(d) That the applicant is physically and mentally capable of safely carrying on the practice of medicine. The commission may require any applicant to submit to such examination or examinations as it deems necessary to determine an applicant's physical and/or mental capability to safely practice medicine.

(2) Nothing in this section shall be construed as prohibiting the commission from requiring such additional information from applicants as it deems necessary. The issuance and denial of licenses are subject to chapter 18.130 RCW, the Uniform Disciplinary Act. [1994 sp.s. c 9 § 307; 1991 c 3 § 161. Prior: 1986 c 259 § 109; 1985 c 322 § 2; 1975 1st ex.s. c 171 § 7; 1961 c 284 § 5; 1957 c 60 § 3; prior: 1947 c 168 § 1, part; 1919 c 134 § 3, part; 1909 c 192 § 6, part; Rem. Supp. 1947 § 10008, part; prior: 1905 c 41 § 1, part; 1901 c 42 § 1, part; 1890 p 115 § 3, part; Code 1881 § 2285, part.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.71.051 Application—Eligibility requirements—Foreign graduates.** Applicants for licensure to practice medicine who have graduated from a school of medicine located outside of the states, territories, and possessions of

the United States, the District of Columbia, or the Dominion of Canada, shall file an application for licensure with the commission on a form prepared by the secretary with the approval of the commission. Each applicant shall furnish proof satisfactory to the commission of the following:

(1) That he or she has completed in a school of medicine a resident course of professional instruction equivalent to that required in this chapter for applicants generally;

(2) That he or she meets all the requirements which must be met by graduates of the United States and Canadian school of medicine except that he or she need not have graduated from a school of medicine approved by the commission;

(3) That he or she has satisfactorily passed the examination given by the educational council for foreign medical graduates or has met the requirements in lieu thereof as set forth in rules adopted by the commission;

(4) That he or she has the ability to read, write, speak, understand, and be understood in the English language. [1994 sp.s. c 9 § 308; 1991 c 3 § 162; 1975 1st ex.s. c 171 § 16.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**18.71.055 Schools of medicine—Requirements for approval.** The commission may approve any school of medicine which is located in any state, territory, or possession of the United States, the District of Columbia, or in the Dominion of Canada, provided that it:

(1) Requires collegiate instruction which includes courses deemed by the commission to be prerequisites to medical education;

(2) Provides adequate instruction in the following subjects: Anatomy, biochemistry, microbiology and immunology, pathology, pharmacology, physiology, anaesthesiology, dermatology, gynecology, internal medicine, neurology, obstetrics, ophthalmology, orthopedic surgery, otolaryngology, pediatrics, physical medicine and rehabilitation, preventive medicine and public health, psychiatry, radiology, surgery, and urology, and such other subjects determined by the commission;

(3) Provides clinical instruction in hospital wards and out-patient clinics under guidance.

Approval may be withdrawn by the commission at any time a medical school ceases to comply with one or more of the requirements of this section.

(4) Nothing in this section shall be construed to authorize the commission to approve a school of osteopathic medicine and surgery, or osteopathic medicine, for purposes of qualifying an applicant to be licensed under this chapter by direct licensure, reciprocity, or otherwise. [1996 c 178 § 5; 1994 sp.s. c 9 § 309; 1975 1st ex.s. c 171 § 8; 1961 c 284 § 6; 1957 c 60 § 4.]

**Effective date—1996 c 178:** See note following RCW 18.35.110.

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**18.71.060 Record of proceedings of commission and of applications.** The commission shall keep an official record of all its proceedings, a part of which record shall consist of a register of all applicants for licensure under this

chapter, with the result of each application. The record shall be evidence of all the proceedings of the commission that are set forth in it. [1994 sp.s. c 9 § 310; 1975 1st ex.s. c 171 § 9; 1961 c 284 § 7; 1909 c 192 § 8; RRS § 10011.]

**Severability—Headings and captions not law—Effective date—**1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

**18.71.070 Examination—Record.** With the exception of those applicants granted licensure through the provisions of RCW 18.71.090 or 18.71.095, applicants for licensure must successfully complete an examination administered by the commission to determine their professional qualifications. The commission shall prepare and give, or approve the preparation and giving of, an examination which shall cover those general subjects and topics, a knowledge of which is commonly and generally required of candidates for the degree of doctor of medicine conferred by approved colleges or schools of medicine in the United States. Notwithstanding any other provision of law, the commission has the sole responsibility for determining the proficiency of applicants under this chapter, and, in so doing, may waive any prerequisite to licensure not set forth in this chapter.

The commission may by rule establish the passing grade for the examination.

Examination results shall be part of the records of the commission and shall be permanently kept with the applicant's file. [1994 sp.s. c 9 § 311; 1985 c 322 § 3; 1975 1st ex.s. c 171 § 10; 1961 c 284 § 8; 1919 c 134 § 4; 1909 c 192 § 6; RRS § 10009.]

**Severability—Headings and captions not law—Effective date—**1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

**18.71.080 License renewal—Continuing education requirement—Failure to renew, procedure.** Every person licensed to practice medicine in this state shall pay licensing fees and renew his or her license in accordance with administrative procedures and administrative requirements adopted as provided in RCW 43.70.250 and 43.70.280. The commission may establish rules governing mandatory continuing education requirements which shall be met by physicians applying for renewal of licenses. The rules shall provide that mandatory continuing education requirements may be met in part by physicians showing evidence of the completion of approved activities relating to professional liability risk management. The commission, in its sole discretion, may permit an applicant who has not renewed his or her license to be licensed without examination if it is satisfied that such applicant meets all the requirements for licensure in this state, and is competent to engage in the practice of medicine. [1996 c 191 § 52; 1994 sp.s. c 9 § 312. Prior: 1991 c 195 § 1; 1991 c 3 § 163; 1985 c 322 § 4; prior: 1979 c 158 §§ 53, 54, 55; 1975 1st ex.s. c 171 § 11; 1971 ex.s. c 266 § 12; 1955 c 202 § 36; prior: 1941 c 166 § 1, part; 1913 c 82 § 1, part; 1909 c 192 § 7, part; Rem. Supp. 1941 § 10010-1, part.]

**Severability—Headings and captions not law—Effective date—**1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

**18.71.085 Inactive licenses—Renewal—Application of disciplinary provisions.** The commission may adopt

rules pursuant to this section authorizing an inactive license status.

(1) An individual licensed pursuant to chapter 18.71 RCW may place his or her license on inactive status. The holder of an inactive license shall not practice medicine and surgery in this state without first activating the license.

(2) The administrative procedures, administrative requirements, and fee for inactive renewal shall be established pursuant to RCW 43.70.250 and 43.70.280.

(3) An inactive license may be placed in an active status upon compliance with rules established by the commission.

(4) Provisions relating to disciplinary action against a person with a license shall be applicable to a person with an inactive license, except that when disciplinary proceedings against a person with an inactive license have been initiated, the license shall remain inactive until the proceedings have been completed. [1996 c 191 § 53; 1994 sp.s. c 9 § 313; 1991 c 44 § 2.]

**Severability—Headings and captions not law—Effective date—**1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

**18.71.090 License without examination—Reciprocity—National board examinees—Fee.** Any applicant who meets the requirements of RCW 18.71.050 and has been licensed under the laws of another state, territory, or possession of the United States, or of any province of Canada, or an applicant who has satisfactorily passed examinations given by the national board of medical examiners may, in the discretion of the commission, be granted a license without examination on the payment of the fees required by this chapter: PROVIDED, That the applicant must file with the commission a copy of the license certified by the proper authorities of the issuing state to be a full, true copy thereof, and must show that the standards, eligibility requirements, and examinations of that state are at least equal in all respects to those of this state. [1994 sp.s. c 9 § 314; 1985 c 322 § 5. Prior: 1975 1st ex.s. c 171 § 12; 1975 1st ex.s. c 30 § 63; 1961 c 284 § 9; 1957 c 60 § 5; 1919 c 134 § 11; RRS § 10023.]

**Severability—Headings and captions not law—Effective date—**1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

**18.71.095 Limited licenses.** The commission may, without examination, issue a limited license to persons who possess the qualifications set forth herein:

(1) The commission may, upon the written request of the secretary of the department of social and health services or the secretary of corrections, issue a limited license to practice medicine in this state to persons who have been accepted for employment by the department of social and health services or the department of corrections as physicians; who are licensed to practice medicine in another state of the United States or in the country of Canada or any province or territory thereof; and who meet all of the qualifications for licensure set forth in RCW 18.71.050.

Such license shall permit the holder thereof to practice medicine only in connection with patients, residents, or inmates of the state institutions under the control and supervision of the secretary of the department of social and health services or the department of corrections.

(2) The commission may issue a limited license to practice medicine in this state to persons who have been accepted for employment by a county or city health department as physicians; who are licensed to practice medicine in another state of the United States or in the country of Canada or any province or territory thereof; and who meet all of the qualifications for licensure set forth in RCW 18.71.050.

Such license shall permit the holder thereof to practice medicine only in connection with his or her duties in employment with the city or county health department.

(3) Upon receipt of a completed application showing that the applicant meets all of the requirements for licensure set forth in RCW 18.71.050 except for completion of two years of postgraduate medical training, and that the applicant has been appointed as a resident physician in a program of postgraduate clinical training in this state approved by the commission, the commission may issue a limited license to a resident physician. Such license shall permit the resident physician to practice medicine only in connection with his or her duties as a resident physician and shall not authorize the physician to engage in any other form of practice. Each resident physician shall practice medicine only under the supervision and control of a physician licensed in this state, but such supervision and control shall not be construed to necessarily require the personal presence of the supervising physician at the place where services are rendered.

(4)(a) Upon nomination by the dean of the school of medicine at the University of Washington or the chief executive officer of a hospital or other appropriate health care facility licensed in the state of Washington, the commission may issue a limited license to a physician applicant invited to serve as a teaching-research member of the institution's instructional staff if the sponsoring institution and the applicant give evidence that he or she has graduated from a recognized medical school and has been licensed or otherwise privileged to practice medicine at his or her location of origin. Such license shall permit the recipient to practice medicine only within the confines of the instructional program specified in the application and shall terminate whenever the holder ceases to be involved in that program, or at the end of one year, whichever is earlier. Upon request of the applicant and the institutional authority, the license may be renewed for no more than a total of two years.

(b) Upon nomination by the dean of the school of medicine of the University of Washington or the chief executive officer of any hospital or appropriate health care facility licensed in the state of Washington, the commission may issue a limited license to an applicant selected by the sponsoring institution to be enrolled in one of its designated departmental or divisional fellowship programs provided that the applicant shall have graduated from a recognized medical school and has been granted a license or other appropriate certificate to practice medicine in the location of the applicant's origin. Such license shall permit the holder only to practice medicine within the confines of the fellowship program to which he or she has been appointed and, upon the request of the applicant and the sponsoring institution, the license may be renewed by the commission for no more than a total of two years.

All persons licensed under this section shall be subject to the jurisdiction of the commission to the same extent as

other members of the medical profession, in accordance with this chapter and chapter 18.130 RCW.

Persons applying for licensure and renewing licenses pursuant to this section shall comply with administrative procedures, administrative requirements, and fees determined as provided in RCW 43.70.250 and 43.70.280. Any person who obtains a limited license pursuant to this section may apply for licensure under this chapter, but shall submit a new application form and comply with all other licensing requirements of this chapter. [1996 c 191 § 54; 1994 sp.s. c 9 § 315; 1991 c 3 § 164; 1990 c 160 § 1; 1987 c 129 § 1. Prior: 1986 c 259 § 110; 1985 c 322 § 6; 1975 1st ex.s. c 171 § 13; 1973 1st ex.s. c 4 § 1; 1967 c 138 § 1; 1965 c 29 § 1; 1959 c 189 § 1.]

**Severability—Headings and captions not law—Effective date—**1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.71.100 Applicability of health regulations.** All persons granted licenses or certificates under this chapter, shall be subject to the state and municipal regulations relating to the control of contagious diseases, the reporting and certifying to births and deaths, and all matters pertaining to public health; and all such reports shall be accepted as legal. [1909 c 192 § 18; RRS § 10022.]

*Public health and safety: Title 70 RCW.*

*Vital statistics: Chapter 70.58 RCW.*

**18.71.151 Physician members of committees to evaluate credentials and qualifications of physicians—Immunity from civil suit.** See RCW 4.24.240.

**18.71.161 Physicians filing charges or presenting evidence before committees, boards, or hospitals—Immunity from civil suit.** See RCW 4.24.250, 4.24.260.

**18.71.171 Records of medical society or hospital committee or board not subject to civil process.** See RCW 4.24.250.

**18.71.190 False personation—Penalty.** Every person filing for record, or attempting to file for record, the certificate issued to another, falsely claiming himself to be the person named in such certificate, or falsely claiming himself to be the person entitled to the same, shall be guilty of a felony, and, upon conviction thereof, shall be subject to such penalties as are provided by the laws of this state for the crime of forgery. [1909 c 192 § 16; RRS § 10019.]

*False personation: RCW 9A.60.040.*

**18.71.200 Emergency medical service personnel—Definitions.** As used in this chapter, a "physician's trained emergency medical service intermediate life support technician and paramedic" means a person who:

(1) Has successfully completed an emergency medical technician course as described in chapter 18.73 RCW;

(2) Is trained under the supervision of an approved medical program director according to training standards prescribed in rule to perform specific phases of advanced

cardiac and trauma life support under written or oral authorization of an approved licensed physician; and

(3) Has been examined and certified as a physician's trained emergency medical service intermediate life support technician and paramedic, by level, by the University of Washington's school of medicine or the department of health. [1995 c 65 § 2; 1991 c 3 § 165; 1986 c 259 § 111; 1983 c 112 § 1; 1977 c 55 § 2; 1973 1st ex.s. c 52 § 1; 1971 ex.s. c 305 § 2.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**Effective date—1973 1st ex.s. c 52:** See note following RCW 43.22.010.

**18.71.205 Emergency medical service personnel—Certification.** (1) The secretary of the department of health, in conjunction with the advice and assistance of the emergency medical services licensing and certification advisory committee as prescribed in RCW 18.73.050, and the commission, shall prescribe:

(a) Practice parameters, training standards for, and levels of, physician trained emergency medical service intermediate life support technicians and paramedics;

(b) Minimum standards and performance requirements for the certification and recertification of physician's trained emergency medical service intermediate life support technicians and paramedics; and

(c) Procedures for certification, recertification, and decertification of physician's trained emergency medical service intermediate life support technicians and paramedics.

(2) Initial certification shall be for a period established by the secretary pursuant to RCW 43.70.250 and 43.70.280.

(3) Recertification shall be granted upon proof of continuing satisfactory performance and education, and shall be for a period established by the secretary pursuant to RCW 43.70.250 and 43.70.280.

(4) As used in chapters 18.71 and 18.73 RCW, "approved medical program director" means a person who:

(a) Is licensed to practice medicine and surgery pursuant to chapter 18.71 RCW or osteopathic medicine and surgery pursuant to chapter 18.57 RCW; and

(b) Is qualified and knowledgeable in the administration and management of emergency care and services; and

(c) Is so certified by the department of health for a county, group of counties, or cities with populations over four hundred thousand in coordination with the recommendations of the local medical community and local emergency medical services and trauma care council.

(5) The Uniform Disciplinary Act, chapter 18.130 RCW, governs uncertified practice, the issuance and denial of certificates, and the disciplining of certificate holders under this section. The secretary shall be the disciplining authority under this section. Disciplinary action shall be initiated against a person credentialed under this chapter in a manner consistent with the responsibilities and duties of the medical program director under whom such person is responsible.

(6) Such activities of physician's trained emergency medical service intermediate life support technicians and paramedics shall be limited to actions taken under the express written or oral order of medical program directors and shall not be construed at any time to include free standing or nondirected actions, for actions not presenting an

emergency or life-threatening condition. [1996 c 191 § 55; 1996 c 178 § 6; 1995 c 65 § 3; 1994 sp.s. c 9 § 316; 1992 c 128 § 1; 1990 c 269 § 18; 1986 c 68 § 1; 1983 c 112 § 2; 1977 c 55 § 3.]

**Reviser's note:** This section was amended by 1996 c 178 § 6 and by 1996 c 191 § 55, each without reference to the other. Both amendments are incorporated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Effective date—1996 c 178:** See note following RCW 18.35.110.

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Severability—1990 c 269:** See RCW 70.168.901.

**18.71.210 Emergency medical service personnel—Liability.** No act or omission of any physician's trained emergency medical service intermediate life support technician and paramedic, as defined in RCW 18.71.200, or any emergency medical technician or first responder, as defined in RCW 18.73.030, done or omitted in good faith while rendering emergency medical service under the responsible supervision and control of a licensed physician or an approved medical program director or delegate(s) to a person who has suffered illness or bodily injury shall impose any liability upon:

(1) The physician's trained emergency medical service intermediate life support technician and paramedic, emergency medical technician, or first responder;

(2) The medical program director;

(3) The supervising physician(s);

(4) Any hospital, the officers, members of the staff, nurses, or other employees of a hospital;

(5) Any training agency or training physician(s);

(6) Any licensed ambulance service; or

(7) Any federal, state, county, city or other local governmental unit or employees of such a governmental unit.

This section shall apply to an act or omission committed or omitted in the performance of the actual emergency medical procedures and not in the commission or omission of an act which is not within the field of medical expertise of the physician's trained emergency medical service intermediate life support technician and paramedic, emergency medical technician, or first responder, as the case may be.

This section shall apply also, as to the entities and personnel described in subsections (1) through (7) of this section, to any act or omission committed or omitted in good faith by such entities or personnel in rendering services at the request of an approved medical program director in the training of emergency medical service personnel for certification or recertification pursuant to this chapter.

This section shall not apply to any act or omission which constitutes either gross negligence or willful or wanton misconduct. [1997 c 275 § 1; 1997 c 245 § 1. Prior: 1995 c 103 § 1; 1995 c 65 § 4; 1989 c 260 § 4; 1987 c 212 § 502; 1986 c 68 § 4; 1983 c 112 § 3; 1977 c 55 § 4; 1971 ex.s. c 305 § 3.]

**Effective date—1995 c 103:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [April 19, 1995]." [1995 c 103 § 3.]

**18.71.212 Medical program directors—Certification.** The secretary of the department of health, in conjunction

with the state emergency medical services and trauma care committee, shall evaluate, certify and terminate certification of medical program directors, and prescribe minimum standards defining duties and responsibilities and performance of duties and responsibilities. [1990 c 269 § 19; 1986 c 68 § 2.]

**Severability—1990 c 269:** See RCW 70.168.901.

**18.71.213 Medical program directors—Termination—Temporary delegation of authority.** If a medical program director terminates certification, that medical program director's authority may be delegated by the department to any other licensed physician for a period of thirty days, or until a new medical program director is certified, whichever comes first. [1986 c 68 § 3.]

**18.71.215 Medical program directors—Liability for acts or omissions of others.** The department of health shall defend and hold harmless approved medical program directors, delegates, or agents, including but not limited to hospitals and hospital personnel in their capacity of training emergency service medical personnel for certification or recertification pursuant to this chapter at the request of such directors, for any act or omission committed or omitted in good faith in the performance of their duties. [1995 c 103 § 2; 1990 c 269 § 20; 1986 c 68 § 5; 1983 c 112 § 4.]

**Effective date—1995 c 103:** See note following RCW 18.71.210.

**Severability—1990 c 269:** See RCW 70.168.901.

**18.71.220 Rendering emergency care—Immunity of physician or hospital from civil liability.** No physician or hospital licensed in this state shall be subject to civil liability, based solely upon failure to obtain consent in rendering emergency medical, surgical, hospital, or health services to any individual regardless of age where its patient is unable to give his consent for any reason and there is no other person reasonably available who is legally authorized to consent to the providing of such care: PROVIDED, That such physician or hospital has acted in good faith and without knowledge of facts negating consent. [1971 ex.s. c 305 § 4.]

*Persons rendering emergency care, immunity from liability—Exclusion: RCW 4.24.300.*

**18.71.230 Disciplinary action against persons exempt from licensure.** A right to practice medicine and surgery by an individual in this state pursuant to RCW 18.71.030 (5) through (12) shall be subject to discipline by order of the commission upon a finding by the commission of an act of unprofessional conduct as defined in RCW 18.130.180 or that the individual is unable to practice with reasonable skill or safety due to a mental or physical condition as described in RCW 18.130.170. Such physician shall have the same rights of notice, hearing, and judicial review as provided licensed physicians generally under this chapter and chapter 18.130 RCW. [1994 sp.s. c 9 § 317; 1986 c 259 § 112; 1979 c 158 § 57; 1973 1st ex.s. c 110 § 2.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.71.240 Abortion—Right to medical treatment of infant born alive.** The right of medical treatment of an infant born alive in the course of an abortion procedure shall be the same as the right of an infant born prematurely of equal gestational age. [1981 c 328 § 1.]

**18.71.300 Impaired physician program—Definitions.** The definitions in this section apply throughout RCW 18.71.310 through 18.71.340 unless the context clearly requires otherwise.

(1) "Entity" means a nonprofit corporation formed by physicians who have expertise in the areas of alcohol abuse, drug abuse, alcoholism, other drug addictions, and mental illness and who broadly represent the physicians of the state and that has been designated to perform any or all of the activities set forth in RCW 18.71.310(1) by the commission.

(2) "Impaired" or "impairment" means the inability to practice medicine with reasonable skill and safety to patients by reason of physical or mental illness including alcohol abuse, drug abuse, alcoholism, other drug addictions, or other debilitating conditions.

(3) "Impaired physician program" means the program for the prevention, detection, intervention, monitoring, and treatment of impaired physicians established by the commission pursuant to RCW 18.71.310(1).

(4) "Physician" or "practitioner" means a person licensed under this chapter, chapter 18.71A RCW, or a professional licensed under another chapter of Title 18 RCW whose disciplining authority has a contract with the entity for an impaired practitioner program for its license holders.

(5) "Treatment program" means a plan of care and rehabilitation services provided by those organizations or persons authorized to provide such services to be approved by the commission or entity for impaired physicians taking part in the impaired physician program created by RCW 18.71.310. [1998 c 132 § 3; 1994 sp.s. c 9 § 329; 1989 c 119 § 1; 1987 c 416 § 1. Formerly RCW 18.72.301.]

**Finding—Intent—Severability—1998 c 132:** See notes following RCW 18.71.0195.

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Effective date—1987 c 416:** "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1987." [1987 c 416 § 10.]

**18.71.310 Impaired physician program—License surcharge.** (1) The commission shall enter into a contract with the entity to implement an impaired physician program. The commission may enter into a contract with the entity for up to six years in length. The impaired physician program may include any or all of the following:

(a) Entering into relationships supportive of the impaired physician program with professionals who provide either evaluation or treatment services, or both;

(b) Receiving and assessing reports of suspected impairment from any source;

(c) Intervening in cases of verified impairment, or in cases where there is reasonable cause to suspect impairment;

(d) Upon reasonable cause, referring suspected or verified impaired physicians for evaluation or treatment;

(e) Monitoring the treatment and rehabilitation of impaired physicians including those ordered by the commission;

(f) Providing monitoring and continuing treatment and rehabilitative support of physicians;

(g) Performing such other activities as agreed upon by the commission and the entity; and

(h) Providing prevention and education services.

(2) A contract entered into under subsection (1) of this section shall be financed by a surcharge of twenty-five dollars per year on each license renewal or issuance of a new license to be collected by the department of health from every physician and surgeon licensed under this chapter in addition to other license fees. These moneys shall be placed in the impaired physician account to be used solely for the implementation of the impaired physician program. [1998 c 132 § 4; 1997 c 79 § 2; 1994 sp.s. c 9 § 330; 1991 c 3 § 169; 1989 c 119 § 2; 1987 c 416 § 2. Formerly RCW 18.72.306.]

**Finding—Intent—Severability—1998 c 132:** See notes following RCW 18.71.0195.

**Effective date—1997 c 79:** See note following RCW 18.71.401.

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Effective date—1987 c 416:** See note following RCW 18.72.301.

#### **18.71.315 Impaired physician account—Created.**

The impaired physician account is created in the custody of the state treasurer. All receipts from RCW 18.71.310 from license surcharges on physicians and physician assistants shall be deposited into the account. Expenditures from the account may only be used for the impaired physician program under this chapter. Only the secretary of health or the secretary's designee may authorize expenditures from the account. No appropriation is required for expenditures from this account. [1998 c 132 § 12.]

**Finding—Intent—Severability—1998 c 132:** See notes following RCW 18.71.0195.

**18.71.320 Impaired physician program—Procedures.** The entity shall develop procedures in consultation with the commission for:

(1) Periodic reporting of statistical information regarding impaired physician activity;

(2) Periodic disclosure and joint review of such information as the commission may deem appropriate regarding reports received, contacts or investigations made, and the disposition of each report. However, the entity shall not disclose any personally identifiable information except as provided in subsections (3) and (4) of this section;

(3) Immediate reporting to the commission of the name and results of any contact or investigation regarding any suspected or verified impaired physician who is reasonably believed probably to constitute an imminent danger to himself or herself or to the public;

(4) Reporting to the commission, in a timely fashion, any suspected or verified impaired physician who fails to cooperate with the entity, fails to submit to evaluation or treatment, or whose impairment is not substantially alleviated through treatment, or who, in the opinion of the entity, is

probably unable to practice medicine with reasonable skill and safety;

(5) Informing each participant of the impaired physician program of the program procedures, the responsibilities of program participants, and the possible consequences of noncompliance with the program. [1998 c 132 § 5; 1994 sp.s. c 9 § 331; 1987 c 416 § 3. Formerly RCW 18.72.311.]

**Finding—Intent—Severability—1998 c 132:** See notes following RCW 18.71.0195.

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Effective date—1987 c 416:** See note following RCW 18.71.300.

**18.71.330 Impaired physician program—Evaluation of physician.** If the commission has reasonable cause to believe that a physician is impaired, the commission shall cause an evaluation of such physician to be conducted by the entity or the entity's designee or the commission's designee for the purpose of determining if there is an impairment. The entity or appropriate designee shall report the findings of its evaluation to the commission. [1998 c 132 § 6; 1994 sp.s. c 9 § 332; 1987 c 416 § 4. Formerly RCW 18.72.316.]

**Finding—Intent—Severability—1998 c 132:** See notes following RCW 18.71.0195.

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Effective date—1987 c 416:** See note following RCW 18.71.300.

**18.71.340 Impaired physician program—Entity records protected.** All entity records are not subject to disclosure pursuant to chapter 42.17 RCW. [1998 c 132 § 7; 1987 c 416 § 6. Formerly RCW 18.72.321.]

**Finding—Intent—Severability—1998 c 132:** See notes following RCW 18.71.0195.

**Effective date—1987 c 416:** See note following RCW 18.71.300.

**18.71.350 Report of malpractice payments by insurers.** (1) Every institution or organization providing professional liability insurance to physicians shall send a complete report to the commission of all malpractice settlements, awards, or payments in excess of twenty thousand dollars as a result of a claim or action for damages alleged to have been caused by an insured physician's incompetency or negligence in the practice of medicine. Such institution or organization shall also report the award, settlement, or payment of three or more claims during a five-year time period as the result of the alleged physician's incompetence or negligence in the practice of medicine regardless of the dollar amount of the award or payment.

(2) Reports required by this section shall be made within sixty days of the date of the settlement or verdict. Failure to comply with this section is punishable by a civil penalty not to exceed two hundred fifty dollars. [1994 sp.s. c 9 § 333; 1993 c 367 § 17; 1986 c 300 § 6. Formerly RCW 18.72.340.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Legislative findings—Severability—1986 c 300:** See notes following RCW 18.57.174.

**18.71.360 Driving records.** To assist in identifying impairment related to alcohol abuse, the commission may

obtain a copy of the driving record of a physician or a physician assistant maintained by the department of licensing. [1994 sp.s. c 9 § 334; 1991 c 215 § 2. Formerly RCW 18.72.345.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**18.71.401 Funds collected—Where deposited.** All assessments, fines, and other funds collected or received under this chapter must be deposited in the health professions account and used solely to administer and implement this chapter. [1997 c 79 § 1.]

**Effective date—1997 c 79:** "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, 1997." [1997 c 79 § 6.]

**18.71.420 Allocation of all appropriated funds.** The secretary of health shall allocate all appropriated funds to accomplish the purposes of this chapter. [1991 c 3 § 171; 1983 c 71 § 3. Formerly RCW 18.72.400.]

**18.71.910 Repeal—1909 c 192.** All acts, or parts of acts, in any wise conflicting with the provisions of this act, are hereby repealed. [1909 c 192 § 22.]

**18.71.920 Repeal—1957 c 60.** All acts and parts of acts to the extent that the same are in conflict herewith are hereby repealed. [1957 c 60 § 6.]

**18.71.930 Severability—1957 c 60.** If any section, sentence, clause, or phrase of this act should be held to be invalid or unconstitutional, the invalidity or unconstitutionality thereof shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this act. [1957 c 60 § 7.]

**18.71.940 Severability—1961 c 284.** If any section, sentence, clause, or phrase of this act should be held to be invalid or unconstitutional, the invalidity or unconstitutionality thereof shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this act. [1961 c 284 § 13.]

**18.71.941 Severability—1975 1st ex.s. c 171.** If any section, sentence, clause, or phrase of this 1975 amendatory act should be held to be invalid or unconstitutional, the invalidity or unconstitutionality thereof shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this 1975 amendatory act. [1975 1st ex.s. c 171 § 19.]

**18.71.950 Application—1998 c 314.** (*Effective January 1, 1999, until June 30, 2002.*) (1) Nothing in \*section 19 of this act imposes any additional duties or responsibilities on, or removes any duties or responsibilities from, a physician licensed under this chapter, except as specifically included in chapter 13.34 RCW and RCW 70.96A.330 and 74.09.310.

(2) This section expires June 30, 2002. [1998 c 314 § 36.]

(1998 Ed.)

**\*Reviser's note:** Section 19, chapter 314, Laws of 1998 was vetoed.

**Effective date—1998 c 314:** See note following RCW 13.34.800.

**18.71.960 Application—1998 c 314.** (*Effective January 1, 1999, until June 30, 2002.*) (1) Nothing in \*section 26 of this act imposes any additional duties or responsibilities on, or removes any duties or responsibilities from, a physician licensed under this chapter, except as specifically included in chapter 13.34 RCW and RCW 74.09.320 and 70.96A.340.

(2) This section expires June 30, 2002. [1998 c 314 § 42.]

**\*Reviser's note:** Section 26, chapter 314, Laws of 1998 was vetoed.

**Effective date—1998 c 314:** See note following RCW 13.34.800.

## Chapter 18.71A PHYSICIAN ASSISTANTS

### Sections

18.71A.005 Regulation of health care professions—Criteria.

18.71A.010 Definitions.

18.71A.020 Rules fixing qualifications and restricting practice—Applications—Discipline.

18.71A.025 Application of uniform disciplinary act.

18.71A.030 Limitations on practice.

18.71A.040 Commission approval required—Application—Fee—Discipline.

18.71A.045 Eligibility of foreign medical school graduates.

18.71A.050 Physician's liability, responsibility.

18.71A.060 Limitations on health care services.

18.71A.085 Acupuncture.

**Reviser's note:** Certain powers and duties of the department of licensing and the director of licensing transferred to the department of health and the secretary of health. See RCW 43.70.220.

*Health professions account—Fees credited—Requirements for biennial budget request:* RCW 43.70.320.

**18.71A.005 Regulation of health care professions—Criteria.** See chapter 18.120 RCW.

**18.71A.010 Definitions.** The definitions set forth in this section apply throughout this chapter.

(1) "Physician assistant" means a person who is licensed by the commission to practice medicine to a limited extent only under the supervision of a physician as defined in chapter 18.71 RCW and who is academically and clinically prepared to provide health care services and perform diagnostic, therapeutic, preventative, and health maintenance services.

(2) "Commission" means the medical quality assurance commission.

(3) "Practice medicine" has the meaning defined in RCW 18.71.011.

(4) "Secretary" means the secretary of health or the secretary's designee.

(5) "Department" means the department of health. [1994 sp.s. c 9 § 318; 1990 c 196 § 1; 1988 c 113 § 1; 1975 1st ex.s. c 190 § 1; 1971 ex.s. c 30 § 1.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Severability—1971 ex.s. c 30:** "If any provision of this 1971 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." [1971 ex.s. c 30 § 13.]

*Medical quality assurance commission: Chapter 18.71 RCW.*

**18.71A.020 Rules fixing qualifications and restricting practice—Applications—Discipline.** (1) The commission shall adopt rules fixing the qualifications and the educational and training requirements for licensure as a physician assistant or for those enrolled in any physician assistant training program. The requirements shall include completion of an accredited physician assistant training program approved by the commission and eligibility to take an examination approved by the commission, if the examination tests subjects substantially equivalent to the curriculum of an accredited physician assistant training program. Physician assistants licensed by the board of medical examiners as of June 7, 1990, shall continue to be licensed.

(2)(a) The commission shall adopt rules governing the extent to which:

(i) Physician assistant students may practice medicine during training; and

(ii) Physician assistants may practice after successful completion of a physician assistant training course.

(b) Such rules shall provide:

(i) That the practice of a physician assistant shall be limited to the performance of those services for which he or she is trained; and

(ii) That each physician assistant shall practice medicine only under the supervision and control of a physician licensed in this state, but such supervision and control shall not be construed to necessarily require the personal presence of the supervising physician or physicians at the place where services are rendered.

(3) Applicants for licensure shall file an application with the commission on a form prepared by the secretary with the approval of the commission, detailing the education, training, and experience of the physician assistant and such other information as the commission may require. The application shall be accompanied by a fee determined by the secretary as provided in RCW 43.70.250 and 43.70.280. A surcharge of twenty-five dollars per year shall be charged on each license renewal or issuance of a new license to be collected by the department and deposited into the impaired physician account for physician assistant participation in the impaired physician program. Each applicant shall furnish proof satisfactory to the commission of the following:

(a) That the applicant has completed an accredited physician assistant program approved by the commission and is eligible to take the examination approved by the commission;

(b) That the applicant is of good moral character; and

(c) That the applicant is physically and mentally capable of practicing medicine as a physician assistant with reasonable skill and safety. The commission may require an applicant to submit to such examination or examinations as it deems necessary to determine an applicant's physical or mental capability, or both, to safely practice as a physician assistant.

(4) The commission may approve, deny, or take other disciplinary action upon the application for license as provided in the Uniform Disciplinary Act, chapter 18.130 RCW. The license shall be renewed as determined under

RCW 43.70.250 and 43.70.280. The commission may authorize the use of alternative supervisors who are licensed either under chapter 18.57 or 18.71 RCW. [1998 c 132 § 14; 1996 c 191 § 57; 1994 sp.s. c 9 § 319; 1993 c 28 § 5; 1992 c 28 § 2; 1990 c 196 § 2; 1971 ex.s. c 30 § 2.]

**Finding—Intent—Severability—1998 c 132:** See notes following RCW 18.71.0195.

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**18.71A.025 Application of uniform disciplinary act.** The uniform disciplinary act, chapter 18.130 RCW, governs the issuance and denial of licenses and the discipline of licensees under this chapter. [1986 c 259 § 106.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.71A.030 Limitations on practice.** A physician assistant may practice medicine in this state only with the approval of the practice arrangement plan by the commission and only to the extent permitted by the commission. A physician assistant who has received a license but who has not received commission approval of the practice arrangement plan under RCW 18.71A.040 may not practice. A physician assistant shall be subject to discipline under chapter 18.130 RCW. [1994 sp.s. c 9 § 320; 1993 c 28 § 6; 1990 c 196 § 3; 1971 ex.s. c 30 § 3.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**18.71A.040 Commission approval required—Application—Fee—Discipline.** (1) No physician assistant practicing in this state shall be employed or supervised by a physician or physician group without the approval of the commission.

(2) Prior to commencing practice, a physician assistant licensed in this state shall apply to the commission for permission to be employed or supervised by a physician or physician group. The practice arrangement plan shall be jointly submitted by the physician or physician group and physician assistant. Administrative procedures, administrative requirements, and fees shall be established as provided in RCW 43.70.250 and 43.70.280. The practice arrangement plan shall delineate the manner and extent to which the physician assistant would practice and be supervised. Whenever a physician assistant is practicing in a manner inconsistent with the approved practice arrangement plan, the commission may take disciplinary action under chapter 18.130 RCW. [1996 c 191 § 58; 1996 c 191 § 40; 1994 sp.s. c 9 § 321; 1993 c 28 § 7; 1990 c 196 § 4. Prior: 1986 c 259 § 113; 1985 c 7 § 61; 1975 1st ex.s. c 30 § 64; 1975 1st ex.s. c 190 § 2; 1971 ex.s. c 30 § 4.]

**Reviser's note:** This section was amended by 1996 c 191 § 40 and by 1996 c 191 § 58, each without reference to the other. Both amendments are incorporated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.71A.045 Eligibility of foreign medical school graduates.** Foreign medical school graduates shall not be

eligible for licensing as physician assistants after July 1, 1989. [1994 sp.s. c 9 § 322; 1988 c 113 § 2.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**18.71A.050 Physician's liability, responsibility.** No physician who supervises a licensed physician assistant in accordance with and within the terms of any permission granted by the commission is considered as aiding and abetting an unlicensed person to practice medicine. The supervising physician and physician assistant shall retain professional and personal responsibility for any act which constitutes the practice of medicine as defined in RCW 18.71.011 when performed by the physician assistant. [1994 sp.s. c 9 § 323; 1993 c 28 § 8; 1990 c 196 § 5; 1986 c 259 § 114; 1971 ex.s. c 30 § 5.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.71A.060 Limitations on health care services.** No health care services may be performed under this chapter in any of the following areas:

(1) The measurement of the powers or range of human vision, or the determination of the accommodation and refractive state of the human eye or the scope of its functions in general, or the fitting or adaptation of lenses or frames for the aid thereof.

(2) The prescribing or directing the use of, or using, any optical device in connection with ocular exercises, visual training, vision training, or orthoptics.

(3) The prescribing of contact lenses for, or the fitting or adaptation of contact lenses to, the human eye.

(4) Nothing in this section shall preclude the performance of routine visual screening.

(5) The practice of dentistry or dental hygiene as defined in chapters 18.32 and 18.29 RCW respectively. The exemptions set forth in RCW 18.32.030 (1) and (8), shall not apply to a physician assistant.

(6) The practice of chiropractic as defined in chapter 18.25 RCW including the adjustment or manipulation of the articulations of the spine.

(7) The practice of podiatric medicine and surgery as defined in chapter 18.22 RCW. [1994 sp.s. c 9 § 324; 1990 c 196 § 6; 1973 c 77 § 21; 1971 ex.s. c 30 § 6.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**18.71A.085 Acupuncture.** Any physician assistant acupuncturist currently licensed by the commission may continue to perform acupuncture under the physician assistant license as long as he or she maintains licensure as a physician assistant. [1994 sp.s. c 9 § 325; 1990 c 196 § 10.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

## Chapter 18.73

### EMERGENCY MEDICAL CARE AND TRANSPORTATION SERVICES

#### Sections

- 18.73.005 Regulation of health care professions—Criteria.
- 18.73.010 Legislative finding.
- 18.73.020 Supersession of local regulation.
- 18.73.030 Definitions.
- 18.73.040 Emergency medical services licensing and certification advisory committee.
- 18.73.050 Committee—Duties—Review of rules.
- 18.73.081 Duties of secretary—Minimum requirements to be prescribed.
- 18.73.101 Variance from requirements.
- 18.73.120 Certificate of advanced first aid qualification.
- 18.73.130 Ambulance and aid vehicles—Operators or directors licenses.
- 18.73.140 Ambulance and aid vehicles—Licenses.
- 18.73.145 Ambulance and aid vehicles—Self-inspection program.
- 18.73.150 Ambulance personnel requirements.
- 18.73.170 Aid vehicles—Personnel—Use.
- 18.73.180 Other transportation vehicles.
- 18.73.190 Violations—Penalties.
- 18.73.200 Administrative procedure act applicable.
- 18.73.240 Application of uniform disciplinary act.
- 18.73.900 Severability—1973 1st ex.s. c 208.
- 18.73.901 Severability—1987 c 214.
- 18.73.910 Effective dates—1973 1st ex.s. c 208.

*AIDS education and training: Chapter 70.24 RCW.*

*Health professions account—Fees credited—Requirements for biennial budget request: RCW 43.70.320.*

*Natural death act and futile treatment: RCW 43.70.480.*

*Poison information centers: Chapter 18.76 RCW.*

*Secretary of health or designee ex officio member of health professional licensure and disciplinary boards: RCW 43.70.300.*

*Violation of chapter 69.50 RCW, the Uniform Controlled Substances Act—Suspension of license: RCW 69.50.413.*

**18.73.005 Regulation of health care professions—Criteria.** See chapter 18.120 RCW.

**18.73.010 Legislative finding.** The legislature finds that a state-wide program of emergency medical care is necessary to promote the health, safety, and welfare of the citizens of this state. The intent of the legislature is to assure minimum standards and training for first responders and emergency medical technicians, and minimum standards for ambulance services, ambulances, aid vehicles, aid services, and emergency medical equipment. [1990 c 269 § 22; 1988 c 104 § 2; 1987 c 214 § 1; 1973 1st ex.s. c 208 § 1.]

**Severability—1990 c 269:** See RCW 70.168.901.

**18.73.020 Supersession of local regulation.** The legislature further declares its intention to supersede all ordinances, regulations, and requirements promulgated by counties, cities and other political subdivisions of the state of Washington, insofar as they may provide for the regulation of emergency medical care, first aid, and ambulance services which do not exceed the provisions of this chapter; except that (1) license fees established in this chapter shall supersede all license fees of counties, cities and other political subdivisions of this state; and, (2) nothing in this chapter

shall alter the provisions of RCW 18.71.200, 18.71.210, and 18.71.220. [1986 c 259 § 118; 1973 1st ex.s. c 208 § 2.]

Severability—1986 c 259: See note following RCW 18.130.010.

**18.73.030 Definitions.** Unless a different meaning is plainly required by the context, the following words and phrases as used in this chapter shall have the meanings indicated.

(1) "Secretary" means the secretary of the department of health.

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

(3) "Committee" means the emergency medical services licensing and certification advisory committee.

(4) "Ambulance" means a ground or air vehicle designed and used to transport the ill and injured and to provide personnel, facilities, and equipment to treat patients before and during transportation.

(5) "Aid vehicle" means a vehicle used to carry aid equipment and individuals trained in first aid or emergency medical procedure.

(6) "Emergency medical technician" means a person who is authorized by the secretary to render emergency medical care pursuant to RCW 18.73.081.

(7) "Ambulance operator" means a person who owns one or more ambulances and operates them as a private business.

(8) "Ambulance director" means a person who is a director of a service which operates one or more ambulances provided by a volunteer organization or governmental agency.

(9) "Aid vehicle operator" means a person who owns one or more aid vehicles and operates them as a private business.

(10) "Aid director" means a person who is a director of a service which operates one or more aid vehicles provided by a volunteer organization or governmental agency.

(11) "Emergency medical service" means medical treatment and care which may be rendered at the scene of any medical emergency or while transporting any patient in an ambulance to an appropriate medical facility, including ambulance transportation between medical facilities.

(12) "Communications system" means a radio and landline network which provides rapid public access, coordinated central dispatching of services, and coordination of personnel, equipment, and facilities in an emergency medical services and trauma care system.

(13) "Prehospital patient care protocols" means the written procedure adopted by the emergency medical services medical program director which direct the out-of-hospital emergency care of the emergency patient which includes the trauma care patient. These procedures shall be based upon the assessment of the patient's medical needs and what treatment will be provided for emergency conditions. The protocols shall meet or exceed state-wide minimum standards developed by the department in rule as authorized in chapter 70.168 RCW.

(14) "Patient care procedures" means written operating guidelines adopted by the regional emergency medical services and trauma care council, in consultation with the local emergency medical services and trauma care councils, emergency communication centers, and the emergency

medical services medical program director, in accordance with state-wide minimum standards. The patient care procedures shall identify the level of medical care personnel to be dispatched to an emergency scene, procedures for triage of patients, the level of trauma care facility to first receive the patient, and the name and location of other trauma care facilities to receive the patient should an interfacility transfer be necessary. Procedures on interfacility transfer of patients shall be consistent with the transfer procedures in chapter 70.170 RCW.

(15) "Emergency medical services medical program director" means a person who is an approved medical program director as defined by RCW 18.71.205(4).

(16) "Council" means the local or regional emergency medical services and trauma care council as authorized under chapter 70.168 RCW.

(17) "Basic life support" means noninvasive emergency medical services requiring basic medical treatment skills as defined in chapter 18.73 RCW.

(18) "Advanced life support" means invasive emergency medical services requiring advanced medical treatment skills as defined by chapter 18.71 RCW.

(19) "First responder" means a person who is authorized by the secretary to render emergency medical care as defined by RCW 18.73.081. [1990 c 269 § 23; 1988 c 104 § 3; 1987 c 214 § 2; 1983 c 112 § 5; 1979 ex.s. c 261 § 1; 1973 1st ex.s. c 208 § 3.]

Severability—1990 c 269: See RCW 70.168.901.

**18.73.040 Emergency medical services licensing and certification advisory committee.** There is created an emergency medical services licensing and certification advisory committee of eleven members to be appointed by the department. Members of the committee shall be composed of a balance of physicians, one of whom is an emergency medical services medical program director, and individuals regulated under RCW 18.71.205 and 18.73.081, an administrator from a city or county emergency medical services system, a member of the emergency medical services and trauma care steering committee, and one consumer. All members except the consumer shall be knowledgeable in specific and general aspects of emergency medical services. Members shall be appointed for a period of three years. The terms of those members representing the same field shall not expire at the same time.

The committee shall elect a chairman and a vice chairman whose terms of office shall be for one year each. The chairman shall be ineligible for reelection after serving four consecutive terms.

The committee shall meet on call by the secretary or the chairman.

All appointive members of the committee, in the performance of their duties, may be entitled to receive travel expenses as provided in RCW 43.03.050 and 43.03.060 as now existing or hereafter amended. [1990 c 269 § 6; 1984 c 279 § 55; 1981 c 338 § 13; 1979 ex.s. c 261 § 2; 1975-'76 2nd ex.s. c 34 § 43; 1973 1st ex.s. c 208 § 4.]

Severability—1990 c 269: See RCW 70.168.901.

Severability—1984 c 279: See RCW 18.130.901.

Effective date—Severability—1975-'76 2nd ex.s. c 34: See notes following RCW 2.08.115.

**18.73.050 Committee—Duties—Review of rules.**

The emergency medical services licensing and certification advisory committee shall:

(1) Review all administrative rules pertaining to licensing and certification of emergency medical services proposed for adoption by the department under this chapter or under RCW 18.71.205 and advise the department of its recommendations.

(2) Assist the department, at the department's request, to fulfill any duty or exercise any power under this chapter pertaining to emergency medical services licensing and certification. [1990 c 269 § 7; 1987 c 214 § 3; 1979 ex.s. c 261 § 3; 1973 1st ex.s. c 208 § 5.]

**Severability—1990 c 269:** See RCW 70.168.901.

**18.73.081 Duties of secretary—Minimum requirements to be prescribed.** In addition to other duties prescribed by law, the secretary shall:

(1) Prescribe minimum requirements for:

(a) Ambulance, air ambulance, and aid vehicles and equipment;

(b) Ambulance and aid services; and

(c) Minimum emergency communication equipment;

(2) Adopt procedures for services that fail to perform in accordance with minimum requirements;

(3) Prescribe minimum standards for first responder and emergency medical technician training including:

(a) Adoption of curriculum and period of certification;

(b) Procedures for certification, recertification, decertification, or modification of certificates;

(c) Adoption of requirements for ongoing training and evaluation, as approved by the county medical program director, to include appropriate evaluation for individual knowledge and skills. The first responder, emergency medical technician, or emergency medical services provider agency may elect a program of continuing education and a written and practical examination instead of meeting the ongoing training and evaluation requirements;

(d) Procedures for reciprocity with other states or national certifying agencies;

(e) Review and approval or disapproval of training programs; and

(f) Adoption of standards for numbers and qualifications of instructional personnel required for first responder and emergency medical technician training programs;

(4) Prescribe minimum requirements for liability insurance to be carried by licensed services except that this requirement shall not apply to public bodies; and

(5) Certify emergency medical program directors. [1993 c 254 § 1; 1990 c 269 § 24; 1988 c 111 § 1; 1987 c 214 § 7.]

**Severability—1990 c 269:** See RCW 70.168.901.

**18.73.101 Variance from requirements.** The secretary may grant a variance from a provision of this chapter if no detriment to health and safety would result from the variance and compliance is expected to cause reduction or loss of existing emergency medical services. Variances may be granted for a period of no more than one year. A variance may be renewed by the secretary upon approval of the committee. [1987 c 214 § 9.]

**18.73.120 Certificate of advanced first aid qualification.** The secretary shall recognize a current certificate of advanced first aid qualification for those who provide proof of advanced Red Cross training or its equivalent. [1979 ex.s. c 261 § 12; 1973 1st ex.s. c 208 § 12.]

**18.73.130 Ambulance and aid vehicles—Operators or directors licenses.** An ambulance operator, ambulance director, aid vehicle operator or aid director may not operate a service in the state of Washington without holding a license for such operation, issued by the secretary when such operation is consistent with the state-wide and regional emergency medical services and trauma care plans established pursuant to chapter 70.168 RCW, indicating the general area to be served and the number of vehicles to be used, with the following exceptions:

(1) The United States government;

(2) Ambulance operators and ambulance directors providing service in other states when bringing patients into this state;

(3) Owners of businesses in which ambulance or aid vehicles are used exclusively on company property but occasionally in emergencies may transport patients to hospitals not on company property; and

(4) Operators of vehicles pressed into service for transportation of patients in emergencies when licensed ambulances are not available or cannot meet overwhelming demand.

The license shall be valid for a period of two years and shall be renewed on request provided the holder has consistently complied with the regulations of the department and the department of licensing and provided also that the needs of the area served have been met satisfactorily. The license shall not be transferable. [1992 c 128 § 2; 1990 c 269 § 25; 1987 c 214 § 10; 1979 ex.s. c 261 § 13; 1979 c 158 § 61; 1973 1st ex.s. c 208 § 13.]

**Severability—1990 c 269:** See RCW 70.168.901.

**Effective date—1973 1st ex.s. c 208:** See RCW 18.73.910.

**18.73.140 Ambulance and aid vehicles—Licenses.**

The secretary shall issue an ambulance or aid vehicle license for each vehicle so designated. The license shall be for a period of two years and may be reissued on expiration if the vehicle and its equipment meet requirements in force at the time of expiration of the license period. The license may be revoked if the ambulance or aid vehicle is found to be operating in violation of the regulations promulgated by the department or without required equipment. The license shall be terminated automatically if the vehicle is sold or transferred to the control of anyone not currently licensed as an ambulance or aid vehicle operator or director. The license number shall be prominently displayed on each vehicle. [1992 c 128 § 3; 1987 c 214 § 11; 1979 ex.s. c 261 § 14; 1973 1st ex.s. c 208 § 14.]

**Effective date—1973 1st ex.s. c 208:** See RCW 18.73.910.

**18.73.145 Ambulance and aid vehicles—Self-inspection program.** The secretary shall adopt a self-inspection program to assure compliance with minimum standards for vehicles and for medical equipment and personnel on all licensed vehicles. The self-inspection shall

coincide with the vehicle licensing cycle and shall be recorded on forms provided by the department. The department may perform an on-site inspection of any licensed service or vehicles as needed. [1987 c 214 § 13.]

**18.73.150 Ambulance personnel requirements.** Any ambulance operated as such shall operate with sufficient personnel for adequate patient care, at least one of whom shall be an emergency medical technician under standards promulgated by the secretary. The emergency medical technician shall have responsibility for its operation and for the care of patients both before they are placed aboard the vehicle and during transit. If there are two or more emergency medical technicians operating the ambulance, a nondriving medical technician shall be in command of the vehicle. The emergency medical technician in command of the vehicle shall be in the patient compartment and in attendance to the patient.

The driver of the ambulance shall have at least a certificate of advance first aid qualification recognized by the secretary pursuant to RCW 18.73.120 unless there are at least two certified emergency medical technicians in attendance of the patient, in which case the driver shall not be required to have such certificate. [1992 c 128 § 4; 1979 ex.s. c 261 § 15; 1973 1st ex.s. c 208 § 15.]

**Effective date—1973 1st ex.s. c 208:** See RCW 18.73.910.

**18.73.170 Aid vehicles—Personnel—Use.** The aid vehicle shall be operated in accordance with standards promulgated by the secretary, by at least one person holding a certificate recognized under RCW 18.73.120.

The aid vehicle may be used for transportation of patients only when it is impossible or impractical to obtain an ambulance or when a wait for arrival of an ambulance would place the life of the patient in jeopardy. If so used, the vehicle shall be under the command of a person holding a certificate recognized pursuant to RCW 18.73.081 other than the driver. [1987 c 214 § 12; 1979 ex.s. c 261 § 17; 1973 1st ex.s. c 208 § 17.]

**Effective date—1973 1st ex.s. c 208:** See RCW 18.73.910.

**18.73.180 Other transportation vehicles.** Other vehicles not herein defined by this chapter shall not be used for transportation of patients who must be carried on a stretcher or who may require medical attention en route, except that such transportation may be used when a disaster creates a situation that cannot be served by licensed ambulances. [1987 c 214 § 14; 1979 ex.s. c 261 § 18; 1973 1st ex.s. c 208 § 18.]

**Effective date—1973 1st ex.s. c 208:** See RCW 18.73.910.

**18.73.190 Violations—Penalties.** Any person who violates any of the provisions of this chapter and for which a penalty is not provided shall be deemed guilty of a misdemeanor and upon conviction thereof, shall be fined in any sum not exceeding one hundred dollars for each day of the violation, or may be imprisoned in the county jail not exceeding six months. [1987 c 214 § 15; 1973 1st ex.s. c 208 § 19.]

**Effective date—1973 1st ex.s. c 208:** See RCW 18.73.910.

**18.73.200 Administrative procedure act applicable.** The administrative procedure act, chapter 34.05 RCW, shall wherever applicable govern the rights, remedies, and procedures respecting the administration of this chapter. [1973 1st ex.s. c 208 § 21.]

**18.73.240 Application of uniform disciplinary act.** The uniform disciplinary act, chapter 18.130 RCW, shall govern the issuance and denial of credentials, unauthorized practice, and the discipline of persons credentialed under this chapter. The secretary shall act as the disciplinary authority under this chapter. Disciplinary action shall be initiated against a person credentialed under this chapter in a manner consistent with the responsibilities and duties of the medical program director under whom such person is responsible. [1992 c 128 § 5.]

**18.73.900 Severability—1973 1st ex.s. c 208.** If any provision of this 1973 act, or the application thereof to any person or circumstance is held invalid, this invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable. [1973 1st ex.s. c 208 § 20.]

**18.73.901 Severability—1987 c 214.** 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. [1987 c 214 § 26.]

**18.73.910 Effective dates—1973 1st ex.s. c 208.** The provisions of sections 1 through 8, inclusive, 11, 12, 20, 21, 22, and 23 of this 1973 act shall take effect on July 1, 1973. The provisions of sections 9, 10, and 13 through 19, inclusive, shall take effect on January 1, 1976. [1973 1st ex.s. c 208 § 22.]

## Chapter 18.74 PHYSICAL THERAPY

### Sections

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*Health professions account—Fees credited—Requirements for biennial budget request: RCW 43.70.320.*

*Lien of doctors: Chapter 60.44 RCW.*

**18.74.003 Regulation of health care professions—Criteria.** See chapter 18.120 RCW.

**18.74.005 Purpose.** In order to safeguard the public safety and welfare, to protect the public from being misled by incompetent, unethical, and unauthorized persons, and to assure the highest degree of professional conduct and competency, it is the purpose of this chapter to strengthen existing regulation of persons offering physical therapy services to the public. [1983 c 116 § 1.]

**18.74.010 Definitions.** Unless the context otherwise requires, the definitions in this section apply throughout this chapter.

(1) "Board" means the board of physical therapy created by RCW 18.74.020.

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

(3) "Physical therapy" means the treatment of any bodily or mental condition of any person by the use of the physical, chemical, and other properties of heat, cold, air, light, water, electricity, sound, massage, and therapeutic exercise, which includes posture and rehabilitation procedures; the performance of tests and measurements of neuromuscular function as an aid to the diagnosis or treatment of any human condition; performance of treatments on the basis of test findings after consultation with and periodic review by an authorized health care practitioner except as provided in RCW 18.74.012; supervision of selective forms of treatment by trained supportive personnel; and provision of consultative services for health, education, and community agencies. The use of Roentgen rays and radium for diagnostic and therapeutic purposes, the use of electricity for surgical purposes, including cauterization, and the use of spinal manipulation or manipulative mobilization of the spine and its immediate articulations, are not included under the term "physical therapy" as used in this chapter.

(4) "Physical therapist" means a person who practices physical therapy as defined in this chapter but does not include massage operators as defined in RCW 18.108.010.

(5) "Secretary" means the secretary of health.

(6) Words importing the masculine gender may be applied to females.

(7) "Authorized health care practitioner" means and includes licensed physicians, osteopathic physicians, chiro-

practors, naturopaths, podiatric physicians and surgeons, dentists, and advanced registered nurse practitioners: PROVIDED, HOWEVER, That nothing herein shall be construed as altering the scope of practice of such practitioners as defined in their respective licensure laws. [1997 c 275 § 8; 1991 c 12 § 1; (1991 c 3 §§ 172, 173 repealed by 1991 sp.s. c 11 § 2); (1990 c 297 § 17 repealed by 1991 c 12 § 6); 1988 c 185 § 1; 1983 c 116 § 2; 1961 c 64 § 1; 1949 c 239 § 1; Rem. Supp. 1949 § 10163-1.]

**Effective dates—1991 c 12 §§ 1, 2, 3, 6:** "(1) Sections 1, 2, and 6 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect June 30, 1991.

(2) Section 3 of this act shall take effect January 1, 1992." [1991 c 12 § 7.]

*Number and gender: RCW 1.12.050.*

**18.74.012 Consultation with health care practitioner not required for certain treatments.** Notwithstanding the provisions of \*RCW 18.74.010(4), a consultation and periodic review by an authorized health care practitioner is not required for treatment of neuromuscular or musculoskeletal conditions: PROVIDED, That a physical therapist may only provide treatment utilizing orthoses that support, align, prevent, or correct any structural problems intrinsic to the foot or ankle by referral or consultation from an authorized health care practitioner. [1991 c 12 § 2; 1990 c 297 § 19; 1988 c 185 § 2.]

**\*Reviser's note:** RCW 18.74.010 was amended by 1991 c 12 § 1 and subsection (4) was renumbered as subsection (3).

**Effective dates—1991 c 12 §§ 1, 2, 3, 6:** See note following RCW 18.74.010.

**18.74.015 Referral to health care practitioners—When required.** (1) Physical therapists shall refer persons under their care to authorized health care practitioners if they have reasonable cause to believe symptoms or conditions are present which require services beyond the scope of their practice or for which physical therapy is contraindicated.

(2) A violation of this section is unprofessional conduct under this chapter and chapter 18.130 RCW. [1988 c 185 § 3.]

**18.74.020 Board created—Members—Staff assistance—Compensation and travel expenses.** The state board of physical therapy is hereby created. The board shall consist of five members who shall be appointed by the governor. Of the initial appointments, two shall be appointed for a term of two years, two for a term of three years, and one for a term of four years. Thereafter, all appointments shall be for terms of four years. Four members of the board shall be physical therapists licensed under this chapter and residing in this state, shall have not less than five years' experience in the practice of physical therapy, and shall be actively engaged in practice within two years of appointment. The fifth member shall be appointed from the public at large, shall have an interest in the rights of consumers of health services, and shall not be or have been a member of any other licensing board, a licensee of any health occupation board, an employee of any health facility nor derive his or her primary livelihood from the provision of health services at any level of responsibility. In the event that a

member of the board for any reason cannot complete his or her term of office, another appointment shall be made by the governor in accordance with the procedure stated above to fill the remainder of the term. No member may serve for more than two successive four-year terms.

The secretary of health shall furnish such secretarial, clerical and other assistance as the board may require. Each member of the board shall, in addition to travel expenses in accordance with RCW 43.03.050 and 43.03.060, be compensated in accordance with RCW 43.03.240. [1991 c 3 § 174; 1984 c 287 § 46; 1983 c 116 § 3; 1979 c 158 § 62; 1975-'76 2nd ex.s. c 34 § 44; 1949 c 239 § 2; Rem. Supp. 1949 § 10163-2.]

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**Severability—Effective date—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

*Secretary of health or designee ex officio member of health professional licensure and disciplinary boards:* RCW 43.70.300.

**18.74.023 Board—Powers and duties.** The board has the following powers and duties:

(1) To develop and administer, or approve, or both, examinations to applicants for a license under this chapter.

(2) To pass upon the qualifications of applicants for a license and to certify to the secretary duly qualified applicants.

(3) To make such rules not inconsistent with the laws of this state as may be deemed necessary or proper to carry out the purposes of this chapter.

(4) To establish and administer requirements for continuing competency, which shall be a prerequisite to renewing a license under this chapter.

(5) To keep an official record of all its proceedings, which record shall be evidence of all proceedings of the board which are set forth therein.

(6) To adopt rules not inconsistent with the laws of this state, when it deems appropriate, in response to questions put to it by professional health associations, physical therapists, and consumers in this state concerning the authority of physical therapists to perform particular acts.

(7) To adopt rules to define and specify the education and training requirements for physical therapist assistants and physical therapy aides. [1995 c 299 § 1; 1995 c 198 § 9. Prior: 1991 c 12 § 3; 1991 c 3 § 175; 1986 c 259 § 124; 1983 c 116 § 4.]

**Reviser's note:** This section was amended by 1995 c 198 § 9 and by 1995 c 299 § 1, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Effectivity dates—1991 c 12 §§ 1, 2, 3, 6:** See note following RCW 18.74.010.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.74.025 Standards for appropriateness of physical therapy care—Violation.** Pursuant to the board's power in RCW 18.74.023(3), the board is directed to adopt rules relating to standards for appropriateness of physical therapy care. Violation of the standards adopted by rule under this section is unprofessional conduct under this chapter and chapter 18.130 RCW. [1991 c 12 § 5.]

**18.74.027 Board—Officers—Meetings—Quorum.**

The board shall elect from its members a chairperson and vice chairperson-secretary, who shall serve for one year and until their successors are elected. The board shall meet at least once a year and upon the call of the chairperson at such times and places as the chairperson designates. Three members constitute a quorum of the full board for the transaction of any business. Meetings of the board shall be open and public, except the board may hold executive sessions to the extent permitted by chapter 42.30 RCW. [1983 c 116 § 5.]

**18.74.029 Application of Uniform Disciplinary Act.**

The Uniform Disciplinary Act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses and interim permits, and the discipline of licensees and holders of interim permits under this chapter. [1993 c 133 § 2; 1987 c 150 § 47; 1986 c 259 § 123.]

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.74.030 Qualifications of applicants.** An applicant for a license as a physical therapist shall have the following minimum qualifications:

(1) Be of good moral character; and

(2) Have obtained either (a) a baccalaureate degree in physical therapy from an institution of higher learning approved by the board or (b) a baccalaureate degree from an institution of higher learning and a certificate or advanced degree from a school of physical therapy approved by the board.

The applicant shall present proof of qualification to the board in the manner and on the forms prescribed by it. [1983 c 116 § 6; 1961 c 64 § 2; 1949 c 239 § 3; Rem. Supp. 1949 § 10163-3.]

**18.74.035 Examinations—Scope—Time and place.**

All qualified applicants for a license as a physical therapist shall be examined by the board at such time and place as the board may determine. The board may approve an examination prepared or administered by a private testing agency or association of licensing authorities. The examination shall embrace the following subjects: The applied sciences of anatomy, neuroanatomy, kinesiology, physiology, pathology, psychology, physics; physical therapy, as defined in this chapter, applied to medicine, neurology, orthopedics, pediatrics, psychiatry, surgery; medical ethics; technical procedures in the practice of physical therapy as defined in this chapter; and such other subjects as the board may deem useful to test the applicant's fitness to practice physical therapy, but not including the adjustment or manipulation of the spine or use of a thrusting force as mobilization. Examinations shall be held within the state at least once a year, at such time and place as the board shall determine. An applicant who fails an examination may apply for reexamination upon payment of a reexamination fee determined by the secretary. [1995 c 198 § 10; 1991 c 3 § 176; 1983 c 116 § 7; 1961 c 64 § 3.]

**18.74.040 Licenses.** The secretary of health shall license as a physical therapist, and shall furnish a license to

each applicant who successfully passes the examination for licensure as a physical therapist. [1991 c 3 § 177; 1983 c 116 § 8; 1949 c 239 § 4; Rem. Supp. 1949 § 10163-4.]

**18.74.050 Licenses—Fees.** The secretary shall furnish a license upon the authority of the board to any person who applies and who has qualified under the provisions of this chapter. At the time of applying, the applicant shall comply with administrative procedures, administrative requirements, and fees established pursuant to RCW 43.70.250 and 43.70.280. No person registered or licensed on July 24, 1983, as a physical therapist shall be required to pay an additional fee for a license under this chapter. [1996 c 191 § 59; 1991 c 3 § 178; 1985 c 7 § 63; 1983 c 116 § 9; 1975 1st ex.s. c 30 § 65; 1961 c 64 § 4; 1949 c 239 § 5; Rem. Supp. 1949 § 10163-5.]

**18.74.060 Licensure by endorsement.** Upon the recommendation of the board, the secretary shall license as a physical therapist and shall furnish a license to any person who is a physical therapist registered or licensed under the laws of another state or territory, or the District of Columbia, if the qualifications for such registration or license required of the applicant were substantially equal to the requirements under this chapter. At the time of making application, the applicant shall comply with administrative procedures, administrative requirements, and fees established pursuant to RCW 43.70.250 and 43.70.280. [1996 c 191 § 60; 1991 c 3 § 179; 1985 c 7 § 64; 1983 c 116 § 10; 1975 1st ex.s. c 30 § 66; 1961 c 64 § 5; 1949 c 239 § 6; Rem. Supp. 1949 § 10163-6.]

**18.74.065 Licenses—Issuance to persons licensed or registered before July 24, 1983.** Any person holding a valid license or certificate of registration to practice physical therapy issued by authority of this state prior to July 24, 1983, shall be issued a license under this chapter. [1983 c 116 § 11.]

**18.74.070 Renewal of license.** Every licensed physical therapist shall apply to the secretary for a renewal of the license and pay to the state treasurer a fee determined by the secretary as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 61; 1991 c 3 § 180; 1983 c 116 § 12; 1975 1st ex.s. c 30 § 67; 1971 ex.s. c 266 § 13; 1961 c 64 § 6; 1949 c 239 § 7; Rem. Supp. 1949 § 10163-7.]

**18.74.073 Licenses—Inactive status—Fees.** Any physical therapist licensed under this chapter not practicing physical therapy or providing services may place his or her license in an inactive status. The board shall prescribe requirements for maintaining an inactive status and converting from an inactive or active status. The secretary may establish fees for alterations in license status. [1998 c 143 § 1.]

**18.74.075 Interim permits.** (1) The department, upon approval by the board, shall issue an interim permit authorizing an applicant for licensure who meets the minimum qualifications stated in RCW 18.74.030 to practice physical

therapy under graduate supervision pending notification of the results of the first licensure examination for which the applicant is eligible, but not to exceed six months.

(2) For purposes of this section, "graduate supervision" means supervision of a holder of an interim permit by a licensed physical therapist who is on the premises at all times. Graduate supervision shall include consultation regarding evaluation, treatment plan, treatment program, and progress of each assigned patient at appropriate intervals and be documented by cosignature of notes by the licensed physical therapist. RCW 18.74.012 is not applicable for holders of interim permits.

(3) If the holder of the interim permit fails the examination, the permit expires upon notification and is not renewable. [1993 c 133 § 1.]

**18.74.085 Advertising of spinal manipulation or mobilization prohibited.** (1) Physical therapists shall not advertise that they perform spinal manipulation or manipulative mobilization of the spine.

(2) A violation of this section is unprofessional conduct under this chapter and chapter 18.130 RCW. [1988 c 185 § 4.]

**18.74.090 False advertising—Use of name and words—License required—Prosecutions of violations.** A person who is not licensed with the secretary of health as a physical therapist under the requirements of this chapter shall not represent him or herself as being so licensed and shall not use in connection with his or her name the words or letters "P.T.", "R.P.T.", "L.P.T.", "physical therapy", "physiotherapy", "physical therapist" or "physiotherapist", or any other letters, words, signs, numbers, or insignia indicating or implying that he or she is a physical therapist. No person may practice physical therapy without first having a valid license. Nothing in this chapter prohibits any person licensed in this state under any other act from engaging in the practice for which he or she is licensed. It shall be the duty of the prosecuting attorney of each county to prosecute all cases involving a violation of this chapter arising within his or her county. The attorney general may assist in such prosecution and shall appear at all hearings when requested to do so by the board. [1991 c 3 § 181; 1987 c 150 § 48; 1986 c 259 § 125; 1983 c 116 § 18; 1961 c 64 § 8; 1949 c 239 § 9; Rem. Supp. 1949 § 10163-9.]

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1986 c 259:** See note following RCW 18.130.010.

*False advertising: Chapter 9.04 RCW.*

**18.74.095 False advertising—Injunctions.** If any person violates the provisions of this chapter, the attorney general, prosecuting attorney, the secretary, the board, or any citizen of the same county, may maintain an action in the name of the state to enjoin such person from practicing or holding himself or herself out as practicing physical therapy. The injunction shall not relieve criminal prosecution but the remedy by injunction shall be in addition to the liability of such offender for criminal prosecution and the suspension or revocation of his or her license. [1991 c 3 § 182; 1983 c 116 § 19; 1961 c 64 § 9.]

**18.74.120 Record of proceedings—Register.** The secretary of health shall keep a record of proceedings under this chapter and a register of all persons licensed under it. The register shall show the name of every living licensed physical therapist, his or her last known place of residence, and the date and number of his or her license as a physical therapist. [1991 c 3 § 183; 1983 c 116 § 21; 1979 c 158 § 63; 1977 c 75 § 11; 1949 c 239 § 12; Rem. Supp. 1949 § 10163-12.]

**18.74.125 Construction of chapter—Activities not prohibited—Use of letters or words in connection with name.** Nothing in this chapter shall prohibit any person licensed in this state under any other act from engaging in the practice for which he is licensed. Nothing in this chapter shall prohibit any person who, at any time prior to January 1, 1961 was practicing any healing or manipulative art in the state of Washington and designating the same as physical therapy or physiotherapy, from continuing to do so after the passage of this amendatory act: PROVIDED, That no such person shall represent himself as being registered and shall not use in connection with his name the words or letters "registered" or "licensed" or "R.P.T." [1961 c 64 § 10.]

**Reviser's note:** The language "after the passage of this amendatory act" refers to chapter 64, Laws of 1961 which passed the House March 1, 1961, passed the Senate February 27, 1961, approved by the governor March 6, 1961, and became effective at midnight June 7, 1961.

**18.74.130 Exemptions.** This chapter does not prohibit or regulate:

(1) The practice of physical therapy by students enrolled in approved schools as may be incidental to their course of study so long as such activities do not go beyond the scope of practice defined by this chapter.

(2) Auxiliary services provided by physical therapy aides carrying out duties necessary for the support of physical therapy including those duties which involve minor physical therapy services when performed under the direct supervision of licensed physical therapists so long as such activities do not go beyond the scope of practice defined by this chapter.

(3) The practice of physical therapy by licensed or registered physical therapists of other states or countries while appearing as clinicians of bona fide educational seminars sponsored by physical therapy, medical, or other healing art professional associations so long as such activities do not go beyond the scope of practice defined by this chapter.

(4) The practice of physical therapists in the armed services or employed by any other branch of the federal government. [1983 c 116 § 22.]

**18.74.135 Insurance coverage and benefits not required or regulated.** This chapter shall not be construed to restrict the ability of any insurance entity regulated by Title 48 RCW, or any state agency or program from limiting or controlling the utilization of physical therapy services by the use of any type of gatekeeper function; nor shall it be construed to require or prohibit that individual or group policies or contracts of an insurance carrier, health care service contractor, or health maintenance organization

provide benefits or coverage for services and supplies provided by a person licensed under this chapter. For the purpose of this chapter, "gatekeeper function" means any provision in a contract which establishes a threshold requirement, such as a recommendation from a case manager or a primary care provider, which must be satisfied before a covered person is eligible to receive benefits under the contract. [1988 c 185 § 5.]

**18.74.140 Practice setting not restricted.** Nothing in this chapter restricts the ability of physical therapists to work in the practice setting of their choice. [1991 c 12 § 4.]

**18.74.900 Severability—1949 c 239.** If any provision of this chapter or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are declared to be severable. [1949 c 239 § 13.]

**18.74.910 Severability—1961 c 64.** If any provision of this amendatory act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this amendatory act which can be given effect without the invalid provision or application, and to this end the provisions of this amendatory act are declared to be severable. [1961 c 64 § 11.]

**18.74.911 Severability—1983 c 116.** 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. [1983 c 116 § 24.]

## Chapter 18.76

### POISON INFORMATION CENTERS

#### Sections

18.76.010	Purpose.
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18.76.041	Consulting with other poison programs.
18.76.050	Rules and standards.
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18.76.090	Use of gifts and grants.
18.76.100	Certificate suspension—Nonpayment or default on educational loan or scholarship.
18.76.110	Certificate suspension—Noncompliance with support order—Reissuance.
18.76.900	Severability—1987 c 214.

**18.76.010 Purpose.** The legislature finds that accidental and purposeful exposure to drugs, poisons, and toxic substances continues to be a severe health problem in the state of Washington. It further finds that a significant reduction in the consequences of such accidental exposures has occurred as a result of the services provided by poison information centers.

The purpose of this chapter is to reduce morbidity and mortality associated with overdose and poisoning incidents by providing emergency telephone assistance and treatment referral to victims of such incidents, by providing immediate treatment information to health care professionals, and public education and prevention programs. Further, the purpose is to improve utilization of drugs by providing information to health professionals relating to appropriate therapeutic drug use.

The legislature recognizes that enhanced cooperation between the emergency medical system and poison control centers will aid in responding to emergencies resulting from exposure to drugs, poisons, and toxic substances, and that, by providing telephone assistance to individuals with possible exposure to these substances, the need for emergency room and professional office visits will be reduced. As a result the cost of health care to those who may have exposures to drugs, poisons, and toxic substances will be avoided and appropriate treatment will be assured. [1993 c 343 § 1; 1987 c 214 § 16; 1980 c 178 § 1. Formerly RCW 18.73.210.]

**18.76.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter:

(1) "Department" means the department of health.

(2) "Poison information center medical director" means a person who: (a) Is licensed to practice medicine and surgery under chapter 18.71 RCW or osteopathic medicine and surgery under chapter 18.57 RCW; (b) is certified by the secretary under standards adopted under RCW 18.76.050; and (c) provides services enumerated under RCW 18.76.030, and is responsible for supervision of poison information specialists.

(3) "Poison information specialist" means a person who provides services enumerated under RCW 18.76.030 under the supervision of a poison information center medical director and is certified by the secretary under standards adopted under RCW 18.76.050.

(4) "Secretary" means the secretary of health. [1996 c 178 § 7; 1991 c 3 § 184; 1987 c 214 § 19.]

**Effective date—1996 c 178:** See note following RCW 18.35.110.

**18.76.030 Poison information center—State-wide program.** The department shall, in a manner consistent with this chapter, provide support for the state-wide program of poison and drug information services. These services shall, no later than June 30, 1993, be centralized in and coordinated by a single nonprofit center to be located in a place determined by the secretary. The services of this center shall be:

(1) Twenty-four hour emergency telephone management and treatment referral of victims of poisoning and overdose incidents, to include determining whether treatment can be accomplished at the scene of the incident or transport to an emergency treatment or other facility is required, and carrying out telephone follow-up to assure that adequate care is provided;

(2) Providing information to health professionals involved in management of poisoning and overdose victims;

(3) Coordination and development of community education programs designed to inform the public and members of the health professions of poison prevention and treatment methods and to improve awareness of poisoning and overdose problems, occupational risks, and environmental exposures; and

(4) Coordination of outreach units whose primary functions shall be to inform the public about poison problems and prevention methods, how to utilize the poison center, and other toxicology issues. [1993 c 343 § 2; 1987 c 214 § 17; 1980 c 178 § 2. Formerly RCW 18.73.220.]

**18.76.041 Consulting with other poison programs.**

The department shall establish a system for consulting with other state and local agency programs concerned with poisons and poisonings, incidents involving exposures to potentially poisonous substances, and other toxicological matters to develop the most coordinated and consistent response to such situations as is reasonably possible. [1993 c 343 § 3.]

**18.76.050 Rules and standards.** The secretary with the advice of the emergency medical services and trauma care steering committee established under RCW 18.73.050 shall adopt rules, under chapter 34.05 RCW, prescribing:

(1) Standards for the operation of a poison information center;

(2) Standards and procedures for certification, recertification and decertification of poison center medical directors and poison information specialists; and

(3) Standards and procedures for reciprocity with other states or national certifying agencies. [1990 c 269 § 21; 1987 c 214 § 20.]

**Severability—1990 c 269:** See RCW 70.168.901.

**18.76.060 Poison center medical director—Poison information specialist—Certification required.** (1) A person may not act as a poison center medical director or perform the duties of poison information specialists of a poison information center without being certified by the secretary under this chapter.

(2) Notwithstanding subsection (1) of this section, if a poison center medical director terminates certification or is decertified, that poison center medical director's authority may be delegated by the department to any other person licensed to practice medicine and surgery under chapter 18.71 RCW or osteopathic medicine and surgery under chapter 18.57 RCW for a period of thirty days, or until a new poison center medical director is certified, whichever comes first. [1996 c 178 § 8; 1993 c 343 § 4; 1987 c 214 § 21.]

**Effective date—1996 c 178:** See note following RCW 18.35.110.

**18.76.070 Immunity from liability.** (1) No act done or omitted in good faith while performing duties as a poison center medical director or poison information specialist of a poison information center shall impose any liability on the poison center, its officers, the poison center medical director, the poison information specialist, or other employees.

(2) This section:

(a) Applies only to acts or omissions committed or omitted in the performance of duties which are within the area of responsibility and expertise of the poison center medical director or poison information specialist.

(b) Does not relieve the poison center or any person from any duty imposed by law for the designation or training of a person certified under this chapter.

(c) Does not apply to any act or omission which constitutes gross negligence or wilful or wanton conduct. [1987 c 214 § 22.]

**18.76.080 Department to defend personnel.** The department shall defend any poison center medical director or poison information specialist for any act or omission subject to RCW 18.76.070. [1987 c 214 § 23.]

**18.76.090 Use of gifts and grants.** The center may receive gifts, grants, and endowments from public or private sources that may be made from time to time, in trust or otherwise, for the use and benefit of the purposes of the center and spend gifts, grants, or endowments or any income from the public or private sources according to their terms. [1993 c 343 § 5.]

**18.76.100 Certificate suspension—Nonpayment or default on educational loan or scholarship.** The secretary shall suspend the certificate of any person who has been certified by a lending agency and reported to the secretary for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's certificate shall not be reissued until the person provides the secretary a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for certification during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the secretary may impose. [1996 c 293 § 13.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.76.110 Certificate suspension—Noncompliance with support order—Reissuance.** The department shall immediately suspend the certification of a poison center medical director or a poison information specialist 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 certification during the suspension, reissuance of the certification shall be automatic upon the department's receipt of a release issued by the department of social and health services stating that the person is in compliance with the order. [1997 c 58 § 825.]

\*Reviser's note: 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered

parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.76.900 Severability—1987 c 214.** See RCW 18.73.901.

## Chapter 18.79 NURSING CARE

### Sections

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18.79.901	Headings and captions not law—1994 sp.s. c 9.
18.79.902	Effective date—1994 sp.s. c 9.
18.79.903	Application—1998 c 314.
18.79.904	Application—1998 c 314.

**18.79.010 Purpose.** It is the purpose of the nursing care quality assurance commission to regulate the competency and quality of professional health care providers under its jurisdiction by establishing, monitoring, and enforcing qualifications for licensing, consistent standards of practice, continuing competency mechanisms, and discipline. Rules, policies, and procedures developed by the commission must promote the delivery of quality health care to the residents of the state of Washington. [1994 sp.s. c 9 § 401.]

**18.79.020 Definitions.** Unless a different meaning is plainly required by the context, the definitions set forth in this section apply throughout this chapter.

(1) "Commission" means the Washington state nursing care quality assurance commission.

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

(3) "Secretary" means the secretary of health or the secretary's designee.

(4) "Diagnosis," in the context of nursing practice, means the identification of, and discrimination between, the person's physical and psychosocial signs and symptoms that are essential to effective execution and management of the nursing care regimen.

(5) "Diploma" means written official verification of completion of an approved nursing education program.

(6) "Nurse" or "nursing," unless otherwise specified as a practical nurse or practical nursing, means a registered nurse or registered nursing. [1994 sp.s. c 9 § 402.]

**18.79.030 Licenses required—Titles.** (1) It is unlawful for a person to practice or to offer to practice as a registered nurse in this state unless that person has been licensed under this chapter. A person who holds a license to practice as a registered nurse in this state may use the titles "registered nurse" and "nurse" and the abbreviation "R.N." No other person may assume those titles or use the abbreviation or any other words, letters, signs, or figures to indicate that the person using them is a registered nurse.

(2) It is unlawful for a person to practice or to offer to practice as an advanced registered nurse practitioner or as a nurse practitioner in this state unless that person has been licensed under this chapter. A person who holds a license to practice as an advanced registered nurse practitioner in this state may use the titles "advanced registered nurse practitioner," "nurse practitioner," and "nurse" and the abbreviations "A.R.N.P." and "N.P." No other person may assume those titles or use those abbreviations or any other words, letters, signs, or figures to indicate that the person using them is an advanced registered nurse practitioner or nurse practitioner.

(3) It is unlawful for a person to practice or to offer to practice as a licensed practical nurse in this state unless that person has been licensed under this chapter. A person who holds a license to practice as a licensed practical nurse in this state may use the titles "licensed practical nurse" and "nurse" and the abbreviation "L.P.N." No other person may assume those titles or use that abbreviation or any other words, letters, signs, or figures to indicate that the person using them is a licensed practical nurse.

(4) Nothing in this section shall prohibit a person listed as a Christian Science nurse in the Christian Science Journal published by the Christian Science Publishing Society, Boston, Massachusetts, from using the title "Christian Science nurse," so long as such person does not hold himself or herself out as a registered nurse, advanced registered nurse practitioner, nurse practitioner, or licensed practical nurse, unless otherwise authorized by law to do so. [1997 c 177 § 1; 1994 sp.s. c 9 § 403.]

**18.79.040 "Registered nursing practice" defined—Exceptions.** (1) "Registered nursing practice" means the performance of acts requiring substantial specialized knowledge, judgment, and skill based on the principles of the

biological, physiological, behavioral, and sociological sciences in either:

(a) The observation, assessment, diagnosis, care or counsel, and health teaching of the ill, injured, or infirm, or in the maintenance of health or prevention of illness of others;

(b) The performance of such additional acts requiring education and training and that are recognized by the medical and nursing professions as proper and recognized by the commission to be performed by registered nurses licensed under this chapter and that are authorized by the commission through its rules;

(c) The administration, supervision, delegation, and evaluation of nursing practice. However, nothing in this subsection affects the authority of a hospital, hospital district, medical clinic, or office, concerning its administration and supervision;

(d) The teaching of nursing;

(e) The executing of medical regimen as prescribed by a licensed physician and surgeon, dentist, osteopathic physician and surgeon, podiatric physician and surgeon, physician assistant, osteopathic physician assistant, or advanced registered nurse practitioner.

(2) Nothing in this section prohibits a person from practicing a profession for which a license has been issued under the laws of this state or specifically authorized by any other law of the state of Washington.

(3) This section does not prohibit (a) the nursing care of the sick, without compensation, by an unlicensed person who does not hold himself or herself out to be a registered nurse, (b) the practice of licensed practical nursing by a licensed practical nurse, or (c) the practice of a nursing assistant, providing delegated nursing tasks under chapter 18.88A RCW. [1995 1st sp.s. c 18 § 50; 1994 sp.s. c 9 § 404.]

**Conflict with federal requirements—Severability—Effective date—1995 1st sp.s. c 18:** See notes following RCW 74.39A.030.

**18.79.050 "Advanced registered nursing practice" defined—Exceptions.** "Advanced registered nursing practice" means the performance of the acts of a registered nurse and the performance of an expanded role in providing health care services as recognized by the medical and nursing professions, the scope of which is defined by rule by the commission. Upon approval by the commission, an advanced registered nurse practitioner may prescribe legend drugs and controlled substances contained in Schedule V of the Uniform Controlled Substances Act, chapter 69.50 RCW.

Nothing in this section prohibits a person from practicing a profession for which a license has been issued under the laws of this state or specifically authorized by any other law of the state of Washington.

This section does not prohibit (1) the nursing care of the sick, without compensation, by an unlicensed person who does not hold himself or herself out to be an advanced registered nurse practitioner, or (2) the practice of registered nursing by a licensed registered nurse or the practice of licensed practical nursing by a licensed practical nurse. [1994 sp.s. c 9 § 405.]

**18.79.060 "Licensed practical nursing practice" defined—Exceptions.** "Licensed practical nursing practice"

means the performance of services requiring the knowledge, skill, and judgment necessary for carrying out selected aspects of the designated nursing regimen under the direction and supervision of a licensed physician and surgeon, dentist, osteopathic physician and surgeon, physician assistant, osteopathic physician assistant, podiatric physician and surgeon, advanced registered nurse practitioner, or registered nurse.

Nothing in this section prohibits a person from practicing a profession for which a license has been issued under the laws of this state or specifically authorized by any other law of the state of Washington.

This section does not prohibit the nursing care of the sick, without compensation, by an unlicensed person who does not hold himself or herself out to be a licensed practical nurse. [1994 sp.s. c 9 § 406.]

**18.79.070 Commission established—Membership—Qualifications.** (1) The state nursing care quality assurance commission is established, consisting of eleven members to be appointed by the governor to four-year terms. No person may serve as a member of the commission for more than two consecutive full terms.

(2) There must be three registered nurse members, two advanced registered nurse practitioner members, three licensed practical nurse members, two public members, and one nonvoting midwife member licensed under chapter 18.50 RCW, on the commission. Each member of the commission must be a citizen of the United States and a resident of this state.

(3) Registered nurse members of the commission must:

(a) Be licensed as registered nurses under this chapter; and

(b) Have had at least five years' experience in the active practice of nursing and have been engaged in that practice within two years of appointment.

(4) Advanced registered nurse practitioner members of the commission must:

(a) Be licensed as advanced registered nurse practitioners under this chapter; and

(b) Have had at least five years' experience in the active practice of advanced registered nursing and have been engaged in that practice within two years of appointment.

(5) Licensed practical nurse members of the commission must:

(a) Be licensed as licensed practical nurses under this chapter; and

(b) Have had at least five years' actual experience as a licensed practical nurse and have been engaged in practice as a practical nurse within two years of appointment.

(6) Public members of the commission may not be a member of any other health care licensing board or commission, or have a fiduciary obligation to a facility rendering health services regulated by the commission, or have a material or financial interest in the rendering of health services regulated by the commission.

(7) The nonvoting licensed midwife member of the commission must:

(a) Be licensed as a midwife under chapter 18.50 RCW; and

(b) Have had at least five years' actual experience as a licensed midwife and have been engaged in practice as a midwife within two years of appointment.

In appointing the initial members of the commission, it is the intent of the legislature that, to the extent possible, the governor appoint the existing members of the board of nursing and the board of practical nursing repealed under chapter 9, Laws of 1994 sp. sess. The governor may appoint initial members of the commission to staggered terms of from one to four years. Thereafter, all members shall be appointed to full four-year terms. Members of the commission hold office until their successors are appointed. [1994 sp.s. c 9 § 407.]

**18.79.080 Commission—Order of removal—Vacancy.** The governor may remove a member of the commission for neglect of duty, misconduct, malfeasance or misfeasance in office, or for incompetency or unprofessional conduct as defined in chapter 18.130 RCW. Whenever the governor is satisfied that a member of the commission has been guilty of neglect of duty, misconduct, malfeasance or misfeasance in office, or of incompetency or unprofessional conduct, the governor shall file with the secretary of state a statement of the causes for and the order of removal from office, and the secretary shall forthwith send a certified copy of the statement of causes and order of removal to the last known post office address of the member. If a vacancy occurs on the commission, the governor shall appoint a replacement member to fill the remainder of the unexpired term. [1994 sp.s. c 9 § 408.]

**18.79.090 Commission—Compensation.** Each commission member shall be compensated in accordance with RCW 43.03.240 and shall be paid travel expenses when away from home in accordance with RCW 43.03.050 and 43.03.060. [1994 sp.s. c 9 § 409.]

**18.79.100 Commission—Officers—Meetings.** The commission shall annually elect officers from among its members. The commission shall meet at least quarterly at times and places it designates. It shall hold such other meetings during the year as may be deemed necessary to transact its business. A majority of the commission members appointed and serving constitutes a quorum at a meeting. All meetings of the commission must be open and public, except that the commission may hold executive sessions to the extent permitted by chapter 42.30 RCW.

Carrying a motion or resolution, adopting a rule, or passing a measure requires the affirmative vote of a majority of a quorum of the commission. The commission may appoint panels consisting of at least three members. A quorum for transaction of any business by a panel is a minimum of three members. A majority vote of a quorum of the panel is required to transact business delegated to it by the commission. [1994 sp.s. c 9 § 410.]

**18.79.110 Commission—Duties and powers—Rules—Successor to boards.** The commission shall keep a record of all of its proceedings and make such reports to the governor as may be required. The commission shall define by rules what constitutes specialized and advanced

levels of nursing practice as recognized by the medical and nursing profession. The commission may adopt rules or issue advisory opinions in response to questions put to it by professional health associations, nursing practitioners, and consumers in this state concerning the authority of various categories of nursing practitioners to perform particular acts.

The commission shall approve curricula and shall establish criteria for minimum standards for schools preparing persons for licensing as registered nurses, advanced registered nurse practitioners, and licensed practical nurses under this chapter. The commission shall approve such schools of nursing as meet the requirements of this chapter and the commission, and the commission shall approve establishment of basic nursing education programs and shall establish criteria as to the need for and the size of a program and the type of program and the geographical location. The commission shall establish criteria for proof of reasonable currency of knowledge and skill as a basis for safe practice after three years' inactive or lapsed status. The commission shall establish criteria for licensing by endorsement. The commission shall determine examination requirements for applicants for licensing as registered nurses, advanced registered nurse practitioners, and licensed practical nurses under this chapter, and shall certify to the secretary for licensing duly qualified applicants.

The commission shall adopt such rules under chapter 34.05 RCW as are necessary to fulfill the purposes of this chapter.

The commission is the successor in interest of the board of nursing and the board of practical nursing. All contracts, undertakings, agreements, rules, regulations, decisions, orders, and policies of the former board of nursing or the board of practical nursing continue in full force and effect under the commission until the commission amends or rescinds those rules, regulations, decisions, orders, or policies.

The members of the commission are immune from suit in an action, civil or criminal, based on its disciplinary proceedings or other official acts performed in good faith as members of the commission.

Whenever the workload of the commission requires, the commission may request that the secretary appoint pro tempore members of the commission. When serving, pro tempore members of the commission have all of the powers, duties, and immunities, and are entitled to all of the emoluments, including travel expenses, of regularly appointed members of the commission. [1994 sp.s. c 9 § 411.]

**18.79.120 Application of Uniform Disciplinary Act.** The Uniform Disciplinary Act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter. [1994 sp.s. c 9 § 412.]

**18.79.130 Executive director—Staff.** The secretary shall appoint, after consultation with the commission, an executive director who shall act to carry out this chapter. The secretary shall also employ such professional, secretarial, clerical, and other assistants as may be necessary to effectively administer this chapter. The secretary shall fix the compensation and provide for travel expenses for the

executive director and all such employees, in accordance with RCW 43.03.050 and 43.03.060. [1994 sp.s. c 9 § 413.]

**18.79.140 Executive director—Qualifications.** The executive director must be a graduate of an approved nursing education program and of a college or university, with a masters' degree, and currently licensed as a registered nurse under this chapter; have a minimum of eight years' experience in nursing in any combination of administration and nursing education; and have been actively engaged in the practice of registered nursing or nursing education within two years immediately before the time of appointment. [1994 sp.s. c 9 § 414.]

**18.79.150 Schools and programs—Requirements—Approval.** An institution desiring to conduct a school of registered nursing or a school or program of practical nursing, or both, shall apply to the commission and submit evidence satisfactory to the commission that:

(1) It is prepared to carry out the curriculum approved by the commission for basic registered nursing or practical nursing, or both; and

(2) It is prepared to meet other standards established by law and by the commission.

The commission shall make, or cause to be made, such surveys of the schools and programs, and of institutions and agencies to be used by the schools and programs, as it determines are necessary. If in the opinion of the commission, the requirements for an approved school of registered nursing or a school or program of practical nursing, or both, are met, the commission shall approve the school or program. [1994 sp.s. c 9 § 415.]

**18.79.160 Applicants—Required documentation—Criteria—Rules.** (1) An applicant for a license to practice as a registered nurse shall submit to the commission:

(a) An attested written application on a department form;

(b) Written official evidence of a diploma from an approved school of nursing; and

(c) Any other official records specified by the commission.

(2) An applicant for a license to practice as an advanced registered nurse practitioner shall submit to the commission:

(a) An attested written application on a department form;

(b) Written official evidence of completion of an advanced registered nurse practitioner training program meeting criteria established by the commission; and

(c) Any other official records specified by the commission.

(3) An applicant for a license to practice as a licensed practical nurse shall submit to the commission:

(a) An attested written application on a department form;

(b) Written official evidence that the applicant is over the age of eighteen;

(c) Written official evidence of a high school diploma or general education development certificate or diploma;

(d) Written official evidence of completion of an approved practical nursing program, or its equivalent; and

(e) Any other official records specified by the commission.

(4) At the time of submission of the application, the applicant for a license to practice as a registered nurse, advanced registered nurse practitioner, or licensed practical nurse must not be in violation of chapter 18.130 RCW or this chapter.

(5) The commission shall establish by rule the criteria for evaluating the education of all applicants. [1994 sp.s. c 9 § 416.]

**18.79.170 Examination—Rules.** An applicant for a license to practice as a registered nurse, advanced registered nurse practitioner, or licensed practical nurse must pass an examination in subjects determined by the commission. The examination may be supplemented by an oral or practical examination. The commission shall establish by rule the requirements for applicants who have failed the examination to qualify for reexamination. [1994 sp.s. c 9 § 417.]

**18.79.180 Interim permits—License—Expiration upon failure.** When authorized by the commission, the department shall issue an interim permit authorizing the applicant to practice registered nursing, advanced registered nursing, or licensed practical nursing, as appropriate, from the time of verification of the completion of the school or training program until notification of the results of the examination. Upon the applicant passing the examination, and if all other requirements established by the commission for licensing are met, the department shall issue the applicant a license to practice registered nursing, advanced registered nursing, or licensed practical nursing, as appropriate. If the applicant fails the examination, the interim permit expires upon notification to the applicant, and is not renewable. The holder of an interim permit is subject to chapter 18.130 RCW. [1994 sp.s. c 9 § 418.]

**18.79.190 Reciprocity—Foreign programs—Examination.** Upon approval of the application by the commission, the department shall issue a license by endorsement without examination to practice as a registered nurse or as a licensed practical nurse to a person who is licensed as a registered nurse or licensed practical nurse under the laws of another state, territory, or possession of the United States, and who meets all other qualifications for licensing.

An applicant who has graduated from a school or program of nursing outside the United States and is licensed as a registered nurse or licensed practical nurse, or their equivalents, outside the United States must meet all qualifications required by this chapter and pass examinations as determined by the commission. [1994 sp.s. c 9 § 419.]

**18.79.200 License procedures, requirements, fees.** An applicant for a license to practice as a registered nurse, advanced registered nurse practitioner, or licensed practical nurse shall comply with administrative procedures, administrative requirements, and fees as determined under RCW 43.70.250 and 43.70.280. [1996 c 191 § 62; 1994 sp.s. c 9 § 420.]

**18.79.210 License renewal—Procedures, requirements, fees.** A license issued under this chapter must be renewed, except as provided in this chapter. The licensee shall comply with administrative procedures, administrative requirements, and fees as determined under RCW 43.70.250 and 43.70.280. [1996 c 191 § 63; 1994 sp.s. c 9 § 421.]

**18.79.230 Temporary retirement—Renewal—Fee—Qualification.** A person licensed under this chapter who desires to retire temporarily from registered nursing practice, advanced registered nursing practice, or licensed practical nursing practice in this state shall send a written notice to the secretary.

Upon receipt of the notice the department shall place the name of the person on inactive status. While remaining on this status the person shall not practice in this state any form of nursing provided for in this chapter. When the person desires to resume practice, the person shall apply to the commission for renewal of the license and pay a renewal fee to the state treasurer. Persons on inactive status for three years or more must provide evidence of knowledge and skill of current practice as required by the commission or as provided in this chapter. [1994 sp.s. c 9 § 423.]

**18.79.240 Construction.** (1) In the context of the definition of registered nursing practice and advanced registered nursing practice, this chapter shall not be construed as:

(a) Prohibiting the incidental care of the sick by domestic servants or persons primarily employed as housekeepers, so long as they do not practice registered nursing within the meaning of this chapter;

(b) Preventing a person from the domestic administration of family remedies or the furnishing of nursing assistance in case of emergency;

(c) Prohibiting the practice of nursing by students enrolled in approved schools as may be incidental to their course of study or prohibiting the students from working as nursing aides;

(d) Prohibiting auxiliary services provided by persons carrying out duties necessary for the support of nursing services, including those duties that involve minor nursing services for persons performed in hospitals, nursing homes, or elsewhere under the direction of licensed physicians or the supervision of licensed registered nurses;

(e) Prohibiting the practice of nursing in this state by a legally qualified nurse of another state or territory whose engagement requires him or her to accompany and care for a patient temporarily residing in this state during the period of one such engagement, not to exceed six months in length, if the person does not represent or hold himself or herself out as a registered nurse licensed to practice in this state;

(f) Prohibiting nursing or care of the sick, with or without compensation, when done in connection with the practice of the religious tenets of a church by adherents of the church so long as they do not engage in the practice of nursing as defined in this chapter;

(g) Prohibiting the practice of a legally qualified nurse of another state who is employed by the United States government or a bureau, division, or agency thereof, while in the discharge of his or her official duties;

(h) Permitting the measurement of the powers or range of human vision, or the determination of the accommodation and refractive state of the human eye or the scope of its functions in general, or the fitting or adaptation of lenses for the aid thereof;

(i) Permitting the prescribing or directing the use of, or using, an optical device in connection with ocular exercises, visual training, vision training, or orthoptics;

(j) Permitting the prescribing of contact lenses for, or the fitting and adaptation of contact lenses to, the human eye;

(k) Prohibiting the performance of routine visual screening;

(l) Permitting the practice of dentistry or dental hygiene as defined in chapters 18.32 and 18.29 RCW, respectively;

(m) Permitting the practice of chiropractic as defined in chapter 18.25 RCW including the adjustment or manipulation of the articulation of the spine;

(n) Permitting the practice of podiatric medicine and surgery as defined in chapter 18.22 RCW;

(o) Permitting the performance of major surgery, except such minor surgery as the commission may have specifically authorized by rule adopted in accordance with chapter 34.05 RCW;

(p) Permitting the prescribing of controlled substances as defined in Schedules I through IV of the Uniform Controlled Substances Act, chapter 69.50 RCW, except as provided in (r) of this subsection;

(q) Prohibiting the determination and pronouncement of death;

(r) Prohibiting advanced registered nurse practitioners, approved by the commission as certified registered nurse anesthetists from selecting, ordering, or administering controlled substances as defined in Schedules II through IV of the Uniform Controlled Substances Act, chapter 69.50 RCW, consistent with their commission-recognized scope of practice; subject to facility-specific protocols, and subject to a request for certified registered nurse anesthetist anesthesia services issued by a physician licensed under chapter 18.71 RCW, an osteopathic physician and surgeon licensed under chapter 18.57 RCW, a dentist licensed under chapter 18.32 RCW, or a podiatric physician and surgeon licensed under chapter 18.22 RCW; the authority to select, order, or administer Schedule II through IV controlled substances being limited to those drugs that are to be directly administered to patients who require anesthesia for diagnostic, operative, obstetrical, or therapeutic procedures in a hospital, clinic, ambulatory surgical facility, or the office of a practitioner licensed under chapter 18.71, 18.22, 18.36, 18.36A, 18.57, 18.57A, or 18.32 RCW; "select" meaning the decision-making process of choosing a drug, dosage, route, and time of administration; and "order" meaning the process of directing licensed individuals pursuant to their statutory authority to directly administer a drug or to dispense, deliver, or distribute a drug for the purpose of direct administration to a patient, under instructions of the certified registered nurse anesthetist. "Protocol" means a statement regarding practice and documentation concerning such items as categories of patients, categories of medications, or categories of procedures rather than detailed case-specific formulas for the practice of nurse anesthesia.

(2) In the context of the definition of licensed practical nursing practice, this chapter shall not be construed as:

(a) Prohibiting the incidental care of the sick by domestic servants or persons primarily employed as housekeepers, so long as they do not practice practical nursing within the meaning of this chapter;

(b) Preventing a person from the domestic administration of family remedies or the furnishing of nursing assistance in case of emergency;

(c) Prohibiting the practice of practical nursing by students enrolled in approved schools as may be incidental to their course of study or prohibiting the students from working as nursing assistants;

(d) Prohibiting auxiliary services provided by persons carrying out duties necessary for the support of nursing services, including those duties that involve minor nursing services for persons performed in hospitals, nursing homes, or elsewhere under the direction of licensed physicians or the supervision of licensed registered nurses;

(e) Prohibiting or preventing the practice of nursing in this state by a legally qualified nurse of another state or territory whose engagement requires him or her to accompany and care for a patient temporarily residing in this state during the period of one such engagement, not to exceed six months in length, if the person does not represent or hold himself or herself out as a licensed practical nurse licensed to practice in this state;

(f) Prohibiting nursing or care of the sick, with or without compensation, when done in connection with the practice of the religious tenets of a church by adherents of the church so long as they do not engage in licensed practical nurse practice as defined in this chapter;

(g) Prohibiting the practice of a legally qualified nurse of another state who is employed by the United States government or any bureau, division, or agency thereof, while in the discharge of his or her official duties. [1994 sp.s. c 9 § 424.]

**18.79.250 Advanced registered nurse practitioner—Activities allowed.** An advanced registered nurse practitioner under his or her license may perform for compensation nursing care, as that term is usually understood, of the ill, injured, or infirm, and in the course thereof, she or he may do the following things that shall not be done by a person not so licensed, except as provided in RCW 18.79.260 and 18.79.270:

(1) Perform specialized and advanced levels of nursing as recognized jointly by the medical and nursing professions, as defined by the commission;

(2) Prescribe legend drugs and Schedule V controlled substances, as defined in the Uniform Controlled Substances Act, chapter 69.50 RCW, within the scope of practice defined by the commission;

(3) Perform all acts provided in RCW 18.79.260;

(4) Hold herself or himself out to the public or designate herself or himself as an advanced registered nurse practitioner or as a nurse practitioner. [1994 sp.s. c 9 § 425.]

**18.79.260 Registered nurse—Activities allowed.** A registered nurse under his or her license may perform for

compensation nursing care, as that term is usually understood, of the ill, injured, or infirm, and in the course thereof, she or he may do the following things that shall not be done by a person not so licensed, except as provided in RCW 18.79.270 and 18.88A.210:

(1) At or under the general direction of a licensed physician and surgeon, dentist, osteopathic physician and surgeon, naturopathic physician, podiatric physician and surgeon, physician assistant, osteopathic physician assistant, or advanced registered nurse practitioner acting within the scope of his or her license, administer medications, treatments, tests, and inoculations, whether or not the severing or penetrating of tissues is involved and whether or not a degree of independent judgment and skill is required. Such direction must be for acts which are within the scope of registered nursing practice;

(2) Delegate to other persons the functions outlined in subsection (1) of this section in accordance with chapter 18.88A RCW;

(3) Instruct nurses in technical subjects pertaining to nursing;

(4) Hold herself or himself out to the public or designate herself or himself as a registered nurse. [1995 1st sp.s. c 18 § 51; 1995 c 295 § 1; 1994 sp.s. c 9 § 426.]

**Conflict with federal requirements—Severability—Effective date—1995 1st sp.s. c 18:** See notes following RCW 74.39A.030.

**Effective date—1995 c 295:** "This act shall take effect August 1, 1996." [1995 c 295 § 4.]

**18.79.270 Licensed practical nurse—Activities allowed.** A licensed practical nurse under his or her license may perform nursing care, as that term is usually understood, of the ill, injured, or infirm, and in the course thereof may, under the direction of a licensed physician and surgeon, osteopathic physician and surgeon, dentist, naturopathic physician, podiatric physician and surgeon, physician assistant, osteopathic physician assistant, advanced registered nurse practitioner acting under the scope of his or her license, or at the direction and under the supervision of a registered nurse, administer drugs, medications, treatments, tests, injections, and inoculations, whether or not the piercing of tissues is involved and whether or not a degree of independent judgment and skill is required, when selected to do so by one of the licensed practitioners designated in this section, or by a registered nurse who need not be physically present; if the order given is reduced to writing within a reasonable time and made a part of the patient's record. Such direction must be for acts within the scope of licensed practical nurse practice. [1995 c 295 § 2; 1994 sp.s. c 9 § 427.]

**Effective date—1995 c 295:** See note following RCW 18.79.260.

**18.79.280 Medication, tests, treatments allowed.** It is not a violation of chapter 18.71 RCW or of chapter 18.57 RCW for a registered nurse, at or under the general direction of a licensed physician and surgeon, or osteopathic physician and surgeon, to administer prescribed drugs, injections, inoculations, tests, or treatment whether or not the piercing of tissues is involved. [1994 sp.s. c 9 § 428.]

**18.79.290 Catheterization of students—Rules.** (1)

In accordance with rules adopted by the commission, public school districts and private schools that offer classes for any of grades kindergarten through twelve may provide for clean, intermittent bladder catheterization of students or assisted self-catheterization of students who are in the custody of the school district or private school at the time. After consultation with staff of the superintendent of public instruction, the commission shall adopt rules in accordance with chapter 34.05 RCW, that provide for the following and such other matters as the commission deems necessary to the proper implementation of this section:

(a) A requirement for a written, current, and unexpired request from a parent, legal guardian, or other person having legal control over the student that the school district or private school provide for the catheterization of the student;

(b) A requirement for a written, current, and unexpired request from a physician licensed under chapter 18.71 or 18.57 RCW, that catheterization of the student be provided for during the hours when school is in session or the hours when the student is under the supervision of school officials;

(c) A requirement for written, current, and unexpired instructions from an advanced registered nurse practitioner or a registered nurse licensed under this chapter regarding catheterization that include (i) a designation of the school district or private school employee or employees who may provide for the catheterization, and (ii) a description of the nature and extent of any required supervision; and

(d) The nature and extent of acceptable training that shall (i) be provided by a physician, advanced registered nurse practitioner, or registered nurse licensed under chapter 18.71 or 18.57 RCW, or this chapter, and (ii) be required of school district or private school employees who provide for the catheterization of a student under this section, except that a licensed practical nurse licensed under this chapter is exempt from training.

(2) This section does not require school districts to provide intermittent bladder catheterization of students. [1994 sp.s. c 9 § 429.]

*Catheterization of public and private school students: RCW 28A.210.280 and 28A.210.290.*

**18.79.300 Department—Rules for administration.**

The department, subject to chapter 34.05 RCW, the Washington Administrative Procedure Act, may adopt such reasonable rules as may be necessary to carry out the duties imposed upon it in the administration of this chapter. [1994 sp.s. c 9 § 430.]

**18.79.310 Rules, regulations, decisions of previous boards—Effect.** As of July 1, 1994, all rules, regulations, decisions, and orders of the board of nursing under chapter 18.88 RCW or the board of practical nursing under chapter 18.78 RCW continue to be in effect under the commission, until the commission acts to modify the rules, regulations, decisions, or orders. [1994 sp.s. c 9 § 431.]

**18.79.900 Severability—1994 sp.s. c 9.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the

application of the provision to other persons or circumstances is not affected. [1994 sp.s. c 9 § 904.]

**18.79.901 Headings and captions not law—1994 sp.s. c 9.** Headings and captions used in this act constitute no part of the law. [1994 sp.s. c 9 § 905.]

**18.79.902 Effective date—1994 sp.s. c 9.** This act takes effect July 1, 1994. [1994 sp.s. c 9 § 906.]

**18.79.903 Application—1998 c 314. (Effective January 1, 1999, until June 30, 2002.)** (1) Nothing in \*section 19 of this act imposes any additional duties or responsibilities on, or removes any duties or responsibilities from, an advanced registered nurse practitioner licensed under this chapter, except as specifically included in chapter 13.34 RCW and RCW 70.96A.330 and 74.09.310.

(2) This section expires June 30, 2002. [1998 c 314 § 38.]

**\*Reviser's note:** Section 19, chapter 314, Laws of 1998 was vetoed.  
**Effective date—1998 c 314:** See note following RCW 13.34.800.

**18.79.904 Application—1998 c 314. (Effective January 1, 1999, until June 30, 2002.)** (1) Nothing in \*section 26 of this act imposes any additional duties or responsibilities on, or removes any duties or responsibilities from, an advanced registered nurse practitioner licensed under this chapter, except as specifically included in chapter 13.34 RCW and RCW 74.09.320 and 70.96A.340.

(2) This section expires June 30, 2002. [1998 c 314 § 44.]

**\*Reviser's note:** Section 26, chapter 314, Laws of 1998 was vetoed.  
**Effective date—1998 c 314:** See note following RCW 13.34.800.

### Chapter 18.83 PSYCHOLOGISTS

#### Sections

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(1998 Ed.)

18.83.911 Examining board—Repeal.

*Health professions account—Fees credited—Requirements for biennial budget request: RCW 43.70.320.*

**18.83.005 Regulation of health care professions—Criteria.** See chapter 18.120 RCW.

**18.83.010 Definitions.** When used in this chapter:

(1) The "practice of psychology" means the observation, evaluation, interpretation, and modification of human behavior by the application of psychological principles, methods, and procedures for the purposes of preventing or eliminating symptomatic or maladaptive behavior and promoting mental and behavioral health. It includes, but is not limited to, providing the following services to individuals, families, groups, organizations, and the public, whether or not payment is received for services rendered:

(a) Psychological measurement, assessment, and evaluation by means of psychological, neuropsychological, and psychoeducational testing;

(b) Diagnosis and treatment of mental, emotional, and behavioral disorders, and psychological aspects of illness, injury, and disability; and

(c) Counseling and guidance, psychotherapeutic techniques, remediation, health promotion, and consultation within the context of established psychological principles and theories.

This definition does not include the teaching of principles of psychology for accredited educational institutions, or the conduct of research in problems of human or animal behavior.

Nothing in this definition shall be construed as permitting the administration or prescribing of drugs or in any way infringing upon the practice of medicine and surgery as defined in chapter 18.71 RCW.

(2) "Secretary" means the secretary of health.

(3) "Board" means the examining board of psychology.

(4) "Department" means the department of health. [1994 c 35 § 1; 1991 c 3 § 193; 1984 c 279 § 75; 1979 c 158 § 67; 1965 c 70 § 1; 1955 c 305 § 1.]

**Severability—1984 c 279:** See RCW 18.130.901.

**18.83.020 License required—Use of "psychology" or similar terms.** (1) To safeguard the people of the state of Washington from the dangers of unqualified and improper practice of psychology, it is unlawful for any person to whom this chapter applies to represent himself or herself to be a psychologist without first obtaining a license as provided in this chapter.

(2) A person represents himself or herself to be a psychologist when the person adopts or uses any title or any description of services which incorporates one or more of the following terms: "psychology," "psychological," "psychologist," or any term of like import. [1986 c 27 § 1; 1965 c 70 § 2; 1955 c 305 § 2.]

**18.83.035 Examining board—Composition—Terms—Chairperson.** (Effective until June 30, 2005.) There is created the examining board of psychology which shall examine the qualifications of applicants for licensing. The board shall consist of seven psychologists and two

public members, all appointed by the governor. The public members shall not be and have never been psychologists or in training to be psychologists; they may not have any household member who is a psychologist or in training to be a psychologist; they may not participate or ever have participated in a commercial or professional field related to psychology, nor have a household member who has so participated; and they may not have had within two years before appointment a substantial financial interest in a person regulated by the board. Each psychologist member of the board shall be a citizen of the United States who has actively practiced psychology in the state of Washington for at least three years immediately preceding appointment and who is licensed under this chapter. Board members shall be appointed for a term of five years, except that the terms of the existing appointees shall be adjusted by the governor so that no more than two members' terms expire each year with all subsequent appointments for a five-year term. Upon the death, resignation, or removal of a member, the governor shall appoint a successor to serve for the unexpired term. The board shall elect one of its members to serve as chairperson. [1989 c 226 § 1; 1986 c 27 § 2; 1984 c 279 § 76.]

**Board termination and repeal:** See RCW 18.83.910 and 18.83.911.  
**Severability—1984 c 279:** See RCW 18.130.901.

**18.83.045 Examining board—Generally.** (*Effective until June 30, 2005.*) The board shall meet at least once each year and at such other times as the board deems appropriate to properly discharge its duties. All meetings shall be held in Olympia, Washington, or such other places as may be designated by the secretary. Five members of the board shall constitute a quorum, except that oral examinations may be conducted with only three psychologist members. [1991 c 3 § 195; 1984 c 279 § 77.]

**Board termination and repeal:** See RCW 18.83.910 and 18.83.911.  
**Severability—1984 c 279:** See RCW 18.130.901.

**18.83.050 Examining board—Powers and duties.** (*Effective until June 30, 2005.*) (1) The board shall adopt such rules as it deems necessary to carry out its functions.

(2) The board shall examine the qualifications of applicants for licensing under this chapter, to determine which applicants are eligible for licensing under this chapter and shall forward to the secretary the names of applicants so eligible.

(3) The board shall administer examinations to qualified applicants on at least an annual basis. The board shall determine the subject matter and scope of the examinations and shall require both written and oral examinations of each applicant, except as provided in RCW 18.83.170. The board may allow applicants to take the written examination upon the granting of their doctoral degree before completion of their internship for supervised experience.

(4) The board shall keep a complete record of its own proceedings, of the questions given in examinations, of the names and qualifications of all applicants, and the names and addresses of all licensed psychologists. The examination paper of such applicant shall be kept on file for a period of at least one year after examination.

(5) The board shall, by rule, adopt a code of ethics for psychologists which is designed to protect the public interest.

(6) The board may require that persons licensed under this chapter as psychologists obtain and maintain professional liability insurance in amounts determined by the board to be practicable and reasonably available. [1994 c 35 § 2; 1991 c 3 § 196; 1986 c 27 § 3; 1984 c 279 § 78; 1965 c 70 § 5; 1955 c 305 § 5.]

**Board termination and repeal:** See RCW 18.83.910 and 18.83.911.  
**Severability—1984 c 279:** See RCW 18.130.901.

**18.83.051 Examining board—Compensation and travel expenses.** (*Effective until June 30, 2005.*) Each member of the board shall be compensated in accordance with RCW 43.03.240 and in addition thereto shall be reimbursed for travel expenses incurred in carrying out the duties of the board in accordance with RCW 43.03.050 and 43.03.060. [1984 c 287 § 48; 1983 c 168 § 10; 1975-'76 2nd ex.s. c 34 § 48; 1969 ex.s. c 199 § 19; 1965 c 70 § 21.]

**Board termination and repeal:** See RCW 18.83.910 and 18.83.911.  
**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**Severability—1983 c 168:** See RCW 18.120.910.

**Effective date—Severability—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

**18.83.054 Application of uniform disciplinary act.** The uniform disciplinary act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter, except that the term "unlicensed practice" shall be defined by RCW 18.83.180 rather than RCW 18.130.020. [1987 c 150 § 51.]

**Severability—1987 c 150:** See RCW 18.122.901

**18.83.060 Application, examination—Fees.** Administrative procedures, administrative requirements, and fees for applications and examinations shall be established as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 64; 1991 c 3 § 197; 1984 c 279 § 79; 1975 1st ex.s. c 30 § 72; 1965 c 70 § 6; 1955 c 305 § 6.]

**Severability—1984 c 279:** See RCW 18.130.901.

**18.83.070 Applicants—Qualifications—Examination.** An applicant for a license as "psychologist" must submit proof to the board that:

(1) The applicant is of good moral character.

(2) The applicant holds a doctoral degree from a regionally accredited institution, obtained from an integrated program of graduate study in psychology as defined by rules of the board.

(3) The applicant has had no fewer than two years of supervised experience, at least one of which shall have been obtained subsequent to the granting of the doctoral degree. The board shall adopt rules defining the circumstances under which supervised experience shall qualify the candidate for licensure.

(4) The applicant has passed the written or oral examinations, or both, as prescribed by the board.

Any person holding a valid license to practice psychology in the state of Washington on June 7, 1984, shall be considered licensed under this chapter. [1995 c 198 § 11; 1984 c 279 § 80; 1965 c 70 § 7; 1955 c 305 § 7.]

**Severability—1984 c 279:** See RCW 18.130.901.

**18.83.072 Examinations.** (1) Examination of applicants shall be held in Olympia, Washington, or at such other place as designated by the secretary, at least annually at such times as the board may determine.

(2) Any applicant shall have the right to discuss with the board his or her performance on the examination.

(3) Any applicant who fails to make a passing grade on the examination may be allowed to retake the examination. Any applicant who fails the examination a second time must obtain special permission from the board to take the examination again.

(4) The board may approve an examination prepared or administered by a private testing agency or association of licensing authorities. [1996 c 191 § 65; 1995 c 198 § 12; 1991 c 3 § 198; 1984 c 279 § 81; 1971 ex.s. c 266 § 15; 1965 c 70 § 20.]

**Severability—1984 c 279:** See RCW 18.130.901.

**18.83.080 Licenses—Issuance—Display.** The board shall forward to the secretary the name of each applicant entitled to a license under this chapter. The secretary shall promptly issue to such applicant a license authorizing such applicant to use the title "psychologist". Each licensed psychologist shall keep his or her license displayed in a conspicuous place in his or her principal place of business. [1996 c 191 § 66; 1991 c 3 § 199; 1986 c 27 § 4; 1965 c 70 § 8; 1955 c 305 § 8.]

**18.83.082 Temporary permit.** A person, not licensed in this state, who wishes to perform practices under the provisions of this chapter for a period not to exceed ninety days within a calendar year, must petition the board for a temporary permit to perform such practices. If the person is licensed or certified in another state deemed by the board to have standards equivalent to this chapter, a permit may be issued. No fee shall be charged for such temporary permit. [1996 c 191 § 67; 1984 c 279 § 82; 1975 1st ex.s. c 30 § 73; 1965 c 70 § 23.]

**Severability—1984 c 279:** See RCW 18.130.901.

**18.83.090 Continuing education requirements—License renewal.** The board shall establish rules governing mandatory continuing education requirements which shall be met by any psychologist applying for a license renewal. Administrative procedures, administrative requirements, and fees for renewal and reissue of licenses shall be established as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 68; 1991 c 3 § 200; 1984 c 279 § 83; 1977 c 58 § 1; 1975 1st ex.s. c 30 § 74; 1971 ex.s. c 266 § 16; 1965 c 70 § 9; 1955 c 305 § 9.]

**Severability—1984 c 279:** See RCW 18.130.901.

**18.83.105 Certificates of qualification.** The board may issue certificates of qualification with appropriate title to applicants who meet all the licensing requirements except the possession of the degree of Doctor of Philosophy or its equivalent in psychology from an accredited educational institution. These certificates of qualification certify that the holder has been examined by the board and is deemed competent to perform certain functions within the practice of psychology under the periodic direct supervision of a

psychologist licensed by the board. Such functions will be specified on the certificate issued by the board. Such applicant shall comply with administrative procedures, administrative requirements, and fees determined under RCW 43.70.250 and 43.70.280. Upon petition by a holder the board of examiners may grant authority to function without immediate supervision. [1996 c 191 § 69; 1991 c 3 § 201; 1985 c 7 § 67; 1975 1st ex.s. c 30 § 75; 1965 c 70 § 22.]

**18.83.110 Privileged communications.** Confidential communications between a client and a psychologist shall be privileged against compulsory disclosure to the same extent and subject to the same conditions as confidential communications between attorney and client, but this exception is subject to the limitations under RCW 70.96A.140 and 71.05.250. [1989 c 271 § 303; 1987 c 439 § 12; 1965 c 70 § 11; 1955 c 305 § 11.]

**Severability—1989 c 271:** See note following RCW 9.94A.310.

**18.83.115 Duty to disclose information to client.** (1) Psychologists licensed under this chapter shall provide clients at the commencement of any program of treatment with accurate disclosure information concerning their practice, in accordance with guidelines developed by the board, which will inform clients of the purposes of and resources available under this chapter, including the right of clients to refuse treatment, the responsibility of clients for choosing the provider and treatment modality which best suits their needs, and the extent of confidentiality provided by this chapter. The disclosure information provided by the psychologist, the receipt of which shall be acknowledged in writing by the psychologist and client, shall include any relevant education and training, the therapeutic orientation of the practice, the proposed course of treatment where known, any financial requirements, and such other information as the board may require by rule.

(2) In in-patient settings, the health facility shall provide clients with the disclosure statement at the commencement of any program of treatment, and shall post the statement in a conspicuous location accessible to the client.

(3) The board shall provide for modification of the guidelines as appropriate in cases where the client has been referred by the court, a state agency, or other governmental body to a particular provider for specified evaluation or treatment. [1986 c 27 § 9.]

**18.83.121 Unprofessional conduct.** In addition to those acts defined in chapter 18.130 RCW, the board may take disciplinary action under RCW 18.130.160 for the following reasons:

(1) Failing to maintain the confidentiality of information under RCW 18.83.110;

(2) Violating the ethical code developed by the board under RCW 18.83.050;

(3) Failing to inform prospective research subjects or their authorized representatives of the possible serious effects of participation in research; and failing to undertake reasonable efforts to remove possible harmful effects of participation;

(4) Practicing in an area of psychology for which the person is clearly untrained or incompetent;

(5) Failing to exercise appropriate supervision over persons who practice under the supervision of a psychologist;

(6) Using fraud or deceit in the procurement of the psychology license, or knowingly assisting another in the procurement of such a license through fraud or deceit;

(7) Failing to maintain professional liability insurance when required by the board;

(8) Violating any state statute or administrative rule specifically governing the practice of psychology; or

(9) Gross, wilful, or continued overcharging for professional services. [1987 c 150 § 52.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.83.135 Examining board—Powers and duties.** In addition to the authority prescribed under RCW 18.130.050, the board shall have the following authority:

(1) To maintain records of all activities, and to publish and distribute to all psychologists at least once each year abstracts of significant activities of the committee; and

(2) To obtain the written consent of the complaining client or patient or their legal representative, or of any person who may be affected by the complaint, in order to obtain information which otherwise might be confidential or privileged. [1994 c 35 § 4; 1992 c 12 § 1; 1987 c 150 § 53; 1984 c 279 § 86.]

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1984 c 279:** See RCW 18.130.901.

**18.83.155 Examining board—Notice of disciplinary action.** The board shall report to appropriate national and state organizations which represent the profession of psychology any disciplinary action. [1994 c 35 § 5; 1987 c 150 § 54; 1984 c 279 § 89.]

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1984 c 279:** See RCW 18.130.901.

**18.83.170 Endorsement.** Upon compliance with administrative procedures, administrative requirements, and fees determined under RCW 43.70.250 and 43.70.280, the board may grant a license, without written examination, to any applicant who has not previously failed any examination held by the board of psychology of the state of Washington and furnishes evidence satisfactory to the board that the applicant:

(1) Holds a doctoral degree with primary emphasis on psychology from an accredited college or university; and

(2) Is licensed or certified to practice psychology in another state or country in which the requirements for such licensing or certification are, in the judgment of the board, essentially equivalent to those required by this chapter and the rules and regulations of the board. Such individuals must have been licensed or certified in another state for a period of at least two years; or

(3) Is a diplomate in good standing of the American Board of Examiners in Professional Psychology. [1996 c 191 § 70; 1991 c 3 § 202; 1984 c 279 § 92; 1975 1st ex.s. c 30 § 76; 1965 c 70 § 17; 1955 c 305 § 17.]

**Severability—1984 c 279:** See RCW 18.130.901.

**18.83.180 Penalties.** It shall be a gross misdemeanor and unlicensed practice for any person to:

(1) Use in connection with his or her name any designation tending to imply that he or she is a licensed psychologist unless duly licensed under or specifically excluded from the provisions of this chapter;

(2) Practice as a licensed psychologist during the time his or her license issued under the provisions of this chapter is suspended or revoked. [1987 c 150 § 55; 1965 c 70 § 18; 1955 c 305 § 18.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.83.190 Injunction.** If any person represents himself or herself to be a psychologist, unless the person is exempt from the provisions of this chapter, without possessing a valid license, certificated qualification, or a temporary permit to do so, or if he or she violates any of the provisions of this chapter, any prosecuting attorney, the secretary, or any citizen of the same county may maintain an action in the name of the state to enjoin such person from representing himself or herself as a psychologist. The injunction shall not relieve the person from criminal prosecution, but the remedy by injunction shall be in addition to the liability of such offender to criminal prosecution and to suspension or revocation of his or her license. [1991 c 3 § 203; 1986 c 27 § 8; 1965 c 70 § 24.]

**18.83.200 Exemptions.** This chapter shall not apply to:

(1) Any person teaching, lecturing, consulting, or engaging in research in psychology but only insofar as such activities are performed as a part of or are dependent upon a position in a college or university in the state of Washington.

(2) Any person who holds a valid school psychologist credential from the Washington state board of education but only when such a person is practicing psychology in the course of his or her employment.

(3) Any person employed by a local, state, or federal government agency whose psychologists must qualify for employment under federal or state certification or civil service regulations; but only at those times when that person is carrying out the functions of his or her employment.

(4) Any person who must qualify under the employment requirements of a business or industry and who is employed by a business or industry which is not engaged in offering psychological services to the public, but only when such person is carrying out the functions of his or her employment: **PROVIDED**, That no person exempt from licensing under this subsection shall engage in the clinical practice of psychology.

(5) Any person who is a student of psychology, psychological intern, or resident in psychology preparing for the profession of psychology under supervision in a training institution or facilities and who is designated by the title such as "psychological trainee," "psychology student," which thereby indicates his or her training status.

(6) Any person who has received a doctoral degree from an accredited institution of higher learning with an adequate major in sociology or social psychology as determined by the board and who has passed comprehensive examinations

in the field of social psychology as part of the requirements for the doctoral degree. Such persons may use the title "social psychologist" provided that they file a statement of their education with the board. [1986 c 27 § 10; 1965 c 70 § 19.]

**18.83.210 Certain counseling or guidance not prohibited.** Nothing in this chapter shall be construed as prohibiting any individual from offering counseling or guidance provided that such individuals do not hold themselves forth as psychologists. [1965 c 70 § 25.]

**18.83.900 Severability—1965 c 70.** If any provision of this 1965 amendatory act, or its application to any person or circumstance is held invalid, the remainder of the 1965 amendatory act, or the application of the provision to other persons or circumstances is not affected. [1965 c 70 § 26.]

**18.83.910 Examining board—Termination.** The powers and duties of the examining board of psychology shall be terminated on June 30, 2004, as provided in RCW 18.83.911. [1994 c 35 § 6; 1990 c 297 § 7; 1988 c 288 § 8; 1986 c 27 § 11; 1985 c 7 § 109; 1984 c 279 § 94. Formerly RCW 43.131.323.]

**18.83.911 Examining board—Repeal.** The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective June 30, 2005:

(1) Section 76, chapter 279, Laws of 1984, section 2, chapter 27, Laws of 1986, section 1, chapter 226, Laws of 1989 and RCW 18.83.035;

(2) Section 77, chapter 279, Laws of 1984 and RCW 18.83.045;

(3) Section 5, chapter 305, Laws of 1955, section 5, chapter 70, Laws of 1965, section 78, chapter 279, Laws of 1984, section 3, chapter 27, Laws of 1986 and RCW 18.83.050; and

(4) Section 21, chapter 70, Laws of 1965, section 19, chapter 199, Laws of 1969 ex. sess., section 48, chapter 34, Laws of 1975-'76 2nd ex. sess., section 10, chapter 168, Laws of 1983, section 48, chapter 287, Laws of 1984 and RCW 18.83.051. [1994 c 35 § 7; 1990 c 297 § 8.]

## Chapter 18.84

### RADIOLOGIC TECHNOLOGISTS

#### Sections

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(1998 Ed.)

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18.84.902	Severability—1987 c 412.
18.84.903	Effective date—1991 c 222.

*Regulation of health professions—Criteria: Chapter 18.120 RCW.*

**18.84.010 Legislative intent—Insurance coverage not required.** It is the intent and purpose of this chapter to protect the public by the certification and registration of practitioners of radiological technology. By promoting high standards of professional performance, by requiring professional accountability, and by credentialing those persons who seek to provide radiological technology under the title of radiological technologists, and by regulating all persons utilizing ionizing radiation on human beings this chapter identifies those practitioners who have achieved a particular level of competency. Nothing in this chapter shall be construed to require that individual or group policies or contracts of an insurance carrier, health care service contractor, or health maintenance organization provide benefits or coverage for services and supplies provided by a person certified under this chapter.

The legislature finds and declares that this chapter conforms to the guidelines, terms, and definitions for the credentialing of health or health-related professions specified under chapter 18.120 RCW. [1991 c 222 § 1; 1987 c 412 § 1.]

**18.84.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Department" means the department of health.

(2) "Secretary" means the secretary of health.

(3) "Licensed practitioner" means any licensed health care practitioner performing services within the person's authorized scope of practice.

(4) "Radiologic technologist" means an individual certified under this chapter, other than a licensed practitioner, who practices radiologic technology as a:

(a) Diagnostic radiologic technologist, who is a person who actually handles x-ray equipment in the process of applying radiation on a human being for diagnostic purposes at the direction of a licensed practitioner; or

(b) Therapeutic radiologic technologist, who is a person who uses radiation-generating equipment for therapeutic purposes on human subjects at the direction of a licensed practitioner; or

(c) Nuclear medicine technologist, who is a person who prepares radiopharmaceuticals and administers them to human beings for diagnostic and therapeutic purposes and who performs in vivo and in vitro detection and measurement of radioactivity for medical purposes at the direction of a licensed practitioner.

(5) "Approved school of radiologic technology" means a school of radiologic technology approved by the council on medical education of the American medical association or a school found to maintain the equivalent of such a course of study as determined by the department. Such school may be operated by a medical or educational institution, and for the purpose of providing the requisite clinical experience, shall be affiliated with one or more general hospitals.

(6) "Radiologic technology" means the use of ionizing radiation upon a human being for diagnostic or therapeutic purposes.

(7) "Radiologist" means a physician certified by the American board of radiology or the American osteopathic board of radiology.

(8) "Registered x-ray technician" means a person who is registered with the department, and who applies ionizing radiation at the direction of a licensed practitioner. [1994 sp.s. c 9 § 505; 1991 c 222 § 2; 1991 c 3 § 204; 1987 c 412 § 3.]

**Severability—Headings and captions not law—Effective date—**1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

**18.84.030 Registration or certificate required.** No person may practice radiologic technology without being registered or certified under this chapter, unless that person is a licensed practitioner as defined in RCW 18.84.020(3). A person represents himself or herself to the public as a certified radiological technologist when that person adopts or uses a title or description of services that incorporates one or more of the following items or designations:

(1) Certified radiologic technologist or CRT, for persons so certified under this chapter;

(2) Certified radiologic therapy technologist, CRTT, or CRT, for persons certified in the therapeutic field;

(3) Certified radiologic diagnostic technologist, CRDT, or CRT, for persons certified in the diagnostic field; or

(4) Certified nuclear medicine technologist, CNMT, or CRT, for persons certified as nuclear medicine technologists. [1991 c 222 § 3; 1987 c 412 § 2.]

**18.84.040 Powers of secretary—Application of Uniform Disciplinary Act—Ad hoc advisers.** (1) In addition to any other authority provided by law, the secretary may:

(a) Adopt rules, in accordance with chapter 34.05 RCW, necessary to implement this chapter;

(b) Set all registration, certification, and renewal fees in accordance with RCW 43.70.250;

(c) Establish forms and procedures necessary to administer this chapter;

(d) Evaluate and designate those schools from which graduation will be accepted as proof of an applicant's eligibility to receive a certificate;

(e) Determine whether alternative methods of training are equivalent to formal education, and to establish forms, procedures, and criteria for evaluation of an applicant's alternative training to determine the applicant's eligibility to receive a certificate;

(f) Issue a certificate to any applicant who has met the education, training, and conduct requirements for certification; and

(g) Issue a registration to an applicant who meets the requirement for a registration.

(2) The secretary may hire clerical, administrative, and investigative staff as needed to implement this chapter.

(3) The Uniform Disciplinary Act, chapter 18.130 RCW, governs the issuance and denial of registrations and certifications, unregistered and uncertified practice, and the discipline

of registrants and certificants under this chapter. The secretary is the disciplining authority under this chapter.

(4) The secretary may appoint ad hoc members of the profession to serve in an ad hoc advisory capacity to the secretary in carrying out this chapter. The members will serve for designated times and provide advice on matters specifically identified and requested by the secretary. The members shall be compensated in accordance with RCW 43.03.220 and reimbursed for travel expenses under RCW 43.03.040 and 43.03.060. [1994 sp.s. c 9 § 506; 1991 c 222 § 11; 1991 c 3 § 205; 1987 c 412 § 5.]

**Severability—Headings and captions not law—Effective date—**1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

*Health professions advisory committee: RCW 18.138.120.*

**18.84.050 Record of proceedings.** The secretary shall keep an official record of all proceedings, a part of which record shall consist of a register of all applicants for certification under this chapter, with the result of each application. [1991 c 3 § 206; 1987 c 412 § 6.]

**18.84.070 Secretary and ad hoc committee immune from liability.** The secretary, ad hoc committee members, or individuals acting on their behalf are immune from suit in any civil action based on any certification or disciplinary proceedings or other official acts performed in the course of their duties. [1994 sp.s. c 9 § 507; 1991 c 3 § 208; 1987 c 412 § 8.]

**Severability—Headings and captions not law—Effective date—**1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

**18.84.080 Certification—Qualifications.** (1) The secretary shall issue a certificate to any applicant who demonstrates to the secretary's satisfaction, that the following requirements have been met:

(a) Graduation from an approved school or successful completion of alternate training that meets the criteria established by the secretary; and

(b) Good moral character.

(2) Applicants shall be subject to the grounds for denial or issuance of a conditional license under chapter 18.130 RCW.

(3) The secretary shall establish by rule what constitutes adequate proof of meeting the requirements for certification and for designation of certification in a particular field of radiologic technology. [1991 c 3 § 209; 1987 c 412 § 9.]

**18.84.090 Certification—Approval of schools and training.** The secretary shall establish by rule the standards and procedures for approval of schools and alternate training, and may contract with individuals or organizations having expertise in the profession or in education to assist in evaluating those applying for approval. The standards and procedures set shall apply equally to schools and training within the United States and those in foreign jurisdictions. [1994 sp.s. c 9 § 508; 1991 c 3 § 210; 1987 c 412 § 10.]

**Severability—Headings and captions not law—Effective date—**1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

**18.84.100 Certification—Application form—Fee.** Applications for certification must be submitted on forms

provided by the secretary. The secretary may require any information and documentation that reasonably relates to the determination of whether the applicant meets the requirements for certification provided for in this chapter and chapter 18.130 RCW. Each applicant shall comply with administrative procedures, administrative requirements, and fees determined by the secretary as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 71; 1991 c 3 § 211; 1987 c 412 § 11.]

**18.84.110 Renewal of certificates.** The secretary shall establish the administrative procedures, administrative requirements, and fees for renewal of certificates as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 72; 1994 sp.s. c 9 § 509; 1991 c 3 § 212; 1987 c 412 § 12.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**18.84.120 Registration—Fee—Requirements.** The secretary may issue a registration to an applicant who submits, on forms provided by the department, the applicant's name, the address, occupational title, name and location of business where applicant performs his or her services, and other information as determined by the secretary, including information necessary to determine whether there are grounds for denial of registration under this chapter or chapter 18.130 RCW. Each applicant shall pay a fee as determined by the secretary as provided in RCW 43.70.250 and 43.70.280. The secretary shall establish the administrative procedures, administrative requirements, and fees for registration and for renewal of registrations as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 73; 1991 c 222 § 4.]

**18.84.130 Educational material.** The secretary may provide educational materials and training to registered x-ray technicians, certified radiologic technologists, licensed practitioners and the public concerning, but not limited to, health risks associated with ionizing radiation, proper radiographic techniques, and x-ray equipment maintenance. The secretary may charge fees to recover the cost of providing educational materials and training. [1991 c 222 § 5.]

**18.84.140 Application of chapter—Exemption for authorized scope of practice.** Nothing in this chapter may be construed to prohibit or restrict the practice of a profession by a person who is either registered, certified, licensed, or similarly regulated under the laws of this state who is performing services within the person's authorized scope of practice. [1991 c 222 § 6.]

**18.84.150 Application of chapter—Exemption for dentists.** This chapter does not apply to practitioners licensed under chapter 18.32 RCW or unlicensed persons supervised by persons licensed under chapter 18.32 RCW. [1991 c 222 § 7.]

**18.84.160 Application of chapter—Exemption for chiropractors.** This chapter does not apply to practitioners licensed under chapter 18.25 RCW or unlicensed persons

supervised by persons licensed under chapter 18.25 RCW. [1991 c 222 § 8.]

**18.84.170 Registration deadline.** Persons required to register under this chapter must be registered by January 1, 1992. [1991 c 222 § 10.]

**18.84.901 Effective date—1987 c 412.** This act shall take effect October 1, 1987. [1987 c 412 § 17.]

**18.84.902 Severability—1987 c 412.** 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. [1987 c 412 § 21.]

**18.84.903 Effective date—1991 c 222.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1991. [1991 c 222 § 14.]

## Chapter 18.85

### REAL ESTATE BROKERS AND SALESPERSONS

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*Department of licensing, division of real estate in business and professions administration: RCW 46.01.050.*

*Excise tax on real estate sales: Chapter 82.45 RCW.*

*Real estate salesman or broker on commission not subject to unemployment compensation: RCW 50.04.230.*

**18.85.010 Definitions.** In this chapter words and phrases have the following meanings unless otherwise apparent from the context:

(1) "Real estate broker," or "broker," means a person, while acting for another for commissions or other compensation or the promise thereof, or a licensee under this chapter while acting in his or her own behalf, who:

(a) Sells or offers for sale, lists or offers to list, buys or offers to buy real estate or business opportunities, or any interest therein, for others;

(b) Negotiates or offers to negotiate, either directly or indirectly, the purchase, sale, exchange, lease, or rental of real estate or business opportunities, or any interest therein, for others;

(c) Negotiates or offers to negotiate, either directly or indirectly, the purchase, sale, lease, or exchange of a manufactured or mobile home in conjunction with the purchase, sale, exchange, rental, or lease of the land upon which the manufactured or mobile home is, or will be, located;

(d) Advertises or holds himself or herself out to the public by any oral or printed solicitation or representation that he or she is so engaged; or

(e) Engages, directs, or assists in procuring prospects or in negotiating or closing any transaction which results or is calculated to result in any of these acts;

(2) "Real estate salesperson" or "salesperson" means any natural person employed, either directly or indirectly, by a real estate broker, or any person who represents a real estate broker in the performance of any of the acts specified in subsection (1) of this section;

(3) An "associate real estate broker" is a person who has qualified as a "real estate broker" who works with a broker and whose license states that he or she is associated with a broker;

(4) The word "person" as used in this chapter shall be construed to mean and include a corporation, limited liability

company, limited liability partnership, or partnership, except where otherwise restricted;

(5) "Business opportunity" shall mean and include business, business opportunity and good will of an existing business or any one or combination thereof;

(6) "Commission" means the real estate commission of the state of Washington;

(7) "Director" means the director of licensing;

(8) "Real estate multiple listing association" means any association of real estate brokers:

(a) Whose members circulate listings of the members among themselves so that the properties described in the listings may be sold by any member for an agreed portion of the commission to be paid; and

(b) Which require in a real estate listing agreement between the seller and the broker, that the members of the real estate multiple listing association shall have the same rights as if each had executed a separate agreement with the seller;

(9) "Clock hours of instruction" means actual hours spent in classroom instruction in any tax supported, public technical college, community college, or any other institution of higher learning or a correspondence course from any of the aforementioned institutions certified by such institution as the equivalent of the required number of clock hours, and the real estate commission may certify courses of instruction other than in the aforementioned institutions; and

(10) "Incapacitated" means the physical or mental inability to perform the duties of broker prescribed by this chapter. [1998 c 46 § 2; 1997 c 322 § 1; 1987 c 332 § 1; 1981 c 305 § 1; 1979 c 158 § 68; 1977 ex.s. c 370 § 1; 1973 1st ex.s. c 57 § 1; 1972 ex.s. c 139 § 1; 1969 c 78 § 1; 1953 c 235 § 1; 1951 c 222 § 1; 1943 c 118 § 1; 1941 c 252 § 2; Rem. Supp. 1943 § 8340-25. Prior: 1925 ex.s. c 129 § 4.]

**18.85.030 Employees.** The director shall appoint an adequate staff to assist him or her. [1997 c 322 § 2; 1972 ex.s. c 139 § 2; 1951 c 222 § 2; 1945 c 111 § 1, part; 1941 c 252 § 5, part; Rem. Supp. 1945 § 8340-28, part.]

**18.85.040 Director—General powers and duties—Disciplinary action.** (1) The director, with the advice and approval of the commission, may issue rules and regulations to govern the activities of real estate brokers, associate real estate brokers and salespersons, consistent with this chapter, fix the times and places for holding examinations of applicants for licenses and prescribe the method of conducting them.

(2) The director shall enforce all laws, rules and regulations relating to the licensing of real estate brokers, associate real estate brokers, and salespersons, grant or deny licenses to real estate brokers, associate real estate brokers, and salespersons, and hold hearings. The director may impose any one or more of the following sanctions: Suspend or revoke licenses, deny applications for licenses, fine violators, or require the completion of a course in a selected aspect of real estate practice relevant to the provision of this chapter or rule violated. The director may deny, suspend or revoke the authority of a broker to act as the designated

broker of persons who commit violations of the real estate license law or of the rules and regulations.

(3) The director shall establish by rule standards for licensure of applicants licensed in other jurisdictions.

(4) The director shall institute a program of real estate education including, but not limited to, instituting a program of education at institutions of higher education in Washington. The overall program shall include establishing minimum levels of ongoing education for licensees relating to the practice of real estate by real estate brokers and salespersons under this chapter. The program may also include the development or implementation of curricula courses, educational materials, or approaches to education relating to real estate when required, approved, or certified for continuing education credit. The director may enter into contracts with other persons or entities, whether publicly or privately owned or operated, to assist in developing or implementing the real estate education program.

(5) The director shall charge a fee, as prescribed by the director by rule, for the certification of courses of instruction, instructors, and schools. [1992 c 92 § 1; 1988 c 205 § 2; 1987 c 332 § 2; 1972 ex.s. c 139 § 3; 1953 c 235 § 2; 1951 c 222 § 3; 1941 c 252 § 4; Rem. Supp. 1941 § 8340-27. Prior: 1925 ex.s. c 129 § 2.]

**Effective date—1992 c 92:** "This act shall take effect July 1, 1993." [1992 c 92 § 5.]

**18.85.050 Director and employees business interest prohibited.** Neither the director nor any employees, shall be interested in any real estate business regulated by \*this 1972 amendatory act: **PROVIDED**, That if any real estate broker, associate real estate broker, or salesman is employed by the director or by the commission as an employee, the license of such broker, associate real estate broker, or salesman shall not be revoked, suspended, or canceled by reason thereof. [1972 ex.s. c 139 § 4; 1953 c 235 § 3; 1951 c 222 § 4; 1945 c 111 § 1, part; 1941 c 252 § 5, part; Rem. Supp. 1945 § 8340-28, part.]

**\*Reviser's note:** "This 1972 amendatory act" [1972 ex.s. c 139] consists of the amendments to RCW 18.85.010, 18.85.030, 18.85.040, 18.85.050, 18.85.060, 18.85.071, 18.85.090, 18.85.100, 18.85.110, 18.85.130, 18.85.140, 18.85.150, 18.85.161, 18.85.170, 18.85.190, 18.85.210, 18.85.230, 18.85.271, 18.85.290, and the enactment of RCW 18.85.095, 18.85.155, and 18.85.920.

**18.85.055 Licensure of state employees conducting real estate transactions.** No person licensed under this chapter who is employed by the state and who is conducting real estate transactions on behalf of the state may hold an active license under this chapter. [1987 c 514 § 2.]

**Severability—1987 c 514:** See RCW 18.118.900.

**18.85.060 Director's seal.** The director shall adopt a seal with the words real estate director, state of Washington, and such other device as the director may approve engraved thereon, by which he or she shall authenticate the proceedings of the office. Copies of all records and papers in the office of the director certified to be a true copy under the hand and seal of the director shall be received in evidence in all cases equally and with like effect as the originals. The director may deputize one or more assistants to certify records and papers. [1997 c 322 § 3; 1972 ex.s. c 139 § 5;

1941 c 252 § 8; RRS § 8340-31. Prior: 1925 ex.s. c 129 § 7.]

**18.85.071 Real estate commission created—Qualifications, terms, appointment of members—Vacancies.** There is established the real estate commission of the state of Washington, consisting of the director of the commission and six commission members who shall act in an advisory capacity to the director.

The six 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 appointed one for a term of one year, one for a term of two years, one for a term of three years, one for a term of four years, one for a term of five years, and one for a term of six years, with all other subsequent appointees to be appointed for a six year term. At least two of the commission members shall be selected from the area in the state west of the Cascade mountain range and at least two shall be selected from that area of the state east of the Cascade mountain range. No commission member shall be appointed who has had less than five years experience in the sale, operation, or management of real estate in this state, or has had at least three years experience in investigative work of a similar nature, preferably in connection with the administration of real estate license law of this state or elsewhere. Any vacancies on the commission shall be filled by appointment by the governor for the unexpired term. [1972 ex.s. c 139 § 6; 1953 c 235 § 17.]

**18.85.080 Commission—Compensation and travel expenses.** The six board members of the commission 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 shall be called into session by the director or when presiding at examinations for applicants for licenses or when otherwise engaged in the business of the commission. [1984 c 287 § 49; 1975-'76 2nd ex.s. c 34 § 49; 1953 c 235 § 4; 1951 c 222 § 6; 1941 c 252 § 14; Rem. Supp. 1941 § 8340-37.]

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**Effective date—Severability—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

**18.85.085 Commission—Educational conferences—Examinations of applicants for licenses.** The commission shall have authority to hold educational conferences for the benefit of the industry, and shall conduct examinations of applicants for licenses under this chapter. The commission shall ensure that examinations are prepared and administered at examination centers throughout the state. [1997 c 322 § 4; 1977 ex.s. c 24 § 1; 1953 c 235 § 18.]

**18.85.090 Broker's license—Requirements—Exception.** (1) The minimum requirements for an individual to receive a broker's license are that the individual:

- (a) Is eighteen years of age or older;
- (b) Has a high school diploma or its equivalent;
- (c) Has had a minimum of two years of actual experience as a full-time real estate salesperson in this state or in

another state having comparable requirements within the five years previous to applying for the broker's license examination or is, in the opinion of the director, otherwise and similarly qualified, or is otherwise qualified by reason of practical experience in a business allied with or related to real estate;

(d) Except as provided in RCW 18.85.097, has furnished proof, as the director may require, that the applicant has successfully completed one hundred twenty hours of instruction in real estate. Instruction must include one course in brokerage management, one course in real estate law, one course in business management, and one elective course. Each course must be completed within five years prior to applying for the broker's license examination, be at least thirty clock hours, and be approved by the director. The applicant must pass a course examination, approved by the director for each course used to satisfy the broker's license requirement; and

(e) Has passed the broker's license examination.

(2) Nothing in this section applies to persons who are licensed as brokers under any real estate law in Washington that exists prior to this law's enactment, but only if their license has not been subsequently canceled or revoked. [1994 c 291 § 1; 1985 c 162 § 1; 1972 ex.s. c 139 § 8; 1953 c 235 § 5; 1951 c 222 § 7; 1941 c 252 § 15; Rem. Supp. 1941 § 8340-38.]

**Effective date—1994 c 291:** "This act shall take effect July 1, 1995." [1994 c 291 § 5.]

**18.85.095 Salespersons—Requirements—Renewal—Exception.** (1) The minimum requirements for an individual to receive a salesperson's license are that the individual:

(a) Is eighteen years of age or older;

(b) Except as provided in RCW 18.85.097, has furnished proof, as the director may require, that the applicant has successfully completed a sixty clock-hour course, approved by the director, in real estate fundamentals. The applicant must pass a course examination approved by the director. This course must be completed within five years prior to applying for the salesperson's license examination; and

(c) Has passed a salesperson's license examination.

(2) The minimum requirements for a salesperson to be issued the first renewal of a license are that the salesperson:

(a) Has furnished proof, as the director may require, that the salesperson has successfully completed a thirty clock-hour course, from a prescribed curriculum approved by the director, in real estate practices. The salesperson must pass a course examination approved by the director. This course shall be commenced after issuance of a first license; and

(b) Has furnished proof, as the director may require, that the salesperson has completed an additional thirty clock hours of continuing education in compliance with RCW 18.85.165. Courses for continuing education clock-hour credit shall be commenced after issuance of a first license.

(3) Nothing in this section applies to persons who are licensed as salespersons under any real estate law in Washington which exists prior to this law's enactment, but only if their license has not been subsequently canceled or revoked. [1997 c 322 § 5; 1994 c 291 § 2; 1988 c 205 § 3; 1987 c 332 § 3; 1985 c 162 § 2; 1977 ex.s. c 370 § 2; 1972 ex.s. c 139 § 7.]

**Effective date—1994 c 291:** See note following RCW 18.85.090.

**18.85.097 Substitution of educational requirements—Rules.** The director may allow for substitution of the clock-hour requirements in RCW 18.85.090(1)(d) and 18.85.095(1)(b), if the director makes a determination that the individual is otherwise and similarly qualified by reason of completion of equivalent educational coursework in any institution of higher education as defined in RCW 28B.10.016 or any degree-granting institution as defined in RCW 28B.85.010 approved by the director. The director shall establish by rule, guidelines for determining equivalent educational coursework. [1994 c 291 § 4; 1987 c 332 § 18.]

**Effective date—1994 c 291:** See note following RCW 18.85.090.

**18.85.100 License required—Prerequisite to suit for commission.** It shall be unlawful for any person to act as a real estate broker, associate real estate broker, or real estate salesperson without first obtaining a license therefor, and otherwise complying with the provisions of this chapter.

No suit or action shall be brought for the collection of compensation as a real estate broker, associate real estate broker, or real estate salesperson, without alleging and proving that the plaintiff was a duly licensed real estate broker, associate real estate broker, or real estate salesperson prior to the time of offering to perform any such act or service or procuring any promise or contract for the payment of compensation for any such contemplated act or service. [1997 c 322 § 6; 1972 ex.s. c 139 § 9; 1951 c 222 § 8. Formerly: (i) 1941 c 252 § 6; Rem. Supp. 1941 § 8340-29. (ii) 1941 c 252 § 25; Rem. Supp. 1941 § 8340-48.]

**18.85.110 Exemptions from licensing.** This chapter shall not apply to (1) any person who purchases property and/or a business opportunity for his or her own account, or that of a group of which he or she is a member, or who, as the owner or part owner of property, and/or a business opportunity, in any way disposes of the same; nor, (2) any duly authorized attorney in fact acting without compensation, or an attorney at law in the performance of his or her duties; nor, (3) any receiver, trustee in bankruptcy, executor, administrator, guardian, or any person acting under the order of any court, or selling under a deed of trust; nor, (4) any secretary, bookkeeper, accountant, or other office personnel who does not engage in any conduct or activity specified in any of the definitions under RCW 18.85.010; nor, (5) any owner of rental or lease property, members of the owner's family whether or not residing on such property, or a resident manager of a complex of residential dwelling units wherein such manager resides; nor, (6) any person who manages residential dwelling units on an incidental basis and not as his or her principal source of income so long as that person does not advertise or hold out to the public by any oral or printed solicitation or representation that he or she is so engaged; nor, (7) only with respect to the rental or lease of individual storage space, any person who owns or manages a self-service storage facility as defined under chapter 19.150 RCW. [1997 c 322 § 7; 1989 c 161 § 1; 1988 c 240 § 20; 1977 ex.s. c 370 § 9; 1972 ex.s. c 139 § 10; 1951 c 222 § 9; 1941 c 252 § 3; Rem. Supp. 1941 § 8340-26. Prior: 1925 ex.s. c 129 § 4.]

**Severability—1988 c 240:** See RCW 19.150.904.

**18.85.120 Applications—Conditions—Fees.** Any person desiring to be a real estate broker, associate real estate broker, or real estate salesperson, must pass an examination as provided in this chapter. Such person shall make application for an examination and for a license on a form prescribed by the director. Concurrently, the applicant shall:

(1) Pay an examination fee as prescribed by the director by rule.

(2) If the applicant is a corporation, furnish a certified copy of its articles of incorporation, and a list of its officers and directors and their addresses. If the applicant is a foreign corporation, the applicant shall furnish a certified copy of certificate of authority to conduct business in the state of Washington, a list of its officers and directors and their addresses, and evidence of current registration with the secretary of state. If the applicant is a limited liability company, the applicant shall furnish a list of the members and managers of the company and their addresses. If the applicant is a limited liability partnership or partnership, the applicant shall furnish a list of the partners thereof and their addresses.

(3) Furnish such other proof as the director may require concerning the honesty, truthfulness, and good reputation, as well as the identity, which may include fingerprints, of any applicants for a license, or of the officers of a corporation, or limited liability company, or the partners of a limited liability partnership or partnership, making the application. [1997 c 322 § 8; 1987 c 332 § 4; 1980 c 72 § 1; 1979 c 25 § 1. Prior: 1977 ex.s. c 370 § 3; 1977 ex.s. c 24 § 2; 1973 1st ex. s. c 42 § 1; 1953 c 235 § 6; 1951 c 222 § 10. Formerly: (i) 1947 c 203 § 1, part; 1945 c 111 § 3, part; 1943 c 118 § 2, part; 1941 c 252 § 11, part; Rem. Supp. 1947 § 8340-34, part; prior: 1925 ex.s. c 129 §§ 10, 11. (ii) 1947 c 203 § 3; 1945 c 111 § 6; 1941 c 252 § 16; Rem. Supp. 1947 § 8340-39.]

**18.85.130 Examinations—Scope—Manual—Moneys from sale.** The director shall provide each original applicant for an examination with a manual containing a sample list of questions and answers pertaining to real estate law and the operation of the business and may provide the same at cost to any licensee or to other members of the public. The director shall ascertain by written examination, that each applicant, and in case of a corporation, limited liability company, limited liability partnership, or partnership, that each officer, agent, or partner thereof whom it proposes to act as licensee, has:

(1) Appropriate knowledge of the English language, including reading, writing, spelling, and arithmetic;

(2) An understanding of the principles of real estate conveyancing, the general purposes and legal effect of deeds, mortgages, land contracts of sale, exchanges, rental and option agreements, and leases;

(3) An understanding of the principles of land economics and appraisals;

(4) An understanding of the obligations between principal and agent;

(5) An understanding of the principles of real estate practice and the canons of business ethics pertaining thereto; and,

(6) An understanding of the provisions of this chapter.

The examination for real estate brokers shall be more exacting than that for real estate salespersons.

All moneys received for the sale of the manual to licensees and members of the public shall be placed in the real estate commission fund to be returned to the current biennium operating budget. [1997 c 322 § 9; 1972 ex.s. c 139 § 11; 1951 c 222 § 11. Formerly: 1947 c 203 § 2, part; 1945 c 111 § 4, part; 1941 c 252 § 12, part; Rem. Supp. 1947 § 8340-35, part.]

**18.85.140 License fees—Expiration—Renewal—Identification cards.** Before receiving his or her license every real estate broker, every associate real estate broker, and every real estate salesperson must pay a license fee as prescribed by the director by rule. Every license issued under the provisions of this chapter expires on the applicant's second birthday following issuance of the license. Licenses issued to partnerships, limited liability partnerships, limited liability companies, and corporations expire on a date prescribed by the director by rule, except that if the registration or certificate of authority filed with the secretary of state expires, the real estate broker's license issued shall expire on that date. Licenses must be renewed every two years on or before the date established under this section and a biennial renewal license fee as prescribed by the director by rule must be paid.

If the application for a renewal license is not received by the director on or before the renewal date, a penalty fee as prescribed by the director by rule shall be paid. Acceptance by the director of an application for renewal after the renewal date shall not be a waiver of the delinquency.

The license of any person whose license renewal fee is not received within one year from the date of expiration shall be canceled. This person may obtain a new license by satisfying the procedures and requirements as prescribed by the director by rule.

The director shall issue to each active licensee a license and a pocket identification card in such form and size as he or she shall prescribe. [1997 c 322 § 10; 1991 c 225 § 2; 1989 c 161 § 2; 1987 c 332 § 5; 1979 c 25 § 2. Prior: 1977 ex.s. c 370 § 4; 1977 ex.s. c 24 § 3; 1972 ex.s. c 139 § 12; 1953 c 235 § 7; 1951 c 222 § 12. Formerly: (i) 1947 c 203 § 2, part; 1945 c 111 § 4, part; 1941 c 252 § 12, part; Rem. Supp. 1947 § 8340-35, part. (ii) 1947 c 203 § 1, part; 1945 c 111 § 3, part; 1943 c 118 § 2, part; 1941 c 252 § 11, part; Rem. Supp. 1947 § 8340-34, part; prior: 1925 ex.s. c 129 §§ 10, 11.]

**Effective date—1989 c 161 § 2:** "Section 2 of this act shall take effect January 1, 1991." [1989 c 161 § 4.]

**18.85.150 Temporary permits.** A temporary broker's permit may, in the discretion of the director, be issued to the legally accredited representative of a deceased or incapacitated broker, the senior qualified salesperson in that office or other qualified representative of the deceased or incapacitated broker, which shall be valid for a period not exceeding four months and in the case of a partnership, a limited

liability partnership, a limited liability company, or a corporation, the same rule shall prevail in the selection of a person to whom a temporary broker's permit may be issued. [1997 c 322 § 11; 1979 c 25 § 3. Prior: 1977 ex.s. c 370 § 5; 1977 ex.s. c 24 § 4; 1972 ex.s. c 139 § 13; 1953 c 235 § 8; 1951 c 222 § 13; prior: (i) 1947 c 203 § 2, part; 1945 c 111 § 4, part; 1941 c 252 § 12, part; Rem. Supp. 1947 § 8340-35, part. (ii) 1947 c 203 § 1, part; 1945 c 111 § 3, part; 1943 c 118 § 2, part; 1941 c 252 § 11, part; Rem. Supp. 1947 § 8340-34, part; prior: 1925 ex.s. c 129 §§ 10, 11.]

**18.85.155 Responsibility for conduct of subordinates.** Responsibility for any salesperson, associate broker or branch manager in conduct covered by this chapter shall rest with the broker to which such licensees shall be licensed.

In addition to the broker, a branch manager shall bear responsibility for salespersons and associate brokers operating under the branch manager at a branch office. [1997 c 322 § 12; 1977 ex.s. c 370 § 6; 1972 ex.s. c 139 § 14.]

**18.85.165 Licenses—Continuing education.** All real estate brokers, associate brokers, and salespersons shall furnish proof as the director may require that they have successfully completed a total of thirty clock hours of instruction every two years in real estate courses approved by the director in order to renew their licenses. Up to fifteen clock hours of instruction beyond the thirty hours in two years may be carried forward for credit in a subsequent two-year period. To count towards this requirement, a course shall be commenced within thirty-six months before the proof date for renewal. Examinations shall not be required to fulfill any part of the education requirement in this section. This section shall apply to renewal dates after January 1, 1991. [1997 c 322 § 13; 1991 c 225 § 1; 1988 c 205 § 1.]

**18.85.170 Licenses—Restrictions as to use—Exceptions.** No license issued under the provisions of this chapter shall authorize any person other than the person to whom it is issued to do any act by virtue thereof nor to operate in any other manner than under his or her own name except:

(1) When a license is issued to a corporation it shall entitle one officer thereof, to be named by the corporation in its application, who shall qualify the same as any other broker, to act as a real estate broker on behalf of said corporation, without the payment of additional fees;

(2) When a license is issued to a limited liability company it shall entitle one manager or member of the company, to be named by the limited liability company in its application, who shall qualify the same as any broker, to act as a real estate broker on behalf of the limited liability company, without the payment of additional fees;

(3) When a license is issued to a limited liability partnership or partnership it shall entitle one partner thereof to be named in the application, who shall qualify to act as a real estate broker on behalf of the limited liability partnership or partnership, without the payment of additional license fees;

(4) A licensed broker, associate broker, or salesperson may operate and/or advertise under a name other than the one under which the license is issued by obtaining the written consent of the director to do so;

(5) A broker may establish one or more branch offices under a name or names different from that of the main office if the name or names are approved by the director, so long as each branch office is clearly identified as a branch or division of the main office. No broker may establish branch offices under more than three names. Both the name of the branch office and of the main office must clearly appear on the sign identifying the office, if any, and in any advertisement or on any letterhead of any stationery or any forms, or signs used by the real estate firm on which either the name of the main or branch offices appears. [1997 c 322 § 14; 1972 ex.s. c 139 § 16; 1951 c 222 § 14; 1945 c 111 § 2; 1941 c 252 § 10; Rem. Supp. 1945 § 8340-33. Prior: 1925 ex.s. c 129 § 9.]

**18.85.180 Licenses—Office required—Display of license.** Every licensed real estate broker must have and maintain an office in this state accessible to the public which shall serve as the office for the transaction of business. Any office so established must comply with the zoning requirements of city or county ordinances and the broker's license must be prominently displayed therein. [1997 c 322 § 15; 1957 c 52 § 41; 1951 c 222 § 15. Prior: 1947 c 203 § 4, part; 1945 c 111 § 7, part; 1943 c 118 § 4, part; 1941 c 252 § 18, part; Rem. Supp. 1947 § 8340-41, part; prior: 1925 ex.s. c 129 § 12, part.]

**18.85.190 Licenses—Branch office.** A real estate broker may apply to the director for authority to establish one or more branch offices under the same name as the main office upon the payment of a fee as prescribed by the director by rule. The director shall issue a duplicate license for each of the branch offices showing the location of the main office and the particular branch. Each duplicate license shall be prominently displayed in the office for which it is issued. Each branch office shall be required to have a branch manager who shall be an associate broker authorized by the designated broker to perform the duties of a branch manager.

A branch office license shall not be required where real estate sales activity is conducted on and, limited to a particular subdivision or tract, if a licensed office or branch office is located within thirty-five miles of the subdivision or tract. [1989 c 161 § 3; 1987 c 332 § 6; 1977 ex.s. c 24 § 5; 1972 ex.s. c 139 § 17; 1957 c 52 § 42. Prior: 1947 c 203 § 4, part; 1945 c 111 § 7, part; 1943 c 118 § 4, part; 1941 c 252 § 18, part; Rem. Supp. 1947 § 8340-41, part; prior: 1925 ex.s. c 129 § 12, part.]

**18.85.200 Licenses—Change of location.** Notice in writing shall be given to the director of any change by a real estate broker, associate broker, or salesperson of his or her business location or of any branch office. Upon the surrender of the original license for the business or the duplicate license applicable to a branch office, and a payment of a fee as prescribed by the director by rule, the director shall issue a new license or duplicate license, as the case may be,

covering the new location. [1987 c 332 § 7; 1971 ex.s. c 266 § 17; 1957 c 52 § 43. Prior: 1947 c 203 § 4, part; 1945 c 111 § 7, part; 1943 c 118 § 4, part; 1941 c 252 § 18, part; Rem. Supp. 1947 § 8340-41, part; prior: 1925 ex.s. c 129 § 12, part.]

**18.85.210 Publication of chapter—Distribution.** The director may publish a copy of this chapter and such information relative to the enforcement of this chapter and may mail a copy of this chapter and the information to each licensed broker. [1997 c 322 § 16; 1972 ex.s. c 139 § 18; 1953 c 235 § 10; 1947 c 203 § 8; 1941 c 252 § 27; Rem. Supp. 1947 § 8340-50. Prior: 1925 ex.s. c 129 § 22.]

**18.85.215 Inactive licenses.** (1) Any license issued under this chapter and not otherwise revoked shall be deemed "inactive" at any time it is delivered to the director. Until reissued under this chapter, the holder of an inactive license shall be deemed to be unlicensed.

(2) An inactive license may be renewed on the same terms and conditions as an active license, except that a person with an inactive license need not comply with the education requirements of RCW 18.85.095(2)(a) or 18.85.165. Failure to renew shall result in cancellation in the same manner as an active license.

(3) An inactive license may be placed in an active status upon completion of an application as provided by the director and upon compliance with this chapter and the rules adopted pursuant thereto. If a holder has an inactive license for more than three years, the holder must show proof of successfully completing a thirty clock hour course in real estate within one year prior to the application for active status. Holders employed by the state and conducting real estate transactions on behalf of the state are exempt from this course requirement.

(4) The provisions of this chapter relating to the denial, suspension, and revocation of a license shall be applicable to an inactive license as well as an active license, except that when proceedings to suspend or revoke an inactive license have been initiated, the license shall remain inactive until the proceedings have been completed. [1994 c 291 § 3; 1988 c 205 § 4. Prior: 1987 c 514 § 1; 1987 c 332 § 17; 1985 c 162 § 4; 1977 ex.s. c 370 § 8.]

**Effective date—1994 c 291:** See note following RCW 18.85.090.

**Severability—1987 c 514:** See RCW 18.118.900.

**18.85.220 License fees—Real estate commission account.** All fees required under this chapter shall be set by the director in accordance with RCW 43.24.086 and shall be paid to the state treasurer. All fees paid under the provisions of this chapter shall be placed in the real estate commission account in the state treasury. All money derived from fines imposed under this chapter shall be deposited in the real estate education account created by RCW 18.85.317. [1993 c 50 § 1; 1991 c 277 § 1; 1987 c 332 § 8; 1967 c 22 § 1; 1953 c 235 § 11; 1941 c 252 § 7; Rem. Supp. 1941 § 8340-30.]

**Effective date—1993 c 50:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993." [1993 c 50 § 5.]

**Effective date—1991 c 277:** "This act shall take effect July 1, 1993." [1991 c 277 § 3.]

**18.85.225 License suspension—Nonpayment or default on educational loan or scholarship.** The director shall suspend the license of any person who has been certified by a lending agency and reported to the director for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's license shall not be reissued until the person provides the director a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for licensure during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the director may impose. [1996 c 293 § 14.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.85.227 License suspension—Noncompliance with support order—Reissuance.** The director shall immediately suspend the license of a broker or salesperson 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 shall be automatic upon the director's receipt of a release issued by the department of social and health services stating that the person is in compliance with the order. [1997 c 58 § 826.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.85.230 Disciplinary action—Grounds.** The director may, upon his or her own motion, and shall upon verified complaint in writing by any person, investigate the actions of any person engaged in the business or acting in the capacity of a real estate broker, associate real estate broker, or real estate salesperson, regardless of whether the transaction was for his or her own account or in his or her capacity as broker, associate real estate broker, or real estate salesperson, and may impose any one or more of the following sanctions: Suspend or revoke, levy a fine not to exceed one thousand dollars for each offense, require the completion of a course in a selected area of real estate practice relevant to the section of this chapter or rule

violated, or deny the license of any holder or applicant who is guilty of:

(1) Obtaining a license by means of fraud, misrepresentation, concealment, or through the mistake or inadvertence of the director;

(2) Violating any of the provisions of this chapter or any lawful rules or regulations made by the director pursuant thereto or violating a provision of chapter 64.36, 19.105, or 58.19 RCW or RCW 18.86.030 or the rules adopted under those chapters or section;

(3) Being convicted in a court of competent jurisdiction of this or any other state, or federal court, of forgery, embezzlement, obtaining money under false pretenses, bribery, larceny, extortion, conspiracy to defraud, or any similar offense or offenses: PROVIDED, That for the purposes of this section being convicted shall include 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;

(4) Making, printing, publishing, distributing, or causing, authorizing, or knowingly permitting the making, printing, publication or distribution of false statements, descriptions or promises of such character as to reasonably induce any person to act thereon, if the statements, descriptions or promises purport to be made or to be performed by either the licensee or his or her principal and the licensee then knew or, by the exercise of reasonable care and inquiry, could have known, of the falsity of the statements, descriptions or promises;

(5) Knowingly committing, or being a party to, any material fraud, misrepresentation, concealment, conspiracy, collusion, trick, scheme or device whereby any other person lawfully relies upon the word, representation or conduct of the licensee;

(6) Accepting the services of, or continuing in a representative capacity, any associate broker or salesperson who has not been granted a license, or after his or her license has been revoked or during a suspension thereof;

(7) Conversion of any money, contract, deed, note, mortgage, or abstract or other evidence of title, to his or her own use or to the use of his or her principal or of any other person, when delivered to him or her in trust or on condition, in violation of the trust or before the happening of the condition; and failure to return any money or contract, deed, note, mortgage, abstract or other evidence of title within thirty days after the owner thereof is entitled thereto, and makes demand therefor, shall be prima facie evidence of such conversion;

(8) Failing, upon demand, to disclose any information within his or her knowledge to, or to produce any document, book or record in his or her possession for inspection of the director or his or her authorized representatives acting by authority of law;

(9) Continuing to sell any real estate, or operating according to a plan of selling, whereby the interests of the public are endangered, after the director has, by order in writing, stated objections thereto;

(10) Committing any act of fraudulent or dishonest dealing or a crime involving moral turpitude, and a certified copy of the final holding of any court of competent jurisdiction in such matter shall be conclusive evidence in any hearing under this chapter;

(11) Advertising in any manner without affixing the broker's name as licensed, and in the case of a salesperson or associate broker, without affixing the name of the broker as licensed for whom or under whom the salesperson or associate broker operates, to the advertisement; except, that a real estate broker, associate real estate broker, or real estate salesperson advertising their personally owned real property must only disclose that they hold a real estate license;

(12) Accepting other than cash or its equivalent as earnest money unless that fact is communicated to the owner prior to his or her acceptance of the offer to purchase, and such fact is shown in the earnest money receipt;

(13) Charging or accepting compensation from more than one party in any one transaction without first making full disclosure in writing of all the facts to all the parties interested in the transaction;

(14) Accepting, taking or charging any undisclosed commission, rebate or direct profit on expenditures made for the principal;

(15) Accepting employment or compensation for appraisal of real property contingent upon reporting a predetermined value;

(16) Issuing an appraisal report on any real property in which the broker, associate broker, or salesperson has an interest unless his or her interest is clearly stated in the appraisal report;

(17) Misrepresentation of his or her membership in any state or national real estate association;

(18) Discrimination against any person in hiring or in sales activity, on the basis of any of the provisions of any state or federal antidiscrimination law;

(19) Failing to keep an escrow or trustee account of funds deposited with him or her relating to a real estate transaction, for a period of three years, showing to whom paid, and such other pertinent information as the director may require, such records to be available to the director, or his or her representatives, on demand, or upon written notice given to the bank;

(20) Failing to preserve for three years following its consummation records relating to any real estate transaction;

(21) Failing to furnish a copy of any listing, sale, lease or other contract relevant to a real estate transaction to all signatories thereof at the time of execution;

(22) Acceptance by a branch manager, associate broker, or salesperson of a commission or any valuable consideration for the performance of any acts specified in this chapter, from any person, except the licensed real estate broker with whom he or she is licensed;

(23) To direct any transaction involving his or her principal, to any lending institution for financing or to any escrow company, in expectation of receiving a kickback or rebate therefrom, without first disclosing such expectation to his or her principal;

(24) Buying, selling, or leasing directly, or through a third party, any interest in real property without disclosing in writing that he or she holds a real estate license;

(25) In the case of a broker licensee, failing to exercise adequate supervision over the activities of his or her licensed associate brokers and salespersons within the scope of this chapter;

(26) Any conduct in a real estate transaction which demonstrates bad faith, dishonesty, untrustworthiness or incompetency;

(27) Acting as a vehicle dealer, as defined in RCW 46.70.011, without having a license to do so;

(28) Failing to assure that the title is transferred under chapter 46.12 RCW when engaging in a transaction involving a mobile home as a broker, associate broker, or salesperson; or

(29) Violation of an order to cease and desist which is issued by the director under this chapter. [1997 c 322 § 17; 1996 c 179 § 18; 1990 c 85 § 1; 1988 c 205 § 5. Prior: 1987 c 370 § 15; 1987 c 332 § 9; 1979 c 25 § 4; prior: 1977 ex.s. c 261 § 1; 1977 ex.s. c 204 § 1; 1972 ex.s. c 139 § 19; 1967 c 22 § 3; 1953 c 235 § 12; 1951 c 222 § 16; 1947 c 203 § 5; 1945 c 111 § 8; 1943 c 118 § 5; 1941 c 252 § 19; Rem. Supp. 1947 § 8340-42; prior: 1925 ex.s. c 129 § 13.]

**Effective date—1996 c 179:** See RCW 18.86.902.

*False advertising:* Chapter 9.04 RCW.

*Obstructing justice:* Chapter 9A.72 RCW.

**18.85.240 Disciplinary action—Director's delegation of authority.** The director may deputize one or more assistants to perform his or her duties with reference to disciplinary action. [1988 c 205 § 6; 1987 c 332 § 10; 1957 c 52 § 45. Prior: 1945 c 111 § 9, part; 1941 c 252 § 20, part; 1925 ex.s. c 129 § 14, part; Rem. Supp. 1945 § 8340-43, part.]

**18.85.251 Disciplinary action—Procedure—Investigation—Hearing.** The disciplinary proceedings shall be had on motion of the director or after a statement in writing verified by some person or persons familiar with the facts upon which the proposed disciplinary action is based has been filed with the director. Upon receipt of such statement or accusation, the director shall make a preliminary investigation of the facts charged to determine whether the statement or accusation is sufficient. If the director shall determine the statement or accusation is sufficient to require formal action, the director shall thereupon set the matter for hearing at a specified time and place. A copy of such order setting time and place and a copy of the verified statement shall be served upon the licensee or applicant involved not less than twenty days before the day appointed in the order for said hearing. The department of licensing, the licensee or applicant accused, and the person making the accusation may be represented by counsel at such a hearing. The director or an administrative law judge appointed under chapter 34.12 RCW shall hear and receive pertinent evidence and testimony. [1988 c 205 § 7; 1987 c 332 § 11; 1981 c 67 § 22; 1951 c 222 § 23.]

**Effective dates—Severability—1981 c 67:** See notes following RCW 34.12.010.

**18.85.261 Disciplinary action—Hearing—Conduct of.** If the licensed person or applicant accused does not appear at the time and place appointed for the hearing in person or by counsel, the hearing officer may proceed and determine the facts of the accusation in his or her absence. The proceedings may be conducted at places within the state

convenient to all persons concerned as determined by the director, and may be adjourned from day to day or for longer periods. The hearing officer shall cause a transcript of all such proceedings to be kept by a reporter and shall upon request after completion thereof, furnish a copy of such transcript to the licensed person or applicant accused in such proceedings at the expense of the licensee or applicant. The hearing officer shall certify the transcript of proceedings to be true and correct. If the director finds that the statement or accusation is not proved by a fair preponderance of evidence, the director shall notify the licensee or applicant and the person making the accusation and shall dismiss the case. [1987 c 332 § 12; 1951 c 222 § 24.]

**18.85.271 Disciplinary action—Order—Judicial review.** If the director shall decide, after such hearing, that the evidence supports the accusation by a preponderance of evidence, the director may impose sanctions authorized under RCW 18.85.040. In such event the director shall enter an order to that effect and shall file the same in his or her office and immediately mail a copy thereof to the affected party at the address of record with the department. Such order shall not be operative for a period of ten days from the date thereof. Any licensee or applicant aggrieved by a final decision by the director in an adjudicative proceeding, whether such decision is affirmative or negative in form, is entitled to a judicial review in the superior court under the provisions of the Administrative Procedure Act, chapter 34.05 RCW. Upon instituting appeal in the superior court, the appellant shall give a cash bond to the state of Washington, which bond shall be filed with the clerk of the court, in the sum of five hundred dollars to be approved by the judge of said court, conditioned to pay all costs that may be awarded against such appellant in the event of an adverse decision, such bond and notice to be filed within thirty days from the date of the director's decision. [1989 c 175 § 66; 1988 c 205 § 8; 1987 c 332 § 13; 1972 ex.s. c 139 § 20; 1951 c 222 § 25.]

**Effective date—1989 c 175:** See note following RCW 34.05.010.

**18.85.281 Appeal—Transcript—Cost.** The director shall prepare at appellant's expense and shall certify a transcript of the whole record of all matters involved in the appeal, which shall be thereupon delivered by the director to the court in which the appeal is pending. The appellant shall be notified of the filing of the transcript and the cost thereof and shall within fifteen days thereafter pay the cost of said transcript. If the cost is not paid in full within fifteen days the appeal shall be dismissed. [1997 c 322 § 18; 1951 c 222 § 26.]

**18.85.310 Broker's records—Separate accounts—Interest-bearing trust accounts—Disposition of interest.** (1) Every licensed real estate broker shall keep adequate records of all real estate transactions handled by or through the broker. The records shall include, but are not limited to, a copy of the earnest money receipt, and an itemization of the broker's receipts and disbursements with each transaction. These records and all other records hereinafter specified shall be open to inspection by the director or the director's authorized representatives.

(2) Every real estate broker shall also deliver or cause to be delivered to all parties signing the same, at the time of signing, conformed copies of all earnest money receipts, listing agreements and all other like or similar instruments signed by the parties, including the closing statement.

(3) Every real estate broker shall also keep separate real estate fund accounts in a recognized Washington state depository authorized to receive funds in which shall be kept separate and apart and physically segregated from licensee broker's own funds, all funds or moneys of clients which are being held by such licensee broker pending the closing of a real estate sale or transaction, or which have been collected for said client and are being held for disbursement for or to said client and such funds shall be deposited not later than the first banking day following receipt thereof.

(4) Separate accounts comprised of clients' funds required to be maintained under this section, with the exception of property management trust accounts, shall be interest-bearing accounts from which withdrawals or transfers can be made without delay, subject only to the notice period which the depository institution is required to reserve by law or regulation.

(5) Every real estate broker shall maintain a pooled interest-bearing escrow account for deposit of client funds, with the exception of property management trust accounts, which are nominal. As used in this section, a "nominal" deposit is a deposit of not more than five thousand dollars.

The interest accruing on this account, net of any reasonable and appropriate financial institution service charges or fees, shall be paid to the state treasurer for deposit in the Washington housing trust fund created in RCW 43.185.030 and the real estate education account created in RCW 18.85.317. Appropriate service charges or fees are those charges made by financial institutions on other demand deposit or "now" accounts. An agent may, but shall not be required to, notify the client of the intended use of such funds.

(6) All client funds not required to be deposited in the account specified in subsection (5) of this section shall be deposited in:

(a) A separate interest-bearing trust account for the particular client or client's matter on which the interest will be paid to the client; or

(b) The pooled interest-bearing trust account specified in subsection (5) of this section if the parties to the transaction agree.

The department of licensing shall promulgate regulations which will serve as guidelines in the choice of an account specified in subsection (5) of this section or an account specified in this subsection.

(7) For an account created under subsection (5) of this section, an agent shall direct the depository institution to:

(a) Remit interest or dividends, net of any reasonable and appropriate service charges or fees, on the average monthly balance in the account, or as otherwise computed in accordance with an institution's standard accounting practice, at least quarterly, to the state treasurer for deposit in the housing trust fund created by RCW 43.185.030 and the real estate education account created in RCW 18.85.317; and

(b) Transmit to the director of community, trade, and economic development a statement showing the name of the person or entity for whom the remittance is spent, the rate of

interest applied, and the amount of service charges deducted, if any, and the account balance(s) of the period in which the report is made, with a copy of such statement to be transmitted to the depositing person or firm.

(8) The director shall forward a copy of the reports required by subsection (7) of this section to the department of licensing to aid in the enforcement of the requirements of this section consistent with the normal enforcement and auditing practices of the department of licensing.

(9) This section does not relieve any real estate broker from any obligation with respect to the safekeeping of clients' funds.

(10) Any violation by a real estate broker of any of the provisions of this section, or RCW 18.85.230, shall be grounds for revocation of the licenses issued to the broker. [1995 c 399 § 7; 1993 c 50 § 2; 1988 c 286 § 2; 1987 c 513 § 1; 1957 c 52 § 44; 1953 c 235 § 13; 1951 c 222 § 19. Prior: 1947 c 203 § 4, part; 1945 c 111 § 7, part; 1943 c 118 § 4, part; 1941 c 252 § 18, part; Rem. Supp. 1947 § 8340-41, part; prior: 1925 ex.s. c 129 § 12, part.]

**Effective date—1993 c 50:** See note following RCW 18.85.220.

**Effective date—1987 c 513:** "This act shall take effect January 1, 1988." [1987 c 513 § 15.]

**Severability—1987 c 513:** "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." [1987 c 513 § 13.]

**18.85.315 Distribution of interest from brokers' trust accounts.** Remittances received by the treasurer pursuant to RCW 18.85.310 shall be divided between the housing trust fund created by RCW 43.185.030, which shall receive seventy-five percent and the real estate education account created by RCW 18.85.317, which shall receive twenty-five percent. [1993 c 50 § 3; 1987 c 513 § 9.]

**Effective date—1993 c 50:** See note following RCW 18.85.220.

**Effective date—Severability—1987 c 513:** See notes following RCW 18.85.310.

**18.85.317 Real estate education account.** The real estate education account is created in the custody of the state treasurer. All moneys received for credit to this account pursuant to RCW 18.85.315 and all moneys derived from fines imposed under this chapter shall be deposited into the account. Expenditures from the account may be made only upon the authorization of the director or a duly authorized representative of the director, and may be used only for the purposes of carrying out the director's programs for education of real estate licensees and others in the real estate industry as described in RCW 18.85.040(4). All expenses and costs relating to the implementation or administration of, or payment of contract fees or charges for, the director's real estate education programs may be paid from this account. The account is subject to appropriation under chapter 43.88 RCW. [1997 c 322 § 19; 1993 c 50 § 4.]

**Effective date—1993 c 50:** See note following RCW 18.85.220.

**18.85.320 Salespersons, associate brokers—Termination of services.** The license of a real estate salesperson or associate real estate broker shall be retained at all times by his or her designated broker and when any real estate salesperson or associate real estate broker ceases

to represent his or her broker his or her license shall cease to be in force. Notice of such termination shall be given by the broker to the director and such notice shall be accompanied by and include the surrender of the salesperson's or associate real estate broker's license. Failure of any broker to promptly notify the director of such salesperson's or associate real estate broker's termination after demand by the affected salesperson or associate real estate broker shall work a forfeiture of the broker's license. Upon application of the salesperson or associate real estate broker and the payment of a fee as prescribed by the director by rule, the director shall issue a new license for the unexpired term, if such salesperson or associate real estate broker is otherwise entitled thereto. When a real estate salesperson's or associate real estate broker's services shall be terminated by his or her broker for a violation of any of the provisions of RCW 18.85.230, a written statement of the facts in reference thereto shall be filed forthwith with the director by the broker. [1987 c 332 § 14; 1953 c 235 § 14; 1947 c 203 § 7; 1943 c 118 § 7; 1941 c 252 § 26; Rem. Supp. 1947 § 8340-49. Prior: 1925 ex.s. c 129 § 21.]

**18.85.330 Sharing commissions.** (1) Except under subsection (4) of this section, it shall be unlawful for any licensed broker to pay any part of his or her commission or other compensation to any person who is not a licensed real estate broker in any state of the United States or its possessions or any province of the Dominion of Canada or any foreign jurisdiction with a real estate regulatory program.

(2) Except under subsection (4) of this section, it shall be unlawful for any licensed broker to pay any part of his or her commission or other compensation to a real estate salesperson not licensed to do business for such broker.

(3) Except under subsection (4) of this section, it shall be unlawful for any licensed salesperson to pay any part of his or her commission or other compensation to any person, whether licensed or not, except through his or her broker.

(4) A commission may be shared with a manufactured housing retailer, licensed under chapter 46.70 RCW, on the sale of personal property manufactured housing sold in conjunction with the sale or lease of land. [1998 c 46 § 3; 1997 c 322 § 20; 1953 c 235 § 15; 1943 c 118 § 6; 1941 c 252 § 24; Rem. Supp. 1943 § 8340-47.]

**18.85.340 Violations—Penalty.** Any person acting as a real estate broker, associate real estate broker, or real estate salesperson, without a license, or violating any of the provisions of this chapter, shall be guilty of a gross misdemeanor. [1997 c 322 § 21; 1951 c 222 § 20; 1941 c 252 § 23; Rem. Supp. 1941 § 8340-46. Prior: 1925 ex.s. c 129 § 17.]

**18.85.343 Violations—Cease and desist orders.** (1) The director may issue a cease and desist order to a person after notice and hearing and upon a determination that the person has violated a provision of this chapter or a lawful order or rule of the director.

(2) If the director makes a written finding of fact that the public interest will be irreparably harmed by delay in issuing an order, he or she may issue a temporary cease and desist order. Before issuing the temporary cease and desist

order, whenever possible the director shall give notice by telephone or otherwise of the proposal to issue a temporary cease and desist order to the person. Every temporary cease and desist order shall include a provision that a hearing will be held upon request to determine whether or not the order will become permanent.

At the time the temporary cease and desist order is served, the licensee shall be notified that he or she is entitled to request a hearing for the sole purpose of determining whether or not the public interest imperatively requires that the temporary cease and desist order be continued or modified pending the outcome of the hearing to determine whether or not the order will become permanent. The hearing shall be held within thirty days after the department receives the request for hearing, unless the licensee requests a later hearing. A licensee may secure review of any decision rendered at a temporary cease and desist order review hearing in the same manner as an adjudicative proceeding. [1997 c 322 § 22; 1989 c 175 § 67; 1977 ex.s. c 261 § 2.]

**Effective date—1989 c 175:** See note following RCW 34.05.010.

**18.85.345 Attorney general as legal advisor.** The attorney general shall render to the director opinions upon all questions of law relating to the construction or interpretation of this chapter, or arising in the administration thereof, that may be submitted to the director, and shall act as attorney for the director in all actions and proceedings brought by or against him or her under or pursuant to any provisions of this chapter. [1997 c 322 § 23; 1941 c 252 § 9; Rem. Supp. 1941 § 8340-32. Prior: 1925 ex.s. c 129 § 8.]

**18.85.350 Enforcement provisions.** The director may prefer a complaint for violation of any section of this chapter before any court of competent jurisdiction.

The prosecuting attorney of each county shall prosecute any violation of the provisions of this chapter which occurs in his or her county, and if the prosecuting attorney fails to act, the director may request the attorney general to take action in lieu of the prosecuting attorney.

Process issued by the director shall extend to all parts of the state, and may be served by any person authorized to serve process of courts of record, or may be mailed by registered mail to the licensee's last business address of record in the office of the director.

Whenever the director believes from evidence satisfactory to him or her that any person has violated any of the provisions of this chapter, or any order, license, decision, demand or requirement, or any part or provision thereof, he or she may bring an action, in the superior court in the county wherein such person resides, against such person to enjoin any such person from continuing such violation or engaging therein or doing any act or acts in furtherance thereof. In this action an order or judgment may be entered awarding such preliminary or final injunction as may be proper.

The director may petition the superior court in any county in this state for the immediate appointment of a receiver to take over, operate or close any real estate office in this state which is found, upon inspection of its books and records to be operating in violation of the provisions of this

chapter, pending a hearing as herein provided. [1997 c 322 § 24; 1967 c 22 § 2; 1957 c 52 § 48; 1953 c 235 § 16. Prior: (i) 1941 c 252 § 21, part; Rem. Supp. 1941 § 8340-44, part. (ii) 1947 c 203 § 6; 1941 c 252 § 22; Rem. Supp. 1947 § 8340-45.]

**18.85.360 Witnesses—Depositions—Fees—Subpoenas.** The director may administer oaths; certify to all official acts; subpoena and bring before him or her any person in this state as a witness; compel the production of books and papers; and take the testimony of any person by deposition in the manner prescribed for procedure of the superior courts in civil cases, in any hearing in any part of the state.

Each witness, who appears by order of the director, shall receive for his or she attendance the fees and mileage allowed to a witness in civil cases in the superior court. Witness fees shall be paid by the party at whose request the witness is subpoenaed.

If a witness, who has not been required to attend at the request of any party, is subpoenaed by the director, his or her fees and mileage shall be paid from funds appropriated for the use of the real estate department in the same manner as other expenses of the department are paid. [1997 c 322 § 25; 1957 c 52 § 49. Prior: 1941 c 252 § 21, part; Rem. Supp. 1941 § 8340-44, part.]

**18.85.400 Multiple listing associations—Entrance requirements.** Each real estate multiple listing association shall submit to the real estate commission for approval or disapproval its entrance requirements. No later than sixty days after receipt of the real estate multiple listing associations entrance requirements the commission shall, with the directors approval, approve or disapprove the said entrance requirements. In no event shall the real estate commission approve any entrance requirements which shall be more restrictive on the person applying to join a real estate multiple listing association than the following:

(1) Require the applicant at the time of application and admission to be a licensed broker under chapter 18.85 RCW;

(2) Require the applicant, if all members of the real estate multiple listing association are so required, to obtain and maintain a policy of insurance, containing specified coverage within designated limits protecting members from claims by sellers who have made keys to their premises available to members for access to their properties, against losses arising from damage to or theft of contents of such properties;

(3) Require the applicant to pay an initiation fee computed by dividing an amount equal to five times the book value of the real estate multiple listing association concerned (exclusive of any value for listings and exclusive of all investments not related to the operation of the real estate multiple listing association and exclusive of all real estate), by the number of real estate broker members of said organization: PROVIDED, That in no event shall the initiation fee exceed twenty-five hundred dollars;

(4) Require the applicant for membership to have been:

(a) A broker in the territory of the real estate multiple listing association for a period of one year; or

(b) An associate broker with one year's experience in the area of the real estate multiple listing association, who in addition has had one year's experience as a broker in any other area of the state.

(5) Require the applicant to follow any other rules of the association which apply to all the members of such association: PROVIDED, That such other rules do not violate federal or state law: PROVIDED, That nothing in \*this 1969 amendatory act shall be construed to limit the authority of any real estate multiple listing association to engage in any activities which are not otherwise prohibited by law. [1969 c 78 § 2.]

\*Reviser's note: "This 1969 amendatory act" consists of this section and the 1969 c 78 amendment to RCW 18.85.010.

**18.85.450 Land development representative—Registration—Minimum requirements.** The director shall issue a land development representative registration for any applicant, upon application made by the employing real estate broker, on a form provided by the department. The minimum requirements for an individual to be registered as a land development representative are that the applicant shall:

(1) Be eighteen years of age or older; and

(2) Furnish such proof as the director may require concerning the applicant's honesty, good reputation, and identification which may include finger prints. [1987 c 332 § 15; 1977 ex.s. c 24 § 6.]

**18.85.460 Land development representative—Registration issued to employing broker—Display—Fee—Transferability—Period of validity.** The registration for a land development representative shall be issued to and retained by the employing broker and shall be displayed as set forth in this chapter for licenses. A fee as prescribed by the director by rule shall accompany each application for registration. Each registration shall be valid for a period of one year from date of issue or until employment with the broker is terminated, whichever occurs first. No registration may be transferred to another broker, nor may a representative be registered to more than one broker at a time. Upon the termination of employment of any representative the broker shall release and return the registration of that representative to the department. [1987 c 332 § 16; 1977 ex.s. c 24 § 7.]

**18.85.470 Land development representative—Authorized activities—"Land development" defined.** (1) The activity of a land development representative registered with a broker under this chapter shall be restricted to land developments as defined in this section and limited to:

(a) Disseminating information;

(b) Contacting prospective purchasers; and

(c) Transporting prospective purchasers to the land development site.

(2) This section shall not be construed to authorize any representative to:

(a) Engage in the selling of real estate;

(b) Negotiate for or bind the broker in any agreement relating to the sale of real estate;

(c) Receive or handle funds;

(d) Assist in preparation of documentation attendant upon sale of real estate; or

(e) Engage in any other conduct or activity specified in any of the definitions under RCW 18.85.010, except as provided by subsection (1) of this section.

(3) The words "land development" as used in this chapter mean land which is divided, for the purpose of disposition, into ten or more parcels on which no residential structure exists at the time it is offered for sale. [1977 ex.s. c 24 § 8.]

**18.85.480 Land development representative—Responsibility of employing broker—Violations.** Full responsibility for the activities of the land development representative registered under this chapter shall rest with the employing broker. The director may deny, suspend, or revoke the registration of any representative or the license of the employing broker for any violation of this chapter by the representative. [1977 ex.s. c 24 § 9.]

**18.85.900 Severability—1941 c 252.** If any section, subdivision, sentence or clause in this act shall be held invalid or unconstitutional, such fact shall not affect the validity of the remaining portions of this act. [1941 c 252 § 28.]

**18.85.910 Severability—1951 c 222.** The provisions of this act are to be severable and if any section, subdivision or clause of this act shall be held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of the act. [1951 c 222 § 27.]

**18.85.920 Severability—1972 ex.s. c 139.** The provisions of this 1972 amendatory act are to be severable and if any section, subdivision, or clause of this act shall be held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of the act. [1972 ex.s. c 139 § 22.]

## Chapter 18.86

### REAL ESTATE BROKERAGE RELATIONSHIPS

#### Sections

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**18.86.010 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1998 Ed )

(1) "Agency relationship" means the agency relationship created under this chapter or by written agreement between a licensee and a buyer and/or seller relating to the performance of real estate brokerage services by the licensee.

(2) "Agent" means a licensee who has entered into an agency relationship with a buyer or seller.

(3) "Business opportunity" means and includes a business, business opportunity, and goodwill of an existing business, or any one or combination thereof.

(4) "Buyer" means an actual or prospective purchaser in a real estate transaction, or an actual or prospective tenant in a real estate rental or lease transaction, as applicable.

(5) "Buyer's agent" means a licensee who has entered into an agency relationship with only the buyer in a real estate transaction, and includes subagents engaged by a buyer's agent.

(6) "Confidential information" means information from or concerning a principal of a licensee that:

(a) Was acquired by the licensee during the course of an agency relationship with the principal;

(b) The principal reasonably expects to be kept confidential;

(c) The principal has not disclosed or authorized to be disclosed to third parties;

(d) Would, if disclosed, operate to the detriment of the principal; and

(e) The principal personally would not be obligated to disclose to the other party.

(7) "Dual agent" means a licensee who has entered into an agency relationship with both the buyer and seller in the same transaction.

(8) "Licensee" means a real estate broker, associate real estate broker, or real estate salesperson, as those terms are defined in chapter 18.85 RCW.

(9) "Material fact" means information that substantially adversely affects the value of the property or a party's ability to perform its obligations in a real estate transaction, or operates to materially impair or defeat the purpose of the transaction. The fact or suspicion that the property, or any neighboring property, is or was the site of a murder, suicide or other death, rape or other sex crime, assault or other violent crime, robbery or burglary, illegal drug activity, gang-related activity, political or religious activity, or other act, occurrence, or use not adversely affecting the physical condition of or title to the property is not a material fact.

(10) "Principal" means a buyer or a seller who has entered into an agency relationship with a licensee.

(11) "Real estate brokerage services" means the rendering of services for which a real estate license is required under chapter 18.85 RCW.

(12) "Real estate transaction" or "transaction" means an actual or prospective transaction involving a purchase, sale, option, or exchange of any interest in real property or a business opportunity, or a lease or rental of real property. For purposes of this chapter, a prospective transaction does not exist until a written offer has been signed by at least one of the parties.

(13) "Seller" means an actual or prospective seller in a real estate transaction, or an actual or prospective landlord in a real estate rental or lease transaction, as applicable.

(14) "Seller's agent" means a licensee who has entered into an agency relationship with only the seller in a real

estate transaction, and includes subagents engaged by a seller's agent.

(15) "Subagent" means a licensee who is engaged to act on behalf of a principal by the principal's agent where the principal has authorized the agent in writing to appoint subagents. [1996 c 179 § 1.]

**18.86.020 Agency relationship.** (1) A licensee who performs real estate brokerage services for a buyer is a buyer's agent unless the:

(a) Licensee has entered into a written agency agreement with the seller, in which case the licensee is a seller's agent;

(b) Licensee has entered into a subagency agreement with the seller's agent, in which case the licensee is a seller's agent;

(c) Licensee has entered into a written agency agreement with both parties, in which case the licensee is a dual agent;

(d) Licensee is the seller or one of the sellers; or

(e) Parties agree otherwise in writing after the licensee has complied with RCW 18.86.030(1)(f).

(2) In a transaction in which different licensees affiliated with the same broker represent different parties, the broker is a dual agent, and must obtain the written consent of both parties as required under RCW 18.86.060. In such a case, each licensee shall solely represent the party with whom the licensee has an agency relationship, unless all parties agree in writing that both licensees are dual agents.

(3) A licensee may work with a party in separate transactions pursuant to different relationships, including, but not limited to, representing a party in one transaction and at the same time not representing that party in a different transaction involving that party, if the licensee complies with this chapter in establishing the relationships for each transaction. [1997 c 217 § 1; 1996 c 179 § 2.]

**Effective date—1997 c 217:** "Sections 1 through 6 and 8 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 [April 25, 1997]." [1997 c 217 § 9.]

**Real estate agency pamphlet—1997 c 217 §§ 1-6:** See note following RCW 18.86.120.

**18.86.030 Duties of licensee.** (1) Regardless of whether the licensee is an agent, a licensee owes to all parties to whom the licensee renders real estate brokerage services the following duties, which may not be waived:

(a) To exercise reasonable skill and care;

(b) To deal honestly and in good faith;

(c) To present all written offers, written notices and other written communications to and from either party in a timely manner, regardless of whether the property is subject to an existing contract for sale or the buyer is already a party to an existing contract to purchase;

(d) To disclose all existing material facts known by the licensee and not apparent or readily ascertainable to a party; provided that this subsection shall not be construed to imply any duty to investigate matters that the licensee has not agreed to investigate;

(e) To account in a timely manner for all money and property received from or on behalf of either party;

(f) To provide a pamphlet on the law of real estate agency in the form prescribed in RCW 18.86.120 to all parties to whom the licensee renders real estate brokerage services, before the party signs an agency agreement with the licensee, signs an offer in a real estate transaction handled by the licensee, consents to dual agency, or waives any rights, under RCW 18.86.020(1)(e), 18.86.040(1)(e), 18.86.050(1)(e), or 18.86.060(2) (e) or (f), whichever occurs earliest; and

(g) To disclose in writing to all parties to whom the licensee renders real estate brokerage services, before the party signs an offer in a real estate transaction handled by the licensee, whether the licensee represents the buyer, the seller, both parties, or neither party. The disclosure shall be set forth in a separate paragraph entitled "Agency Disclosure" in the agreement between the buyer and seller or in a separate writing entitled "Agency Disclosure."

(2) Unless otherwise agreed, a licensee owes no duty to conduct an independent inspection of the property or to conduct an independent investigation of either party's financial condition, and owes no duty to independently verify the accuracy or completeness of any statement made by either party or by any source reasonably believed by the licensee to be reliable. [1996 c 179 § 3.]

**18.86.031 Violation of licensing law.** A violation of RCW 18.86.030 is a violation of RCW 18.85.230. [1996 c 179 § 14.]

**18.86.040 Seller's agent—Duties.** (1) Unless additional duties are agreed to in writing signed by a seller's agent, the duties of a seller's agent are limited to those set forth in RCW 18.86.030 and the following, which may not be waived except as expressly set forth in (e) of this subsection:

(a) To be loyal to the seller by taking no action that is adverse or detrimental to the seller's interest in a transaction;

(b) To timely disclose to the seller any conflicts of interest;

(c) To advise the seller to seek expert advice on matters relating to the transaction that are beyond the agent's expertise;

(d) Not to disclose any confidential information from or about the seller, except under subpoena or court order, even after termination of the agency relationship; and

(e) Unless otherwise agreed to in writing after the seller's agent has complied with RCW 18.86.030(1)(f), to make a good faith and continuous effort to find a buyer for the property; except that a seller's agent is not obligated to seek additional offers to purchase the property while the property is subject to an existing contract for sale.

(2)(a) The showing of properties not owned by the seller to prospective buyers or the listing of competing properties for sale by a seller's agent does not in and of itself breach the duty of loyalty to the seller or create a conflict of interest.

(b) The representation of more than one seller by different licensees affiliated with the same broker in competing transactions involving the same buyer does not in and of itself breach the duty of loyalty to the sellers or create a conflict of interest. [1997 c 217 § 2; 1996 c 179 § 4.]

**Real estate agency pamphlet—1997 c 217 §§ 1-6:** See note following RCW 18.86.120.

**Effective date—1997 c 217 §§ 1-6 and 8:** See note following RCW 18.86.020.

**18.86.050 Buyer's agent—Duties.** (1) Unless additional duties are agreed to in writing signed by a buyer's agent, the duties of a buyer's agent are limited to those set forth in RCW 18.86.030 and the following, which may not be waived except as expressly set forth in (e) of this subsection:

(a) To be loyal to the buyer by taking no action that is adverse or detrimental to the buyer's interest in a transaction;

(b) To timely disclose to the buyer any conflicts of interest;

(c) To advise the buyer to seek expert advice on matters relating to the transaction that are beyond the agent's expertise;

(d) Not to disclose any confidential information from or about the buyer, except under subpoena or court order, even after termination of the agency relationship; and

(e) Unless otherwise agreed to in writing after the buyer's agent has complied with RCW 18.86.030(1)(f), to make a good faith and continuous effort to find a property for the buyer; except that a buyer's agent is not obligated to: (i) Seek additional properties to purchase while the buyer is a party to an existing contract to purchase; or (ii) show properties as to which there is no written agreement to pay compensation to the buyer's agent.

(2)(a) The showing of property in which a buyer is interested to other prospective buyers by a buyer's agent does not in and of itself breach the duty of loyalty to the buyer or create a conflict of interest.

(b) The representation of more than one buyer by different licensees affiliated with the same broker in competing transactions involving the same property does not in and of itself breach the duty of loyalty to the buyers or create a conflict of interest. [1997 c 217 § 3; 1996 c 179 § 5.]

**Real estate agency pamphlet—1997 c 217 §§ 1-6:** See note following RCW 18.86.120.

**Effective date—1997 c 217 §§ 1-6 and 8:** See note following RCW 18.86.020.

**18.86.060 Dual agent—Duties.** (1) Notwithstanding any other provision of this chapter, a licensee may act as a dual agent only with the written consent of both parties to the transaction after the dual agent has complied with RCW 18.86.030(1)(f), which consent must include a statement of the terms of compensation.

(2) Unless additional duties are agreed to in writing signed by a dual agent, the duties of a dual agent are limited to those set forth in RCW 18.86.030 and the following, which may not be waived except as expressly set forth in (e) and (f) of this subsection:

(a) To take no action that is adverse or detrimental to either party's interest in a transaction;

(b) To timely disclose to both parties any conflicts of interest;

(c) To advise both parties to seek expert advice on matters relating to the transaction that are beyond the dual agent's expertise;

(d) Not to disclose any confidential information from or about either party, except under subpoena or court order, even after termination of the agency relationship;

(e) Unless otherwise agreed to in writing after the dual agent has complied with RCW 18.86.030(1)(f), to make a good faith and continuous effort to find a buyer for the property; except that a dual agent is not obligated to seek additional offers to purchase the property while the property is subject to an existing contract for sale; and

(f) Unless otherwise agreed to in writing after the dual agent has complied with RCW 18.86.030(1)(f), to make a good faith and continuous effort to find a property for the buyer; except that a dual agent is not obligated to: (i) Seek additional properties to purchase while the buyer is a party to an existing contract to purchase; or (ii) show properties as to which there is no written agreement to pay compensation to the dual agent.

(3)(a) The showing of properties not owned by the seller to prospective buyers or the listing of competing properties for sale by a dual agent does not in and of itself constitute action that is adverse or detrimental to the seller or create a conflict of interest.

(b) The representation of more than one seller by different licensees affiliated with the same broker in competing transactions involving the same buyer does not in and of itself constitute action that is adverse or detrimental to the sellers or create a conflict of interest.

(4)(a) The showing of property in which a buyer is interested to other prospective buyers or the presentation of additional offers to purchase property while the property is subject to a transaction by a dual agent does not in and of itself constitute action that is adverse or detrimental to the buyer or create a conflict of interest.

(b) The representation of more than one buyer by different licensees affiliated with the same broker in competing transactions involving the same property does not in and of itself constitute action that is adverse or detrimental to the buyers or create a conflict of interest. [1997 c 217 § 4; 1996 c 179 § 6.]

**Real estate agency pamphlet—1997 c 217 §§ 1-6:** See note following RCW 18.86.120.

**Effective date—1997 c 217 §§ 1-6 and 8:** See note following RCW 18.86.020.

**18.86.070 Duration of agency relationship.** (1) The agency relationships set forth in this chapter commence at the time that the licensee undertakes to provide real estate brokerage services to a principal and continue until the earliest of the following:

(a) Completion of performance by the licensee;

(b) Expiration of the term agreed upon by the parties;

(c) Termination of the relationship by mutual agreement of the parties; or

(d) Termination of the relationship by notice from either party to the other. However, such a termination does not affect the contractual rights of either party.

(2) Except as otherwise agreed to in writing, a licensee owes no further duty after termination of the agency relationship, other than the duties of:

(a) Accounting for all moneys and property received during the relationship; and

(b) Not disclosing confidential information. [1997 c 217 § 5; 1996 c 179 § 7.]

**Real estate agency pamphlet—1997 c 217 §§ 1-6:** See note following RCW 18.86.120.

**Effective date—1997 c 217 §§ 1-6 and 8:** See note following RCW 18.86.020.

**18.86.080 Compensation.** (1) In any real estate transaction, the broker's compensation may be paid by the seller, the buyer, a third party, or by sharing the compensation between brokers.

(2) An agreement to pay or payment of compensation does not establish an agency relationship between the party who paid the compensation and the licensee.

(3) A seller may agree that a seller's agent may share with another broker the compensation paid by the seller.

(4) A buyer may agree that a buyer's agent may share with another broker the compensation paid by the buyer.

(5) A broker may be compensated by more than one party for real estate brokerage services in a real estate transaction, if those parties consent in writing at or before the time of signing an offer in the transaction.

(6) A buyer's agent or dual agent may receive compensation based on the purchase price without breaching any duty to the buyer.

(7) Nothing contained in this chapter negates the requirement that an agreement authorizing or employing a licensee to sell or purchase real estate for compensation or a commission be in writing and signed by the seller or buyer. [1997 c 217 § 6; 1996 c 179 § 8.]

**Real estate agency pamphlet—1997 c 217 §§ 1-6:** See note following RCW 18.86.120.

**Effective date—1997 c 217 §§ 1-6 and 8:** See note following RCW 18.86.020.

**18.86.090 Vicarious liability.** (1) A principal is not liable for an act, error, or omission by an agent or subagent of the principal arising out of an agency relationship:

(a) Unless the principal participated in or authorized the act, error, or omission; or

(b) Except to the extent that: (i) The principal benefited from the act, error, or omission; and (ii) the court determines that it is highly probable that the claimant would be unable to enforce a judgment against the agent or subagent.

(2) A licensee is not liable for an act, error, or omission of a subagent under this chapter, unless the licensee participated in or authorized the act, error or omission. This subsection does not limit the liability of a real estate broker for an act, error, or omission by an associate real estate broker or real estate salesperson licensed to that broker. [1996 c 179 § 9.]

**18.86.100 Imputed knowledge and notice.** (1) Unless otherwise agreed to in writing, a principal does not have knowledge or notice of any facts known by an agent or subagent of the principal that are not actually known by the principal.

(2) Unless otherwise agreed to in writing, a licensee does not have knowledge or notice of any facts known by a subagent that are not actually known by the licensee. This subsection does not limit the knowledge imputed to a real estate broker of any facts known by an associate real estate

broker or real estate salesperson licensed to such broker. [1996 c 179 § 10.]

**18.86.110 Application.** This chapter supersedes only the duties of the parties under the common law, including fiduciary duties of an agent to a principal, to the extent inconsistent with this chapter. The common law continues to apply to the parties in all other respects. This chapter does not affect the duties of a licensee while engaging in the authorized or unauthorized practice of law as determined by the courts of this state. This chapter shall be construed broadly. [1996 c 179 § 11.]

**18.86.120 Pamphlet on the law of real estate agency—Content.** The pamphlet required under RCW 18.86.030(1)(f) shall consist of the entire text of RCW 18.86.010 through 18.86.030 and 18.86.040 through 18.86.110 with a separate cover page. The pamphlet shall be 8 1/2 by 11 inches in size, the text shall be in print no smaller than 10-point type, the cover page shall be in print no smaller than 12-point type, and the title of the cover page "The Law of Real Estate Agency" shall be in print no smaller than 18-point type. The cover page shall be in the following form:

#### **The Law of Real Estate Agency**

This pamphlet describes your legal rights in dealing with a real estate broker or salesperson. Please read it carefully before signing any documents.

The following is only a brief summary of the attached law:

Sec. 1. Definitions. Defines the specific terms used in the law.

Sec. 2. Relationships between Licensees and the Public. States that a licensee who works with a buyer or tenant represents that buyer or tenant—unless the licensee is the listing agent, a seller's subagent, a dual agent, the seller personally or the parties agree otherwise. Also states that in a transaction involving two different licensees affiliated with the same broker, the broker is a dual agent and each licensee solely represents his or her client—unless the parties agree in writing that both licensees are dual agents.

Sec. 3. Duties of a Licensee Generally. Prescribes the duties that are owed by all licensees, regardless of who the licensee represents. Requires disclosure of the licensee's agency relationship in a specific transaction.

Sec. 4. Duties of a Seller's Agent. Prescribes the additional duties of a licensee representing the seller or landlord only.

Sec. 5. Duties of a Buyer's Agent. Prescribes the additional duties of a licensee representing the buyer or tenant only.

Sec. 6. Duties of a Dual Agent. Prescribes the additional duties of a licensee representing both parties in the same transaction, and requires the written consent of both parties to the licensee acting as a dual agent.

Sec. 7. Duration of Agency Relationship. Describes when an agency relationship begins and ends. Provides that the duties of accounting and confidentiality continue after the termination of an agency relationship.

Sec. 8. Compensation. Allows brokers to share compensation with cooperating brokers. States that payment of compensation does not necessarily establish an agency relationship. Allows brokers to receive compensation from more than one party in a transaction with the parties' consent.

Sec. 9. Vicarious Liability. Eliminates the common law liability of a party for the conduct of the party's agent or subagent, unless the agent or subagent is insolvent. Also limits the liability of a broker for the conduct of a subagent associated with a different broker.

Sec. 10. Imputed Knowledge and Notice. Eliminates the common law rule that notice to or knowledge of an agent constitutes notice to or knowledge of the principal.

Sec. 11. Interpretation. This law replaces the fiduciary duties owed by an agent to a principal under the common law, to the extent that it conflicts with the common law.

[1997 c 217 § 7; 1996 c 179 § 13.]

**Real estate agency pamphlet—1997 c 217 §§ 1-6:** "Amendments set forth in sections 1 through 6 of this act are not required to be included in the pamphlet on the law of real estate agency required under RCW 18.86.030(1)(f) and 18.86.120 until January 1, 1998." [1997 c 217 § 8.]

**Effective date—1997 c 217 § 7:** "Section 7 of this act takes effect January 1, 1998." [1997 c 217 § 10.]

**18.86.900 Effective date—1996 c 179.** This chapter shall take effect on January 1, 1997. This chapter does not apply to an agency relationship entered into before January 1, 1997, unless the principal and agent agree in writing that this chapter will, as of January 1, 1997, apply to such agency relationship. [1996 c 179 § 12.]

**18.86.901 Captions not law—1996 c 179.** Captions used in this chapter do not constitute any part of the law. [1996 c 179 § 15.]

**18.86.902 Effective date—1996 c 179.** This act shall take effect January 1, 1997. [1996 c 179 § 19.]

## Chapter 18.88A NURSING ASSISTANTS

### Sections

- 18.88A.010 Legislative declaration.
- 18.88A.020 Definitions.
- 18.88A.030 Scope of practice—Voluntary certification—Rules.
- 18.88A.040 Registration and certification.
- 18.88A.050 Powers of secretary.
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- 18.88A.130 Renewal of registration or certification.
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- 18.88A.200 Delegation of nursing care tasks—Legislative finding.
- 18.88A.210 Delegation—Generally—Rules.
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- 18.88A.230 Delegation—Liability—Reprisal or disciplinary action—Penalty.
- 18.88A.240 Delegation—Complaints.
- 18.88A.900 Severability—1991 c 16.

*Health professions advisory committee: RCW 18.138.120.*

**18.88A.010 Legislative declaration.** The legislature takes special note of the contributions made by nursing assistants in health care facilities whose tasks are arduous and whose working conditions may be contributing to the high and often critical turnover among the principal cadre of health care workers who provide for the basic needs of patients. The legislature also recognizes the growing shortage of nurses as the proportion of the elderly population grows and as the acuity of patients in hospitals and nursing homes becomes generally more severe.

The legislature finds and declares that occupational nursing assistants should have a formal system of educational and experiential qualifications leading to career mobility and advancement. The establishment of such a system should bring about a more stabilized work force in health care facilities, as well as provide a valuable resource for recruitment into licensed nursing practice.

The legislature finds that the quality of patient care in health care facilities is dependent upon the competence of the personnel who staff their facilities. To assure the availability of trained personnel in health care facilities the legislature recognizes the need for training programs for nursing assistants.

The legislature declares that the registration of nursing assistants and providing for voluntary certification of those who wish to seek higher levels of qualification is in the interest of the public health, safety, and welfare. [1991 c 16 § 1; 1989 c 300 § 3; 1988 c 267 § 1. Formerly RCW 18.52B.010.]

**18.88A.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

- (1) "Department" means the department of health.
- (2) "Secretary" means the secretary of health.
- (3) "Commission" means the Washington nursing care quality assurance commission.
- (4) "Nursing assistant" means an individual, regardless of title, who, under the direction and supervision of a registered nurse or licensed practical nurse, assists in the delivery of nursing and nursing-related activities to patients in a health care facility. The two levels of nursing assistants are (a) "nursing assistant-certified," an individual certified under this chapter, (b) "nursing assistant-registered," an individual registered under this chapter.

(5) "Approved training program" means a nursing assistant-certified training program approved by the commission. For community college, vocational-technical institutes, skill centers, and secondary school as defined in chapter 28B.50 RCW, nursing assistant-certified training programs shall be approved by the commission in cooperation with the

board for community and technical colleges or the superintendent of public instruction.

(6) "Health care facility" means a nursing home, hospital, hospice care facility, home health care agency, hospice agency, or other entity for delivery of health care services as defined by the commission.

(7) "Competency evaluation" means the measurement of an individual's knowledge and skills as related to safe, competent performance as a nursing assistant. [1994 sp.s. c 9 § 708; 1991 c 16 § 2; (1991 c 3 § 221 repealed by 1991 sp.s. c 11 § 2); 1989 c 300 § 4; 1988 c 267 § 2. Formerly RCW 18.52B.020.]

**Severability—Headings and captions not law—Effective date—**1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

*Nursing care quality assurance commission: Chapter 18.79 RCW.*

**18.88A.030 Scope of practice—Voluntary certification—Rules.** (1) A nursing assistant may assist in the care of individuals as delegated by and under the direction and supervision of a licensed (registered) nurse or licensed practical nurse.

(2) A health care facility shall not assign a nursing assistant-registered to provide care until the nursing assistant-registered has demonstrated skills necessary to perform competently all assigned duties and responsibilities.

(3) Nothing in this chapter shall be construed to confer on a nursing assistant the authority to administer medication unless delegated as a specific nursing task pursuant to this chapter or to practice as a licensed (registered) nurse or licensed practical nurse as defined in chapter 18.79 RCW.

(4) Certification is voluntary for nursing assistants working in health care facilities other than nursing homes unless otherwise required by state or federal law or regulation.

(5) The commission may adopt rules to implement the provisions of this chapter. [1995 1st sp.s. c 18 § 52; 1994 sp.s. c 9 § 709; 1991 c 16 § 3; 1989 c 300 § 5; 1988 c 267 § 3. Formerly RCW 18.52B.030.]

**Conflict with federal requirements—Severability—Effective date—**1995 1st sp.s. c 18: See notes following RCW 74.39A.030.

**Severability—Headings and captions not law—Effective date—**1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

**18.88A.040 Registration and certification.** (1) No person may practice or represent himself or herself as a nursing assistant-registered by use of any title or description without being registered by the department pursuant to this chapter.

(2) After October 1, 1990, no person may by use of any title or description, practice or represent himself or herself as a nursing assistant-certified without applying for certification, meeting the qualifications, and being certified by the department pursuant to this chapter. [1991 c 16 § 4; 1989 c 300 § 6; 1988 c 267 § 4. Formerly RCW 18.52B.040.]

**18.88A.050 Powers of secretary.** In addition to any other authority provided by law, the secretary has the authority to:

(1) Set all certification, registration, and renewal fees in accordance with RCW 43.70.250 and to collect and deposit

all such fees in the health professions account established under RCW 43.70.320;

(2) Establish forms, procedures, and examinations necessary to administer this chapter;

(3) Hire clerical, administrative, and investigative staff as needed to implement this chapter;

(4) Issue a registration to any applicant who has met the requirements for registration;

(5) After January 1, 1990, issue a certificate to any applicant who has met the education, training, and conduct requirements for certification;

(6) Maintain the official record for the department of all applicants and persons with registrations and certificates;

(7) Exercise disciplinary authority as authorized in chapter 18.130 RCW;

(8) Deny registration to any applicant who fails to meet requirement for registration;

(9) Deny certification to applicants who do not meet the education, training, competency evaluation, and conduct requirements for certification. [1991 c 16 § 6; (1991 c 3 § 222 repealed by 1991 sp.s. c 11 § 2); 1989 c 300 § 7; 1988 c 267 § 6. Formerly RCW 18.52B.060.]

**18.88A.060 Commission—Powers.** In addition to any other authority provided by law, the commission may:

(1) Determine minimum education requirements and approve training programs;

(2) Prepare, grade, and administer, or determine the nature of, and supervise the grading and administration of, examinations of training and competency for applicants for certification;

(3) Determine whether alternative methods of training are equivalent to approved training programs, and establish forms, procedures, and criteria for evaluation of an applicant's alternative training to determine the applicant's eligibility to take any qualifying examination for certification;

(4) Define and approve any experience requirement for certification;

(5) Adopt rules implementing a continuing competency evaluation program;

(6) Adopt rules to enable it to carry into effect the provisions of this chapter. [1994 sp.s. c 9 § 710; 1991 c 16 § 8; 1989 c 300 § 8; 1988 c 267 § 7. Formerly RCW 18.52B.070.]

**Severability—Headings and captions not law—Effective date—**1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

**18.88A.080 Registration requirements.** (1) The secretary shall issue a registration to any applicant who pays any applicable fees and submits, on forms provided by the secretary, the applicant's name, address, and other information as determined by the secretary, provided there are no grounds for denial of registration or issuance of a conditional registration under this chapter or chapter 18.130 RCW.

(2) Applicants must file an application with the commission for registration within three days of employment. [1994 sp.s. c 9 § 711; 1991 c 16 § 10; (1991 c 3 § 224 repealed by 1991 sp.s. c 11 § 2); 1989 c 300 § 10; 1988 c 267 § 10. Formerly RCW 18.52B.100.]

**Severability—Headings and captions not law—Effective date—**  
1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902

**18.88A.085 Certification of requirements.** (1) After January 1, 1990, the secretary shall issue a certificate to any applicant who demonstrates to the secretary's satisfaction that the following requirements have been met:

(a) Completion of an approved training program or successful completion of alternate training meeting established criteria approved by the commission; and

(b) Successful completion of a competency evaluation.

(2) In addition, applicants shall be subject to the grounds for denial of certification under chapter 18.130 RCW. [1994 sp.s. c 9 § 712; 1991 c 16 § 11.]

**Severability—Headings and captions not law—Effective date—**  
1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

**18.88A.090 Examinations.** (1) The date and location of examinations shall be established by the secretary. Applicants who have been found by the secretary to meet the requirements for certification shall be scheduled for the next examination following the filing of the application. The secretary shall establish by rule the examination application deadline.

(2) The commission shall examine each applicant, by a written or oral and a manual component of competency evaluation. Examinations shall be limited to the purpose of determining whether the applicant possesses the minimum skill and knowledge necessary to practice competently.

(3) The examination papers, all grading of the papers, and the grading of skills demonstration shall be preserved for a period of not less than one year after the commission has made and published the decisions. All examinations shall be conducted under fair and wholly impartial methods.

(4) Any applicant failing to make the required grade in the first examination may take up to three subsequent examinations as the applicant desires upon prepaying a fee determined by the secretary under RCW 43.70.250 for each subsequent examination. Upon failing four examinations, the secretary may invalidate the original application and require such remedial education before the person may take future examinations.

(5) The commission may approve an examination prepared or administered by a private testing agency or association of licensing agencies for use by an applicant in meeting the credentialing requirements. [1994 sp.s. c 9 § 713; 1991 c 3 § 225; 1989 c 300 § 11; 1988 c 267 § 13. Formerly RCW 18.52B.130.]

**Severability—Headings and captions not law—Effective date—**  
1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

**18.88A.100 Waiver of examination for initial applications.** The secretary shall waive the competency evaluation and certify a person to practice within the state of Washington if the commission determines that the person meets commonly accepted standards of education and experience for the nursing assistants. This section applies only to those individuals who file an application for waiver by December 31, 1991. [1994 sp.s. c 9 § 714. Prior: 1991 c 16 § 12; 1991 c 3 § 226; 1989 c 300 § 12; 1988 c 267 § 15. Formerly RCW 18.52B.140.]

**Severability—Headings and captions not law—Effective date—**  
1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

**18.88A.110 Certificates for applicants credentialed in another state.** An applicant holding a credential in another state may be certified by endorsement to practice in this state without examination if the secretary determines that the other state's credentialing standards are substantially equivalent to the standards in this state. [1991 c 16 § 13.]

**18.88A.120 Applications for registration and certification—Fee.** Applications for registration and certification shall be submitted on forms provided by the secretary. The secretary may require any information and documentation that reasonably relates to the need to determine whether the applicant meets the criteria for registration and certification credentialing provided for in this chapter and chapter 18.130 RCW. Each applicant shall comply with administrative procedures, administrative requirements, and fees determined by the secretary under RCW 43.70.250 and 43.70.280. [1996 c 191 § 74; 1991 c 16 § 14.]

**18.88A.130 Renewal of registration or certification.** Registrations and certifications shall be renewed according to administrative procedures, administrative requirements, and fees determined by the secretary under RCW 43.70.250 and 43.70.280. [1996 c 191 § 75; 1994 sp.s. c 9 § 715; 1991 c 16 § 15.]

**Severability—Headings and captions not law—Effective date—**  
1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

**18.88A.140 Exemptions.** Nothing in this chapter may be construed to prohibit or restrict:

(1) The practice by an individual licensed, certified, or registered under the laws of this state and performing services within their authorized scope of practice;

(2) The practice by an individual employed by the government of the United States while engaged in the performance of duties prescribed by the laws of the United States;

(3) The practice by a person who is a regular student in an educational program approved by the secretary, and whose performance of services [is] pursuant to a regular course of instruction or assignments from an instructor and under the general supervision of the instructor. [1991 c 16 § 5.]

**18.88A.150 Application of uniform disciplinary act.** The uniform disciplinary act, chapter 18.130 RCW, governs unregistered or uncertified practice, issuance of certificates and registrations, and the discipline of persons registered or with certificates under this chapter. The secretary shall be the disciplinary authority under this chapter. [1991 c 16 § 7.]

**18.88A.200 Delegation of nursing care tasks—Legislative finding.** The legislature recognizes that nurses have been successfully delegating nursing care tasks to family members and auxiliary staff for many years. The opportunity for a nurse to delegate to nursing assistants qualifying under RCW 18.88A.210 may enhance the viability

and quality of care in community health settings for long-term care services and to allow citizens to live as independently as possible with maximum safeguards. [1995 1st sp.s. c 18 § 45.]

**Conflict with federal requirements—Severability—Effective date—**1995 1st sp.s. c 18: See notes following RCW 74.39A.030.

**18.88A.210 Delegation—Generally—Rules.** (1) A nurse may delegate specific care tasks to nursing assistants meeting the requirements of this section and who provide care to individuals in community residential programs for the developmentally disabled certified by the department of social and health services under chapter 71A.12 RCW, to individuals residing in adult family homes licensed under chapter 70.128 RCW, and to individuals residing in boarding homes licensed under chapter 18.20 RCW contracting with the department of social and health services to provide assisted living services pursuant to RCW 74.39A.010.

(2) For the purposes of this section, "nursing assistant" means a nursing assistant-registered or a nursing assistant-certified. Nothing in this section may be construed to affect the authority of nurses to delegate nursing tasks to other persons, including licensed practical nurses, as authorized by law.

(3) Before commencing any specific nursing care tasks authorized under this chapter, the nursing assistant must (a) provide to the delegating nurse a certificate of completion issued by the department of social and health services indicating the completion of basic core training as provided in this section, (b) be regulated by the department of health pursuant to this chapter, subject to the uniform disciplinary act under chapter 18.130 RCW, and (c) meet any additional training requirements identified by the nursing care quality assurance commission and authorized by this section.

(4) A nurse may delegate the following care tasks:

(a) Oral and topical medications and ointments;

(b) Nose, ear, eye drops, and ointments;

(c) Dressing changes and catheterization using clean techniques as defined by the nursing care quality assurance commission;

(d) Suppositories, enemas, ostomy care;

(e) Blood glucose monitoring;

(f) Gastrostomy feedings in established and healed condition.

(5) On or before September 1, 1995, the nursing care quality assurance commission, in conjunction with the professional nursing organizations, shall develop rules for nurse delegation protocols and by December 5, 1995, identify training beyond the core training that is deemed necessary for the delegation of complex tasks and patient care.

(6) Nursing task delegation protocols are not intended to regulate the settings in which delegation may occur but are intended to ensure that nursing care services have a consistent standard of practice upon which the public and profession may rely and to safeguard the authority of the nurse to make independent professional decisions regarding the delegation of a task. Protocols shall include at least the following:

(a) Ensure that determination of the appropriateness of delegation of a nursing task is at the discretion of the nurse;

(b) Allow delegation of a nursing care task only for patients who have a stable and predictable condition. "Stable and predictable condition" means a situation, as defined by rule by the nursing care quality assurance commission, in which the patient's clinical and behavioral status is known and does not require frequent presence and evaluation of a registered nurse;

(c) Assure that the initial delegating nurse obtains written consent to the nurse delegation process from the patient or a person authorized under RCW 7.70.065. Written consent is only necessary at the initial use of the nurse delegation process for each patient and is not necessary for task additions or changes or if a different nurse or nursing assistant will be participating in the process. The written consent must include at a minimum the following:

(i) A list of the tasks that could potentially be delegated per RCW 18.88A.210; and

(ii) A statement that a nursing assistant through the nurse delegation process will be performing a task that would previously have been performed by a registered or licensed practical nurse;

(d) Verify that the nursing assistant has completed the core training;

(e) Require assessment by the nurse of the ability and willingness of the nursing assistant to perform the delegated nursing task in the absence of direct nurse supervision and to refrain from delegation if the nursing assistant is not able or willing to perform the task;

(f) Require the nurse to analyze the complexity of the nursing task that is considered for delegation and determine the appropriate level of training and any need of additional training for the nursing assistant;

(g) Require the teaching of the nursing care task to the nursing assistant utilizing one or more of the following: (i) Verification of competency via return demonstration; (ii) other methods for verification of competency to perform the nursing task; or (iii) assurance that the nursing assistant is competent to perform the nursing task as a result of systems in place in the community residential program for the developmentally disabled, adult family home, or boarding home providing assisted living services;

(h) Require a plan of nursing supervision and reevaluation of the delegated nursing task. "Nursing supervision" means that the registered nurse monitors by direct observation or by whatever means is deemed appropriate by the registered nurse the skill and ability of the nursing assistant to perform delegated nursing tasks. Frequency of supervision is at the discretion of the registered nurse but shall occur at least every sixty days;

(i) Require instruction to the nursing assistant that the delegated nursing task is specific to a patient and is not transferable;

(j) Require documentation and written instruction related to the delegated nursing task be provided to the nursing assistant and a copy maintained in the patient record;

(k) Ensure that the nursing assistant is prepared to effectively deal with the predictable outcomes of performing the nursing task;

(l) Include in the delegation of tasks an awareness of the nature of the condition requiring treatment, risks of the treatment, side effects, and interaction of prescribed medications;

(m) Require documentation in the patient's record of the rationale for delegating or not delegating nursing tasks.

(7) A basic core training curriculum on providing care for individuals in community residential programs for the developmentally disabled certified by the department of social and health services under chapter 71A.12 RCW shall be in addition to the training requirements specified in subsection (5) of this section. Basic core training shall be developed and adopted by rule by the secretary of the department of social and health services. The department of social and health services shall appoint an advisory panel to assist in the development of core training comprised of representatives of the following:

(a) The division of developmental disabilities;

(b) The nursing care quality assurance commission;

(c) Professional nursing organizations;

(d) A state-wide organization of community residential service providers whose members are programs certified by the department under chapter 71A.12 RCW.

(8) A basic core training curriculum on providing care to residents in residential settings licensed under chapter 70.128 RCW, or in assisted living pursuant to RCW 74.39A.010 shall be mandatory for nursing assistants prior to assessment by a nurse regarding the ability and willingness to perform a delegated nursing task. Core training shall be developed and adopted by rule by the secretary of the department of social and health services, in conjunction with an advisory panel. The advisory panel shall be comprised of representatives from, at a minimum, the following:

(a) The nursing care quality assurance commission;

(b) Professional nurse organizations;

(c) A state-wide association of community residential service providers whose members are programs certified by the department under chapter 71A.12 RCW;

(d) Aging consumer groups;

(e) Associations representing homes licensed under chapters 70.128 and 18.20 RCW; and

(f) Associations representing home health, hospice, and home care agencies licensed under chapter 70.127 RCW. [1998 c 272 § 10; 1995 1st sp.s. c 18 § 46.]

**Findings—Severability—Effective date—1998 c 272:** See notes following RCW 18.20.230.

**Conflict with federal requirements—Severability—Effective date—1995 1st sp.s. c 18:** See notes following RCW 74.39A.030.

**18.88A.220 Delegation—Program and reimbursement policies.** On or before December 1, 1995, the department of health and the department of social and health services, in consultation with the nursing care quality assurance commission, shall develop and clarify program and reimbursement policies, as well as clarify barriers to current delegation, relating to the ability and authority of a nurse to delegate care tasks in the programs and services operating under their authority.

The nursing care quality assurance commission shall develop model forms that will assist in standardizing the practice of delegation. [1995 1st sp.s. c 18 § 47.]

**Conflict with federal requirements—Severability—Effective date—1995 1st sp.s. c 18:** See notes following RCW 74.39A.030.

**18.88A.230 Delegation—Liability—Reprisal or disciplinary action—Penalty.** (1) The nurse and nursing

assistant shall be accountable for their own individual actions in the delegation process. Nurses acting within the protocols of their delegation authority shall be immune from liability for any action performed in the course of their delegation duties. Nursing assistants following written delegation instructions from registered nurses performed in the course of their accurately written, delegated duties shall be immune from liability.

(2) No person may coerce a nurse into compromising patient safety by requiring the nurse to delegate if the nurse determines it is inappropriate to do so. Nurses shall not be subject to any employer reprisal or disciplinary action by the Washington nursing care quality assurance commission for refusing to delegate tasks or refusing to provide the required training for delegation if the nurse determines delegation may compromise patient safety. Nursing assistants shall not be subject to any employer reprisal or disciplinary action by the nursing care quality assurance commission for refusing to accept delegation of a nursing task based on patient safety issues. No community residential program, adult family home, or boarding home contracting to provide assisted-living services may discriminate or retaliate in any manner against a person because the person made a complaint or cooperated in the investigation of a complaint.

(3) The department of social and health services may impose a civil fine of not less than two hundred fifty dollars nor more than one thousand dollars on a community residential program, adult family home, or boarding home under chapter 18, Laws of 1995 1st sp. sess. that knowingly permits an employee to perform a nursing task except as delegated by a nurse pursuant to chapter 18, Laws of 1995 1st sp. sess. [1998 c 272 § 11; 1997 c 275 § 6; 1995 1st sp.s. c 18 § 48.]

**Findings—Severability—Effective date—1998 c 272:** See notes following RCW 18.20.230.

**Conflict with federal requirements—Severability—Effective date—1995 1st sp.s. c 18:** See notes following RCW 74.39A.030.

**18.88A.240 Delegation—Complaints.** The aging and adult services administration of the department of social and health services shall establish a toll-free telephone number for receiving complaints regarding delegation of specific nursing tasks to nursing assistants, in conjunction with any other such system maintained for long-term care services. Complaints specifically related to nurse-delegation shall be referred to the nursing care quality assurance commission for appropriate disposition in accordance with established procedures. [1995 1st sp.s. c 18 § 49.]

**Conflict with federal requirements—Severability—Effective date—1995 1st sp.s. c 18:** See notes following RCW 74.39A.030.

**18.88A.900 Severability—1991 c 16.** 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. [1991 c 16 § 17.]

## Chapter 18.89

## RESPIRATORY CARE PRACTITIONERS

## Sections

18.89.010	Legislative findings—Insurance coverage not mandated.
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18.89.030	Respiratory care practitioner—What constitutes.
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18.89.080	Secretary and ad hoc committee immune from liability.
18.89.090	Licensure—Qualifications.
18.89.100	Certification—Competency requirements.
18.89.110	Licensure—Examination.
18.89.120	Licensure—Application form—Fee.
18.89.140	Renewal of licenses.
18.89.150	Reciprocity.
18.89.901	Severability—1987 c 415.

*Regulation of health professions—Criteria: Chapter 18.120 RCW.*

**18.89.010 Legislative findings—Insurance coverage not mandated.** The legislature finds that in order to safeguard life, health, and to promote public welfare, a person practicing or offering to practice respiratory care as a respiratory care practitioner in this state shall be required to submit evidence that he or she is qualified to practice, and shall be licensed as provided. The settings for these services may include, health facilities licensed in this state, clinics, home care, home health agencies, physicians' offices, and public or community health services. Nothing in this chapter shall be construed to require that individual or group policies or contracts of an insurance carrier, health care service contractor, or health maintenance organization provide benefits or coverage for services and supplies provided by a person certified under this chapter. [1997 c 334 § 1; 1987 c 415 § 1.]

**Effective dates—1997 c 334:** "(1) Sections 5, 9, and 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, 1997.

(2) Sections 1 through 4, 6 through 8, and 11 through 15 of this act take effect July 1, 1998." [1997 c 334 § 16.]

**18.89.015 Unlawful practice, when.** After July 1, 1998, it shall be unlawful for a person to practice or to offer to practice as a respiratory care practitioner in this state or to use a title, sign, or device to indicate that such a person is practicing as a respiratory care practitioner unless the person has been duly licensed and registered under the provisions of this chapter. [1997 c 334 § 2.]

**Effective dates—1997 c 334:** See note following RCW 18.89.010.

**18.89.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Department" means the department of health.

(2) "Secretary" means the secretary of health or the secretary's designee.

(3) "Respiratory care practitioner" means an individual licensed under this chapter.

(4) "Physician" means an individual licensed under chapter 18.57 or 18.71 RCW. [1997 c 334 § 3; 1994 sp.s. c 9 § 511; 1991 c 3 § 227; 1987 c 415 § 2.]

[Title 18 RCW—page 234]

**Effective dates—1997 c 334:** See note following RCW 18.89.010.

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**18.89.030 Respiratory care practitioner—What constitutes.** A respiratory care practitioner is a person who adopts or uses any title or any description of services which incorporates one or more of the following terms or designations: (1) RT, (2) RCP, (3) respiratory care practitioner, (4) respiratory therapist, (5) respiratory technician, (6) inhalation therapist, or (7) any other words, abbreviation, or insignia indicating that he or she is a respiratory care practitioner. [1987 c 415 § 4.]

**18.89.040 Scope of practice.** (1) A respiratory care practitioner licensed under this chapter is employed in the treatment, management, diagnostic testing, rehabilitation, and care of patients with deficiencies and abnormalities which affect the cardiopulmonary system and associated aspects of other systems, and is under the direct order and under the qualified medical direction of a physician. The practice of respiratory care includes:

(a) The use and administration of prescribed medical gases, exclusive of general anesthesia;

(b) The use of air and oxygen administering apparatus;

(c) The use of humidification and aerosols;

(d) The administration, to the extent of training, as determined by the secretary, of prescribed pharmacologic agents related to respiratory care;

(e) The use of mechanical ventilatory, hyperbaric, and physiological support;

(f) Postural drainage, chest percussion, and vibration;

(g) Bronchopulmonary hygiene;

(h) Cardiopulmonary resuscitation as it pertains to advanced cardiac life support or pediatric advanced life support guidelines;

(i) The maintenance of natural and artificial airways and insertion, without cutting tissues, of artificial airways, as prescribed by a physician;

(j) Diagnostic and monitoring techniques such as the collection and measurement of cardiorespiratory specimens, volumes, pressures, and flows;

(k) The insertion of devices to draw, analyze, infuse, or monitor pressure in arterial, capillary, or venous blood as prescribed by a physician or an advanced registered nurse practitioner as authorized by the nursing care quality assurance commission under chapter 18.79 RCW; and

(l) Diagnostic monitoring of and therapeutic interventions for desaturation, ventilatory patterns, and related sleep abnormalities to aid the physician in diagnosis.

(2) Nothing in this chapter prohibits or restricts:

(a) The practice of a profession by individuals who are licensed under other laws of this state who are performing services within their authorized scope of practice, that may overlap the services provided by respiratory care practitioners;

(b) The practice of respiratory care by an individual employed by the government of the United States while the individual is engaged in the performance of duties prescribed for him or her by the laws and rules of the United States;

(c) The practice of respiratory care by a person pursuing a supervised course of study leading to a degree or certifi-

cate in respiratory care as a part of an accredited and approved educational program, if the person is designated by a title that clearly indicates his or her status as a student or trainee and limited to the extent of demonstrated proficiency of completed curriculum, and under direct supervision;

(d) The use of the title "respiratory care practitioner" by registered nurses authorized under chapter 18.79 RCW; or

(e) The practice without compensation of respiratory care of a family member.

Nothing in this chapter shall be construed to require that individual or group policies or contracts of an insurance carrier, health care service contractor, or health maintenance organization provide benefits or coverage for services and supplies provided by a person licensed under this chapter. [1997 c 334 § 4; 1994 sp.s. c 9 § 716; 1987 c 415 § 5.]

**Effective dates—1997 c 334:** See note following RCW 18.89.010.

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**18.89.050 Powers of secretary—Ad hoc advisers—Application of Uniform Disciplinary Act.** (1) In addition to any other authority provided by law, the secretary may:

(a) Adopt rules, in accordance with chapter 34.05 RCW, necessary to implement this chapter;

(b) Set all license, examination, and renewal fees in accordance with RCW 43.70.250;

(c) Establish forms and procedures necessary to administer this chapter;

(d) Issue a license to any applicant who has met the education, training, and examination requirements for licensure;

(e) Hire clerical, administrative, and investigative staff as needed to implement this chapter and hire individuals licensed under this chapter to serve as examiners for any practical examinations;

(f) Approve those schools from which graduation will be accepted as proof of an applicant's eligibility to take the licensure examination, specifically requiring that applicants must have completed programs with two-year curriculum;

(g) Prepare, grade, and administer, or determine the nature of, and supervise the grading and administration of, examinations for applicants for licensure;

(h) Determine whether alternative methods of training are equivalent to formal education and establish forms, procedures, and criteria for evaluation of an applicant's alternative training to determine the applicant's eligibility to take the examination;

(i) Determine which states have legal credentialing requirements equivalent to those of this state and issue licenses to individuals legally credentialed in those states without examination;

(j) Define and approve any experience requirement for licensure; and

(k) Appoint members of the profession to serve in an ad hoc advisory capacity to the secretary in carrying out this chapter. The members will serve for designated times and provide advice on matters specifically identified and requested by the secretary. The members shall be compensated in accordance with RCW 43.03.220 and reimbursed for travel expenses under RCW 43.03.040 and 43.03.060.

(2) The provisions of chapter 18.130 RCW shall govern the issuance and denial of licenses, unlicensed practice, and the disciplining of persons licensed under this chapter. The secretary shall be the disciplining authority under this chapter. [1997 c 334 § 5; 1994 sp.s. c 9 § 512; 1991 c 3 § 228; 1987 c 415 § 6.]

**Effective dates—1997 c 334:** See note following RCW 18.89.010.

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Health professions advisory committee:** RCW 18.138.120.

**18.89.060 Record of proceedings.** The secretary shall keep an official record of all proceedings, a part of which record shall consist of a register of all applicants for licensure under this chapter, with the result of each application. [1997 c 334 § 6; 1991 c 3 § 229; 1987 c 415 § 7.]

**Effective dates—1997 c 334:** See note following RCW 18.89.010.

**18.89.080 Secretary and ad hoc committee immune from liability.** The secretary, ad hoc committee members, or individuals acting on their behalf are immune from suit in any civil action based on any licensure or disciplinary proceedings, or other official acts performed in the course of their duties. [1997 c 334 § 7; 1994 sp.s. c 9 § 513; 1991 c 3 § 231; 1987 c 415 § 9.]

**Effective dates—1997 c 334:** See note following RCW 18.89.010.

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**18.89.090 Licensure—Qualifications.** (1) The secretary shall issue a license to any applicant who demonstrates to the secretary's satisfaction that the following requirements have been met:

(a) Graduation from a school approved by the secretary or successful completion of alternate training which meets the criteria established by the secretary;

(b) Successful completion of an examination administered or approved by the secretary;

(c) Successful completion of any experience requirement established by the secretary;

(d) Good moral character.

In addition, applicants shall be subject to the grounds for denial or issuance of a conditional license under chapter 18.130 RCW.

(2) A person who meets the qualifications to be admitted to the examination for licensure as a respiratory care practitioner may practice as a respiratory care practitioner under the supervision of a respiratory care practitioner licensed under this chapter between the date of filing an application for licensure and the announcement of the results of the next succeeding examination for licensure if that person applies for and takes the first examination for which he or she is eligible.

(3) A person certified as a respiratory care practitioner in good standing on July 1, 1998, who applies within one year of July 1, 1998, may be licensed without having completed the two-year curriculum set forth in RCW 18.89.050(1)(f), and without having to retake an examination under subsection (1)(b) of this section.

(4) The secretary shall establish by rule what constitutes adequate proof of meeting the criteria. [1997 c 334 § 8; 1991 c 3 § 232; 1987 c 415 § 10.]

**Effective dates—1997 c 334:** See note following RCW 18.89.010.

#### **18.89.100 Certification—Competency requirements.**

The secretary shall approve only those persons who have achieved the minimum level of competency as defined by the secretary. The secretary shall establish by rule the standards and procedures for approval of alternate training and shall have the authority to contract with individuals or organizations having expertise in the profession, or in education, to assist in evaluating those applying for approval. The standards and procedures set shall apply equally to schools and training within the United States and those in foreign jurisdictions. [1991 c 3 § 233; 1987 c 415 § 11.]

**18.89.110 Licensure—Examination.** (1) The date and location of the examination shall be established by the secretary. Applicants who have been found by the secretary to meet the other requirements for licensure shall be scheduled for the next examination following the filing of the application. However, the applicant shall not be scheduled for any examination taking place sooner than sixty days after the application is filed.

(2) The secretary shall examine each applicant, by means determined most effective, on subjects appropriate to the scope of practice. Such examinations shall be limited to the purpose of determining whether the applicant possesses the minimum skill and knowledge necessary to practice competently, and shall meet generally accepted standards of fairness and validity for licensure examinations.

(3) All examinations shall be conducted by the secretary, and all grading of the examinations shall be under fair and wholly impartial methods.

(4) Any applicant who fails to make the required grade in the first examination is entitled to take up to three subsequent examinations, upon compliance with administrative procedures, administrative requirements, and fees determined by the secretary under RCW 43.70.250 and 43.70.280 and such remedial education as is deemed necessary.

(5) The secretary may approve an examination prepared and administered by a private testing agency or association of credentialing boards for use by an applicant in meeting the licensure requirement. [1997 c 334 § 9; 1996 c 191 § 76; 1991 c 3 § 234; 1987 c 415 § 12.]

**Effective dates—1997 c 334:** See note following RCW 18.89.010.

#### **18.89.120 Licensure—Application form—Fee.**

Applications for licensure shall be submitted on forms provided by the secretary. The secretary may require any information and documentation which reasonably relates to the need to determine whether the applicant meets the criteria for licensure provided in this chapter and chapter 18.130 RCW. All applicants shall comply with administrative procedures, administrative requirements, and fees determined by the secretary under RCW 43.70.250 and 43.70.280. [1997 c 334 § 10; 1996 c 191 § 77; 1991 c 3 § 235; 1987 c 415 § 13.]

**Effective dates—1997 c 334:** See note following RCW 18.89.010.

**18.89.140 Renewal of licenses.** Licenses shall be renewed according to administrative procedures, administrative requirements, continuing education requirements, and fees determined by the secretary under RCW 43.70.250 and 43.70.280. [1997 c 334 § 11; 1996 c 191 § 78; 1991 c 3 § 237; 1987 c 415 § 15.]

**Effective dates—1997 c 334:** See note following RCW 18.89.010.

**18.89.150 Reciprocity.** An applicant holding a license in another state may be licensed to practice in this state without examination if the secretary determines that the other state's licensing standards are substantially equivalent to the standards in this state. [1997 c 334 § 12.]

**Effective dates—1997 c 334:** See note following RCW 18.89.010.

**18.89.901 Severability—1987 c 415.** 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. [1987 c 415 § 21.]

## **Chapter 18.90 SANITARIANS**

### Sections

18.90.010 Definitions.

#### **18.90.010 Definitions.**

**Reviser's note:** RCW 18.90.010 was amended by 1979 c 158 § 70 without reference to its repeal by 1979 c 99 § 60, effective June 30, 1982. It has been decodified for publication purposes pursuant to RCW 1.12.025.

## **Chapter 18.92 VETERINARY MEDICINE, SURGERY, AND DENTISTRY**

### Sections

18.92.010 Veterinary practice defined.  
18.92.012 Authority to dispense legend drugs prescribed by other veterinarians.  
18.92.013 Dispensing of drugs by registered personnel.  
18.92.015 Definitions.  
18.92.021 Veterinary board of governors—Appointment, qualifications, terms, officers—Quorum.  
18.92.030 General duties of board.  
18.92.035 Board to certify successful examinees.  
18.92.040 Compensation and travel expenses of board members.  
18.92.046 Application of uniform disciplinary act.  
18.92.047 Impaired veterinarian program—Content—License surcharge.  
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18.92.070 Applications—Procedure—Qualifications—Eligibility to take examination.  
18.92.100 Examinations—Time of—Subjects—Manner.  
18.92.115 Reexamination—Fee.  
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18.92.125 Animal technicians or veterinary medication clerks.  
18.92.130 License—Reciprocity with other states—Fee.  
18.92.135 License to practice specialized veterinary medicine.  
18.92.140 License—Procedures, requirements, fees.  
18.92.145 License, certificates of registration, permit, examination, and renewal fees.  
18.92.150 License—Display.  
18.92.230 Use of another's license or diploma a felony—Penalty.

18.92.240 Violations generally—Penalty.

18.92.900 Severability—1941 c 71.

*Duty of veterinarians to report diseases: RCW 16.36.080.*

**18.92.010 Veterinary practice defined.** Any person shall be regarded as practicing veterinary medicine, surgery and dentistry within the meaning of this chapter who shall, within this state, (1) by advertisement, or by any notice, sign, or other indication, or by a statement written, printed or oral, in public or private, made, done, or procured by himself or herself, or any other, at his or her request, for him or her, represent, claim, announce, make known or pretend his or her ability or willingness to diagnose or prognose or treat diseases, deformities, defects, wounds, or injuries of animals; (2) or who shall so advertise, make known, represent or claim his or her ability and willingness to prescribe or administer any drug, medicine, treatment, method or practice, or to perform any operation, manipulation, or apply any apparatus or appliance for cure, amelioration, correction or reduction or modification of any animal disease, deformity, defect, wound or injury, for hire, fee, compensation, or reward, promised, offered, expected, received, or accepted directly or indirectly; (3) or who shall within this state diagnose or prognose any animal diseases, deformities, defects, wounds or injuries, for hire, fee, reward, or compensation promised, offered, expected, received, or accepted directly or indirectly; (4) or who shall within this state prescribe or administer any drug, medicine, treatment, method or practice, or perform any operation, or manipulation, or apply any apparatus or appliance for the cure, amelioration, alleviation, correction, or modification of any animal disease, deformity, defect, wound, or injury, for hire, fee, compensation, or reward, promised, offered, expected, received or accepted directly or indirectly; (5) or who performs any manual procedure for the diagnosis of pregnancy, sterility, or infertility upon livestock; (6) or who implants any electronic device for the purpose of establishing or maintaining positive identification of animals.

The opening of an office or place of business for the practice of veterinary medicine, the use of a sign, card, device or advertisement as a practitioner of veterinary medicine or as a person skilled in such practice shall be prima facie evidence of engaging in the practice of veterinary medicine, surgery and dentistry. [1995 c 317 § 1; 1959 c 92 § 1; 1941 c 71 § 1; Rem. Supp. 1941 § 10040-1. Prior: 1907 c 124 § 1. FORMER PART OF SECTION: 1941 c 71 § 21; Rem. Supp. 1941 § 10040-21, now codified as RCW 18.92.015.]

**18.92.012 Authority to dispense legend drugs prescribed by other veterinarians.** A veterinarian licensed under this chapter may dispense veterinary legend drugs prescribed by other veterinarians licensed under this chapter, so long as, during any year, the total drugs so dispensed do not constitute more than five percent of the total dosage units of legend drugs the veterinarian dispenses and the veterinarian maintains records of his or her dispensing activities consistent with the requirements of chapters 18.64, 69.04, 69.41, and 69.50 RCW. For purposes of this section, a "veterinary legend drug" is a legend drug, as defined in chapter 69.41 RCW, which is either: (1) Restricted to use by licensed veterinarians by any law or regulation of the

federal government, or (2) designated by rule by the state board of pharmacy as being a legend drug that one licensed veterinarian may dispense for another licensed veterinarian under this section. [1991 c 47 § 1.]

**18.92.013 Dispensing of drugs by registered personnel.** (1) A veterinarian legally prescribing drugs may delegate to a registered veterinary medication clerk or a registered animal technician, while under the veterinarian's direct supervision, certain nondiscretionary functions defined by the board and used in the dispensing of legend and nonlegend drugs (except controlled substances as defined in or under chapter 69.50 RCW) associated with the practice of veterinary medicine. Upon final approval of the packaged prescription following a direct physical inspection of the packaged prescription for proper formulation, packaging, and labeling by the veterinarian, the veterinarian may delegate the delivery of the prescription to a registered veterinary medication clerk or registered animal technician, while under the veterinarian's indirect supervision. Dispensing of drugs by veterinarians, registered animal technicians, and registered veterinary medication clerks shall meet the applicable requirements of chapters 18.64, 69.40, 69.41, and 69.50 RCW and is subject to inspection by the board of pharmacy investigators.

(2) For the purposes of this section:

(a) "Direct supervision" means the veterinarian is on the premises and is quickly and easily available; and

(b) "Indirect supervision" means the veterinarian is not on the premises but has given written or oral instructions for the delegated task. [1993 c 78 § 2.]

**18.92.015 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

"Animal technician" means a person who has successfully completed an examination administered by the board and who has either successfully completed a post high school course approved by the board in the care and treatment of animals or had five years' practical experience, acceptable to the board, with a licensed veterinarian.

"Board" means the Washington state veterinary board of governors.

"Department" means the department of health.

"Secretary" means the secretary of the department of health.

"Veterinary medication clerk" means a person who has satisfactorily completed a board-approved training program developed in consultation with the board of pharmacy and designed to prepare persons to perform certain nondiscretionary functions defined by the board and used in the dispensing of legend and nonlegend drugs (except controlled substances as defined in or under chapter 69.50 RCW) associated with the practice of veterinary medicine. [1993 c 78 § 1; 1991 c 332 § 40; 1991 c 3 § 238; 1983 c 102 § 1; 1979 c 158 § 71; 1974 ex.s. c 44 § 1; 1967 ex.s. c 50 § 1; 1959 c 92 § 2; 1941 c 71 § 21; Rem. Supp. 1941 § 10040-21. Formerly RCW 18.92.010, part.]

**Captions not law—1991 c 332:** See note following RCW 18.130.010.

**18.92.021 Veterinary board of governors—Appointment, qualifications, terms, officers—Quorum.**

(1) There is created a Washington state veterinary board of governors consisting of six members, five of whom shall be licensed veterinarians, and one of whom shall be a lay member.

(2) The licensed members shall be appointed by the governor. At the time of their appointment the licensed members of the board must be actual residents of the state in active practice as licensed practitioners of veterinary medicine, surgery, and dentistry and must be citizens of the United States. Not more than one licensed member shall be from the same congressional district. The board shall not be deemed to be unlawfully constituted and a member of the board shall not be deemed ineligible to serve the remainder of the member's unexpired term on the board solely by reason of the establishment of new or revised boundaries for congressional districts.

The terms of the first licensed members of the board shall be as follows: One member for five, four, three, two, and one years respectively. Thereafter the terms shall be for five years and until their successors are appointed and qualified.

(3) The lay member shall be appointed by the governor for a five year term and until the lay member's successor is appointed.

(4) A member may be appointed to serve a second term, if that term does not run consecutively. Vacancies in the board shall be filled by the governor, the appointee to hold office for the remainder of the unexpired term.

(5) Officers of the board shall be a chairman and a secretary-treasurer to be chosen by the members of the board from among its members.

(6) Four members of the board shall constitute a quorum at meetings of the board. [1983 c 2 § 2. Prior: 1982 1st ex.s. c 30 § 5; 1982 c 134 § 1; 1979 ex.s. c 31 § 1; 1967 ex.s. c 50 § 2; 1959 c 92 § 3.]

**Severability—1983 c 2:** See note following RCW 18.71.030.

**18.92.030 General duties of board.** The board shall develop and administer, or approve, or both, a licensure examination in the subjects determined by the board to be essential to the practice of veterinary medicine, surgery, and dentistry. The board may approve an examination prepared or administered by a private testing agency or association of licensing authorities. The board, under chapter 34.05 RCW, may adopt rules necessary to carry out the purposes of this chapter, including the performance of the duties and responsibilities of animal technicians and veterinary medication clerks. The rules shall be adopted in the interest of good veterinary health care delivery to the consuming public and shall not prevent animal technicians from inoculating an animal. The board also has the power to adopt by rule standards prescribing requirements for veterinary medical facilities and fixing minimum standards of continuing veterinary medical education.

The department is the official office of record. [1995 c 198 § 13; 1993 c 78 § 3; 1986 c 259 § 140; 1983 c 102 § 2; 1982 c 134 § 2; 1981 c 67 § 23; 1974 ex.s. c 44 § 2; 1967 ex.s. c 50 § 3; 1961 c 157 § 2; 1959 c 92 § 4; 1941 c 71 § 4; Rem. Supp. 1941 § 10040-4. FORMER PART OF

SECTION: 1941 c 71 § 9; Rem. Supp. 1941 § 10040-9 now codified as RCW 18.92.035.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**Effective dates—Severability—1981 c 67:** See notes following RCW 34.12.010.

**18.92.035 Board to certify successful examinees.** The board shall certify to the secretary the names of all applicants who have successfully passed an examination and are entitled to a license to practice veterinary medicine, surgery and dentistry. The secretary shall thereupon issue a license to practice veterinary medicine, surgery and dentistry to such applicant. [1991 c 3 § 239; 1941 c 71 § 9; Rem. Supp. 1941 § 10040-9. Formerly RCW 18.92.030, part.]

**18.92.040 Compensation and travel expenses of board members.** Each member of the board shall be compensated in accordance with RCW 43.70.250 and shall be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060. No expense may be incurred by members of the board except in connection with board meetings without prior approval of the secretary. [1991 c 3 § 240; 1984 c 287 § 51; 1983 c 102 § 4; 1975-'76 2nd ex.s. c 34 § 53; 1974 ex.s. c 44 § 3; 1967 ex.s. c 50 § 4; 1959 c 92 § 5; 1941 c 71 § 5; 1913 c 79 § 2; 1907 c 124 § 13; Rem. Supp. 1941 § 10040-5.]

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220

**Severability—Effective date—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

**18.92.046 Application of uniform disciplinary act.** The uniform disciplinary act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter. [1987 c 150 § 58; 1986 c 259 § 139.]

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.92.047 Impaired veterinarian program—Content—License surcharge.** (1) To implement an impaired veterinarian program as authorized by RCW 18.130.175, the veterinary board of governors shall enter into a contract with a voluntary substance abuse monitoring program. The impaired veterinarian program may include any or all of the following:

- (a) Contracting with providers of treatment programs;
- (b) Receiving and evaluating reports of suspected impairment from any source;
- (c) Intervening in cases of verified impairment;
- (d) Referring impaired veterinarians to treatment programs;
- (e) Monitoring the treatment and rehabilitation of impaired veterinarians including those ordered by the board;
- (f) Providing education, prevention of impairment, posttreatment monitoring, and support of rehabilitated impaired veterinarians; and
- (g) Performing other related activities as determined by the board.

(2) A contract entered into under subsection (1) of this section shall be financed by a surcharge of up to twenty-five

dollars on each license issuance or renewal of a new license to be collected by the department of health from every veterinarian licensed under chapter 18.92 RCW. These moneys shall be placed in the health professions account to be used solely for the implementation of the impaired veterinarian program. [1991 c 3 § 241; 1989 c 125 § 2.]

**18.92.051 Compliance with chapter required.** It is a violation of RCW 18.130.190 for any person to practice the profession of veterinary medicine, surgery, or dentistry in this state, who has not complied with the provisions of this chapter. [1987 c 150 § 59.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.92.060 Licensing exemptions.** Nothing in this chapter applies to:

(1) Commissioned veterinarians in the United States military services or veterinarians employed by Washington state and federal agencies while performing official duties;

(2) A person practicing veterinary medicine upon his or her own animal;

(3) A person advising with respect to or performing the castrating and dehorning of cattle, castrating and docking of sheep, castrating of swine, caponizing of poultry, or artificial insemination of animals;

(4)(a) A person who is a regularly enrolled student in a veterinary school or training course approved under RCW 18.92.015 and performing duties or actions assigned by his or her instructors or working under the direct supervision of a licensed veterinarian during a school vacation period or (b) a person performing assigned duties under the supervision of a veterinarian within the established framework of an internship program recognized by the board;

(5) A veterinarian regularly licensed in another state consulting with a licensed veterinarian in this state;

(6) An animal technician or veterinary medication clerk acting under the supervision and control of a licensed veterinarian. The practice of an animal technician or veterinary medication clerk is limited to the performance of services which are authorized by the board;

(7) An owner being assisted in practice by his or her employees when employed in the conduct of the owner's business;

(8) An owner being assisted in practice by some other person gratuitously;

(9) The implanting in their own animals of any electronic device for identifying animals by established humane societies and animal control organizations that provide appropriate training, as determined by the veterinary board of governors, and/or direct or indirect supervision by a licensed veterinarian;

(10) The implanting of any electronic device by a public fish and wildlife agency for the identification of fish or wildlife. [1995 c 317 § 2; 1993 c 78 § 4; 1974 ex.s. c 44 § 4; 1967 ex.s. c 50 § 5; 1959 c 92 § 13; 1941 c 71 § 20; Rem. Supp. 1941 § 10040-20. Prior: 1907 c 124 § 15.]

**18.92.070 Applications—Procedure—Qualifications—Eligibility to take examination.** No person, unless registered or licensed to practice veterinary medicine, surgery, and dentistry in this state at the time this

chapter shall become operative, shall begin the practice of veterinary medicine, surgery and dentistry without first applying for and obtaining a license for such purpose from the secretary. In order to procure a license to practice veterinary medicine, surgery, and dentistry in the state of Washington, the applicant for such license shall file his or her application at least sixty days prior to date of examination upon a form furnished by the secretary of health, which, in addition to the fee provided by this chapter, shall be accompanied by satisfactory evidence that he or she is at least eighteen years of age and of good moral character, and by official transcripts or other evidence of graduation from a veterinary college satisfactory to and approved by the board. Said application shall be signed by the applicant and sworn to by him or her before some person authorized to administer oaths. When such application and the accompanying evidence are found satisfactory, the secretary shall notify the applicant to appear before the board for the next examination. In addition, applicants shall be subject to grounds for denial or issuance of a conditional license under chapter 18.130 RCW.

Nothing in this chapter shall preclude the board from permitting a person who has completed a portion of his or her educational program as determined by the board, in a veterinary college recognized by the board, to take the examination or any part thereof prior to satisfying the requirements for application for a license: **PROVIDED HOWEVER,** That no license shall be issued to such applicant until such requirements are satisfied. [1991 c 3 § 242; 1986 c 259 § 141; 1982 c 134 § 3; 1979 c 158 § 72; 1974 ex.s. c 44 § 5; 1971 ex.s. c 292 § 28; 1941 c 71 § 6; Rem. Supp. 1941 § 10040-6. Formerly RCW 18.92.050, part, 18.92.070, part, and 18.92.080, part.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**Severability—1971 ex.s. c 292:** See note following RCW 26.28.010.

**18.92.100 Examinations—Time of—Subjects—Manner.** Examinations for license to practice veterinary medicine, surgery and dentistry shall be held at least once each year at such times and places as the secretary may authorize and direct. The examination shall be on subjects that are ordinarily included in the curricula of veterinary colleges. All examinees shall be tested by written examination, supplemented by such oral interviews and practical demonstrations as the board deems necessary. [1995 c 198 § 14; 1991 c 3 § 243; 1967 ex.s. c 50 § 6; 1959 c 92 § 7; 1941 c 71 § 7; Rem. Supp. 1941 § 10040-7.]

**18.92.115 Reexamination—Fee.** Any applicant who shall fail to secure the required grade in his first examination may take the next regular veterinary examination. The fee for reexamination shall be determined by the secretary as provided in RCW 43.70.250. [1991 c 3 § 244; 1985 c 7 § 71; 1975 1st ex.s. c 30 § 82; 1967 ex.s. c 50 § 7; 1959 c 92 § 8; 1941 c 71 § 10; Rem. Supp. 1941 § 10040-10. Prior: 1907 c 124 § 17. Formerly RCW 18.92.090, part.]

**18.92.120 License—Temporary certificates, restrictions.** Any person who shall make application for examination, as provided by RCW 18.92.070, and who has not previously failed to pass the veterinary examination, and

whose application is found satisfactory by the secretary, may be given a temporary certificate to practice veterinary medicine, surgery and dentistry valid only until the results of the next examination for licenses are available. In addition, applicants shall be subject to the grounds for denial or issuance of a conditional license under chapter 18.130 RCW. No more than one temporary certificate may be issued to any applicant. Such permittee shall be employed by a licensed veterinary practitioner or by the state of Washington. [1991 c 3 § 245; 1986 c 259 § 142; 1967 ex.s. c 50 § 8; 1959 c 92 § 9; 1941 c 71 § 11; 1907 c 124 § 11; Rem. Supp. 1941 § 10040-11.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.92.125 Animal technicians or veterinary medication clerks.** No veterinarian who uses the services of an animal technician or veterinary medication clerk shall be considered as aiding and abetting any unlicensed person to practice veterinary medicine. A veterinarian retains professional and personal responsibility for any act which constitutes the practice of veterinary medicine as defined in this chapter when performed by an animal technician or veterinary medication clerk in his or her employ. [1993 c 78 § 5; 1986 c 259 § 143; 1983 c 102 § 5; 1974 ex.s. c 44 § 6.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.92.130 License—Reciprocity with other states—Fee.** Any person who has been lawfully licensed to practice veterinary medicine, surgery, and dentistry in another state or territory which has and maintains a standard for the practice of veterinary medicine, surgery and dentistry which is substantially the same as that maintained in this state, and who has been lawfully and continuously engaged in the practice of veterinary medicine, surgery and dentistry for two years or more immediately before filing his or her application to practice in this state and who shall submit to the secretary a duly attested certificate from the examining board of the state or territory in which he or she is registered, certifying to the fact of his or her registration and of his or her being a person of good moral character and of professional attainments, may upon the payment of the fee as provided herein, be granted a license to practice veterinary medicine, surgery and dentistry in this state, without being required to take an examination: **PROVIDED, HOWEVER,** That no license shall be issued to any applicant, unless the state or territory from which such certificate has been granted to such applicant shall have extended a like privilege to engage in the practice of veterinary medicine, surgery and dentistry within its own borders to veterinarians heretofore and hereafter licensed by this state, and removing to such other state: **AND PROVIDED FURTHER,** That the secretary of health shall have power to enter into reciprocal relations with other states whose requirements are substantially the same as those provided herein. The board shall make recommendations to the secretary upon all requests for reciprocity. [1991 c 3 § 246; 1959 c 92 § 10; 1941 c 71 § 12; Rem. Supp. 1941 § 10040-12.]

**18.92.135 License to practice specialized veterinary medicine.** (1) The department may issue a license to

practice specialized veterinary medicine in this state to a veterinarian who:

(a) Submits an application on a form provided by the secretary for a license in a specialty area recognized by the board by rule;

(b) Holds a current certification as a diplomate of a national specialty board or college recognized by the board by rule in the specialty area for which application is submitted;

(c) Is not subject to license investigation, suspension, revocation, or other disciplinary action in any state, United States territory, or province of Canada;

(d) Has successfully completed an examination established by the board regarding this state's laws and rules regulating the practice of veterinary medicine; and

(e) Provides other information and verification required by the board.

(2) A veterinarian licensed to practice specialized veterinary medicine shall not practice outside his or her licensed specialty unless he or she meets licensing requirements established for practicing veterinary medicine, surgery, and dentistry under RCW 18.92.070 and 18.92.100.

(3) The board shall determine by rule the limits of the practice of veterinary medicine, surgery, and dentistry represented by a license to practice specialized veterinary medicine.

(4) The board may deny, revoke, suspend, or modify a license to practice specialized veterinary medicine if the national specialty board or college certifying the licensee denies, revokes, suspends, modifies, withdraws, or otherwise limits the certification or if the certification expires. [1991 c 332 § 41.]

**Captions not law—1991 c 332:** See note following RCW 18.130.010.

**18.92.140 License—Procedures, requirements, fees.** Each person now qualified to practice veterinary medicine, surgery, and dentistry, registered as an animal technician, or registered as a veterinary medication clerk in this state or who becomes licensed or registered to engage in practice shall comply with administrative procedures, administrative requirements, and fees determined as provided in RCW 43.70.250 and 43.70.280. [1996 c 191 § 79; 1993 c 78 § 6; 1991 c 3 § 247; 1985 c 7 § 72; 1983 c 102 § 6; 1941 c 71 § 16; Rem. Supp. 1941 § 10040-16. **FORMER PARTS OF SECTION:** (i) 1941 c 71 § 17; Rem. Supp. 1941 § 10040-17, now codified as RCW 18.92.142. (ii) 1941 c 71 § 19, part; Rem. Supp. 1941 § 10040-19, part, now codified as RCW 18.92.145.]

**18.92.145 License, certificates of registration, permit, examination, and renewal fees.** Administrative procedures, administrative requirements, and fees shall be established as provided in RCW 43.70.250 and 43.70.280 for the issuance, renewal, or administration of the following licenses, certificates of registration, permits, duplicate licenses, renewals, or examination:

(1) For a license to practice veterinary medicine, surgery, and dentistry issued upon an examination given by the examining board;

(2) For a license to practice veterinary medicine, surgery, and dentistry issued upon the basis of a license issued in another state;

(3) For a certificate of registration as an animal technician;

(4) For a certificate of registration as a veterinary medication clerk;

(5) For a temporary permit to practice veterinary medicine, surgery, and dentistry. The temporary permit fee shall be accompanied by the full amount of the examination fee; and

(6) For a license to practice specialized veterinary medicine. [1996 c 191 § 80; 1993 c 78 § 7; 1991 c 332 § 42; 1991 c 3 § 248; 1985 c 7 § 73; 1983 c 102 § 7; 1975 1st ex.s. c 30 § 84; 1971 ex.s. c 266 § 20; 1967 ex.s. c 50 § 9; 1959 c 92 § 12; 1941 c 71 § 19; Rem. Supp. 1941 § 10040-19. Prior: 1907 c 124 §§ 9, 10. Formerly RCW 18.92.090 and 18.92.140.]

**Captions not law—1991 c 332:** See note following RCW 18.130.010.

**18.92.150 License—Display.** Every person holding a license under the provisions of this chapter shall conspicuously display it in his principal place of business, together with the annual renewal license certificate. [1941 c 71 § 18; Rem. Supp. 1941 § 10040-18.]

**18.92.230 Use of another's license or diploma a felony—Penalty.** Any person filing or attempting to file, as his own, the diploma or license of another shall be deemed guilty of a felony, and upon conviction thereof, shall be subject to such fine and imprisonment as is made and provided by the statutes of this state for the crime of forgery. [1941 c 71 § 23; Rem. Supp. 1941 § 10040-23.]

*Forgery: RCW 9A.60.020.*

**18.92.240 Violations generally—Penalty.** Violation of any of the provisions of this chapter, or of any rule or regulation made pursuant thereto, shall constitute a misdemeanor and punishable by fine of not less than fifty dollars. [1941 c 71 § 24; Rem. Supp. 1941 § 10040-24.]

**18.92.900 Severability—1941 c 71.** Should any section of this chapter, or any portion of any section be for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this chapter. [1941 c 71 § 25.]

**Chapter 18.96**

**LANDSCAPE ARCHITECTS**

Sections

- 18.96.010 Evidence of qualifications required.
- 18.96.020 Registration required.
- 18.96.030 Definitions.
- 18.96.040 Board of registration for landscape architects—Created—Members—Qualifications.
- 18.96.050 Board—Terms of office—Removal—Compensation and travel expenses.
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- 18.96.900 Severability—1969 ex.s. c 158.

*Public contracts for architectural services: Chapter 39.80 RCW.*

**18.96.010 Evidence of qualifications required.** In order to safeguard human health and property, and to promote the public welfare, any person in either public or private capacity practicing or offering to practice landscape architecture for hire, shall be required to submit evidence that he is qualified so to practice and shall be registered under the provisions of this chapter. [1969 ex.s. c 158 § 1.]

**18.96.020 Registration required.** It shall be unlawful for any person to use, or advertise the title landscape architect, landscape architecture, or landscape architectural, unless such person has duly registered under the provisions of this chapter. [1969 ex.s. c 158 § 2.]

**18.96.030 Definitions.** The following words and phrases as hereinafter used in this chapter shall have the following meanings:

"Director" means the director of licensing of the state of Washington.

"Board" means the state board of registration for landscape architects.

"Landscape architect" means a person who engages in the practice of landscape architecture as hereinafter defined. A person practices landscape architecture within the meaning and intent of this chapter who performs for hire professional services such as consultations, investigations, reconnaissance, research, planning, design or teaching supervision in connection with the development of land areas where, and to the extent that, the dominant purpose of such services is the preservation, enhancement, or determination of proper land uses, natural land features, ground cover and planting, naturalistic and aesthetic values, the settings and approaches to structures or other improvements, or natural drainage and erosion control. This practice shall include the location, design, and arrangement of such tangible objects as pools, walls, steps, trellises, canopies, and other nonhabitable structures, and such features as are incidental and necessary to the purposes outlined herein. It involves the design and arrangement of land forms and the development of outdoor space including, but not limited to, the design of public parks, playgrounds, cemeteries, home and school grounds, and the development of industrial and recreational sites. [1979 c 158 § 73; 1969 ex.s. c 158 § 3.]

**18.96.040 Board of registration for landscape architects—Created—Members—Qualifications.** There is

created a state board of registration for landscape architects. The board shall consist of four landscape architects and one member of the general public. Members of the board shall be appointed by the governor and must be residents of this state having the qualifications required by this chapter.

No public member of the board may be a past or present member of any other licensing board under this title. No public member may make his or her own livelihood from, nor have a parent, spouse, or child make their respective livelihood from providing landscape architect services, or from enterprises dealing in landscape architecture.

The landscape architect members of the board must, while serving on the board, be actively engaged in their profession or trade and, immediately preceding appointment, have had at least five years experience in responsible charge of work or teaching within their profession or trade. [1993 c 35 § 1; 1985 c 18 § 1; 1969 ex.s. c 158 § 4.]

**Effective date—1985 c 18:** "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect on June 30, 1985." [1985 c 18 § 6.]

**18.96.050 Board—Terms of office—Removal—Compensation and travel expenses.** The members of the first board shall serve for the following terms:

One member for one year, one member for two years, one member for three years, one member for four years, and one member for five years from the date of appointment or until successors are duly appointed and qualified. Every member of the board shall receive a certificate of his appointment from the governor, and before beginning his term of office shall file with the secretary of state his written oath or affirmation for the faithful discharge of his official duties. On the expiration of the term of each member, the governor shall appoint a successor to serve for a term of five years, or until his successor has been appointed and qualified: PROVIDED, That no member shall serve more than ten consecutive years.

The governor may remove any member of the board for cause. Vacancies in the board for any reason shall be filled by appointment for the unexpired term. In carrying out the provisions of this chapter, the members of the board shall be compensated in accordance with RCW 43.03.240 and shall be reimbursed for travel expenses according to the provisions of RCW 43.03.050 and 43.03.060, such funds to be provided from the landscape architects' account in the state general fund. [1984 c 287 § 52; 1975-'76 2nd ex.s. c 34 § 54; 1969 ex.s. c 158 § 5.]

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**Effective date—Severability—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

**18.96.060 Board—Rules—Quorum—Hearings—Subpoena power.** The board shall adopt rules for its own organization and procedure and such other rules as it may deem necessary to the proper performance of its duties. Three members of the board shall constitute a quorum for the conduct of any business of the board.

The board may conduct hearings concerning alleged violations of the provisions of this chapter. In conducting such hearings the chairman of the board, or any member of

the board acting in his place, may administer oaths or affirmations to witnesses appearing before the board, subpoena witnesses and compel their attendance, and require the production of books, records, papers and documents. If any person shall refuse to obey any subpoena so issued, or shall refuse to testify or to produce any books, records, papers or documents so required to be produced, the board may present its petition to the superior court of the county in which such person resides, setting forth the facts, and thereupon the court shall, in any proper case, enter a suitable order compelling compliance with the provisions of this chapter and imposing such other terms and conditions as the court may deem equitable. [1969 ex.s. c 158 § 6.]

**18.96.070 Qualifications of applicants.** The following will be considered as minimum evidence satisfactory to the board that the applicant is qualified for registration as a professional landscape architect.

The applicant must have completed a course of study in landscape architecture and have been graduated from a college or school approved by the board as offering a curriculum in landscape architecture, or the equivalent thereof, in any form of training, as determined by the board. Each complete year of study in any registered college or school of landscape architecture may be accepted in lieu of one year of equivalent training.

He must have a minimum of seven years in any combination of training and experience, and shall present proof to the director of passing such written examinations as may be prescribed by the board.

Registration under this chapter shall be on an individual, personal basis, and the director shall not register any firm, company, partnership, corporation, nor any public agency. Corporate practice is not permitted under the provisions of this chapter. [1969 ex.s. c 158 § 7.]

**18.96.080 Applications—Contents—Fees.** Application for registration shall be filed with the director prior to the date set for examination and shall contain statements made under oath showing the applicant's education and a detailed summary of practical experience, and shall contain not less than three references who are landscape architects having personal knowledge of the applicant's landscape architectural experience.

The application fee for initial examination shall be determined by the director as provided in RCW 43.24.086. The application and fee must be submitted to the agency prior to the application deadline established by the director.

Fees for initial examination and reexamination shall be determined by the director as provided in RCW 43.24.086, and must be filed with the agency prior to the application deadline established by the director. [1993 c 35 § 2; 1985 c 7 § 74; 1975 1st ex.s. c 30 § 85; 1969 ex.s. c 158 § 8.]

**18.96.090 Examinations.** Examinations of applicants for certificates of registration shall be held at least annually or at such times and places as the board may determine. The board shall determine from the examination and the material submitted with the applications whether or not the applicants possess sufficient knowledge, ability and moral fitness to safely and properly practice landscape architecture

and to hold themselves out to the public as persons qualified for that practice.

The scope of the examination and methods of examination procedure shall be prescribed by the board with special reference to landscape construction materials and methods, grading and drainage, plant materials suited for use in the northwest, specifications and supervisory practice, history and theory of landscape architecture relative to landscape architectural design, site planning and land design, subdivision, urban design, and a practical knowledge of botany, horticulture and similar subjects related to the practice of landscape architecture. The board may adopt an appropriate national examination and grading procedure.

Applicants who fail to pass sections of the examination shall be permitted to retake the examination in the sections failed. A passing grade in a section shall exempt the applicant from examination in that subject for five years. The board may determine the standard for passing grades computed on a scale of one hundred percent. A certificate of registration shall be granted by the director to all qualified applicants who shall be certified by the board as having passed the required examination and as having given satisfactory proof of completion of the required experience. [1993 c 35 § 3; 1985 c 18 § 2; 1969 ex.s. c 158 § 9.]

**Effective date—1985 c 18:** See note following RCW 18.96.040.

**18.96.100 Reciprocity.** The director may, upon payment of a reciprocity application fee and the current registration fee in an amount as determined by the director as provided in RCW 43.24.086, grant a certificate of registration, upon recommendation by the board, to any applicant who is a registered landscape architect in any other state or country whose requirements for registration are at least substantially equivalent to the requirements of this state for registration by examination, and which extends the same privileges of reciprocity to landscape architects registered in this state. [1993 c 35 § 4; 1985 c 7 § 75; 1975 1st ex.s. c 30 § 86; 1969 ex.s. c 158 § 10.]

**18.96.110 Renewals.** The renewal dates for certificates of registration shall be set by the director. The director shall set the fee for renewal which shall be determined as provided in RCW 43.24.086.

If a registrant fails to pay the renewal fee within thirty days after the renewal date, the renewal shall be delinquent. The renewal fee for a delinquent renewal and the penalty fee for a delinquent renewal shall be established by the director. Any registrant in good standing, upon fully retiring from landscape architectural practice, may withdraw from practice by giving written notice to the director, and may thereafter resume practice at any time upon payment of the then current renewal fee. Any registrant, other than a properly withdrawn licensee, who fails to renew his or her registration for a period of more than five years may be reinstated under the circumstances as the board determines. [1993 c 35 § 5. Prior: 1985 c 18 § 3; 1985 c 7 § 76; 1975 1st ex.s. c 30 § 87; 1969 ex.s. c 158 § 11.]

**Effective date—1985 c 18:** See note following RCW 18.96.040.

**18.96.120 Actions against certificates—Grounds.**

(1) The director may refuse to renew, or may suspend or

revoke, a certificate of registration to use the titles landscape architect, landscape architecture, or landscape architectural in this state upon the following grounds:

(a) The holder of the certificate of registration is impersonating a practitioner or former practitioner.

(b) The holder of the certificate of registration is guilty of fraud, deceit, gross negligence, gross incompetency or gross misconduct in the practice of landscape architecture.

(c) The holder of the certificate of registration permits his seal to be affixed to any plans, specifications or drawings that were not prepared by him or under his personal supervision by employees subject to his direction and control.

(d) The holder of the certificate has committed fraud in applying for or obtaining a certificate.

(2) The director shall immediately suspend the certificate of registration of a landscape architect 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 certification during the suspension, reissuance of the certificate of registration shall be automatic upon the director's receipt of a release issued by the department of social and health services stating that the person is in compliance with the order. [1997 c 58 § 827; 1969 ex.s. c 158 § 12.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.96.130 Charges against registrants—Hearings—Findings—Penalties.** Any person may prefer charges of fraud, deceit, gross negligence, incompetency, or misconduct against any registrant. Such charges shall be in writing and shall be sworn to by the person making them and shall be filed with the director.

All charges unless dismissed by the director as unfounded or trivial, shall be heard by the board within three months after the date on which they have been preferred.

An action of suspension, revocation, refusal to renew, or a fine not exceeding one thousand dollars per violation by the director, shall be based upon the findings of the board after charges and evidence in support thereof have been heard and determined. [1985 c 18 § 4; 1969 ex.s. c 158 § 13.]

**Effective date—1985 c 18:** See note following RCW 18.96.040.

**18.96.140 Restoration of suspended or revoked licenses—Reissuance of lost or destroyed certificates.** Upon the recommendations of the board, the director may restore a license to any person whose license has been suspended or revoked. Application for the reissuance of a license shall be made in such a manner as indicated by the board.

A new certificate of registration to replace any certificate lost or destroyed, or mutilated may be issued by the director, and a charge determined by the director as provided in RCW 43.24.086 shall be made for such issuance. [1985 c 7 § 77; 1975 1st ex.s. c 30 § 88; 1969 ex.s. c 158 § 14.]

**18.96.150 Certificates of registration—Issuance—Contents—Seal.** The director shall issue a certificate of registration upon payment of the registration fee as provided in this chapter to any applicant who has satisfactorily met all requirements for registration. All certificates of registration shall show the full name of the registrant, shall have a serial number and shall be signed by the chairman and the executive secretary of the board, and by the director.

Each registrant shall obtain a seal of a design authorized by the board, bearing the registrant's name and the legend, "registered landscape architect" All sheets of drawings and title pages of specifications prepared by the registrant shall be stamped with said seal. [1993 c 35 § 6; 1969 ex.s. c 158 § 15.]

**18.96.160 Misuse of seal.** It shall be unlawful for anyone to stamp or seal any document with the seal after the certificate of registrant named thereon has expired or been revoked, or while the certificate is suspended. [1969 ex.s. c 158 § 16.]

**18.96.170 Penalty.** Any person violating any of the provisions of this chapter shall be guilty of a misdemeanor. [1969 ex.s. c 158 § 17.]

**18.96.180 Injunctions—Board members not personally liable—Prosecutions.** The board is authorized to apply for relief by injunction without bond to restrain a person from the commission of any act which is prohibited by this chapter. The members of the board shall not be personally liable for their action in any such proceeding or in any other proceeding instituted by the board under the provisions of this chapter. The board, in any proper case, shall cause prosecution to be instituted in any county or counties where any violation of this chapter occurs, and shall aid in the prosecution of the violator. [1969 ex.s. c 158 § 18.]

**18.96.190 Certificate of registration suspension—Nonpayment or default on educational loan or scholarship.** The director shall suspend the certificate of registration of any person who has been certified by a lending agency and reported to the director for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's certificate of registration shall not be reissued until the person provides the director a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for certification during the suspension,

reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the director may impose. [1996 c 293 § 15.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.96.900 Severability—1969 ex.s. c 158.** 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. [1969 ex.s. c 158 § 19.]

## Chapter 18.100

### PROFESSIONAL SERVICE CORPORATIONS

#### Sections

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- 18.100.160 Foreign professional corporation.

*Materials specifically authorized to be printed and distributed by secretary of state: RCW 43.07.140.*

*Revolving fund of secretary of state, deposit of moneys for costs of carrying out secretary of state's functions under this chapter: RCW 43.07.130.*

**18.100.010 Legislative intent.** It is the legislative intent to provide for the incorporation of an individual or group of individuals to render the same professional service to the public for which such individuals are required by law to be licensed or to obtain other legal authorization. [1969 c 122 § 1.]

**18.100.020 Short title.** This chapter may be cited as "the professional service corporation act" [1969 c 122 § 2.]

**18.100.030 Definitions.** As used in this chapter the following words shall have the meaning indicated:

(1) The term "professional service" means any type of personal service to the public which requires as a condition precedent to the rendering of such service the obtaining of a license or other legal authorization and which prior to the passage of this chapter and by reason of law could not be performed by a corporation, including, but not by way of limitation, certified public accountants, chiropractors, dentists, osteopaths, physicians, podiatric physicians and surgeons, chiropodists, architects, veterinarians and attorneys at law.

(2) The term "professional corporation" means a corporation which is organized under this chapter for the purpose of rendering professional service.

(3) The term "ineligible person" means any individual, corporation, partnership, fiduciary, trust, association, government agency, or other entity which for any reason is or becomes ineligible under this chapter to own shares issued by a professional corporation. The term includes a charitable remainder unitrust or charitable remainder annuity trust that is or becomes an ineligible person for failure to comply with subsection (5)(b) of this section.

(4) The term "eligible person" means an individual, corporation, partnership, fiduciary, qualified trust, association, government agency, or other entity, that is eligible under this chapter to own shares issued by a professional corporation.

(5) The term "qualified trust" means one of the following:

(a) A voting trust established under RCW 23B.07.300, if the beneficial owner of any shares on deposit and the trustee of the voting trust are qualified persons;

(b) A charitable remainder unitrust as defined in section 664(d)(1) of the internal revenue code or a charitable remainder annuity trust as defined in section 664(d)(2) or 664(d)(3) of the internal revenue code if the trust complies with each of the following conditions:

(i) Has one or more beneficiaries currently entitled to income, unitrust, or annuity payments, all of whom are eligible persons or spouses of eligible persons;

(ii) Has a trustee who is an eligible person and has exclusive authority over the share of the professional corporation while the shares are held in the trust, except that a cotrustee who is not an eligible person may be given authority over decisions relating to the sale of shares by the trust;

(iii) Has one or more designated charitable remaindermen, all of which must at all times be domiciled or maintain a local chapter in Washington state; and

(iv) When distributing any assets during the term of the trust to charitable organizations, the distributions are made only to charitable organizations described in section 170(c) of the internal revenue code that are domiciled or maintain a local chapter in Washington state. [1997 c 18 § 1; 1983 c 51 § 2; 1969 c 122 § 3.]

**18.100.035 Fees for services by secretary of state.** See RCW 43.07.120.

**18.100.040 Application of chapter to previously organized corporations.** This chapter shall not apply to any individuals or groups of individuals within this state who prior to the passage of this chapter were permitted to organize a corporation and perform personal services to the public by means of a corporation, and this chapter shall not apply to any corporation organized by such individual or group of individuals prior to the passage of this chapter: PROVIDED, That any such individual or group of individuals or any such corporation may bring themselves and such corporation within the provisions of this chapter by amending the articles of incorporation in such a manner so as to be consistent with all the provisions of this chapter and by affirmatively stating in the amended articles of incorporation that the shareholders have elected to bring the corporation within the provisions of this chapter. [1969 c 122 § 4.]

**18.100.050 Organization of professional service corporations authorized generally—Architects, engineers, and health care professionals—Nonprofit corporations.**

(1) An individual or group of individuals duly licensed or otherwise legally authorized to render the same professional services within this state may organize and become a shareholder or shareholders of a professional corporation for pecuniary profit under the provisions of Title 23B RCW for the purpose of rendering professional service. One or more of the legally authorized individuals shall be the incorporators of the professional corporation.

(2) Notwithstanding any other provision of this chapter, registered architects and registered engineers may own stock in and render their individual professional services through one professional service corporation.

(3) Licensed health care professionals, providing services to enrolled participants either directly or through arrangements with a health maintenance organization registered under chapter 48.46 RCW or federally qualified health maintenance organization, may own stock in and render their individual professional services through one professional service corporation.

(4) Professionals may organize a nonprofit nonstock corporation under this chapter and chapter 24.03 RCW to provide professional services, and the provisions of this chapter relating to stock and referring to Title 23B RCW shall not apply to any such corporation.

(5)(a) Notwithstanding any other provision of this chapter, health care professionals who are licensed or certified pursuant to chapters 18.06, 18.19, 18.22, 18.25, 18.29, 18.34, 18.35, 18.36A, 18.50, 18.53, 18.55, 18.57, 18.57A, 18.64, 18.71, 18.71A, 18.79, 18.83, 18.89, 18.108, and 18.138 RCW may own stock in and render their individual professional services through one professional service corporation and are to be considered, for the purpose of forming a professional service corporation, as rendering the "same specific professional services" or "same professional services" or similar terms.

(b) Formation of a professional service corporation under this subsection does not restrict the application of the uniform disciplinary act under chapter 18.130 RCW, or applicable health care professional statutes under Title 18 RCW, including but not limited to restrictions on persons practicing a health profession without being appropriately

credentialed and persons practicing beyond the scope of their credential. [1997 c 390 § 3; 1996 c 22 § 1; 1991 c 72 § 3; 1986 c 261 § 1; 1983 c 100 § 1; 1969 c 122 § 5.]

**18.100.060 Rendering of services by authorized individuals.** (1) No corporation organized under this chapter may render professional services except through individuals who are duly licensed or otherwise legally authorized to render such professional services within this state. However, nothing in this chapter shall be interpreted to:

(a) Prohibit a person duly licensed or otherwise legally authorized to render professional services in any jurisdiction other than this state from becoming a member of a professional corporation in this state organized for the purpose of rendering the same professional services;

(b) Prohibit a professional corporation from rendering services outside this state through individuals who are not duly licensed or otherwise legally authorized to render professional services within this state; or

(c) Require the licensing of clerks, secretaries, bookkeepers, technicians, and other assistants employed by a professional corporation who are not usually and ordinarily considered by custom and practice to be rendering professional services to the public for which a license or other legal authorization is required.

(2) Persons engaged in a profession and otherwise meeting the requirements of this chapter may operate under this chapter as a professional corporation so long as each shareholder personally engaged in the practice of the profession in this state is duly licensed or otherwise legally authorized to practice the profession in this state and:

(a) At least one officer and one director of the corporation is duly licensed or otherwise legally authorized to practice the profession in this state; or

(b) Each officer in charge of an office of the corporation in this state is duly licensed or otherwise legally authorized to practice the profession in this state. [1998 c 293 § 1; 1983 c 51 § 3; 1969 c 122 § 6.]

**18.100.065 Authority of directors, officers to render same services as corporation.** Except as otherwise provided in RCW 18.100.118, all directors of a corporation organized under this chapter and all officers other than the secretary and the treasurer shall be duly licensed or otherwise legally authorized to render the same specific professional services within this or any other state as those for which the corporation was incorporated. [1998 c 293 § 2; 1983 c 51 § 7.]

**18.100.070 Professional relationships and liabilities preserved.** Nothing contained in this chapter shall be interpreted to abolish, repeal, modify, restrict or limit the law now in effect in this state applicable to the professional relationship and liabilities between the person furnishing the professional services and the person receiving such professional service and the standards for professional conduct. Any director, officer, shareholder, agent or employee of a corporation organized under this chapter shall remain personally and fully liable and accountable for any negligent or wrongful acts or misconduct committed by him or by any person under his direct supervision and control, while

rendering professional services on behalf of the corporation to the person for whom such professional services were being rendered. The corporation shall be liable for any negligent or wrongful acts of misconduct committed by any of its directors, officers, shareholders, agents or employees while they are engaged on behalf of the corporation, in the rendering of professional services. [1969 c 122 § 7.]

**18.100.080 Engaging in other business prohibited—Investments.** No professional service corporation organized under this chapter shall engage in any business other than the rendering of the professional services for which it was incorporated or service as a trustee as authorized by RCW 11.36.021 or as a personal representative as authorized by RCW 11.36.010: PROVIDED, That nothing in this chapter or in any other provisions of existing law applicable to corporations shall be interpreted to prohibit such corporation from investing its funds in real estate, personal property, mortgages, stocks, bonds, insurance, or any other type of investments. [1984 c 149 § 170; 1969 c 122 § 8.]

**Severability—Effective dates—1984 c 149:** See notes following RCW 11.02.005.

**18.100.090 Stock issuance.** Except as otherwise provided in RCW 18.100.118, no professional corporation organized under the provisions of this chapter may issue any of its capital stock to anyone other than the trustee of a qualified trust or an individual who is duly licensed or otherwise legally authorized to render the same specific professional services within this or any other state as those for which the corporation was incorporated. [1998 c 293 § 3; 1997 c 18 § 2; 1983 c 51 § 4; 1969 c 122 § 9.]

**18.100.095 Validity of share voting agreements.** Except for qualified trusts, a proxy, voting trust, or other voting agreement with respect to shares of a professional corporation shall not be valid unless all holders thereof, all trustees and beneficiaries thereof, or all parties thereto, as the case may be, are eligible to be shareholders of the corporation. [1997 c 18 § 3; 1983 c 51 § 12.]

**18.100.100 Legal qualification of officer, shareholder or employee to render professional service, effect.** Unless a director, officer, shareholder, agent or employee of a corporation organized under this chapter who has been rendering professional service to the public is legally qualified at all times to render such professional services within at least one state in which the corporation conducts business, he or she shall sever all employment with, and financial interests in, such corporation forthwith. A corporation's failure to require compliance with this provision shall constitute a ground for the forfeiture of its articles of incorporation and its dissolution. When a corporation's failure to comply with this provision is brought to the attention of the office of the secretary of state, the secretary of state forthwith shall certify that fact to the attorney general for appropriate action to dissolve the corporation. [1998 c 293 § 4; 1969 c 122 § 10.]

**18.100.110 Sale or transfer of shares.** No shareholder of a corporation organized as a professional corporation

may sell or transfer his or her shares in such corporation except to the trustee of a qualified trust or another individual who is eligible to be a shareholder of such corporation. Any transfer of shares in violation of this section shall be void. However, nothing in this section prohibits the transfer of shares of a professional corporation by operation of law or court decree. [1997 c 18 § 4; 1983 c 51 § 5; 1969 c 122 § 11.]

**18.100.114 Merger or consolidation.** A corporation organized under this chapter may merge or consolidate with another corporation, domestic or foreign, organized to render the same specific professional services, only if every shareholder of each corporation is eligible to be a shareholder of the surviving or new corporation. [1998 c 293 § 6; 1983 c 51 § 8.]

**18.100.116 Death of shareholder, transfer to ineligible person—Treatment of shares.** (1) If:

(a)(i) A shareholder of a professional corporation dies;  
 (ii) A shareholder of a professional corporation becomes an ineligible person;  
 (iii) Shares of a professional corporation are transferred by operation of law or court decree to an ineligible person;  
 or

(iv) A charitable remainder unitrust or charitable remainder annuity trust that holds shares of a professional corporation becomes an ineligible person; and

(b) The shares held by the deceased shareholder or by such ineligible person are less than all of the outstanding shares of the corporation, then the shares held by the deceased shareholder or by the ineligible person may be transferred to remaining shareholders of the corporation or may be redeemed by the corporation pursuant to terms stated in the articles of incorporation or by laws of the corporation, or in a private agreement. In the absence of any such terms, such shares may be transferred to any individual eligible to be a shareholder of the corporation.

(2) If such a redemption or transfer of the shares held by a deceased shareholder or an ineligible person is not completed within twelve months after the death of the deceased shareholder or the transfer, as the case may be, such shares shall be deemed to be shares with respect to which the holder has elected to exercise the right of dissent described in chapter 23B.13 RCW and has made written demand on the corporation for payment of the fair value of such shares. The corporation shall forthwith cancel the shares on its books and the deceased shareholder or ineligible person shall have no further interest in the corporation other than the right to payment for the shares as is provided in RCW 23B.13.250. For purposes of the application of RCW 23B.13.250, the date of the corporate action and the date of the shareholder's written demand shall be deemed to be one day after the date on which the twelve-month period from the death of the deceased shareholder, or from the transfer, expires. [1997 c 18 § 5; 1991 c 72 § 4; 1983 c 51 § 10.]

**18.100.118 Eligibility of certain representatives and transferees to serve as directors, officers, or shareholders.**

If all of the outstanding shares of a professional corporation are held by an administrator, executor, guardian, conservator, or receiver of the estate of a former shareholder, or by a transferee who received such shares by operation of law or court decree, such administrator, executor, guardian, conservator, receiver, or transferee for a period of twelve months following receipt or transfer of such shares may be a director, officer, or shareholder of the professional corporation. [1983 c 51 § 11.]

**18.100.120 Name—Listing of shareholders.** Corporations organized pursuant to this chapter shall render professional service and exercise its authorized powers under a name permitted by law and the professional ethics of the profession in which the corporation is so engaged. The corporate name of a professional service corporation must contain either the words "professional service" or "professional corporation" or the abbreviation "P.S." or "P.C." The corporate name may also contain either the words "corporation," "incorporated," "company," or "limited," or the abbreviation "corp.," "inc.," "co.," or "Ltd." With the filing of its first annual report and any filings thereafter, professional service corporation shall list its then shareholders: PROVIDED, That notwithstanding the foregoing provisions of this section, the corporate name of a corporation organized to render dental services shall contain the full names or surnames of all shareholders and no other word than "chartered" or the words "professional services" or the abbreviation "P.S." or "P.C." [1993 c 290 § 1; 1982 c 35 § 169; 1969 c 122 § 12.]

**Intent—Severability—Effective dates—Application—1982 c 35:**  
 See notes following RCW 43.07.160.

**18.100.130 Application of Business Corporation Act and Nonprofit Corporation Act.** (1) For a professional service corporation organized for pecuniary profit under this chapter, the provisions of Title 23B RCW shall be applicable except to the extent that any of the provisions of this chapter are interpreted to be in conflict with the provisions thereof, and in such event the provisions and sections of this chapter shall take precedence with respect to a corporation organized pursuant to the provisions of this chapter.

(2) For a professional service corporation organized under this chapter and chapter 24.03 RCW as a nonprofit nonstock corporation, the provisions of chapter 24.03 RCW shall be applicable except to the extent that any of the provisions of this chapter are interpreted to be in conflict with the provisions thereof, and in such event the provisions and sections of this chapter shall take precedence with respect to a corporation organized under the provisions of this chapter. [1991 c 72 § 5; 1986 c 261 § 2; 1983 c 51 § 6; 1969 c 122 § 13.]

**18.100.132 Nonprofit professional service corporations formed under prior law.** A nonprofit professional service corporation formed pursuant to \*chapter 431, Laws of 1985, may amend its articles of incorporation at any time before July 31, 1987, to comply with the provisions of this chapter. Compliance under this chapter shall relate back and take effect as of the date of formation of the corporation under \*chapter 431, Laws of 1985, and the corporate

existence shall be deemed to have continued without interruption from that date. [1986 c 261 § 4.]

\*Reviser's note: Chapter 431, Laws of 1985 enacted RCW 24.03.038, which was repealed by 1986 c 261 § 7.

**18.100.133 Business corporations, election of this chapter.** A business corporation formed under the provisions of Title 23B RCW may amend its articles of incorporation to change its stated purpose to the rendering of professional services and to conform to the requirements of this chapter. Upon the effective date of such amendment, the corporation shall be subject to the provisions of this chapter and shall continue in existence as a professional corporation under this chapter. [1991 c 72 § 6; 1986 c 261 § 5.]

**18.100.134 Professional services—Deletion from stated purposes of corporation.** A professional corporation may amend its articles of incorporation to delete from its stated purposes the rendering of professional services and to conform to the requirements of Title 23B RCW, or to the requirements of chapter 24.03 RCW if organized pursuant to RCW 18.100.050 as a nonprofit nonstock corporation. Upon the effective date of such amendment, the corporation shall no longer be subject to the provisions of this chapter and shall continue in existence as a corporation under Title 23B RCW or chapter 24.03 RCW. [1991 c 72 § 7; 1986 c 261 § 3; 1983 c 51 § 9.]

**18.100.140 Improper conduct not authorized.** Nothing in this chapter shall authorize a director, officer, shareholder, agent or employee of a corporation organized under this chapter, or a corporation itself organized under this chapter, to do or perform any act which would be illegal, unethical or unauthorized conduct under the provisions of the following acts: (1) Physicians and surgeons, chapter 18.71 RCW; (2) anti-rebating act, chapter 19.68 RCW; (3) state bar act, chapter 2.48 RCW; (4) professional accounting act, chapter 18.04 RCW; (5) professional architects act, chapter 18.08 RCW; (6) professional auctioneers act, chapter 18.11 RCW; (7) cosmetologists, barbers, and manicurists, chapter 18.16 RCW; (8) boarding homes act, chapter 18.20 RCW; (9) podiatric medicine and surgery, chapter 18.22 RCW; (10) chiropractic act, chapter 18.25 RCW; (11) registration of contractors, chapter 18.27 RCW; (12) debt adjusting act, chapter 18.28 RCW; (13) dental hygienist act, chapter 18.29 RCW; (14) dentistry, chapter 18.32 RCW; (15) dispensing opticians, chapter 18.34 RCW; (16) naturopathic physicians, chapter 18.36A RCW; (17) embalmers and funeral directors, chapter 18.39 RCW; (18) engineers and land surveyors, chapter 18.43 RCW; (19) escrow agents registration act, chapter 18.44 RCW; (20) maternity homes, chapter 18.46 RCW; (21) midwifery, chapter 18.50 RCW; (22) nursing homes, chapter 18.51 RCW; (23) optometry, chapter 18.53 RCW; (24) osteopathic physicians and surgeons, chapter 18.57 RCW; (25) pharmacists, chapter 18.64 RCW; (26) physical therapy, chapter 18.74 RCW; (27) registered nurses, advanced registered nurse practitioners, and practical nurses, chapter 18.79 RCW; (28) psychologists, chapter 18.83 RCW; (29) real estate brokers and salesmen, chapter 18.85 RCW; (30) veterinari-

ans, chapter 18.92 RCW. [1994 sp.s. c 9 § 717; 1987 c 447 § 16; 1982 c 35 § 170; 1969 c 122 § 14.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Severability—1987 c 447:** See RCW 18.36A.901.

**Intent—Severability—Effective dates—Application—1982 c 35:** See notes following RCW 43.07.160.

**18.100.145 Doctor of osteopathic medicine and surgery—Discrimination prohibited.** A professional service corporation that provides health care services to the general public may not discriminate against a qualified doctor of osteopathic medicine and surgery licensed under chapter 18.57 RCW, who has applied to practice with the professional service corporation, solely because that practitioner was board certified or eligible under an approved osteopathic certifying board instead of board certified or eligible respectively under an approved medical certifying board. [1995 c 64 § 2.]

**18.100.150 Indemnification of agents of any corporation authorized.** See RCW 23B.17.030.

**18.100.160 Foreign professional corporation.** A foreign professional corporation may render professional services in this state so long as it complies with chapter 23B.15 RCW and each individual rendering professional services in this state is duly licensed or otherwise legally authorized to render such professional services within this state. [1998 c 293 § 7.]

## Chapter 18.104

### WATER WELL CONSTRUCTION

#### Sections

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 18.104.930 Effective date—1993 c 387.

**18.104.005 Transfer of duties to the department of health.** The powers and duties of the department of social and health services under this chapter shall be performed by the department of health. [1989 1st ex.s. c 9 § 237.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**18.104.010 Purpose.** The legislature declares that the drilling, making or constructing of wells within the state is a business and activity of vital interest to the public. In order to protect the public health, welfare, and safety of the people it is necessary that provision be made for the regulation and licensing of well contractors and operators and for the regulation of well design and construction. [1993 c 387 § 1; 1971 ex.s. c 212 § 1.]

**18.104.020 Definitions.** The definitions set forth in this section apply throughout this chapter, unless a different meaning is plainly required by the context.

(1) "Abandoned well" means a well that is unused, unmaintained, and is in such disrepair as to be unusable.

(2) "Constructing a well" or "construct a well" means:

(a) Boring, digging, drilling, or excavating a well;

(b) Installing casing, sheeting, lining, or well screens, in a well; or

(c) Drilling a geotechnical soil boring.

"Constructing a well" or "construct a well" includes the alteration of an existing well.

(3) "Decommission" means to fill or plug a well so that it will not produce water, serve as a channel for movement of water or pollution, or allow the entry of pollutants into the well or aquifers.

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

(5) "Dewatering well" means a cased or lined excavation or boring that is intended to withdraw or divert ground water for the purpose of facilitating construction, stabilizing a landslide, or protecting an aquifer.

(6) "Director" means the director of the department of ecology.

(7) "Geotechnical soil boring" or "boring" means an uncased well drilled for purpose of obtaining soil samples to ascertain structural properties of the subsurface. Geotechnical soil boring includes auger borings, rotary borings, cone penetrometer probes and vane shear probes, or any other uncased ground penetration for geotechnical information.

(8) "Ground water" means and includes ground waters as defined in RCW 90.44.035.

(9) "Instrumentation well" means a well in which pneumatic or electric geotechnical or hydrological instrumentation is permanently or periodically installed to measure or monitor subsurface strength and movement. Instrumentation well includes borehole extensometers, slope indicators, pneumatic or electric pore pressure transducers, and load cells.

(10) "Monitoring well" means a well designed to obtain a representative ground water sample or designed to measure the water level elevation in either clean or contaminated water or soil.

(11) "Observation well" means a well designed to measure the depth to the water level elevation in either clean or contaminated water or soil.

(12) "Operator" means a person who (a) is employed by a well contractor; (b) is licensed under this chapter; or (c) who controls, supervises, or oversees the construction of a well or who operates well construction equipment.

(13) "Owner" or "well owner" means the person, firm, partnership, copartnership, corporation[,], association, or other entity who owns the property on which the well is or will be constructed.

(14) "Pollution" and "contamination" have the meanings provided in RCW 90.48.020.

(15) "Resource protection well" means a cased boring used to determine the existence or migration of pollutants within an underground formation. Resource protection wells include monitoring wells, observation wells, piezometers, spill response wells, vapor extraction wells, and instrumentation wells.

(16) "Resource protection well contractor" means any person, firm, partnership, copartnership, corporation, association, or other entity, licensed and bonded under chapter 18.27 RCW, engaged in the business of constructing resource protection wells or geotechnical soil borings.

(17) "Water well" means any excavation that is constructed when the intended use of the well is for the location, diversion, artificial recharge, observation, monitoring, dewatering, or withdrawal of ground water.

(18) "Water well contractor" means any person, firm, partnership, copartnership, corporation, association, or other entity, licensed and bonded under chapter 18.27 RCW, engaged in the business of constructing water wells.

(19) "Well" means water wells, resource protection wells, instrumentation wells, dewatering wells, and geotechnical soil borings. Well does not mean an excavation made for the purpose of obtaining or prospecting for oil, natural gas, geothermal resources, minerals, or products of mining, or quarrying, or for inserting media to repressure oil or natural gas bearing formations, or for storing petroleum, natural gas, or other products.

(20) "Well contractor" means a resource protection well contractor and a water well contractor. [1993 c 387 § 2; 1983 1st ex.s. c 27 § 14; 1971 ex.s. c 212 § 2.]

**18.104.030 Compliance enjoined.** It is unlawful:

(1) For any person to supervise, construct, alter, or decommission a well without complying with the provisions of this chapter and the rules for well construction adopted pursuant to this chapter;

(2) For any person to cause a well to be constructed in violation of the standards for well construction established by this chapter and rules adopted by the department pursuant to this chapter;

(3) For a prospective water well owner to have a water well constructed without first obtaining a water right permit, if a permit is required;

(4) For any person to construct, alter, or decommission a well unless the fees required by RCW 18.104.055 have been paid;

(5) For a person to tamper with or remove a well identification tag except during well alteration; and

(6) Except as provided in RCW 18.104.180, for any person to contract to engage in the construction of a well or to act as a well operator without first obtaining a license pursuant to this chapter. [1993 c 387 § 3; 1971 ex.s. c 212 § 3.]

**18.104.040 Powers of department.** The department shall have the power:

(1) To issue, deny, suspend or revoke licenses pursuant to the provisions of this chapter;

(2) At all reasonable times, to enter upon lands for the purpose of inspecting, taking measurements from, or tagging any well, constructed or being constructed;

(3) To call upon or receive professional or technical advice from the department of health, the technical advisory group created in RCW 18.104.190, or any other public agency or person;

(4) To adopt rules, in consultation with the department of health and the technical advisory group created in RCW 18.104.190, governing licensing and well construction as may be appropriate to carry out the purposes of this chapter. The rules adopted by the department may include, but are not limited to:

(a) Standards for the construction and maintenance of wells and their casings;

(b) Methods of capping, sealing, and decommissioning wells to prevent contamination of ground water resources and to protect public health and safety;

(c) Methods of artificial recharge of ground water bodies and of construction of wells which insure separation of individual water bearing formations;

(d) The manner of conducting and the content of examinations required to be taken by applicants for license hereunder;

(e) Requirements for the filing of notices of intent, well reports, and the payment of fees;

(f) Reporting requirements of well contractors;

(g) Limitations on well construction in areas identified by the department as requiring intensive control of withdrawals in the interests of sound management of the ground water resource;

(5) To require the operator in the construction of a well and the property owner in the maintenance of a well to guard against waste and contamination of the ground water resources;

(6) To require the operator to place a well identification tag on a new well and on an existing well on which work is performed after the effective date of rules requiring well identification tags and to place or require the owner to place a well identification tag on an existing well;

(7) To require the well owner to repair or decommission any well:

(a) That is abandoned, unusable, or not intended for future use; or

(b) That is an environmental, safety, or public health hazard. [1993 c 387 § 4; 1991 c 3 § 249; 1971 ex.s. c 212 § 4.]

**18.104.043 Well sealing and decommissioning—Delegation of authority.** (*Expires June 30, 2000.*) (1) If requested in writing by the governing body of a local health district or county, the department by memorandum of agreement may delegate to the governing body the authority to administer and enforce the well tagging, sealing, and decommissioning portions of the water well construction program.

(2) The department shall determine whether a local health district or county that seeks delegation under this section has the resources, capability, and expertise, including qualified field inspectors, to administer the delegated program. If the department determines the local government has these resources, it shall notify well contractors, consultants, and operators of the proposal. The department shall accept written comments on the proposal for sixty days after the notice is mailed.

(3) If the department determines that a delegation of authority to a local health district or county to administer and enforce the well sealing and decommissioning portions of the water well construction program will enhance the public health and safety and the environment, the department and the local governing body may enter into a memorandum of agreement setting forth the specific authorities delegated by the department to the local governing body. The memorandum of agreement shall provide for an initial review of the delegation within one year and for periodic review thereafter.

(4) With regard to the portions of the water well construction program delegated under this section, the local governing agency shall exercise only the authority delegated to it under this section. If, after a public hearing, the department determines that a local governing body is not administering the program in accordance with this chapter, it shall notify the local governing body of the deficiencies. If corrective action is not taken within a reasonable time, not to exceed sixty days, the department by order shall withdraw the delegation of authority.

(5) The department shall promptly furnish the local governing body with a copy of each water well report and notification of start cards received in the area covered by a delegated program.

(6) The department and the local governing body shall coordinate to reduce duplication of effort and shall share all appropriate information including technical reports, violations, and well reports.

(7) Any person aggrieved by a decision of a local health district or county under a delegated program may appeal the decision to the department. The department's decision is subject to review by the pollution control hearings board as provided in RCW 43.21B.110.

(8) The department shall not delegate the authority to license well contractors, renew licenses, receive notices of intent to commence constructing a well, receive well reports, or collect state fees provided for in this chapter.

(9) This section expires June 30, 2000. [1996 c 12 § 2; 1993 c 387 § 5; 1992 c 67 § 2.]

**Findings—Intent—1996 c 12:** "The legislature finds that experimental delegation of portions of the well drilling administration and enforcement authority of the department of ecology to willing and able local governments has been successful to date. Delegation has provided a more effective and efficient means of assuring proper well construction and decommissioning and protection of public health and safety than could be accomplished by the department of ecology acting alone. The legislature further finds that without legislative action, the authority for such delegation will expire June 30, 1996. Therefore, it is the intent of the legislature to extend the authority for delegation an additional four years." [1996 c 12 § 1.]

**Legislative findings—1992 c 67:** "The legislature finds that the public health and safety and the environment would be enhanced by permitting qualified local governmental agencies to administer and enforce portions of the water well construction program." [1992 c 67 § 1.]

**18.104.048 Prior notice of well construction, reconstruction, or decommissioning.** A property owner or the owner's agent shall notify the department of his or her intent to begin well construction, reconstruction, or decommissioning procedures at least seventy-two hours in advance of commencing work. The notice shall be submitted on forms provided by the department and shall be accompanied by the fees required by RCW 18.104.055. The notice shall contain the name of the owner of the well, location of the well, proposed use, approximate start date, well contractor's or operator's name and license number, company's name, and other pertinent information as prescribed by rule of the department. Rules of the department shall also provide for prior telephonic notification by well contractors or operators in exceptional situations. The department shall issue a receipt indicating that the notice required by this section has been filed and the fees required by RCW 18.104.055 have been paid not later than three business days after the department has received the notice and fees. [1993 c 387 § 6; 1987 c 394 § 3.]

**18.104.049 Modification of construction standards.** The department by rule shall adopt procedures to permit a well operator to modify construction standards to meet unforeseen circumstances encountered during the construction of a well. The procedures shall be developed in consultation with the technical advisory group established in RCW 18.104.190. [1993 c 387 § 7.]

**18.104.050 Reports of well construction or alteration.** (1) A well contractor shall furnish a well report to the director within thirty days after the completion of the construction or alteration of a well by the contractor. The director, by rule, shall prescribe the form of the report and the information to be contained therein.

(2) In the case of a dewatering well project:

(a) A single well construction report may be submitted for all similar dewatering wells constructed with no significant change in geologic formation; and

(b) A single well decommissioning report may be submitted for all similar dewatering wells decommissioned that have no significant change in geologic formation. [1993 c 387 § 8; 1971 ex.s. c 212 § 5.]

**18.104.055 Fees.** (1) A fee is hereby imposed on each well constructed in this state on or after July 1, 1993.

(2)(a) The fee for one new water well, other than a dewatering well, with a minimum top casing diameter of less than twelve inches is one hundred dollars.

(b) The fee for one new water well, other than a dewatering well, with a minimum top casing diameter of twelve inches or greater is two hundred dollars.

(c) The fee for a new resource protection, observation, and monitoring well is forty dollars for each well.

(d) The combined fee for construction and decommissioning of a dewatering well system shall be forty dollars for each two hundred horizontal lineal feet, or portion thereof, of the dewatering well system.

(3) The fees imposed by this section shall be paid at the time the notice of well construction is submitted to the department as provided by RCW 18.104.048. The department by rule may adopt procedures to permit the fees required for resource protection wells to be paid after the number of wells actually constructed has been determined. The department shall refund the amount of any fees collected for any wells on which construction is not started. [1993 c 387 § 9.]

**18.104.060 Violations—Cease and desist orders.** Notwithstanding and in addition to any other powers granted to the department, whenever it appears to the director, or to an assistant authorized by the director to issue regulatory orders under this section, that a person is violating or is about to violate any of the provisions of this chapter, the director, or the director's authorized assistant, may cause a written regulatory order to be served upon said person either personally, or by registered or certified mail delivered to the addressee only with return receipt requested and acknowledged by him or her. The order shall specify the provision of this chapter, and if applicable, the rule adopted pursuant to this chapter alleged to be or about to be violated, and the facts upon which the conclusion of violating or potential violation is based, and shall order the act constituting the violation or the potential violation to cease and desist or, in appropriate cases, shall order necessary corrective action to be taken with regard to such acts within a specific and reasonable time. An order issued under this chapter shall become effective immediately upon receipt by the person to whom the order is directed, and shall become final unless review thereof is requested as provided in this chapter. [1993 c 387 § 10; 1971 ex.s. c 212 § 6.]

**18.104.065 Remedies for noncomplying wells.** (1) The department may order a well contractor or well operator to repair, alter, or decommission a well if the department demonstrates that the construction of the well did not meet the standards for well construction in effect at the time construction of the well was completed.

(2) The department may not issue an order pursuant to this section:

(a) For wells for which construction has been substantially completed before July 1, 1993, more than six years after construction has been substantially completed; or

(b) For wells for which construction has been substantially completed on or after July 1, 1993, more than three years after construction has been substantially completed.

For purposes of this subsection, "construction has been substantially completed" has the same meaning as "substantial completion of construction" in RCW 4.16.310.

(3) Subsection (2) of this section shall only apply to a well for which the notice of construction required by RCW 18.104.048 and the report required by RCW 18.104.050 have been filed with the department. [1993 c 387 § 11.]

**18.104.070 Water well operator's license.** A person shall be qualified to receive a water well operator's license if the person:

(1) Has submitted a completed application to the department on forms provided by the department and has paid to the department the application fee determined by rule adopted pursuant to this chapter; and

(2) Has the field experience and educational training required by rule adopted by the department pursuant to this chapter; and

(3) Has passed a written examination as provided for in RCW 18.104.080; and

(4) Has passed an on-site examination by the department if the person's qualifying field experience under subsection (2) of this section is from another state. The department may waive the on-site examination. [1993 c 387 § 12; 1987 c 394 § 2; 1971 ex.s. c 212 § 7.]

**18.104.080 Examinations—Subjects—Times and places.** The examination for a license issued pursuant to this chapter shall be prepared to test knowledge and understanding of at least the following subjects:

(1) Washington ground water laws as they relate to well construction;

(2) Sanitary standards for well drilling and construction of wells;

(3) Types of well construction;

(4) Drilling tools and equipment;

(5) Underground geology as it relates to well construction; and

(6) Rules of the department and the department of health relating to well construction.

Examinations shall be held at such times and places as may be determined by the department but not later than thirty days after an applicant has filed a completed application with the department. The department shall make a determination of the applicant's qualifications for a license within ten days after the examination. [1993 c 387 § 16; 1991 c 3 § 250; 1971 ex.s. c 212 § 8.]

**18.104.093 Water well construction operator's training license.** The department may issue a water well construction operator's training license if the person:

(1) Has submitted a completed application to the department on forms provided by the department and has paid to the department the application fee required by rules adopted pursuant to this chapter;

(2) Has acquired field experience and educational training required by rules adopted pursuant to this chapter;

(3) Has passed a written examination as provided for in RCW 18.104.080;

(4) Has passed an on-site examination by the department; and

(5) Presents a statement by a person licensed under this chapter, other than a trainee, signed under penalty of perjury as provided in RCW 9A.72.085, verifying that the applicant has the field experience required by rules adopted pursuant to this chapter and assuming liability for any and all well construction activities of the person seeking the training license.

A person with a water well construction operator's training license may operate a drilling rig without the direct supervision of a licensed operator if a licensed operator is available by radio, telephone, or other means of communication. [1993 c 387 § 13.]

**18.104.095 Resource protection well operator's license.** A person shall be qualified to receive a resource protection well operator's license if the person:

(1) Has submitted a completed application to the department on forms provided by the department and has paid to the department the application fee required by rules adopted pursuant to this chapter;

(2) Has acquired field experience and educational training required by rules adopted pursuant to this chapter;

(3) Has passed a written examination as provided for in RCW 18.104.080. This requirement shall not apply to a person who passed the written examination to obtain a resource protection well construction operator's training license; and

(4) Has passed an on-site examination by the department if the person's qualifying field experience is from another state. The department may waive the on-site examination.

A person with a license issued pursuant to this chapter before July 1, 1993, may obtain a resource protection well construction operator's license by paying the application fee determined by rule adopted by the department pursuant to this chapter and submitting evidence required by the department to demonstrate that the person has the required experience to construct resource protection wells. [1993 c 387 § 14.]

**18.104.097 Resource protection well operator's training license.** The department may issue a resource protection well operator's training license if the person:

(1) Has submitted a completed application to the department on forms provided by the department and has paid to the department the application fee required by rules adopted pursuant to this chapter;

(2) Has acquired field experience and educational training required by rules adopted pursuant to this chapter;

(3) Has passed a written examination as provided for in RCW 18.104.080;

(4) Has passed an on-site examination by the department; and

(5) Presents a statement by a person licensed under this chapter, other than a trainee, signed under penalty of perjury as provided in RCW 9A.72.085, verifying that the applicant has the field experience required by rules adopted pursuant to this chapter and assuming liability for any and all well construction activities of the person seeking the training license.

A person with a resource protection well construction operator's training license may operate a drilling rig without

direct supervision of a licensed operator if a licensed operator is accessible by radio, telephone, or other means of communication. [1993 c 387 § 15.]

**18.104.100 Licenses—Duration—Renewal—Failure to renew, procedure—Conditional licenses.** (1) Licenses issued pursuant to this chapter shall be renewed every two years. A license shall be renewed upon payment of a renewal fee and completion of continuing education required by rule adopted by the department. If a licensee fails to submit an application for renewal, the renewal fee, and proof of completion of the required continuing education, the license shall expire at the end of its effective term.

(2) A person whose license has expired must apply for a new license as provided in this chapter. The department may waive the requirement for a written examination and on-site testing for a person whose license has expired.

(3) The department may refuse to renew a license if the licensee has not complied with an order issued by the department or has not paid a penalty imposed in accordance with this chapter, unless the order or penalty is under appeal.

(4) The department may issue a conditional license to enable a former licensee to comply with an order to correct problems with a well. [1993 c 387 § 17; 1971 ex.s. c 212 § 10.]

**18.104.110 Actions against licenses—Grounds—Duration.** (1) In cases other than those relating to the failure of a licensee to renew a license, the director may suspend or revoke a license issued pursuant to this chapter for any of the following reasons:

(a) For fraud or deception in obtaining the license;

(b) For fraud or deception in reporting under RCW 18.104.050;

(c) For violating the provisions of this chapter, or of any lawful rule or regulation of the department or the department of health.

(2) The director shall immediately suspend any license issued under this chapter if the holder of the license 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 shall be automatic upon the director's receipt of a release issued by the department of social and health services stating that the person is in compliance with the order.

(3) No license shall be suspended for more than six months, except that a suspension under RCW 74.20A.320 shall continue until the department receives a release issued by the department of social and health services stating that the person is in compliance with the order.

(4) No person whose license is revoked shall be eligible to apply for a license for one year from the effective date of the final order of revocation. [1997 c 58 § 828; 1993 c 387 § 18; 1991 c 3 § 251; 1971 ex.s. c 212 § 11.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to

certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.104.115 License suspension—Nonpayment or default on educational loan or scholarship.** The director shall suspend the license of any person who has been certified by a lending agency and reported to the director for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's license shall not be reissued until the person provides the director a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for licensure during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the director may impose. [1996 c 293 § 16.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.104.120 Complaints against contractors or operators—Department's response—Review.** Any person with an economic or noneconomic interest may make a complaint against any well contractor or operator for violating this chapter or any regulations under it to the department of ecology. The complaint shall be in writing, signed by the complainant, and specify the grievances against the licensee. The department shall respond to the complaint by issuance of an order it deems appropriate. Review of the order shall be subject to the hearings procedures set forth in RCW 18.104.130. [1993 c 387 § 19; 1983 c 93 § 1; 1971 ex.s. c 212 § 12.]

**18.104.130 Appeals.** Any person who feels aggrieved by an order of the department including the granting, denial, revocation, or suspension of a license issued by the department pursuant to this chapter shall be entitled to an appeal pursuant to RCW 43.21B.310. [1987 c 109 § 24; 1971 ex.s. c 212 § 13.]

**Purpose—Short title—Construction—Rules—Severability—Captions—1987 c 109:** See notes following RCW 43.21B.001

**18.104.150 Disposition of fees—Grants to local governments.** (1) All fees paid under this chapter shall be credited by the state treasurer to the reclamation account established by chapter 89.16 RCW. Subject to legislative appropriation, the fees collected under this chapter shall be allocated and expended by the director for the administration of the well construction, well operators' licensing, and education programs.

(2) The department shall provide grants to local governing entities that have been delegated portions of the well construction program pursuant to RCW 18.104.043 to assist in supporting well inspectors hired by the local governing body. Grants provided to a local governing body shall not exceed the revenues generated from fees for the portion of the program delegated and from the area in which authority is delegated to the local governing body. [1993 c 387 § 20; 1971 ex.s. c 212 § 15.]

**18.104.155 Civil penalties—Amount and disposition.**

(1) Except as provided in RCW 43.05.060 through 43.05.080 and 43.03.150, the department of ecology may assess a civil penalty for a violation of this chapter or rules or orders of the department adopted or issued pursuant to it.

(2) There shall be three categories of violations: Minor, serious, and major.

(a) A minor violation is a violation that does not seriously threaten public health, safety, and the environment. Minor violations include, but are not limited to:

(i) Failure to submit completed start cards and well reports within the required time;

(ii) Failure to submit variance requests before construction;

(iii) Failure to submit well construction fees;

(iv) Failure to place a well identification tag on a new well; and

(v) Minor or reparable construction problems.

(b) A serious violation is a violation that poses a critical or serious threat to public health, safety, and the environment. Serious violations include, but are not limited to:

(i) Improper well construction;

(ii) Intentional and improper location or siting of a well;

(iii) Construction of a well without a required permit;

(iv) Violation of decommissioning requirements;

(v) Repeated minor violations; or

(vi) Construction of a well by a person whose license has expired or has been suspended for not more than ninety days.

(c) A major violation is the construction of a well by a person:

(i) Without a license; or

(ii) After the person's license has been suspended for more than ninety days or revoked.

(3)(a) The penalty for a minor violation shall be not less than one hundred dollars and not more than five hundred dollars. Before the imposition of a penalty for a minor violation, the department may issue an order of noncompliance to provide an opportunity for mitigation or compliance.

(b) The penalty for a serious violation shall be not less than five hundred dollars and not more than five thousand dollars.

(c) The penalty for a major violation shall be not less than five thousand dollars and not more than ten thousand dollars.

(4) In determining the appropriate penalty under subsection (3) of this section the department shall consider whether the person:

(a) Has demonstrated a general disregard for public health and safety through the number and magnitude of the violations;

(b) Has demonstrated a disregard for the well construction laws or rules in repeated or continuous violations; or

(c) Knew or reasonably should have known of circumstances that resulted in the violation.

(5) Penalties provided for in this section shall be imposed pursuant to RCW 43.21B.300. The department shall provide thirty days written notice of a violation as provided in RCW 43.21B.300(3).

(6) For informational purposes, a copy of the notice of violation, resulting from the improper construction of a well, that is sent to a water well contractor or water well construction operator, shall also be sent by the department to the well owner.

(7) Penalties collected by the department pursuant to this section shall be deposited in the reclamation account established by chapter 89.16 RCW. Subject to legislative appropriation, the penalties may be spent only for purposes related to the restoration and enhancement of ground water resources in the state. [1995 c 403 § 628; 1993 c 387 § 21; 1987 c 394 § 1.]

**Findings—Short title—Intent—1995 c 403:** See note following RCW 34.05.328.

**Part headings not law—Severability—1995 c 403:** See RCW 43.05.903 and 43.05.904.

**18.104.160 Criminal penalties—Prosecutions.** Any person who shall violate any provision of this chapter, shall be guilty of a misdemeanor and shall, upon conviction, be subject to a fine of not more than two hundred fifty dollars, or imprisonment in a county jail for a term not to exceed thirty days, or both. Criminal prosecutions for violations of this chapter shall be prosecuted by the prosecuting attorney in the county in which the violation occurred. [1971 ex.s. c 212 § 16.]

**18.104.170 Remedies cumulative.** The remedies provided for in this chapter shall be cumulative and nothing herein shall alter, abridge or foreclose alternative actions at common law or in equity or under statutory law, civil or criminal. [1971 ex.s. c 212 § 17.]

**18.104.180 Exemptions.** No license under this chapter shall be required of:

(1) Any individual who personally constructs a well on land which is owned or leased by the individual or in which the individual has a beneficial interest as a contract purchaser and is used by the individual for farm or single-family residential use only. An individual who constructs a well without a license pursuant to this subsection shall comply with all other requirements of this chapter and rules adopted by the department, including but not limited to, well construction standards, payment of well construction fees, and notification of well construction required by RCW 18.104.048. An individual without a license may construct not more than one well every two years pursuant to the provisions of this subsection.

(2) An individual who performs labor or services for a well contractor in connection with the construction of a well at the direction and under the supervision and control of a licensed operator who is present at the construction site.

(3) A person licensed under the provisions of chapter 18.08 or 18.43 RCW if in the performance of duties covered by those licenses. [1993 c 387 § 24; 1971 ex.s. c 212 § 18.]

**18.104.190 Technical advisory group.** (1) For the purpose of carrying out the provisions of this chapter, the director shall appoint a technical advisory group, chaired by the department. The technical advisory group shall have twelve members: Two members shall represent the department of ecology, six members shall represent resource protection well contractors or water well contractors, one member shall represent the department of health, one member shall represent local health departments, one member shall represent licensed professional engineers, and one member shall be a scientist knowledgeable in the design and construction of wells.

(2) The technical advisory group shall assist the department in the development and revision of rules; the preparation and revision of licensing examinations; the development of training criteria for inspectors, well contractors, and well operators; and the review of proposed changes to the minimum standards for construction and maintenance of wells by local governments for the purpose of achieving continuity with technology and state rules.

(3) The group shall meet at least twice each year to review rules and suggest any necessary changes.

(4) Each member of the group shall be compensated in accordance with RCW 43.03.240 and reimbursed for travel expenses while engaged in the business of the group as prescribed in RCW 43.03.050 and 43.03.060. [1993 c 387 § 25.]

**18.104.900 Short title.** This chapter shall be known and may be cited as the "Washington well construction act." [1993 c 387 § 26; 1971 ex.s. c 212 § 19.]

**18.104.910 Effective date—1971 ex.s. c 212.** This act shall take effect on July 1, 1971. [1971 ex.s. c 212 § 20.]

**18.104.920 Severability—1971 ex.s. c 212.** If any provision of the act, or its application to any person or circumstance is held invalid, the remainder of this act, or the application of the provision to other persons or circumstances is not affected. [1971 ex.s. c 212 § 21.]

**18.104.930 Effective date—1993 c 387.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993. [1993 c 387 § 29.]

## Chapter 18.106 PLUMBERS

### Sections

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**18.106.010 Definitions.** Unless a different meaning is plainly required by the context, the following words and phrases as hereinafter used in this chapter shall have the following meaning:

(1) "Advisory board" means the state advisory board of plumbers;

(2) "Department" means the department of labor and industries;

(3) "Director" means the director of department of labor and industries;

(4) "Journeyman plumber" means any person who has been issued a certificate of competency by the department of labor and industries as provided in this chapter;

(5) "Medical gas piping" means oxygen, nitrous oxide, high pressure nitrogen, medical compressed air, and medical vacuum systems;

(6) "Medical gas piping installer" means a journeyman plumber who has been issued a medical gas piping installer endorsement;

(7) "Plumbing" means that craft involved in installing, altering, repairing and renovating potable water systems, liquid waste systems, and medical gas piping systems within a building. Installation in a water system of water softening or water treatment equipment is not within the meaning of plumbing as used in this chapter;

(8) "Specialty plumber" means anyone who has been issued a specialty certificate of competency limited to installation, maintenance, and repair of the plumbing of single-family dwellings, duplexes, and apartment buildings that do not exceed three stories. [1997 c 326 § 2; 1995 c

282 § 2; 1983 c 124 § 1; 1977 ex.s. c 149 § 1; 1975 1st ex.s. c 71 § 1; 1973 1st ex.s. c 175 § 1.]

**Effective date—1997 c 326:** "This act takes effect July 1, 1998." [1997 c 326 § 7.]

**18.106.020 Certificate or permit required—Trainee supervision required—Medical gas piping installer endorsement—Penalty—Notice of infraction.** (1) No person may engage in or offer to engage in the trade of plumbing without having a journeyman certificate, specialty certificate, temporary permit, or trainee certificate. A trainee must be supervised by a person who has a journeyman certificate, specialty certificate, or temporary permit, as specified in RCW 18.106.070. No contractor may employ a person to engage in or offer to engage in the trade of plumbing unless the person employed has a journeyman certificate, specialty certificate, temporary permit, or trainee certificate. For the purposes of this section, "contractor" means any person or body of persons, corporate or otherwise, engaged in any work covered by the provisions of this chapter, chapter 18.27 RCW, or chapter 19.28 RCW, by way of trade or business. However, in no case shall this section apply to a contractor who is contracting for work on his or her own residence.

(2) No person may engage in or offer to engage in medical gas piping installation without having a certificate of competency as a journeyman plumber and a medical gas piping installer endorsement. A trainee may engage in medical gas piping installation if he or she has a training certificate and is supervised by a person with a medical gas piping installer endorsement. No contractor may employ a person to engage in or offer to engage in medical gas piping installation unless the person employed has a certificate of competency as a journeyman plumber and a medical gas piping installer endorsement.

(3) Violation of subsection (1) or (2) of this section is an infraction. Each day in which a person engages in the trade of plumbing in violation of subsection (1) or (2) of this section or employs a person in violation of subsection (1) or (2) of this section is a separate infraction. Each worksite at which a person engages in the trade of plumbing in violation of subsection (1) or (2) of this section or at which a person is employed in violation of subsection (1) or (2) of this section is a separate infraction.

(4) Notices of infractions for violations of subsection (1) or (2) of this section may be issued to:

(a) The person engaging in or offering to engage in the trade of plumbing in violation of subsection (1) or (2) of this section;

(b) The contractor in violation of subsection (1) or (2) of this section; and

(c) The contractor's employee who authorized the work assignment of the person employed in violation of subsection (1) or (2) of this section. [1997 c 326 § 3; 1994 c 174 § 2; 1983 c 124 § 4; 1977 ex.s. c 149 § 2; 1975 1st ex.s. c 71 § 2; 1973 1st ex.s. c 175 § 2.]

**Effective date—1997 c 326:** See note following RCW 18.106.010.

**Effective date—1994 c 174:** "This act shall take effect July 1, 1994." [1994 c 174 § 10.]

**Effective date—1983 c 124:** "Sections 4 through 16 of this act shall take effect on January 1, 1984." [1983 c 124 § 21.]

**18.106.030 Application for certificate of competency—Medical gas piping installer endorsement—Evidence required.** Any person desiring to be issued a certificate of competency as provided in this chapter shall deliver evidence in a form prescribed by the department affirming that said person has had sufficient experience in as well as demonstrated general competency in the trade of plumbing or specialty plumbing so as to qualify him to make an application for a certificate of competency as a journeyman plumber or specialty plumber. Completion of a course of study in the plumbing trade in the armed services of the United States or at a school accredited by the work force training and education coordinating board shall constitute sufficient evidence of experience and competency to enable such person to make application for a certificate of competency.

Any person desiring to be issued a medical gas piping installer endorsement shall deliver evidence in a form prescribed by the department affirming that the person has met the requirements established by the department for a medical gas piping installer endorsement.

In addition to supplying the evidence as prescribed in this section, each applicant for a certificate of competency shall submit an application for such certificate on such form and in such manner as shall be prescribed by the director of the department. [1997 c 326 § 4; 1977 ex.s. c 149 § 3; 1973 1st ex.s. c 175 § 3.]

**Effective date—1997 c 326:** See note following RCW 18.106.010.

**18.106.040 Examinations—Eligibility requirements—Determination.** Upon receipt of the application and evidence set forth in RCW 18.106.030, the director shall review the same and make a determination as to whether the applicant is eligible to take an examination for the certificate of competency. To be eligible to take the examination each applicant for a journeyman plumber's certificate of competency shall furnish written evidence that he has either completed a course of study in the plumbing trade in the armed services of the United States or at a school accredited by the coordinating council on occupational education; or that he has four or more years of experience under the direct supervision of a licensed journeyman plumber. Each applicant for a specialty plumber's certificate of competency shall furnish written evidence that he has either completed a course of study in the plumbing trade in the armed services of the United States or at a school accredited by the \*commission for vocational education or its designee, or that he has had at least three years practical experience in his specialty. No other requirement for eligibility may be imposed. The director shall establish reasonable rules and regulations for the examinations to be given applicants for certificates of competency. In establishing said rules, regulations, and criteria, the director shall consult with the state advisory board of plumbers as established in RCW 18.106.110. Upon determination that the applicant is eligible to take the examination, the director shall so notify him, indicating the time and place for taking the same. [1977 ex.s. c 149 § 4; 1975 1st ex.s. c 71 § 3; 1973 1st ex.s. c 175 § 4.]

**\*Reviser's note:** Under the Sunset Act, chapter 43.131 RCW, the commission on vocational education and its powers and duties, were terminated June 30, 1986, and repealed June 30, 1987. See 1983 c 197 §§ 17 and 43.

**18.106.050 Examinations—Scope—Results—Retaking.** (1) The department, with the advice of the advisory board, shall prepare a written examination to be administered to applicants for certificates of competency for journeyman plumber and specialty plumber. The examination shall be constructed to determine:

(a) Whether the applicant possesses varied general knowledge of the technical information and practical procedures that are identified with the trade of journeyman plumber or specialty plumber; and

(b) Whether the applicant is familiar with the applicable plumbing codes and the administrative rules of the department pertaining to plumbing and plumbers.

The department shall administer the examination to eligible persons. All applicants shall, before taking the examination, pay to the department a fee.

(2) For purposes of the medical gas piping installer endorsement, the department may enter into a contract with a nationally recognized testing agency to develop, administer, and score medical gas piping installer examinations. All applicants shall, before taking an examination for a medical gas piping installer endorsement, pay the required examination fee. The department shall set the examination fee by contract with a nationally recognized testing agency. The fee shall cover but not exceed the costs of preparing and administering the examination and the materials necessary to conduct the practical elements of the examination. The department shall approve training courses and set the fees for training courses for the medical gas piping installer endorsement.

The department shall certify the results of the examination, and shall notify the applicant in writing whether he or she has passed or failed. Any applicant who has failed the examination may retake the examination, upon the terms and after a period of time that the director shall set by rule. The director may not limit the number of times that a person may take the examination. [1997 c 326 § 5; 1983 c 124 § 2; 1977 ex.s. c 149 § 5; 1973 1st ex.s. c 175 § 5.]

**Effective date—1997 c 326:** See note following RCW 18.106.010.

**18.106.070 Certificates of competency, installer endorsement—Issuance—Renewal—Rights of holder—Training certificates—Supervision.** (1) The department shall issue a certificate of competency to all applicants who have passed the examination and have paid the fee for the certificate. The certificate shall bear the date of issuance, and shall expire on the birthdate of the holder immediately following the date of issuance. The certificate shall be renewable every other year, upon application, on or before the birthdate of the holder. A renewal fee shall be assessed for each certificate. If a person fails to renew the certificate by the renewal date, he or she must pay a doubled fee. If the person does not renew the certificate within ninety days of the renewal date, he or she must retake the examination and pay the examination fee.

The journeyman plumber and specialty plumber certificates of competency, the medical gas piping installer endorsement, and the temporary permit provided for in this chapter grant the holder the right to engage in the work of plumbing as a journeyman plumber, specialty plumber, or medical gas piping installer, in accordance with their

provisions throughout the state and within any of its political subdivisions on any job or any employment without additional proof of competency or any other license or permit or fee to engage in the work. This section does not preclude employees from adhering to a union security clause in any employment where such a requirement exists.

(2) A person who is indentured in an apprenticeship program approved under chapter 49.04 RCW for the plumbing construction trade or who is learning the plumbing construction trade may work in the plumbing construction trade if supervised by a certified journeyman plumber or a certified specialty plumber in that plumber's specialty. All apprentices and individuals learning the plumbing construction trade shall obtain a plumbing training certificate from the department. The certificate shall authorize the holder to learn the plumbing construction trade while under the direct supervision of a journeyman plumber or a specialty plumber working in his or her specialty. The holder of the plumbing training certificate shall renew the certificate annually. At the time of renewal, the holder shall provide the department with an accurate list of the holder's employers in the plumbing construction industry for the previous year and the number of hours worked for each employer. An annual fee shall be charged for the issuance or renewal of the certificate. The department shall set the fee by rule. The fee shall cover but not exceed the cost of administering and enforcing the trainee certification and supervision requirements of this chapter. Apprentices and individuals learning the plumbing construction trade shall have their plumbing training certificates in their possession at all times that they are performing plumbing work. They shall show their certificates to an authorized representative of the department at the representative's request.

(3) Any person who has been issued a plumbing training certificate under this chapter may work if that person is under supervision. Supervision shall consist of a person being on the same job site and under the control of either a journeyman plumber or an appropriate specialty plumber who has an applicable certificate of competency issued under this chapter. Either a journeyman plumber or an appropriate specialty plumber shall be on the same job site as the noncertified individual for a minimum of seventy-five percent of each working day unless otherwise provided in this chapter. The ratio of noncertified individuals to certified journeymen or specialty plumbers working on a job site shall be: (a) From July 28, 1985, through June 30, 1988, not more than three noncertified plumbers working on any one job site for every certified journeyman or specialty plumber; (b) effective July 1, 1988, not more than two noncertified plumbers working on any one job site for every certified specialty plumber or journeyman plumber working as a specialty plumber; and (c) effective July 1, 1988, not more than one noncertified plumber working on any one job site for every certified journeyman plumber working as a journeyman plumber.

An individual who has a current training certificate and who has successfully completed or is currently enrolled in an approved apprenticeship program or in a technical school program in the plumbing construction trade in a school approved by the work force training and education coordinating board, may work without direct on-site supervision

during the last six months of meeting the practical experience requirements of this chapter.

(4) An individual who has a current training certificate and who has successfully completed or is currently enrolled in a medical gas piping installer training course approved by the department may work on medical gas piping systems if the individual is under the direct supervision of a certified medical gas piping installer who holds a medical gas piping installer endorsement one hundred percent of a working day on a one-to-one ratio. [1997 c 326 § 6; 1985 c 465 § 1; 1983 c 124 § 3; 1977 ex.s. c 149 § 7; 1973 1st ex.s. c 175 § 7.]

**Effective date—1997 c 326:** See note following RCW 18.106.010.

**18.106.075 Medical gas piping installer endorsement.** The department shall adopt requirements that qualify a journeyman plumber to be issued a medical gas piping installer endorsement. [1997 c 326 § 1.]

**Effective date—1997 c 326:** See note following RCW 18.106.010.

**18.106.080 Persons engaged in plumbing business or trade on effective date.** No examination shall be required of any applicant for a certificate of competency who, on July 16, 1973, was engaged in a bona fide business or trade of plumbing, or on said date held a valid journeyman plumber's license issued by a political subdivision of the state of Washington and whose license is valid at the time of making his application for said certificate. Applicants qualifying under this section shall be issued a certificate by the department upon making an application as provided in RCW 18.106.030 and paying the fee required under RCW 18.106.050: PROVIDED, That no applicant under this section shall be required to furnish such evidence as required by RCW 18.106.030. [1973 1st ex.s. c 175 § 8.]

**18.106.090 Temporary permits.** The department is authorized to grant and issue temporary permits in lieu of certificates of competency whenever a plumber coming into the state of Washington from another state requests the department for a temporary permit to engage in the trade of plumbing as a journeyman plumber or as a specialty plumber during the period of time between filing of an application for a certificate as provided in RCW 18.106.030 as now or hereafter amended and taking the examination provided for in RCW 18.106.050: PROVIDED, That no temporary permit shall be issued to:

(1) Any person who has failed to pass the examination for a certificate of competency;

(2) Any applicant under this section who has not furnished the department with such evidence required under RCW 18.106.030;

(3) To any apprentice plumber. [1985 c 7 § 78; 1977 ex.s. c 149 § 8; 1973 1st ex.s. c 175 § 9.]

**18.106.100 Revocation of certificate of competency—Grounds—Procedure.** (1) The department may revoke or suspend a certificate of competency for any of the following reasons:

(a) The certificate was obtained through error or fraud;

(b) The certificate holder is judged to be incompetent to carry on the trade of plumbing as a journeyman plumber or specialty plumber;

(c) The certificate holder has violated any provision of this chapter or any rule adopted under this chapter.

(2) Before a certificate of competency is revoked or suspended, the department shall send written notice by registered mail with return receipt requested to the certificate holder's last known address. The notice must list the allegations against the certificate holder and give him or her the opportunity to request a hearing before the advisory board. At the hearing, the department and the certificate holder have opportunity to produce witnesses and give testimony. The hearing must be conducted in accordance with chapter 34.05 RCW. The board shall render its decision based upon the testimony and evidence presented and shall notify the parties immediately upon reaching its decision. A majority of the board is necessary to render a decision.

(3) The department may deny renewal of a certificate of competency issued under this chapter if the applicant owes outstanding penalties for a final judgment under this chapter. The department shall notify the applicant of the denial by registered mail, return receipt requested, to the address on the application. The applicant may appeal the denial within twenty days by filing a notice of appeal with the department accompanied by a certified check for two hundred dollars which shall be returned to the applicant if the decision of the department is not upheld by the hearings officer. The office of administrative hearings shall conduct the hearing under chapter 34.05 RCW. If the hearings officer sustains the decision of the department, the two hundred dollars must be applied to the cost of the hearing. [1996 c 147 § 3; 1977 ex.s. c 149 § 9; 1973 1st ex.s. c 175 § 10.]

**18.106.110 Advisory board of plumbers.** (1) There is created a state advisory board of plumbers, to be composed of five members appointed by the governor. Two members shall be journeyman plumbers, two members shall be persons conducting a plumbing business, and one member from the general public who is familiar with the business and trade of plumbing.

(2) The term of one journeyman plumber expires July 1, 1995; the term of the second journeyman plumber expires July 1, 2000; the term of one person conducting a plumbing business expires July 1, 1996; the term of the second person conducting a plumbing business expires July 1, 2000; and the term of the public member expires July 1, 1997. Thereafter, upon the expiration of said terms, the governor shall appoint a new member to serve for a period of three years. However, to ensure that the board can continue to act, a member whose term expires shall continue to serve until his or her replacement is appointed. In the case of any vacancy on the board for any reason, the governor shall appoint a new member to serve out the term of the person whose position has become vacant.

(3) The advisory board shall carry out all the functions and duties enumerated in this chapter, as well as generally advise the department on all matters relative to this chapter.

(4) Each member of the advisory board shall receive travel expenses in accordance with the provisions of RCW

43.03.050 and 43.03.060 as now existing or hereafter amended for each day in which such member is actually engaged in attendance upon the meetings of the advisory board. [1997 c 307 § 1; 1995 c 95 § 1; 1975-'76 2nd ex.s. c 34 § 56; 1973 1st ex.s. c 175 § 11.]

**Effective date—1995 c 95:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [April 18, 1995]." [1995 c 95 § 2.]

**Effective date—Severability—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

**18.106.125 Fees.** The department shall charge fees for issuance, renewal, and reinstatement of all certificates and permits and for examinations required by this chapter. The department shall set the fees by rule.

The fees shall cover the full cost of issuing the certificates and permits, devising and administering the examinations, and administering and enforcing this chapter. The costs shall include travel, per diem, and administrative support costs. [1983 c 124 § 17.]

**18.106.130 Plumbing certificate fund.** All moneys received from certificates, permits, or other sources, shall be paid to the state treasurer as ex officio custodian thereof and by him placed in a special fund designated as the "plumbing certificate fund". He shall pay out upon vouchers duly and regularly issued therefor and approved by the director. The treasurer shall keep an accurate record of payments into said fund, and of all disbursement therefrom. Said fund shall be charged with its pro rata share of the cost of administering said fund. [1973 1st ex.s. c 175 § 13.]

**18.106.140 Powers and duties of director.** The director may promulgate rules, make specific decisions, orders, and rulings, including therein demands and findings, and take other necessary action for the implementation and enforcement of his duties under this chapter: **PROVIDED,** That in the administration of this chapter the director shall not enter any controversy arising over work assignments with respect to the trades involved in the construction industry. [1973 1st ex.s. c 175 § 14.]

**18.106.150 Exemptions.** Nothing in this chapter shall be construed to require that a person obtain a license or a certified plumber in order to do plumbing work at his residence or farm or place of business or on other property owned by him. Any person performing plumbing work on a farm may do so without having a current certificate of competency or apprentice permit: **PROVIDED, HOWEVER,** That nothing in this chapter shall be intended to derogate from or dispense with the requirements of any valid plumbing code enacted by a political subdivision of the state, except that no code shall require the holder of a certificate of competency to demonstrate any additional proof of competency or obtain any other license or pay any fee in order to engage in the trade of plumbing: **AND PROVIDED FURTHER,** That this chapter shall not apply to common carriers subject to Part I of the Interstate Commerce Act, nor to their officers and employees: **AND PROVIDED FURTHER,** That nothing in this chapter shall be construed to

apply to any farm, business, industrial plant, or corporation doing plumbing work on premises it owns or operates: **AND PROVIDED FURTHER,** That nothing in this chapter shall be construed to restrict the right of any householder to assist or receive assistance from a friend, neighbor, relative or other person when none of the individuals doing such plumbing hold themselves out as engaged in the trade or business of plumbing. [1973 1st ex.s. c 175 § 15.]

**18.106.155 Reciprocity.** The director may, upon payment of the appropriate fees, grant a certificate of competency without examination to any applicant who is a registered journeyman plumber or specialty plumber in any other state whose requirements for registration are at least substantially equivalent to the requirements of this state, and which extends the same privileges of reciprocity to journeyman plumbers or specialty plumbers registered in this state. [1977 ex.s. c 149 § 11.]

**18.106.170 Violations—Investigations—Evidence of compliance.** An authorized representative of the department may investigate alleged or apparent violations of this chapter. An authorized representative of the department upon presentation of credentials may inspect sites at which a person is doing plumbing work for the purpose of determining whether that person has a certificate or permit issued by the department in accordance with this chapter or is supervised by a person who has such a certificate or permit. Upon request of the authorized representative of the department, a person doing plumbing work shall produce evidence that the person has a certificate or permit issued by the department in accordance with this chapter or is supervised by a person who has such a certificate or permit. [1983 c 124 § 6.]

**Effective date—1983 c 124:** See note following RCW 18.106.020.

**18.106.180 Notice of infraction—Issuance, service.** An authorized representative of the department may issue a notice of infraction as specified in \*RCW 18.106.020(3) if a person who is doing plumbing work or who is offering to do plumbing work fails to produce evidence of having a certificate or permit issued by the department in accordance with this chapter or of being supervised by a person who has such a certificate or permit. A notice of infraction issued under this section shall be personally served on the person named in the notice by an authorized representative of the department or sent by certified mail to the last known address provided to the department of the person named in the notice. [1996 c 147 § 4; 1994 c 174 § 3; 1983 c 124 § 7.]

**\*Reviser's note:** RCW 18.106.020 was amended by 1997 c 326 § 3, changing subsection (3) to subsection (4).

**Effective date—1994 c 174:** See note following RCW 18.106.020.

**Effective date—1983 c 124:** See note following RCW 18.106.020.

**18.106.190 Notice—Contents.** The form of the notice of infraction issued under this chapter shall include the following:

(1) A statement that the notice represents a determination that the infraction has been committed by the person named in the notice and that the determination shall be final unless contested as provided in this chapter;

(2) A statement that the infraction is a noncriminal offense for which imprisonment shall not be imposed as a sanction;

(3) A statement of the specific infraction for which the notice was issued;

(4) A statement of the monetary penalty that has been established for the infraction;

(5) A statement of the options provided in this chapter for responding to the notice and the procedures necessary to exercise these options;

(6) A statement that at any hearing to contest the determination the state has the burden of proving, by a preponderance of the evidence, that the infraction was committed; and that the person may subpoena witnesses, including the authorized representative of the department who issued and served the notice of infraction;

(7) A statement, which the person shall sign, that the person promises to respond to the notice of infraction in one of the ways provided in this chapter;

(8) A statement that refusal to sign the infraction as directed in subsection (7) of this section is a misdemeanor; and

(9) A statement that failure to respond to a notice of infraction as promised is a misdemeanor and may be punished by a fine or imprisonment in jail. [1994 c 174 § 4; 1983 c 124 § 9.]

**Effective date—1994 c 174:** See note following RCW 18.106.020.

**Effective date—1983 c 124:** See note following RCW 18.106.020.

**18.106.200 Notice—Hearing—Contest—Notice of appeal.** A violation designated as an infraction under this chapter shall be heard and determined by an administrative law judge of the office of administrative hearings. If a party desires to contest the notice of infraction, the party shall file a notice of appeal with the department within twenty days of issuance of the infraction. The administrative law judge shall conduct hearings in these cases at locations in the county where the infraction is alleged to have occurred. [1996 c 147 § 5; 1994 c 174 § 5; 1983 c 124 § 8.]

**Effective date—1994 c 174:** See note following RCW 18.106.020.

**Effective date—1983 c 124:** See note following RCW 18.106.020.

**18.106.210 Notice—Determination infraction committed.** Unless contested in accordance with this chapter, the notice of infraction represents a determination that the person to whom the notice was issued committed the infraction. [1983 c 124 § 10.]

**Effective date—1983 c 124:** See note following RCW 18.106.020.

**18.106.220 Notice—Penalty payment—Filing answer of protest—Failure to respond or appear.** (1) A person who receives a notice of infraction shall respond to the notice as provided in this section within fourteen days of the date the notice was served.

(2) If the person named in the notice of infraction does not wish to contest the notice of infraction, the person shall pay to the department, by check or money order, the amount of the penalty prescribed for the infraction. When a response which does not contest the determination is received by the department with the appropriate payment, the department shall make the appropriate entry in its records.

(3) If the person named in the notice of infraction wishes to contest the notice of infraction, the person shall respond by filing an answer of protest with the department specifying the grounds of protest.

(4) If any person issued a notice of infraction:

(a) Fails to respond to the notice of infraction as provided in subsection (2) of this section; or

(b) Fails to appear at a hearing requested pursuant to subsection (3) of this section;

the administrative law judge shall enter an appropriate order assessing the monetary penalty prescribed for the infraction and shall notify the department of the failure to respond to the notice of infraction or to appear at a requested hearing. [1994 c 174 § 6; 1983 c 124 § 11.]

**Effective date—1994 c 174:** See note following RCW 18.106.020.

**Effective date—1983 c 124:** See note following RCW 18.106.020.

**18.106.230 Notice—Failure to respond—Misdemeanor.** It is a misdemeanor for any person who has been personally served with a notice of infraction:

(1) To refuse to sign a written promise to respond to the notice; or

(2) To wilfully violate the written promise to respond to a notice of infraction as provided in this chapter, regardless of the ultimate disposition of the infraction. [1983 c 124 § 14.]

**Effective date—1983 c 124:** See note following RCW 18.106.020.

**18.106.240 Representation by attorney—Department represented by attorney general.** A person subject to proceedings under this chapter may appear or be represented by counsel. The department shall be represented by the attorney general in any proceeding under this chapter. [1983 c 124 § 12.]

**Effective date—1983 c 124:** See note following RCW 18.106.020.

**18.106.250 Infraction—Cases—Administrative Procedure Act—Burden of proof—Order—Appeal.** (1) The administrative law judge shall conduct notice of infraction cases under this chapter pursuant to chapter 34.05 RCW.

(2) The burden of proof is on the department to establish the commission of the infraction by a preponderance of the evidence. The notice of infraction shall be dismissed if the defendant establishes that, at the time the notice was issued:

(a) The defendant who was issued a notice of infraction authorized by \*RCW 18.106.020(3)(a) had a certificate or permit issued by the department in accordance with this chapter, was supervised by a person who has such a certificate or permit, or was exempt from this chapter under RCW 18.106.150; or

(b) For the defendant who was issued a notice of infraction authorized by \*RCW 18.106.020(3) (b) or (c), the person employed or supervised by the defendant has a certificate or permit issued by the department in accordance with this chapter, was supervised by a person who had such a certificate or permit, or was exempt from this chapter under RCW 18.106.150.

(3) After consideration of the evidence and argument, the administrative law judge shall determine whether the infraction was committed. If it has not been established that

the infraction was committed, an order dismissing the notice shall be entered in the record of the proceedings. If it has been established that the infraction was committed, the administrative law judge shall issue findings of fact and conclusions of law in its decision and order determining whether the infraction was committed.

(4) An appeal from the administrative law judge's determination or order shall be to the superior court. The decision of the superior court is subject only to discretionary review pursuant to Rule 2.3 of the Rules of Appellate Procedure. [1994 c 174 § 7; 1983 c 124 § 13.]

**\*Reviser's note:** RCW 18.106.020 was amended by 1997 c 326 § 3, changing subsection (3) to subsection (4).

**Effective date—1994 c 174:** See note following RCW 18.106.020.

**Effective date—1983 c 124:** See note following RCW 18.106.020.

#### 18.106.270 Infraction—Monetary penalties—Rules.

(1) A person found to have committed an infraction under RCW 18.106.020 shall be assessed a monetary penalty of two hundred fifty dollars for the first infraction, and not more than one thousand dollars for a second or subsequent infraction. The department shall set by rule a schedule of penalties for infractions imposed under this chapter.

(2) The administrative law judge may waive, reduce, or suspend the monetary penalty imposed for the infraction for good cause shown.

(3) Monetary penalties collected under this chapter shall be deposited in the plumbing certificate fund. [1994 c 174 § 8; 1983 c 124 § 16.]

**Effective date—1994 c 174:** See note following RCW 18.106.020.

**Effective date—1983 c 124:** See note following RCW 18.106.020.

**18.106.280 Pilot project—Enforcement of chapter—Reimbursement fee.** The department of labor and industries may establish one pilot project in which the department will enter into an agreement with a city and the county within which the city is located regarding compliance inspections by the city or county to enforce this chapter. Under the terms of the agreement, the city and county shall be permitted to submit declarations of noncompliance to the department for the department's enforcement under RCW 18.106.180, with reimbursement to the city or county at an established fee. The pilot project shall be located in eastern Washington. [1995 c 294 § 1; 1994 c 174 § 1.]

**Effective date—1994 c 174:** See note following RCW 18.106.020.

**18.106.290 Certificate or permit suspension—Nonpayment or default on educational loan or scholarship.** The director shall suspend the certificate or permit of any person who has been certified by a lending agency and reported to the director for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's certificate or permit shall not be reissued until the person provides the director a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a

repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for certification or permits during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the director may impose. [1996 c 293 § 17.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.106.300 Certificate suspension—Noncompliance with support order—Reissuance.** The department shall immediately suspend any certificate of competency issued under this chapter if the holder of the certificate 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 certification during the suspension, reissuance of the certificate of competency shall be automatic upon the department's receipt of a release issued by the department of social and health services stating that the person is in compliance with the order. [1997 c 58 § 829.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

## Chapter 18.108

### MASSAGE PRACTITIONERS

#### Sections

- 18.108.005 Intent—Health care insurance not affected.
- 18.108.010 Definitions.
- 18.108.020 Board of massage—Generally.
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- 18.108.030 License required.
- 18.108.040 Advertising massage by unlicensed person unlawful.
- 18.108.050 Exemptions.
- 18.108.060 Applicant—License holder—Compliance with procedures, requirements, fees.
- 18.108.070 Qualifications for license.
- 18.108.073 Examination.
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- 18.108.085 Powers and duties of secretary—Uniform Disciplinary Act—License revocation—Reinstatement.
- 18.108.095 Out-of-state applicants.
- 18.108.100 Provisions relating to licensing of persons nonexclusive.
- 18.108.115 Persons licensed under prior law.
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- 18.108.190 Inspection of premises by law enforcement personnel.
- 18.108.210 Provisions relating to licensing of massage businesses non-exclusive—Authority of local political subdivisions.
- 18.108.220 Federal classification.
- 18.108.900 Severability—1975 1st ex.s. c 280.
- 18.108.901 Severability—1987 c 443.
- 18.108.902 Savings—1987 c 443.

*Authority to regulate massage practitioners—Limitations:* RCW 35.21.692, 35A.82.025, and 36.32.122.

**18.108.005 Intent—Health care insurance not affected.** The legislature finds it necessary to license the practice of massage and massage therapy in order to protect the public health and safety. It is the legislature's intent that only individuals who meet and maintain minimum standards of competence and conduct may provide services to the public. This chapter shall not be construed to require or prohibit individual or group policies or contracts of an insurance carrier, health care service contractor, or health maintenance organization from providing benefits or coverage for services and supplies provided by a person licensed under this chapter. [1997 c 297 § 1; 1987 c 443 § 1.]

**18.108.010 Definitions.** In this chapter, unless the context otherwise requires, the following meanings shall apply:

(1) "Board" means the Washington state board of massage.

(2) "Massage" and "massage therapy" mean a health care service involving the external manipulation or pressure of soft tissue for therapeutic purposes. Massage therapy includes techniques such as tapping, compressions, friction, Swedish gymnastics or movements, gliding, kneading, shaking, and facial or connective tissue stretching, with or without the aids of superficial heat, cold, water, lubricants, or salts. Massage therapy does not include diagnosis or attempts to adjust or manipulate any articulations of the body or spine or mobilization of these articulations by the use of a thrusting force, nor does it include genital manipulation.

(3) "Massage practitioner" means an individual licensed under this chapter.

(4) "Secretary" means the secretary of health or the secretary's designee.

(5) Massage business means the operation of a business where massages are given. [1997 c 297 § 2; 1991 c 3 § 252; 1987 c 443 § 2; 1979 c 158 § 74; 1975 1st ex.s. c 280 § 1.]

**18.108.020 Board of massage—Generally.** The Washington state board of massage is hereby created. The board shall consist of four members who shall be appointed by the governor for a term of four years each. Members shall be residents of this state and shall have not less than three years experience in the practice of massage immediately preceding their appointment and shall be licensed under this chapter and actively engaged in the practice of massage during their incumbency.

In addition to the members specified in this section, the governor shall appoint a consumer member of the board, who shall serve for a term of four years. The consumer member of the board shall be an individual who does not derive his or her livelihood by providing health care services or massage therapy and is not a licensed health professional. The consumer member shall not be an employee of the state nor a present or former member of another licensing board.

In the event that a member cannot complete his or her term of office, another appointment shall be made by the governor in accordance with the procedures stated in this section to fill the remainder of the term. No member may serve more than two successive terms whether full or partial. The governor may remove any member of the board for

neglect of duty, incompetence, or unprofessional or disorderly conduct as determined under chapter 18.130 RCW.

Each member of the board shall be compensated in accordance with RCW 43.03.240. Members shall be reimbursed for travel expenses incurred in the actual performance of their duties, as provided in RCW 43.03.050 and 43.03.060.

The board may annually elect a chairperson to direct the meetings of the board. The board shall meet as called by the chairperson or the secretary. Three members of the board shall constitute a quorum of the board. [1991 c 3 § 253; 1987 c 443 § 9. Prior: 1984 c 287 § 53; 1984 c 279 § 56; 1975-'76 2nd ex.s. c 34 § 57; 1975 1st ex.s. c 280 § 2.]

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**Severability—1984 c 279:** See RCW 18.130.901

**Effective date—Severability—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

**18.108.025 Board powers and duties.** In addition to any other authority provided by law, the board may:

(1) Adopt rules in accordance with chapter 34.05 RCW necessary to implement this chapter, subject to the approval of the secretary;

(2) Define, evaluate, approve, and designate those schools, programs, and apprenticeship programs including all current and proposed curriculum, faculty, and health, sanitation, and facility standards from which graduation will be accepted as proof of an applicant's eligibility to take the licensing examination;

(3) Review approved schools and programs periodically;

(4) Prepare, grade, administer, and supervise the grading and administration of, examinations for applicants for licensure; and

(5) Determine which states have educational and licensing requirements equivalent to those of this state.

The board shall establish by rule the standards and procedures for approving courses of study and may contract with individuals or organizations having expertise in the profession or in education to assist in evaluating courses of study. The standards and procedures set shall apply equally to schools and training within the United States of America and those in foreign jurisdictions. [1991 c 3 § 254; 1987 c 443 § 10.]

**18.108.030 License required.** (1) No person may practice or represent himself or herself as a massage practitioner without first applying for and receiving from the department a license to practice.

(2) A person represents himself or herself as a massage practitioner when the person adopts or uses any title or any description of services that incorporates one or more of the following terms or designations: Massage, massage practitioner, massage therapist, massage therapy, therapeutic massage, massage technician, massage technology, massagist, masseur, masseuse, myotherapist or myotherapy, touch therapist, reflexologist, acupressurist, body therapy or body therapist, or any derivation of those terms that implies a massage technique or method. [1995 c 198 § 15; 1987 c 443 § 3; 1975 1st ex.s. c 280 § 3.]

**18.108.040 Advertising message by unlicensed person unlawful.** It shall be unlawful to advertise the practice of massage using the term massage or any other term that implies a massage technique or method in any public or private publication or communication by a person not licensed by the secretary as a massage practitioner or without printing in display advertisement the license number of the massage practitioner. Any person who holds a license to practice as a massage practitioner in this state may use the title "licensed massage practitioner" and the abbreviation "L.M.P.". No other persons may assume such title or use such abbreviation or any other word, letters, signs, or figures to indicate that the person using the title is a licensed massage practitioner. [1995 c 353 § 1; 1991 c 3 § 255; 1987 c 443 § 4; 1975 1st ex.s. c 280 § 4.]

**18.108.050 Exemptions.** This chapter does not apply to:

- (1) An individual giving massage to members of his or her immediate family;
- (2) The practice of a profession by individuals who are licensed, certified, or registered under other laws of this state and who are performing services within their authorized scope of practice;
- (3) Massage practiced at the athletic department of any institution maintained by the public funds of the state, or any of its political subdivisions;
- (4) Massage practiced at the athletic department of any school or college approved by the department by rule using recognized national professional standards;
- (5) Students enrolled in an approved massage school, approved program, or approved apprenticeship program, practicing massage techniques, incidental to the massage school or program and supervised by the approved school or program. Students must identify themselves as a student when performing massage services on members of the public. Students may not be compensated for the massage services they provide;
- (6) Individuals who have completed a somatic education training program approved by the secretary. [1997 c 297 § 3; 1995 c 198 § 16; 1987 c 443 § 5; 1975 1st ex.s. c 280 § 5.]

*Exemptions: RCW 18.108.130.*

**18.108.060 Applicant—License holder—Compliance with procedures, requirements, fees.** Each applicant and license holder shall comply with administrative procedures, administrative requirements, and fees set by the secretary under RCW 43.70.250 and 43.70.280. [1996 c 191 § 81; 1991 c 3 § 256; 1987 c 443 § 6; 1985 c 7 § 79; 1975 1st ex.s. c 280 § 6.]

**18.108.070 Qualifications for license.** The secretary shall issue a massage practitioner's license to an applicant who demonstrates to the secretary's satisfaction that the following requirements have been met:

- (1) Effective June 1, 1988, successful completion of a course of study in an approved massage program or approved apprenticeship program;
- (2) Successful completion of an examination administered or approved by the board; and

- (3) Be eighteen years of age or older.

In addition, applicants shall be subject to the grounds for denial or issuance of a conditional license under chapter 18.130 RCW.

The secretary may require any information and documentation that reasonably relates to the need to determine whether the applicant meets the criteria for licensure provided for in this chapter and chapter 18.130 RCW. The secretary shall establish by rule what constitutes adequate proof of meeting the criteria. The board shall give an appropriate alternate form of examination for persons who cannot read or speak English to determine equivalent competency. [1991 c 3 § 257; 1987 c 443 § 7; 1975 1st ex.s. c 280 § 7.]

**18.108.073 Examination.** (1) The date and location of the examination shall be established by the secretary. Applicants who demonstrate to the secretary's satisfaction that the following requirements have been met shall be scheduled for the next examination following the filing of the application:

- (a) Effective June 1, 1988, successful completion of a course of study in an approved massage program; or
- (b) Effective June 1, 1988, successful completion of an apprenticeship program established by the board; and
- (c) Be eighteen years of age or older.

In addition, the secretary shall establish a deadline for receipt of completed and approved applications.

(2) The board or its designee shall examine each applicant in a written examination determined most effective on subjects appropriate to the massage scope of practice. The subjects may include anatomy, kinesiology, physiology, pathology, principles of human behavior, massage theory and practice, hydrotherapy, hygiene, first aid, Washington law pertaining to the practice of massage, and such other subjects as the board may deem useful to test applicant's fitness to practice massage therapy. Such examinations shall be limited in purpose to determining whether the applicant possesses the minimum skill and knowledge necessary to practice competently.

(3) All records of a candidate's performance shall be preserved for a period of not less than one year after the board has made and published decisions thereupon. All examinations shall be conducted by the board under fair and impartial methods as determined by the secretary.

(4) An applicant who fails to make the required grade in the first examination is entitled to take up to two additional examinations upon the payment of a fee for each subsequent examination determined by the secretary as provided in RCW 43.70.250. Upon failure of three examinations, the secretary may invalidate the original application and require such remedial education as is required by the board before admission to future examinations.

(5) The board may approve an examination prepared or administered, or both, by a private testing agency or association of licensing boards for use by an applicant in meeting the licensing requirement. [1995 c 198 § 17; 1991 c 3 § 258; 1987 c 443 § 8.]

**18.108.076 Application of uniform disciplinary act.** The uniform disciplinary act, chapter 18.130 RCW, governs

unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter. [1987 c 150 § 60; 1986 c 259 § 146.]

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.108.085 Powers and duties of secretary—Uniform Disciplinary Act—License revocation—Reinstatement.** (1) In addition to any other authority provided by law, the secretary may:

(a) Adopt rules, in accordance with chapter 34.05 RCW necessary to implement this chapter;

(b) Set all license, examination, and renewal fees in accordance with RCW 43.70.250;

(c) Establish forms and procedures necessary to administer this chapter;

(d) Issue a license to any applicant who has met the education, training, and examination requirements for licensure; and

(e) Hire clerical, administrative, and investigative staff as necessary to implement this chapter, and hire individuals licensed under this chapter to serve as examiners for any practical examinations.

(2) The Uniform Disciplinary Act, chapter 18.130 RCW, governs the issuance and denial of licenses and the disciplining of persons under this chapter. The secretary shall be the disciplining authority under this chapter.

(3) Any license issued under this chapter to a person who is or has been convicted of violating RCW 9A.88.030, 9A.88.070, 9A.88.080, or 9A.88.090 or equivalent local ordinances shall automatically be revoked by the secretary upon receipt of a certified copy of the court documents reflecting such conviction. No further hearing or procedure is required, and the secretary has no discretion with regard to the revocation of the license. The revocation shall be effective even though such conviction may be under appeal, or the time period for such appeal has not elapsed. However, upon presentation of a final appellate decision overturning such conviction, the license shall be reinstated, unless grounds for disciplinary action have been found under chapter 18.130 RCW. No license may be granted under this chapter to any person who has been convicted of violating RCW 9A.88.030, 9A.88.070, 9A.88.080, or 9A.88.090 or equivalent local ordinances within the eight years immediately preceding the date of application. For purposes of this subsection, "convicted" does not include a conviction that has been the subject of a pardon, annulment, or other equivalent procedure based on a finding of innocence, but does include convictions for offenses for which the defendant received a deferred or suspended sentence, unless the record has been expunged according to law.

(4) The secretary shall keep an official record of all proceedings under this chapter, a part of which record shall consist of a register of all applicants for licensure under this chapter, with the result of each application. [1996 c 154 § 1; 1995 c 353 § 2; 1991 c 3 § 259; 1987 c 443 § 11.]

**18.108.095 Out-of-state applicants.** An applicant holding a license in another state or foreign jurisdiction may be granted a Washington license without examination, if, in the opinion of the board, the other state's or foreign

jurisdiction's examination and educational requirements are substantially equivalent to Washington's: **PROVIDED**, That the applicant demonstrates to the satisfaction of the board a working knowledge of Washington law pertaining to the practice of massage. The applicant shall provide proof in a manner approved by the department that the examination and requirements are equivalent to Washington's. [1987 c 443 § 12.]

**Effective date—1987 c 443 § 12:** "Section 12 of this act shall take effect June 1, 1988." [1987 c 443 § 19.]

**18.108.100 Provisions relating to licensing of persons nonexclusive.** The provisions of this chapter relating to the licensing of any person shall not be exclusive, and any political subdivision of the state of Washington within whose jurisdiction the practice of massage is performed may require additional registrations or licenses, regulating the practice of massage or massage operators, and charge any fee for the same or similar purpose. [1975 1st ex.s. c 280 § 11.]

**18.108.115 Persons licensed under prior law.** Any person holding a valid license to practice massage issued by authority of the state on July 26, 1987, shall continue to be licensed as a massage practitioner under the provisions of this chapter. [1987 c 443 § 13.]

**18.108.130 Exemptions.** This chapter does not apply to:

(1) Massage practiced at the athletic department of any institution maintained by the public funds of the state, or any of its political subdivisions;

(2) Massage practiced at the athletic department of any primary or secondary school, or institution of higher education; and

(3) Massage practiced at the athletic department of any nonprofit organization licensed under RCW 66.24.400 and 66.24.450. [1975 1st ex.s. c 280 § 14.]

*Exemptions: RCW 18.108.050.*

**18.108.190 Inspection of premises by law enforcement personnel.** State and local law enforcement personnel shall have the authority to inspect the premises at any time including business hours. [1975 1st ex.s. c 280 § 20.]

**18.108.210 Provisions relating to licensing of massage businesses nonexclusive—Authority of local political subdivisions.** The provisions of this chapter relating to the registration and licensing of any massage business shall not be exclusive and any political subdivision of the state of Washington within whose jurisdiction the massage business is located may require any registrations or licenses, or charge any fee for the same or similar purpose; and nothing herein shall limit or abridge the authority of any political subdivision to levy and collect a general and nondiscriminatory license fee levied upon all businesses, or to levy a tax based upon gross business conducted by any firm within said political subdivision. [1975 1st ex.s. c 280 § 22.]

**18.108.220 Federal classification.** For the purposes of this chapter, licensed massage practitioners shall be classified as "offices and clinics of health practitioners, not elsewhere classified" under section 8049 of the standard industrial classification manual published by the executive office of the president, office of management and budget. [1994 c 228 § 1.]

**Effective date—1994 c 228:** "This act shall take effect July 1, 1994." [1994 c 228 § 3.]

**18.108.900 Severability—1975 1st ex.s. c 280.** If any provision of this 1975 act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality of the remainder of this 1975 act and the applicability thereof to other persons and circumstances shall not be affected thereby. [1975 1st ex.s. c 280 § 23.]

**18.108.901 Severability—1987 c 443.** 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. [1987 c 443 § 18.]

**18.108.902 Savings—1987 c 443.** This chapter shall not be construed as affecting any existing right acquired or liability or obligations incurred under the sections amended or repealed in this chapter or under any rule, regulation, or order adopted under those sections, nor as affecting any proceeding instituted under those sections. [1987 c 443 § 14.]

### Chapter 18.110 ART DEALERS—ARTISTS

Sections

- 18.110.010 Definitions.
- 18.110.020 Rights—Duties—Liabilities.
- 18.110.030 Contract required—Provisions.
- 18.110.040 Violations—Penalties—Attorney fees.
- 18.110.900 Application of chapter.
- 18.110.905 Construction—Chapter supersedes Title 62A RCW.

**18.110.010 Definitions.** As used in this chapter, the following terms have the meanings indicated unless the context clearly requires otherwise.

(1) "Art dealer" means a person, partnership, firm, association, or corporation, other than a public auctioneer, which undertakes to sell a work of fine art created by another.

(2) "Artist" means the creator of a work of fine art.

(3) "On consignment" means delivered to an art dealer for the purpose of sale or exhibition, or both, to the public by the art dealer other than at a public auction.

(4) "Work of fine art" means an original art work which is:

- (a) A visual rendition including a painting, drawing, sculpture, mosaic, or photograph;
- (b) A work of calligraphy;
- (c) A work of graphic art including an etching, lithograph, offset print, or silk screen;

(d) A craft work in materials including clay, textile, fiber, wood, metal, plastic, or glass; or

(e) A work in mixed media including a collage or a work consisting of any combination of works included in this subsection. [1981 c 33 § 1.]

**18.110.020 Rights—Duties—Liabilities.** If an art dealer accepts a work of fine art on a fee, commission, or other compensation basis, on consignment from the artist:

(1) The art dealer is, with respect to that work of fine art, the agent of the artist.

(2) The work of fine art is trust property and the art dealer is trustee for the benefit of the artist until the work of fine art is sold to a bona fide third party.

(3) The proceeds of the sale of the work of fine art are trust property and the art dealer is trustee for the benefit of the artist until the amount due the artist from the sale is paid. These trust funds shall be paid to the artist within thirty days of receipt by the art dealer unless the parties expressly agree otherwise in writing. If the sale of the work of fine art is on installment, the funds from the installment shall first be applied to pay any balance due the artist on the sale, unless the artist expressly agrees in writing that the proceeds on each installment shall be paid according to a percentage established by the consignment agreement.

(4) The art dealer is strictly liable for the loss of or damage to the work of fine art while it is in the art dealer's possession. For the purpose of this subsection the value of the work of fine art is the value established in a written agreement between the artist and art dealer prior to the loss or damage or, if no written agreement regarding the value of the work of fine art exists, the fair market value of the work of fine art.

A work of fine art which is trust property when initially accepted by the art dealer remains trust property notwithstanding the subsequent purchase of the work of fine art by the art dealer directly or indirectly for the art dealer's own account until the purchase price is paid in full to the artist. No property which is trust property under this section is subject to the claims, liens, or security interests of the creditors of the art dealer. [1981 c 33 § 2.]

**18.110.030 Contract required—Provisions.** (1) An art dealer may accept a work of fine art on a fee, commission, or other compensation basis, on consignment from the artist only if prior to or at the time of acceptance the art dealer enters into a written contract with the artist which states:

- (a) The value of the work of fine art;
- (b) The minimum price for the sale of the work of fine art; and
- (c) The fee, commission, or other compensation basis of the art dealer.

(2) An art dealer who accepts a work of fine art on a fee, commission, or other compensation basis, on consignment from the artist may use or display the work of fine art or a photograph of the work of fine art or permit the use or display of the work or photograph only if:

(a) Notice is given to users or viewers that the work of fine art is the work of the artist; and

(b) The artist gives prior written consent to the particular use or display.

(3) Any portion of a contract which waives any provision of this chapter is void. [1981 c 33 § 3.]

**18.110.040 Violations—Penalties—Attorney fees.**

An art dealer violating RCW 18.110.030 is liable to the artist for fifty dollars plus actual damages, including incidental and consequential damages, sustained as a result of the violation. If an art dealer violates RCW 18.110.030, the artist's obligation for compensation to the art dealer is voidable. In an action under this section the court may, in its discretion, award the artist reasonable attorney's fees. [1981 c 33 § 4.]

**18.110.900 Application of chapter.** This chapter applies to any work of fine art accepted on consignment on or after July 26, 1981. If a work of fine art is accepted on consignment on or after July 26, 1981 under a contract made before that date, this section applies only to the extent that it does not conflict with the contract. [1981 c 33 § 5.]

**18.110.905 Construction—Chapter supersedes Title 62A RCW.** See RCW 62A.1-110.

**Chapter 18.118**

**REGULATION OF BUSINESS PROFESSIONS**

Sections

- 18.118.005 Legislative findings—Intent.
- 18.118.010 Purpose—Intent.
- 18.118.020 Definitions.
- 18.118.030 Applicants for regulation—Information.
- 18.118.040 Applicants for regulation—Written report—Recommendation of department of licensing.
- 18.118.900 Severability—1987 c 514.

**18.118.005 Legislative findings—Intent.** The legislature recognizes the value of an analytical review, removed from the political process, of proposals for increased regulation of real estate and other business professions which the legislature already regulates, as well as of proposals for regulation of professions not currently regulated. The legislature further finds that policies and standards set out for regulation of the health professions in chapter 18.120 RCW have equal applicability to other professions. To further the goal of governmental regulation only as necessary to protect the public interest and to promote economic development through employment, the legislature expands the scope of chapter 18.120 RCW to apply to business professions. The legislature intends that the reviews of proposed business profession regulation be conducted by the department of licensing's policy and research rather than regulatory staff and that the reviews be conducted and recommendations made in an impartial manner. Further, the legislature intends that the department of licensing provide sufficient staffing to conduct the reviews. [1987 c 514 § 3.]

**18.118.010 Purpose—Intent.** (1) The purpose of this chapter is to establish guidelines for the regulation of the real estate profession and other business professions which

may seek legislation to substantially increase their scope of practice or the level of regulation of the profession, and for the regulation of business professions not licensed or regulated on July 26, 1987: PROVIDED, That the provisions of this chapter are not intended and shall not be construed to: (a) Apply to any regulatory entity created prior to July 26, 1987, except as provided in this chapter; (b) affect the powers and responsibilities of the superintendent of public instruction or state board of education under RCW 28A.305.130 and 28A.410.010; (c) apply to or interfere in any way with the practice of religion or to any kind of treatment by prayer; (d) apply to any remedial or technical amendments to any statutes which licensed or regulated activity before July 26, 1987; and (e) apply to proposals relating solely to continuing education. The legislature believes that all individuals should be permitted to enter into a business profession unless there is an overwhelming need for the state to protect the interests of the public by restricting entry into the profession. Where such a need is identified, the regulation adopted by the state should be set at the least restrictive level consistent with the public interest to be protected.

(2) It is the intent of this chapter that no regulation shall be imposed upon any business profession except for the exclusive purpose of protecting the public interest. All bills introduced in the legislature to regulate a business profession for the first time should be reviewed according to the following criteria. A business profession should be regulated by the state only when:

(a) Unregulated practice can clearly harm or endanger the health, safety, or welfare of the public, and the potential for the harm is easily recognizable and not remote or dependent upon tenuous argument;

(b) The public needs and can reasonably be expected to benefit from an assurance of initial and continuing professional ability; and

(c) The public cannot be effectively protected by other means in a more cost-beneficial manner.

(3) After evaluating the criteria in subsection (2) of this section and considering governmental and societal costs and benefits, if the legislature finds that it is necessary to regulate a business profession not previously regulated by law, the least restrictive alternative method of regulation should be implemented, consistent with the public interest and this section:

(a) Where existing common law and statutory civil actions and criminal prohibitions are not sufficient to eradicate existing harm, the regulation should provide for stricter civil actions and criminal prosecutions;

(b) Where a service is being performed for individuals involving a hazard to the public health, safety, or welfare, the regulation should impose inspection requirements and enable an appropriate state agency to enforce violations by injunctive relief in court, including, but not limited to, regulation of the business activity providing the service rather than the employees of the business;

(c) Where the threat to the public health, safety, or economic well-being is relatively small as a result of the operation of the business profession, the regulation should implement a system of registration;

(d) Where the consumer may have a substantial basis for relying on the services of a practitioner, the regulation should implement a system of certification; or

(e) Where apparent that adequate regulation cannot be achieved by means other than licensing, the regulation should implement a system of licensing. [1990 c 33 § 553; 1987 c 514 § 4.]

**Purpose—Statutory references—Severability—1990 c 33:** See RCW 28A.900.100 through 28A.900.102.

**18.118.020 Definitions.** The definitions contained in this section shall apply throughout this chapter unless the context clearly requires otherwise.

(1) "Applicant group" includes any business professional group or organization, any individual, or any other interested party which proposes that any business professional group not presently regulated be regulated or which proposes legislation to substantially increase the scope of practice or the level of regulation of the profession.

(2) "Business professions" means those business occupations or professions which are not health professions under chapter 18.120 RCW and includes, in addition to real estate brokers and salespersons under chapter 18.85 RCW, the following professions and occupations: Accountancy under chapter 18.04 RCW; architects under chapter 18.08 RCW; auctioneering under chapter 18.11 RCW; cosmetologists, barbers, and manicurists under chapter 18.16 RCW; contractors under chapter 18.27 RCW; debt adjusting under chapter 18.28 RCW; engineers and surveyors under chapter 18.43 RCW; escrow agents under chapter 18.44 RCW; landscape architects under chapter 18.96 RCW; water well construction under chapter 18.104 RCW; plumbers under chapter 18.106 RCW; and art dealers under chapter 18.110 RCW.

(3) "Certificate" and "certification" mean a voluntary process by which a statutory regulatory entity grants recognition to an individual who (a) has met certain prerequisite qualifications specified by that regulatory entity, and (b) may assume or use "certified" in the title or designation to perform prescribed professional tasks.

(4) "Grandfather clause" means a provision in a regulatory statute applicable to practitioners actively engaged in the regulated profession prior to the effective date of the regulatory statute which exempts the practitioners from meeting the prerequisite qualifications set forth in the regulatory statute to perform prescribed occupational tasks.

(5) "Inspection" means the periodic examination of practitioners by a state agency in order to ascertain whether the practitioners' occupation is being carried out in a fashion consistent with the public health, safety, and welfare.

(6) "Legislative committees of reference" means the standing legislative committees designated by the respective rules committees of the senate and house of representatives to consider proposed legislation to regulate business professions not previously regulated.

(7) "License", "licensing", and "licensure" mean permission to engage in a business profession which would otherwise be unlawful in the state in the absence of the permission. A license is granted to those individuals who meet prerequisite qualifications to perform prescribed professional tasks and for the use of a particular title.

(8) "Professional license" means an individual, nontransferable authorization to carry on an activity based on qualifications which include: (a) Graduation from an accredited or approved program, and (b) acceptable performance on a qualifying examination or series of examinations.

(9) "Practitioner" means an individual who (a) has achieved knowledge and skill by practice, and (b) is actively engaged in a specified business profession.

(10) "Public member" means an individual who is not, and never was, a member of the business profession being regulated or the spouse of a member, or an individual who does not have and never has had a material financial interest in either the rendering of the business professional service being regulated or an activity directly related to the profession being regulated.

(11) "Registration" means the formal notification which, prior to rendering services, a practitioner shall submit to a state agency setting forth the name and address of the practitioner; the location, nature and operation of the business activity to be practiced; and, if required by the regulatory entity, a description of the service to be provided.

(12) "Regulatory entity" means any board, commission, agency, division, or other unit or subunit of state government which regulates one or more professions, occupations, industries, businesses, or other endeavors in this state.

(13) "State agency" includes every state office, department, board, commission, regulatory entity, and agency of the state, and, where provided by law, programs and activities involving less than the full responsibility of a state agency. [1987 c 514 § 5.]

#### **18.118.030 Applicants for regulation—Information.**

After July 26, 1987, if appropriate, applicant groups shall explain each of the following factors to the extent requested by the legislative committees of reference:

(1) A definition of the problem and why regulation is necessary:

(a) The nature of the potential harm to the public if the business profession is not regulated, and the extent to which there is a threat to public health and safety;

(b) The extent to which consumers need and will benefit from a method of regulation identifying competent practitioners, indicating typical employers, if any, of practitioners in the profession; and

(c) The extent of autonomy a practitioner has, as indicated by:

(i) The extent to which the profession calls for independent judgment and the extent of skill or experience required in making the independent judgment; and

(ii) The extent to which practitioners are supervised;

(2) The efforts made to address the problem:

(a) Voluntary efforts, if any, by members of the profession to:

(i) Establish a code of ethics; or

(ii) Help resolve disputes between practitioners and consumers; and

(b) Recourse to and the extent of use of applicable law and whether it could be strengthened to control the problem;

(3) The alternatives considered:

(a) Regulation of business employers or practitioners rather than employee practitioners;

(b) Regulation of the program or service rather than the individual practitioners;

(c) Registration of all practitioners;

(d) Certification of all practitioners;

(e) Other alternatives;

(f) Why the use of the alternatives specified in this subsection would not be adequate to protect the public interest; and

(g) Why licensing would serve to protect the public interest;

(4) The benefit to the public if regulation is granted:

(a) The extent to which the incidence of specific problems present in the unregulated profession can reasonably be expected to be reduced by regulation;

(b) Whether the public can identify qualified practitioners;

(c) The extent to which the public can be confident that qualified practitioners are competent:

(i) Whether the proposed regulatory entity would be a board composed of members of the profession and public members, or a state agency, or both, and, if appropriate, their respective responsibilities in administering the system of registration, certification, or licensure, including the composition of the board and the number of public members, if any; the powers and duties of the board or state agency regarding examinations and for cause revocation, suspension, and nonrenewal of registrations, certificates, or licenses; the promulgation of rules and canons of ethics; the conduct of inspections; the receipt of complaints and disciplinary action taken against practitioners; and how fees would be levied and collected to cover the expenses of administering and operating the regulatory system;

(ii) If there is a grandfather clause, whether such practitioners will be required to meet the prerequisite qualifications established by the regulatory entity at a later date;

(iii) The nature of the standards proposed for registration, certification, or licensure as compared with the standards of other jurisdictions;

(iv) Whether the regulatory entity would be authorized to enter into reciprocity agreements with other jurisdictions; and

(v) The nature and duration of any training including, but not limited to, whether the training includes a substantial amount of supervised field experience; whether training programs exist in this state; if there will be an experience requirement; whether the experience must be acquired under a registered, certificated, or licensed practitioner; whether there are alternative routes of entry or methods of meeting the prerequisite qualifications; whether all applicants will be required to pass an examination; and, if an examination is required, by whom it will be developed and how the costs of development will be met;

(d) Assurance of the public that practitioners have maintained their competence:

(i) Whether the registration, certification, or licensure will carry an expiration date; and

(ii) Whether renewal will be based only upon payment of a fee, or whether renewal will involve reexamination, peer review, or other enforcement;

(5) The extent to which regulation might harm the public:

(a) The extent to which regulation will restrict entry into the profession:

(i) Whether the proposed standards are more restrictive than necessary to insure safe and effective performance; and

(ii) Whether the proposed legislation requires registered, certificated, or licensed practitioners in other jurisdictions who migrate to this state to qualify in the same manner as state applicants for registration, certification, and licensure when the other jurisdiction has substantially equivalent requirements for registration, certification, or licensure as those in this state; and

(b) Whether there are similar professions to that of the applicant group which should be included in, or portions of the applicant group which should be excluded from, the proposed legislation;

(6) The maintenance of standards:

(a) Whether effective quality assurance standards exist in the profession, such as legal requirements associated with specific programs that define or enforce standards, or a code of ethics; and

(b) How the proposed legislation will assure quality:

(i) The extent to which a code of ethics, if any, will be adopted; and

(ii) The grounds for suspension or revocation of registration, certification, or licensure;

(7) A description of the group proposed for regulation, including a list of associations, organizations, and other groups representing the practitioners in this state, an estimate of the number of practitioners in each group, and whether the groups represent different levels of practice; and

(8) The expected costs of regulation:

(a) The impact registration, certification, or licensure will have on the costs of the services to the public; and

(b) The cost to the state and to the general public of implementing the proposed legislation. [1987 c 514 § 6.]

**18.118.040 Applicants for regulation—Written report—Recommendation of department of licensing.**

Applicant groups shall submit a written report explaining the factors enumerated in RCW 18.118.030 to the legislative committees of reference. Applicant groups, other than state agencies created prior to July 26, 1987, shall submit copies of their written report to the department of licensing for review and comment. The department of licensing shall make recommendations based on the report to the extent requested by the legislative committees. [1987 c 514 § 7.]

**18.118.900 Severability—1987 c 514.** 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. [1987 c 514 § 10.]

**Chapter 18.120**  
**REGULATION OF HEALTH PROFESSIONS—**  
**CRITERIA**

## Sections

- 18.120.010 Purpose—Criteria.  
 18.120.020 Definitions.  
 18.120.030 Applicants for regulation—Information.  
 18.120.040 Applicants for regulation—Written reports—  
     Recommendations by state board of health and depart-  
     ment of health.  
 18.120.050 Continuing education requirements—Legislative proposals—  
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 18.120.900 Short title.  
 18.120.910 Severability—1983 c 168.  
*Health professions account—Fees credited—Requirements for biennial  
 budget request: RCW 43.70.320.*  
*Secretary of health or secretary's designee ex officio member of health  
 professional licensure and disciplinary boards: RCW 43.70.300.*

**18.120.010 Purpose—Criteria.** (1) The purpose of this chapter is to establish guidelines for the regulation of health professions not licensed or regulated prior to July 24, 1983, and those licensed or regulated health professions which seek to substantially increase their scope of practice: PROVIDED, That the provisions of this chapter are not intended and shall not be construed to: (a) Apply to any regulatory entity created prior to July 24, 1983, except as provided in this chapter; (b) affect the powers and responsibilities of the superintendent of public instruction or state board of education under RCW 28A.305.130 and 28A.410.010; (c) apply to or interfere in any way with the practice of religion or to any kind of treatment by prayer; and (d) apply to any remedial or technical amendments to any statutes which licensed or regulated activity before July 24, 1983. The legislature believes that all individuals should be permitted to enter into a health profession unless there is an overwhelming need for the state to protect the interests of the public by restricting entry into the profession. Where such a need is identified, the regulation adopted by the state should be set at the least restrictive level consistent with the public interest to be protected.

(2) It is the intent of this chapter that no regulation shall, after July 24, 1983, be imposed upon any health profession except for the exclusive purpose of protecting the public interest. All bills introduced in the legislature to regulate a health profession for the first time should be reviewed according to the following criteria. A health profession should be regulated by the state only when:

(a) Unregulated practice can clearly harm or endanger the health, safety, or welfare of the public, and the potential for the harm is easily recognizable and not remote or dependent upon tenuous argument;

(b) The public needs and can reasonably be expected to benefit from an assurance of initial and continuing professional ability; and

(c) The public cannot be effectively protected by other means in a more cost-beneficial manner.

(3) After evaluating the criteria in subsection (2) of this section and considering governmental and societal costs and benefits, if the legislature finds that it is necessary to regulate a health profession not previously regulated by law, the least restrictive alternative method of regulation should

be implemented, consistent with the public interest and this section:

(a) Where existing common law and statutory civil actions and criminal prohibitions are not sufficient to eradicate existing harm, the regulation should provide for stricter civil actions and criminal prosecutions;

(b) Where a service is being performed for individuals involving a hazard to the public health, safety, or welfare, the regulation should impose inspection requirements and enable an appropriate state agency to enforce violations by injunctive relief in court, including, but not limited to, regulation of the business activity providing the service rather than the employees of the business;

(c) Where the threat to the public health, safety, or economic well-being is relatively small as a result of the operation of the health profession, the regulation should implement a system of registration;

(d) Where the consumer may have a substantial basis for relying on the services of a practitioner, the regulation should implement a system of certification; or

(e) Where apparent that adequate regulation cannot be achieved by means other than licensing, the regulation should implement a system of licensing. [1990 c 33 § 554; 1983 c 168 § 1.]

**Purpose—Statutory references—Severability—1990 c 33:** See RCW 28A.900.100 through 28A.900.102.

**18.120.020 Definitions.** The definitions contained in this section shall apply throughout this chapter unless the context clearly requires otherwise.

(1) "Applicant group" includes any health professional group or organization, any individual, or any other interested party which proposes that any health professional group not presently regulated be regulated or which proposes to substantially increase the scope of practice of the profession.

(2) "Certificate" and "certification" mean a voluntary process by which a statutory regulatory entity grants recognition to an individual who (a) has met certain prerequisite qualifications specified by that regulatory entity, and (b) may assume or use "certified" in the title or designation to perform prescribed health professional tasks.

(3) "Grandfather clause" means a provision in a regulatory statute applicable to practitioners actively engaged in the regulated health profession prior to the effective date of the regulatory statute which exempts the practitioners from meeting the prerequisite qualifications set forth in the regulatory statute to perform prescribed occupational tasks.

(4) "Health professions" means and includes the following health and health-related licensed or regulated professions and occupations: Podiatric medicine and surgery under chapter 18.22 RCW; chiropractic under chapter 18.25 RCW; dental hygiene under chapter 18.29 RCW; dentistry under chapter 18.32 RCW; denturism under chapter 18.30 RCW; dispensing opticians under chapter 18.34 RCW; hearing instruments under chapter 18.35 RCW; naturopaths under chapter 18.36A RCW; embalming and funeral directing under chapter 18.39 RCW; midwifery under chapter 18.50 RCW; nursing home administration under chapter 18.52 RCW; optometry under chapters 18.53 and 18.54 RCW; ocularists under chapter 18.55 RCW; osteopathic medicine and surgery under chapters 18.57 and 18.57A RCW; pharmacy under chapters 18.64 and 18.64A RCW;

medicine under chapters 18.71 and 18.71A RCW; emergency medicine under chapter 18.73 RCW; physical therapy under chapter 18.74 RCW; practical nurses under chapter 18.79 RCW; psychologists under chapter 18.83 RCW; registered nurses under chapter 18.79 RCW; occupational therapists licensed under chapter 18.59 RCW; respiratory care practitioners licensed under chapter 18.89 RCW; veterinarians and animal technicians under chapter 18.92 RCW; health care assistants under chapter 18.135 RCW; massage practitioners under chapter 18.108 RCW; acupuncturists licensed under chapter 18.06 RCW; persons registered or certified under chapter 18.19 RCW; dietitians and nutritionists certified by chapter 18.138 RCW; radiologic technicians under chapter 18.84 RCW; and nursing assistants registered or certified under chapter 18.88A RCW.

(5) "Inspection" means the periodic examination of practitioners by a state agency in order to ascertain whether the practitioners' occupation is being carried out in a fashion consistent with the public health, safety, and welfare.

(6) "Legislative committees of reference" means the standing legislative committees designated by the respective rules committees of the senate and house of representatives to consider proposed legislation to regulate health professions not previously regulated.

(7) "License," "licensing," and "licensure" mean permission to engage in a health profession which would otherwise be unlawful in the state in the absence of the permission. A license is granted to those individuals who meet prerequisite qualifications to perform prescribed health professional tasks and for the use of a particular title.

(8) "Professional license" means an individual, nontransferable authorization to carry on a health activity based on qualifications which include: (a) Graduation from an accredited or approved program, and (b) acceptable performance on a qualifying examination or series of examinations.

(9) "Practitioner" means an individual who (a) has achieved knowledge and skill by practice, and (b) is actively engaged in a specified health profession.

(10) "Public member" means an individual who is not, and never was, a member of the health profession being regulated or the spouse of a member, or an individual who does not have and never has had a material financial interest in either the rendering of the health professional service being regulated or an activity directly related to the profession being regulated.

(11) "Registration" means the formal notification which, prior to rendering services, a practitioner shall submit to a state agency setting forth the name and address of the practitioner; the location, nature and operation of the health activity to be practiced; and, if required by the regulatory entity, a description of the service to be provided.

(12) "Regulatory entity" means any board, commission, agency, division, or other unit or subunit of state government which regulates one or more professions, occupations, industries, businesses, or other endeavors in this state.

(13) "State agency" includes every state office, department, board, commission, regulatory entity, and agency of the state, and, where provided by law, programs and activities involving less than the full responsibility of a state agency. [1997 c 334 § 13; 1996 c 178 § 9. Prior: 1995 c 323 § 15; 1995 c 1 § 18 (Initiative Measure No. 607,

approved November 8, 1994); 1994 sp.s. c 9 § 718; 1989 c 300 § 14; prior: 1988 c 277 § 12; 1988 c 267 § 21; prior: 1987 c 512 § 21; 1987 c 447 § 17; 1987 c 415 § 16; 1987 c 412 § 14; prior: 1985 c 326 § 28; 1985 c 117 § 3; prior: 1984 c 279 § 57; 1984 c 9 § 18; 1983 c 168 § 2.]

**Effective dates—1997 c 334:** See note following RCW 18.89.010.

**Effective date—1996 c 178:** See note following RCW 18.35.110.

**Short title—Severability—1995 c 1 (Initiative Measure No. 607):** See RCW 18.30.900 and 18.30.901.

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Severability—1987 c 512:** See RCW 18.19.901.

**Severability—1987 c 447:** See RCW 18.36A.901.

**Severability—1987 c 415:** See RCW 18.89.901.

**Effective date—Severability—1987 c 412:** See RCW 18.84.901 and 18.84.902.

**Severability—1984 c 279:** See RCW 18.130.901.

**Severability—1984 c 9:** See RCW 18.59.905.

### 18.120.030 Applicants for regulation—Information.

After July 24, 1983, if appropriate, applicant groups shall explain each of the following factors to the extent requested by the legislative committees of reference:

(1) A definition of the problem and why regulation is necessary:

(a) The nature of the potential harm to the public if the health profession is not regulated, and the extent to which there is a threat to public health and safety;

(b) The extent to which consumers need and will benefit from a method of regulation identifying competent practitioners, indicating typical employers, if any, of practitioners in the health profession; and

(c) The extent of autonomy a practitioner has, as indicated by:

(i) The extent to which the health profession calls for independent judgment and the extent of skill or experience required in making the independent judgment; and

(ii) The extent to which practitioners are supervised;

(2) The efforts made to address the problem:

(a) Voluntary efforts, if any, by members of the health profession to:

(i) Establish a code of ethics; or

(ii) Help resolve disputes between health practitioners and consumers; and

(b) Recourse to and the extent of use of applicable law and whether it could be strengthened to control the problem;

(3) The alternatives considered:

(a) Regulation of business employers or practitioners rather than employee practitioners;

(b) Regulation of the program or service rather than the individual practitioners;

(c) Registration of all practitioners;

(d) Certification of all practitioners;

(e) Other alternatives;

(f) Why the use of the alternatives specified in this subsection would not be adequate to protect the public interest; and

(g) Why licensing would serve to protect the public interest;

(4) The benefit to the public if regulation is granted:

(a) The extent to which the incidence of specific problems present in the unregulated health profession can reasonably be expected to be reduced by regulation;

(b) Whether the public can identify qualified practitioners;

(c) The extent to which the public can be confident that qualified practitioners are competent:

(i) Whether the proposed regulatory entity would be a board composed of members of the profession and public members, or a state agency, or both, and, if appropriate, their respective responsibilities in administering the system of registration, certification, or licensure, including the composition of the board and the number of public members, if any; the powers and duties of the board or state agency regarding examinations and for cause revocation, suspension, and nonrenewal of registrations, certificates, or licenses; the promulgation of rules and canons of ethics; the conduct of inspections; the receipt of complaints and disciplinary action taken against practitioners; and how fees would be levied and collected to cover the expenses of administering and operating the regulatory system;

(ii) If there is a grandfather clause, whether such practitioners will be required to meet the prerequisite qualifications established by the regulatory entity at a later date;

(iii) The nature of the standards proposed for registration, certification, or licensure as compared with the standards of other jurisdictions;

(iv) Whether the regulatory entity would be authorized to enter into reciprocity agreements with other jurisdictions;

(v) The nature and duration of any training including, but not limited to, whether the training includes a substantial amount of supervised field experience; whether training programs exist in this state; if there will be an experience requirement; whether the experience must be acquired under a registered, certificated, or licensed practitioner; whether there are alternative routes of entry or methods of meeting the prerequisite qualifications; whether all applicants will be required to pass an examination; and, if an examination is required, by whom it will be developed and how the costs of development will be met; and

(vi) What additional training programs are anticipated to be necessary to assure training accessible state-wide; the anticipated time required to establish the additional training programs; the types of institutions capable of providing the training; a description of how training programs will meet the needs of the expected work force, including reentry workers, minorities, placebound students, and others;

(d) Assurance of the public that practitioners have maintained their competence:

(i) Whether the registration, certification, or licensure will carry an expiration date; and

(ii) Whether renewal will be based only upon payment of a fee, or whether renewal will involve reexamination, peer review, or other enforcement;

(5) The extent to which regulation might harm the public:

(a) The extent to which regulation will restrict entry into the health profession:

(i) Whether the proposed standards are more restrictive than necessary to insure safe and effective performance; and

(ii) Whether the proposed legislation requires registered, certificated, or licensed practitioners in other jurisdictions who migrate to this state to qualify in the same manner as state applicants for registration, certification, and licensure when the other jurisdiction has substantially equivalent requirements for registration, certification, or licensure as those in this state; and

(b) Whether there are similar professions to that of the applicant group which should be included in, or portions of the applicant group which should be excluded from, the proposed legislation;

(6) The maintenance of standards:

(a) Whether effective quality assurance standards exist in the health profession, such as legal requirements associated with specific programs that define or enforce standards, or a code of ethics; and

(b) How the proposed legislation will assure quality:

(i) The extent to which a code of ethics, if any, will be adopted; and

(ii) The grounds for suspension or revocation of registration, certification, or licensure;

(7) A description of the group proposed for regulation, including a list of associations, organizations, and other groups representing the practitioners in this state, an estimate of the number of practitioners in each group, and whether the groups represent different levels of practice; and

(8) The expected costs of regulation:

(a) The impact registration, certification, or licensure will have on the costs of the services to the public;

(b) The cost to the state and to the general public of implementing the proposed legislation; and

(c) The cost to the state and the members of the group proposed for regulation for the required education, including projected tuition and expenses and expected increases in training programs, staffing, and enrollments at state training institutions. [1991 c 332 § 6; 1983 c 168 § 3.]

**Application to scope of practice—Captions not law—1991 c 332:**  
See notes following RCW 18.130.010.

**18.120.040 Applicants for regulation—Written reports—Recommendations by state board of health and department of health.** Applicant groups shall submit a written report explaining the factors enumerated in RCW 18.120.030 to the legislative committees of reference, copies of which shall be sent to the state board of health and the department of health for review and comment. The state board of health and the department of health shall make recommendations based on the report submitted by applicant groups to the extent requested by the legislative committees. [1989 1st ex.s. c 9 § 305; 1984 c 279 § 59.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**Severability—1984 c 279:** See RCW 18.130.901.

**18.120.050 Continuing education requirements—Legislative proposals—Evidence of effectiveness.** Requirements for licensees to engage in continuing education as a condition of continued licensure has not been proven to be an effective method of guaranteeing or improving the competence of licensees or the quality of care received by the consumer. The legislature has serious reservations

concerning the appropriateness of mandated continuing education. Any legislative proposal which contains a continuing education requirement should be accompanied by evidence that such a requirement has been proven effective for the profession addressed in the legislation. [1984 c 279 § 58.]

**Severability—1984 c 279:** See RCW 18.130.901.

**18.120.900 Short title.** This chapter may be known and cited as the Washington regulation of health professions act. [1983 c 168 § 4.]

**18.120.910 Severability—1983 c 168.** 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. [1983 c 168 § 17.]

### Chapter 18.122

#### REGULATION OF HEALTH PROFESSIONS— UNIFORM ADMINISTRATIVE PROVISIONS

##### Sections

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18.122.900	Section captions.
18.122.901	Severability—1987 c 150.

**18.122.010 Legislative intent.** The legislature takes note of the burgeoning number of bills proposed to regulate new health and health-related professions and occupations. The legislature further recognizes the number of allied health professions seeking independent practice. Potentially at least one hundred forty-five discrete health professions and occupations are recognized nationally, with at least two hundred fifty secondary job classifications. A uniform and streamlined credentialing process needs to be established to permit the department of health to administer the health professional regulatory programs in the most cost-effective, accountable, and uniform manner. The public interest will be served by establishing uniform administrative provisions for the regulated professions under the jurisdiction of the department of health regulated after July 26, 1987. [1989 1st ex.s. c 9 § 306; 1987 c 150 § 61.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**18.122.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) To "credential" means to license, certify, or register an applicant.

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

(3) "Secretary" means the secretary of health or the secretary's designee.

(4) "Health profession" means a profession providing health services regulated under the laws of this state and under which laws this statute is specifically referenced.

(5) "Credential" means the license, certificate, or registration issued to a person. [1989 1st ex.s. c 9 § 307; 1987 c 150 § 62.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

#### 18.122.030 Registration, certification, and licensure.

(1) The three levels of professional credentialing as defined in chapter 18.120 RCW are:

(a) Registration, which is the least restrictive, and requires formal notification of the department of health identifying the practitioner, and does not require qualifying examinations;

(b) Certification, which is a voluntary process recognizing an individual who qualifies by examination and meets established educational prerequisites, and which protects the title of practice; and

(c) Licensure, which is the most restrictive and requires qualification by examination and educational prerequisites of a practitioner whose title is protected and whose scope of practice is restricted to only those licensed.

(2) No person may practice or represent oneself as a practitioner of a health profession by use of any title or description of services without being registered to practice by the department of health, unless otherwise exempted by this chapter.

(3) No person may represent oneself as certified or use any title or description of services without applying for certification, meeting the required qualifications, and being certified by the department of health, unless otherwise exempted by this chapter.

(4) No person may represent oneself as licensed, use any title or description of services, or engage in any practice without applying for licensure, meeting the required qualifications, and being licensed by the department of health, unless otherwise exempted by this chapter. [1989 1st ex.s. c 9 § 308; 1987 c 150 § 63.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**18.122.040 Exemptions.** Nothing in this chapter shall be construed to prohibit or restrict:

(1) The practice by an individual licensed, certified, or registered under the laws of this state and performing services within the authorized scope of practice;

(2) The practice by an individual employed by the government of the United States while engaged in the performance of duties prescribed by the laws of the United States;

(3) The practice by a person who is a regular student in an educational program approved by the secretary, and whose performance of services is pursuant to a regular course of instruction or assignments from an instructor and under the general supervision of the instructor. [1991 c 3 § 260; 1987 c 150 § 64.]

**18.122.050 Powers of secretary.** In addition to any other authority provided by law, the secretary has the authority to:

(1) Adopt rules under chapter 34.05 RCW necessary to implement this chapter;

(2) Establish all credentialing, examination, and renewal fees in accordance with RCW 43.70.250;

(3) Establish forms and procedures necessary to administer this chapter;

(4) Register any applicants, and to issue certificates or licenses to applicants who have met the education, training, and examination requirements for licensure or certification and to deny a credential to applicants who do not meet the minimum qualifications, except that proceedings concerning the denial of credentials based upon unprofessional conduct or impairment shall be governed by the uniform disciplinary act, chapter 18.130 RCW;

(5) Hire clerical, administrative, investigative, and other staff as needed to implement this chapter, and hire individuals credentialed under this chapter to serve as examiners for any practical examinations;

(6) Determine minimum education requirements and evaluate and designate those educational programs from which graduation will be accepted as proof of eligibility to take a qualifying examination for applicants for certification or licensure;

(7) Prepare, grade, and administer, or determine the nature of, and supervise the grading and administration of, examinations for applicants for certification or licensure;

(8) Determine whether alternative methods of training are equivalent to formal education, and establish forms, procedures, and criteria for evaluation of an applicant's alternative training to determine the applicant's eligibility to take any qualifying examination;

(9) Determine which states have credentialing requirements equivalent to those of this state, and issue credentials to individuals credentialed in those states without examinations;

(10) Define and approve any experience requirement for credentialing;

(11) Implement and administer a program for consumer education;

(12) Adopt rules implementing a continuing competency program;

(13) Maintain the official department record of all applicants and licensees; and

(14) Establish by rule the procedures for an appeal of an examination failure. [1989 1st ex.s. c 9 § 309; 1987 c 150 § 65.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**18.122.060 Record of proceedings.** The secretary shall keep an official record of all proceedings. A part of

the record shall consist of a register of all applicants for credentialing under this chapter and the results of each application. [1991 c 3 § 261; 1987 c 150 § 66.]

**18.122.070 Advisory committees.** (1) The secretary has the authority to appoint advisory committees to further the purposes of this chapter. Each such committee shall be composed of five members, one member initially appointed for a term of one year, two for a term of two years, and two for a term of three years. Subsequent appointments shall be for terms of three years. No person may serve as a member of the committee for more than two consecutive terms. Members of an advisory committee shall be residents of this state. Each committee shall be composed of three individuals registered, certified, or licensed in the category designated, and two members who represent the public at large and are unaffiliated directly or indirectly with the profession being credentialed.

(2) The secretary may remove any member of the advisory committees for cause as specified by rule. In the case of a vacancy, the secretary shall appoint a person to serve for the remainder of the unexpired term.

(3) The advisory committees shall each meet at the times and places designated by the secretary and shall hold meetings during the year as necessary to provide advice to the director. The committee may elect a chair and a vice chair. A majority of the members currently serving shall constitute a quorum.

(4) Each member of an advisory committee shall be reimbursed for travel expenses as authorized in RCW 43.03.050 and 43.03.060. In addition, members of the committees shall be compensated in accordance with RCW 43.03.240 when engaged in the authorized business of their committees.

(5) The secretary, members of advisory committees, or individuals acting on their behalf are immune from suit in any action, civil or criminal, based on any credentialing or disciplinary proceedings or other official acts performed in the course of their duties. [1991 c 3 § 262; 1987 c 150 § 67.]

**18.122.080 Credentialing requirements.** (1) The secretary shall issue a license or certificate, as appropriate, to any applicant who demonstrates to the secretary's satisfaction that the following requirements have been met:

(a) Graduation from an educational program approved by the secretary or successful completion of alternate training meeting established criteria;

(b) Successful completion of an approved examination; and

(c) Successful completion of any experience requirement established by the secretary.

(2) The secretary shall establish by rule what constitutes adequate proof of meeting the criteria.

(3) In addition, applicants shall be subject to the grounds for denial of a license or certificate or issuance of a conditional license or certificate under chapter 18.130 RCW.

(4) The secretary shall issue a registration to any applicant who completes an application which identifies the name and address of the applicant, the registration being

requested, and information required by the secretary necessary to establish whether there are grounds for denial of a registration or issuance of a conditional registration under chapter 18.130 RCW. [1991 c 3 § 263; 1987 c 150 § 68.]

**18.122.090 Approval of educational programs.** The secretary shall establish by rule the standards and procedures for approval of educational programs and alternative training. The secretary may utilize or contract with individuals or organizations having expertise in the profession or in education to assist in the evaluations. The secretary shall establish by rule the standards and procedures for revocation of approval of education programs. The standards and procedures set shall apply equally to educational programs and training in the United States and in foreign jurisdictions. The secretary may establish a fee for educational program evaluations. [1991 c 3 § 264; 1987 c 150 § 69.]

**18.122.100 Examinations.** (1) The date and location of examinations shall be established by the secretary. Applicants who have been found by the secretary to meet the other requirements for licensure or certification shall be scheduled for the next examination following the filing of the application. The secretary shall establish by rule the examination application deadline.

(2) The secretary or the secretary's designees shall examine each applicant, by means determined most effective, on subjects appropriate to the scope of practice, as applicable. Such examinations shall be limited to the purpose of determining whether the applicant possesses the minimum skill and knowledge necessary to practice competently.

(3) The examination papers, all grading of the papers, and the grading of any practical work shall be preserved for a period of not less than one year after the secretary has made and published the decisions. All examinations shall be conducted under fair and wholly impartial methods.

(4) Any applicant failing to make the required grade in the first examination may take up to three subsequent examinations as the applicant desires upon prepaying a fee determined by the secretary under RCW 43.70.250 for each subsequent examination. Upon failing four examinations, the secretary may invalidate the original application and require such remedial education before the person may take future examinations.

(5) The secretary may approve an examination prepared or administered by a private testing agency or association of licensing agencies for use by an applicant in meeting the credentialing requirements. [1989 1st ex.s. c 9 § 310; 1987 c 150 § 70.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**18.122.110 Applications.** Applications for credentialing shall be submitted on forms provided by the secretary. The secretary may require any information and documentation which reasonably relates to the need to determine whether the applicant meets the criteria for credentialing provided for in this chapter and chapter 18.130 RCW. Each applicant shall pay a fee determined by the secretary under RCW 43.70.250. The fee shall accompany the application. [1989 1st ex.s. c 9 § 311; 1987 c 150 § 71.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**18.122.120 Waiver of examination for initial applications.** The secretary shall waive the examination and credential a person authorized to practice within the state of Washington if the secretary determines that the person meets commonly accepted standards of education and experience for the profession. This section applies only to those individuals who file an application for waiver within one year of the establishment of the authorized practice. [1991 c 3 § 265; 1987 c 150 § 72.]

**18.122.130 Endorsement.** An applicant holding a credential in another state may be credentialed to practice in this state without examination if the secretary determines that the other state's credentialing standards are substantially equivalent to the standards in this state. [1991 c 3 § 266; 1987 c 150 § 73.]

**18.122.140 Renewals.** The secretary shall establish by rule the procedural requirements and fees for renewal of a credential. Failure to renew shall invalidate the credential and all privileges granted by the credential. If a license or certificate has lapsed for a period longer than three years, the person shall demonstrate competence to the satisfaction of the secretary by taking continuing education courses, or meeting other standards determined by the secretary. [1991 c 3 § 267; 1987 c 150 § 74.]

**18.122.150 Application of uniform disciplinary act.** The uniform disciplinary act, chapter 18.130 RCW, shall govern the issuance and denial of credentials, unauthorized practice, and the discipline of persons credentialed under this chapter. The secretary shall be the disciplining authority under this chapter. [1991 c 3 § 268; 1987 c 150 § 75.]

**18.122.160 Application of chapter.** This chapter only applies to a business or profession regulated under the laws of this state if this chapter is specifically referenced in the laws regulating that business or profession. [1987 c 150 § 76.]

**18.122.900 Section captions.** Section captions as used in this chapter do not constitute any part of the law. [1987 c 150 § 77.]

**18.122.901 Severability—1987 c 150.** 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. [1987 c 150 § 80.]

## Chapter 18.130

### REGULATION OF HEALTH PROFESSIONS— UNIFORM DISCIPLINARY ACT

#### Sections

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- 18.130.900 Short title—Applicability.
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*AIDS education and training: Chapter 70.24 RCW.*

**18.130.010 Intent.** It is the intent of the legislature to strengthen and consolidate disciplinary and licensure procedures for the licensed health and health-related professions and businesses by providing a uniform disciplinary act with standardized procedures for the licensure of health care professionals and the enforcement of laws the purpose of which is to assure the public of the adequacy of professional competence and conduct in the healing arts.

It is also the intent of the legislature that all health and health-related professions newly credentialed by the state come under the Uniform Disciplinary Act.

Further, the legislature declares that the addition of public members on all health care commissions and boards can give both the state and the public, which it has a statutory responsibility to protect, assurances of accountabili-

ty and confidence in the various practices of health care. [1994 sp.s. c 9 § 601; 1991 c 332 § 1; 1986 c 259 § 1; 1984 c 279 § 1.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Application to scope of practice—1991 c 332:** "Nothing in sections 1 through 39 of this act is intended to change the scope of practice of any health care profession referred to in sections 1 through 39 of this act." [1991 c 332 § 46.]

**Captions not law—1991 c 332:** "Section captions and part headings as used in this act constitute no part of the law." [1991 c 332 § 43.]

**Severability—1986 c 259:** "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." [1986 c 259 § 152.]

**18.130.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Disciplining authority" means the agency, board, or commission having the authority to take disciplinary action against a holder of, or applicant for, a professional or business license upon a finding of a violation of this chapter or a chapter specified under RCW 18.130.040.

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

(3) "Secretary" means the secretary of health or the secretary's designee.

(4) "Board" means any of those boards specified in RCW 18.130.040.

(5) "Commission" means any of the commissions specified in RCW 18.130.040.

(6) "Unlicensed practice" means:

(a) Practicing a profession or operating a business identified in RCW 18.130.040 without holding a valid, unexpired, unrevoked, and unsuspended license to do so; or

(b) Representing to a consumer, through offerings, advertisements, or use of a professional title or designation, that the individual is qualified to practice a profession or operate a business identified in RCW 18.130.040, without holding a valid, unexpired, unrevoked, and unsuspended license to do so.

(7) "Disciplinary action" means sanctions identified in RCW 18.130.160.

(8) "Practice review" means an investigative audit of records related to the complaint, without prior identification of specific patient or consumer names, or an assessment of the conditions, circumstances, and methods of the professional's practice related to the complaint, to determine whether unprofessional conduct may have been committed.

(9) "Health agency" means city and county health departments and the department of health.

(10) "License," "licensing," and "licensure" shall be deemed equivalent to the terms "license," "licensing," "licensure," "certificate," "certification," and "registration" as those terms are defined in RCW 18.120.020. [1995 c 336 § 1; 1994 sp.s. c 9 § 602; 1989 1st ex.s. c 9 § 312; 1986 c 259 § 2; 1984 c 279 § 2.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.130.040 Application to certain professions—Authority of secretary—Grant or denial of licenses—Procedural rules.** (1) This chapter applies only to the secretary and the boards and commissions having jurisdiction in relation to the professions licensed under the chapters specified in this section. This chapter does not apply to any business or profession not licensed under the chapters specified in this section.

(2)(a) The secretary has authority under this chapter in relation to the following professions:

(i) Dispensing opticians licensed under chapter 18.34 RCW;

(ii) Naturopaths licensed under chapter 18.36A RCW;

(iii) Midwives licensed under chapter 18.50 RCW;

(iv) Ocularists licensed under chapter 18.55 RCW;

(v) Massage operators and businesses licensed under chapter 18.108 RCW;

(vi) Dental hygienists licensed under chapter 18.29 RCW;

(vii) Acupuncturists licensed under chapter 18.06 RCW;

(viii) Radiologic technologists certified and X-ray technicians registered under chapter 18.84 RCW;

(ix) Respiratory care practitioners licensed under chapter 18.89 RCW;

(x) Persons registered or certified under chapter 18.19 RCW;

(xi) Persons registered as nursing pool operators under chapter 18.52C RCW;

(xii) Nursing assistants registered or certified under chapter 18.88A RCW;

(xiii) Health care assistants certified under chapter 18.135 RCW;

(xiv) Dietitians and nutritionists certified under chapter 18.138 RCW;

(xv) Chemical dependency professionals certified under chapter 18.205 RCW;

(xvi) Sex offender treatment providers certified under chapter 18.155 RCW;

(xvii) Persons licensed and certified under chapter 18.73 RCW or RCW 18.71.205;

(xviii) Persons registered as adult family home providers and resident managers under RCW 18.48.020;

(xix) Denturists licensed under chapter 18.30 RCW; and

(xx) Orthotists and prosthetists licensed under chapter 18.200 RCW.

(b) The boards and commissions having authority under this chapter are as follows:

(i) The podiatric medical board as established in chapter 18.22 RCW;

(ii) The chiropractic quality assurance commission as established in chapter 18.25 RCW;

(iii) The dental quality assurance commission as established in chapter 18.32 RCW;

(iv) The board of hearing and speech as established in chapter 18.35 RCW;

(v) The board of examiners for nursing home administrators as established in chapter 18.52 RCW;

(vi) The optometry board as established in chapter 18.54 RCW governing licenses issued under chapter 18.53 RCW;

(vii) The board of osteopathic medicine and surgery as established in chapter 18.57 RCW governing licenses issued under chapters 18.57 and 18.57A RCW;

(viii) The board of pharmacy as established in chapter 18.64 RCW governing licenses issued under chapters 18.64 and 18.64A RCW;

(ix) The medical quality assurance commission as established in chapter 18.71 RCW governing licenses and registrations issued under chapters 18.71 and 18.71A RCW;

(x) The board of physical therapy as established in chapter 18.74 RCW;

(xi) The board of occupational therapy practice as established in chapter 18.59 RCW;

(xii) The nursing care quality assurance commission as established in chapter 18.79 RCW governing licenses issued under that chapter;

(xiii) The examining board of psychology and its disciplinary committee as established in chapter 18.83 RCW; and

(xiv) The veterinary board of governors as established in chapter 18.92 RCW.

(3) In addition to the authority to discipline license holders, the disciplining authority has the authority to grant or deny licenses based on the conditions and criteria established in this chapter and the chapters specified in subsection (2) of this section. This chapter also governs any investigation, hearing, or proceeding relating to denial of licensure or issuance of a license conditioned on the applicant's compliance with an order entered pursuant to RCW 18.130.160 by the disciplining authority.

(4) All disciplining authorities shall adopt procedures to ensure substantially consistent application of this chapter, the Uniform Disciplinary Act, among the disciplining authorities listed in subsection (2) of this section. [1998 c 243 § 16. Prior: 1997 c 392 § 516; 1997 c 334 § 14; 1997 c 285 § 13; 1997 c 275 § 2; prior: 1996 c 200 § 32; 1996 c 81 § 5; prior: 1995 c 336 § 2; 1995 c 323 § 16; 1995 c 260 § 11; 1995 c 1 § 19 (Initiative Measure No. 607, approved November 8, 1994); prior: 1994 sp.s. c 9 § 603; 1994 c 17 § 19; 1993 c 367 § 4; 1992 c 128 § 6; 1990 c 3 § 810; prior: 1988 c 277 § 13; 1988 c 267 § 22; 1988 c 243 § 7; prior: 1987 c 512 § 22; 1987 c 447 § 18; 1987 c 415 § 17; 1987 c 412 § 15; 1987 c 150 § 1; prior: 1986 c 259 § 3; 1985 c 326 § 29; 1984 c 279 § 4.]

**Effective dates—1998 c 243:** See RCW 18.205.900.

**Short title—Findings—Construction—Conflict with federal requirements—Part headings and captions not law—1997 c 392:** See notes following RCW 74.39A.009.

**Effective dates—1997 c 334:** See note following RCW 18.89.010.

**Intent—Purpose—1997 c 285:** See RCW 18.200.005.

**Severability—1997 c 285:** See RCW 18.200.901.

**Severability—1996 c 200:** See RCW 18.35.902.

**Effective date—1996 c 81:** See note following RCW 70.128.120.

**Effective date—1995 c 336 §§ 2 and 3:** "Sections 2 and 3 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [May 11, 1995]." [1995 c 336 § 11.]

**Effective date—1995 c 260 §§ 7-11:** See note following RCW 18.48.010.

**Short title—Severability—1995 c 1 (Initiative Measure No. 607):** See RCW 18.30.900 and 18.30.901.

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**Index, part headings not law—Severability—Effective dates—Application—1990 c 3:** See RCW 18.155.900 through 18.155.902.

**Severability—1987 c 512:** See RCW 18.19.901.

**Severability—1987 c 447:** See RCW 18.36A.901.

**Severability—1987 c 415:** See RCW 18.89.901.

**Effective date—Severability—1987 c 412:** See RCW 18.84.901 and 18.84.902.

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.130.045 Massage practitioners—Procedures governing convicted prostitutes.** RCW 18.108.085 shall govern the issuance and revocation of licenses issued or applied for under chapter 18.108 RCW to or by persons convicted of violating RCW 9A.88.030, 9A.88.070, 9A.88.080, or 9A.88.090 or equivalent local ordinances. [1995 c 353 § 3.]

**18.130.050 Authority of disciplining authority.** The disciplining authority has the following authority:

(1) To adopt, amend, and rescind such rules as are deemed necessary to carry out this chapter;

(2) To investigate all complaints or reports of unprofessional conduct as defined in this chapter and to hold hearings as provided in this chapter;

(3) To issue subpoenas and administer oaths in connection with any investigation, hearing, or proceeding held under this chapter;

(4) To take or cause depositions to be taken and use other discovery procedures as needed in any investigation, hearing, or proceeding held under this chapter;

(5) To compel attendance of witnesses at hearings;

(6) In the course of investigating a complaint or report of unprofessional conduct, to conduct practice reviews;

(7) To take emergency action ordering summary suspension of a license, or restriction or limitation of the licensee's practice pending proceedings by the disciplining authority;

(8) To use a presiding officer as authorized in RCW 18.130.095(3) or the office of administrative hearings as authorized in chapter 34.12 RCW to conduct hearings. The disciplining authority shall make the final decision regarding disposition of the license unless the disciplining authority elects to delegate in writing the final decision to the presiding officer;

(9) To use individual members of the boards to direct investigations. However, the member of the board shall not subsequently participate in the hearing of the case;

(10) To enter into contracts for professional services determined to be necessary for adequate enforcement of this chapter;

(11) To contract with licensees or other persons or organizations to provide services necessary for the monitoring and supervision of licensees who are placed on probation, whose professional activities are restricted, or who are for any authorized purpose subject to monitoring by the disciplining authority;

(12) To adopt standards of professional conduct or practice;

(13) To grant or deny license applications, and in the event of a finding of unprofessional conduct by an applicant or license holder, to impose any sanction against a license applicant or license holder provided by this chapter;

(14) To designate individuals authorized to sign subpoenas and statements of charges;

(15) To establish panels consisting of three or more members of the board to perform any duty or authority within the board's jurisdiction under this chapter;

(16) To review and audit the records of licensed health facilities' or services' quality assurance committee decisions in which a licensee's practice privilege or employment is terminated or restricted. Each health facility or service shall produce and make accessible to the disciplining authority the appropriate records and otherwise facilitate the review and audit. Information so gained shall not be subject to discovery or introduction into evidence in any civil action pursuant to RCW 70.41.200(3). [1995 c 336 § 4. Prior: 1993 c 367 § 21; 1993 c 367 § 5; 1987 c 150 § 2; 1984 c 279 § 5.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.130.060 Additional authority of secretary.** In addition to the authority specified in RCW 18.130.050, the secretary has the following additional authority:

(1) To employ such investigative, administrative, and clerical staff as necessary for the enforcement of this chapter;

(2) Upon the request of a board, to appoint not more than three pro tem members for the purpose of participating as members of one or more committees of the board in connection with proceedings specifically identified in the request. Individuals so appointed must meet the same minimum qualifications as regular members of the board. While serving as board members pro tem, persons so appointed have all the powers, duties, and immunities, and are entitled to the emoluments, including travel expenses in accordance with RCW 43.03.050 and 43.03.060, of regular members of the board. The chairperson of a committee shall be a regular member of the board appointed by the board chairperson. Committees have authority to act as directed by the board with respect to all matters concerning the review, investigation, and adjudication of all complaints, allegations, charges, and matters subject to the jurisdiction of the board. The authority to act through committees does not restrict the authority of the board to act as a single body at any phase of proceedings within the board's jurisdiction. Board committees may make interim orders and issue final decisions with respect to matters and cases delegated to the committee by the board. Final decisions may be appealed as provided in chapter 34.05 RCW, the Administrative Procedure Act;

(3) To establish fees to be paid for witnesses, expert witnesses, and consultants used in any investigation and to establish fees to witnesses in any agency adjudicative proceeding as authorized by RCW 34.05.446;

(4) To conduct investigations and practice reviews at the direction of the disciplining authority and to issue subpoenas, administer oaths, and take depositions in the course of conducting those investigations and practice reviews at the direction of the disciplining authority;

(5) To have the health professions regulatory program establish a system to recruit potential public members, to review the qualifications of such potential members, and to provide orientation to those public members appointed pursuant to law by the governor or the secretary to the boards and commissions specified in RCW 18.130.040(2)(b),

and to the advisory committees and councils for professions specified in RCW 18.130.040(2)(a). [1995 c 336 § 5; 1991 c 3 § 269; 1989 c 175 § 68; 1987 c 150 § 3; 1984 c 279 § 6.]

**Effective date—1989 c 175:** See note following RCW 34.05.010.

**Severability—1987 c 150:** See RCW 18.122.901.

**18.130.065 Rules, policies, and orders—Secretary's role.** The secretary of health shall review and coordinate all proposed rules, interpretive statements, policy statements, and declaratory orders, as defined in chapter 34.05 RCW, that are proposed for adoption or issuance by any health profession board or commission vested with rule-making authority identified under RCW 18.130.040(2)(b). The secretary shall review the proposed policy statements and declaratory orders against criteria that include the effect of the proposed rule, statement, or order upon existing health care policies and practice of health professionals. Within thirty days of the receipt of a proposed rule, interpretive statement, policy statement, or declaratory order from the originating board or commission, the secretary shall inform the board or commission of the results of the review, and shall provide any comments or suggestions that the secretary deems appropriate. Emergency rule making is not subject to this review process. The secretary is authorized to adopt rules and procedures for the coordination and review under this section. [1995 c 198 § 26.]

**18.130.070 Rules requiring reports—Court orders—Immunity from liability—Licensees required to report.**

(1) The disciplining authority may adopt rules requiring any person, including, but not limited to, licensees, corporations, organizations, health care facilities, impaired practitioner programs, or voluntary substance abuse monitoring programs approved by the disciplining authority and state or local governmental agencies, to report to the disciplining authority any conviction, determination, or finding that a license holder has committed an act which constitutes unprofessional conduct, or to report information to the disciplining authority, an impaired practitioner program, or voluntary substance abuse monitoring program approved by the disciplining authority, which indicates that the license holder may not be able to practice his or her profession with reasonable skill and safety to consumers as a result of a mental or physical condition. To facilitate meeting the intent of this section, the cooperation of agencies of the federal government is requested by reporting any conviction, determination, or finding that a federal employee or contractor regulated by the disciplinary authorities enumerated in this chapter has committed an act which constituted unprofessional conduct and reporting any information which indicates that a federal employee or contractor regulated by the disciplinary authorities enumerated in this chapter may not be able to practice his or her profession with reasonable skill and safety as a result of a mental or physical condition.

(2) If a person fails to furnish a required report, the disciplining authority may petition the superior court of the county in which the person resides or is found, and the court shall issue to the person an order to furnish the required report. A failure to obey the order is a contempt of court as provided in chapter 7.21 RCW.

(3) A person is immune from civil liability, whether direct or derivative, for providing information to the disciplining authority pursuant to the rules adopted under subsection (1) of this section.

(4) The holder of a license subject to the jurisdiction of this chapter shall report to the disciplining authority any conviction, determination, or finding that the licensee has committed unprofessional conduct or is unable to practice with reasonable skill or safety. Failure to report within thirty days of notice of the conviction, determination, or finding constitutes grounds for disciplinary action. [1998 c 132 § 8; 1989 c 373 § 19; 1986 c 259 § 4; 1984 c 279 § 7.]

**Finding—Intent—Severability—1998 c 132:** See notes following RCW 18.71.0195.

**Severability—1989 c 373:** See RCW 7.21.900.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.130.075 Temporary practice permits—Penalties.**

If an individual licensed in another state, that has licensing standards substantially equivalent to Washington, applies for a license, the disciplining authority shall issue a temporary practice permit authorizing the applicant to practice the profession pending completion of documentation that the applicant meets the requirements for a license and is also not subject to denial of a license or issuance of a conditional license under this chapter. The temporary permit may reflect statutory limitations on the scope of practice. The permit shall be issued only upon the disciplining authority receiving verification from the states in which the applicant is licensed that the applicant is currently licensed and is not subject to charges or disciplinary action for unprofessional conduct or impairment. Notwithstanding RCW 34.05.422(3), the disciplining authority shall establish, by rule, the duration of the temporary practice permits. Failure to surrender the permit is a misdemeanor under RCW 9A.20.010 and shall be unprofessional conduct under this chapter. The issuance of temporary permits is subject to the provisions of this chapter, including summary suspensions. [1991 c 332 § 2.]

**Application to scope of practice—Captions not law—1991 c 332:** See notes following RCW 18.130.010.

**18.130.080 Unprofessional conduct—Complaint—Investigation—Immunity of complainant.**

A person, including but not limited to consumers, licensees, corporations, organizations, health care facilities, impaired practitioner programs, or voluntary substance abuse monitoring programs approved by disciplining authorities, and state and local governmental agencies, may submit a written complaint to the disciplining authority charging a license holder or applicant with unprofessional conduct and specifying the grounds therefor or to report information to the disciplining authority, or voluntary substance abuse monitoring program, or an impaired practitioner program approved by the disciplining authority, which indicates that the license holder may not be able to practice his or her profession with reasonable skill and safety to consumers as a result of a mental or physical condition. If the disciplining authority determines that the complaint merits investigation, or if the disciplining authority has reason to believe, without a formal complaint, that a license holder or applicant may have engaged in unprofessional conduct, the disciplining authority shall

investigate to determine whether there has been unprofessional conduct. A person who files a complaint or reports information under this section in good faith is immune from suit in any civil action related to the filing or contents of the complaint. [1998 c 132 § 9; 1986 c 259 § 5; 1984 c 279 § 8.]

**Finding—Intent—Severability—1998 c 132:** See notes following RCW 18.71.0195.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.130.085 Communication with complainant.** If the department communicates in writing to a complainant, or his or her representative, regarding his or her complaint, such communication shall not include the address or telephone number of the health care provider against whom he or she has complained. The department shall inform all applicants for a health care provider license of the provisions of this section and RCW 42.17.310 regarding the release of address and telephone information. [1993 c 360 § 1.]

**Effective date—1993 c 360:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [May 15, 1993]." [1993 c 360 § 3.]

**18.130.090 Statement of charge—Request for hearing.** (1) If the disciplining authority determines, upon investigation, that there is reason to believe a violation of RCW 18.130.180 has occurred, a statement of charge or charges shall be prepared and served upon the license holder or applicant at the earliest practical time. The statement of charge or charges shall be accompanied by a notice that the license holder or applicant may request a hearing to contest the charge or charges. The license holder or applicant must file a request for hearing with the disciplining authority within twenty days after being served the statement of charges. If the twenty-day limit results in a hardship upon the license holder or applicant, he or she may request for good cause an extension not to exceed sixty additional days. If the disciplining authority finds that there is good cause, it shall grant the extension. The failure to request a hearing constitutes a default, whereupon the disciplining authority may enter a decision on the basis of the facts available to it.

(2) If a hearing is requested, the time of the hearing shall be fixed by the disciplining authority as soon as convenient, but the hearing shall not be held earlier than thirty days after service of the charges upon the license holder or applicant. [1993 c 367 § 1; 1986 c 259 § 6; 1984 c 279 § 9.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.130.095 Uniform procedural rules.** (1)(a) The secretary, in consultation with the disciplining authorities, shall develop uniform procedural rules to respond to public inquiries concerning complaints and their disposition, active investigations, statement of charges, findings of fact, and final orders involving a licensee, applicant, or unlicensed person. The uniform procedural rules adopted under this subsection apply to all adjudicative proceedings conducted under this chapter and shall include provisions for establishing time periods for initial assessment, investigation, charging, discovery, settlement, and adjudication of complaints, and shall include enforcement provisions for violations of the

specific time periods by the department, the disciplining authority, and the respondent. A licensee must be notified upon receipt of a complaint, except when the notification would impede an effective investigation. At the earliest point of time the licensee must be allowed to submit a written statement about that complaint, which statement must be included in the file. Complaints filed after July 27, 1997, are exempt from public disclosure under chapter 42.17 RCW until the complaint has been initially assessed and determined to warrant an investigation by the disciplining authority. Complaints determined not to warrant an investigation by the disciplining authority are no longer considered complaints, but must remain in the records and tracking system of the department. Information about complaints that did not warrant an investigation, including the existence of the complaint, may be released only upon receipt of a written public disclosure request or pursuant to an interagency agreement as provided in (b) of this subsection. Complaints determined to warrant no cause for action after investigation are subject to public disclosure, must include an explanation of the determination to close the complaint, and must remain in the records and tracking system of the department.

(b) The secretary, on behalf of the disciplining authorities, shall enter into interagency agreements for the exchange of records, which may include complaints filed but not yet assessed, with other state agencies if access to the records will assist those agencies in meeting their federal or state statutory responsibilities. Records obtained by state agencies under the interagency agreements are subject to the limitations on disclosure contained in (a) of this subsection.

(2) The uniform procedures for conducting investigations shall provide that prior to taking a written statement:

(a) For violation of this chapter, the investigator shall inform such person, in writing of: (i) The nature of the complaint; (ii) that the person may consult with legal counsel at his or her expense prior to making a statement; and (iii) that any statement that the person makes may be used in an adjudicative proceeding conducted under this chapter; and

(b) From a witness or potential witness in an investigation under this chapter, the investigator shall inform the person, in writing, that the statement may be released to the licensee, applicant, or unlicensed person under investigation if a statement of charges is issued.

(3) Only upon the authorization of a disciplining authority identified in RCW 18.130.040(2)(b), the secretary, or his or her designee, may serve as the presiding officer for any disciplinary proceedings of the disciplining authority authorized under this chapter. Except as provided in RCW 18.130.050(8), the presiding officer shall not vote on or make any final decision. All functions performed by the presiding officer shall be subject to chapter 34.05 RCW. The secretary, in consultation with the disciplining authorities, shall adopt procedures for implementing this subsection.

(4) The uniform procedural rules shall be adopted by all disciplining authorities listed in RCW 18.130.040(2), and shall be used for all adjudicative proceedings conducted under this chapter, as defined by chapter 34.05 RCW. The uniform procedural rules shall address the use of a presiding officer authorized in subsection (3) of this section to determine and issue decisions on all legal issues and motions

arising during adjudicative proceedings. [1997 c 270 § 1; 1995 c 336 § 6; 1993 c 367 § 2.]

**18.130.098 Settlement—Disclosure—Conference.**

(1) The settlement process must be substantially uniform for licensees governed by disciplining authorities under this chapter. The disciplinary authorities may also use alternative dispute resolution to resolve complaints during adjudicative proceedings.

(2) Disclosure of the identity of reviewing disciplining authority members who participate in the settlement process is available to the respondent or his or her representative upon request.

(3) The settlement conference will occur only if a settlement is not achieved through written documents. The respondent will have the opportunity to conference either by phone or in person with the reviewing disciplining authority member if the respondent chooses. The respondent may also have his or her attorney conference either by phone or in person with the reviewing disciplining authority member without the respondent being present personally.

(4) If the respondent wants to meet in person with the reviewing disciplining authority member, he or she will travel to the reviewing disciplining authority member and have such a conference with a department representative in attendance either by phone or in person. [1995 c 336 § 7; 1994 sp.s. c 9 § 604.]

**Severability—Headings and captions not law—Effective date—**1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

**18.130.100 Hearings—Adjudicative proceedings under chapter 34.05 RCW.** The procedures governing adjudicative proceedings before agencies under chapter 34.05 RCW, the Administrative Procedure Act, govern all hearings before the disciplining authority. The disciplining authority has, in addition to the powers and duties set forth in this chapter, all of the powers and duties under chapter 34.05 RCW, which include, without limitation, all powers relating to the administration of oaths, the receipt of evidence, the issuance and enforcing of subpoenas, and the taking of depositions. [1989 c 175 § 69; 1984 c 279 § 10.]

**Effective date—1989 c 175:** See note following RCW 34.05.010.

**18.130.110 Findings of fact—Order—Report.** (1) In the event of a finding of unprofessional conduct, the disciplining authority shall prepare and serve findings of fact and an order as provided in chapter 34.05 RCW, the Administrative Procedure Act. If the license holder or applicant is found to have not committed unprofessional conduct, the disciplining authority shall forthwith prepare and serve findings of fact and an order of dismissal of the charges, including public exoneration of the licensee or applicant. The findings of fact and order shall be retained by the disciplining authority as a permanent record.

(2) The disciplining authority shall report the issuance of statements of charges and final orders in cases processed by the disciplining authority to:

(a) The person or agency who brought to the disciplining authority's attention information which resulted in the initiation of the case;

(b) Appropriate organizations, public or private, which serve the professions;

(c) The public. Notification of the public shall include press releases to appropriate local news media and the major news wire services; and

(d) Counterpart licensing boards in other states, or associations of state licensing boards.

(3) This section shall not be construed to require the reporting of any information which is exempt from public disclosure under chapter 42.17 RCW. [1989 c 175 § 70; 1984 c 279 § 11.]

**Effective date—1989 c 175:** See note following RCW 34.05.010.

**18.130.120 Actions against license—Exception.** The department shall not issue any license to any person whose license has been denied, revoked, or suspended by the disciplining authority except in conformity with the terms and conditions of the certificate or order of denial, revocation, or suspension, or in conformity with any order of reinstatement issued by the disciplining authority, or in accordance with the final judgment in any proceeding for review instituted under this chapter. [1984 c 279 § 12.]

**18.130.125 License suspension—Nonpayment or default on educational loan or scholarship.** The department shall suspend the license of any person who has been certified by a lending agency and reported to the department for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's license shall not be reissued until the person provides the department a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for licensure during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the department may impose. [1996 c 293 § 18.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.130.127 License suspension—Noncompliance with support order—Reissuance.** The secretary shall immediately suspend the license of any person subject to this chapter who has been certified 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 as provided in RCW 74.20A.320. [1997 c 58 § 830.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.130.130 Orders—When effective—Stay.** An order pursuant to proceedings authorized by this chapter, after due notice and findings in accordance with this chapter and chapter 34.05 RCW, or an order of summary suspension entered under this chapter, shall take effect immediately upon its being served. The order, if appealed to the court, shall not be stayed pending the appeal unless the disciplining authority or court to which the appeal is taken enters an order staying the order of the disciplining authority, which stay shall provide for terms necessary to protect the public. [1986 c 259 § 7; 1984 c 279 § 13.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.130.140 Appeal.** An individual who has been disciplined or whose license has been denied by a disciplining authority may appeal the decision as provided in chapter 34.05 RCW. [1984 c 279 § 14.]

**18.130.150 Reinstatement.** A person whose license has been suspended or revoked under this chapter may petition the disciplining authority for reinstatement after an interval as determined by the disciplining authority in the order. The disciplining authority shall hold hearings on the petition and may deny the petition or may order reinstatement and impose terms and conditions as provided in RCW 18.130.160 and issue an order of reinstatement. The disciplining authority may require successful completion of an examination as a condition of reinstatement.

A person whose license has been suspended for non-compliance with a support order or a \*residential or visitation order under RCW 74.20A.320 may petition for reinstatement at any time by providing the secretary a release issued by the department of social and health services stating that the person is in compliance with the order. If the person has continued to meet all other requirements for reinstatement during the suspension, the secretary shall automatically reissue the person's license upon receipt of the release, and payment of a reinstatement fee, if any. [1997 c 58 § 831; 1984 c 279 § 15.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.130.160 Finding of unprofessional conduct—Orders—Sanctions—Stay—Costs—Stipulations.** Upon a finding, after hearing, that a license holder or applicant has committed unprofessional conduct or is unable to practice with reasonable skill and safety due to a physical or mental condition, the disciplining authority 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) Requiring the satisfactory completion of a specific program of remedial education or treatment;

- (5) The monitoring of the practice by a supervisor approved by the disciplining authority;

- (6) Censure or reprimand;

- (7) Compliance with conditions of probation for a designated period of time;

- (8) Payment of a fine for each violation of this chapter, not to exceed five thousand dollars per violation. Funds received shall be placed in the health professions account;

- (9) Denial of the license request;

- (10) Corrective action;

- (11) Refund of fees billed to and collected from the consumer.

Any of the actions under this section may be totally or partly stayed by the disciplining authority. In determining what action is appropriate, the disciplining authority must first consider what sanctions are necessary to protect or compensate the public. Only after such provisions have been made may the disciplining authority consider and include in the order requirements designed to rehabilitate the license holder or applicant. All costs associated with compliance with orders issued under this section are the obligation of the license holder or applicant.

The licensee or applicant may enter into a stipulated disposition of charges that includes one or more of the sanctions of this section, but only after a statement of charges has been issued and the licensee has been afforded the opportunity for a hearing and has elected on the record to forego such a hearing. The stipulation shall either contain one or more specific findings of unprofessional conduct or inability to practice, or a statement by the licensee acknowledging that evidence is sufficient to justify one or more specified findings of unprofessional conduct or inability to practice. The stipulation entered into pursuant to this subsection shall be considered formal disciplinary action for all purposes. [1993 c 367 § 6; 1986 c 259 § 8; 1984 c 279 § 16.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.130.165 Enforcement of fine.** Where an order for payment of a fine is made as a result of a hearing under RCW 18.130.100 or 18.130.190 and timely payment is not made as directed in the final order, the disciplining authority may enforce the order for payment in the superior court in the county in which the hearing was held. This right of enforcement shall be in addition to any other rights the disciplining authority may have as to any licensee ordered to pay a fine but shall not be construed to limit a licensee's ability to seek judicial review under RCW 18.130.140.

In any action for enforcement of an order of payment of a fine, the disciplining authority's order is conclusive proof of the validity of the order of payment of a fine and the terms of payment. [1993 c 367 § 20; 1987 c 150 § 4.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.130.170 Capacity of license holder to practice—Hearing—Mental or physical examination—Implied**

**consent.** (1) If the disciplining authority believes a license holder or applicant may be unable to practice with reasonable skill and safety to consumers by reason of any mental or physical condition, a statement of charges in the name of the disciplining authority shall be served on the license holder or applicant and notice shall also be issued providing an opportunity for a hearing. The hearing shall be limited to the sole issue of the capacity of the license holder or applicant to practice with reasonable skill and safety. If the disciplining authority determines that the license holder or applicant is unable to practice with reasonable skill and safety for one of the reasons stated in this subsection, the disciplining authority shall impose such sanctions under RCW 18.130.160 as is deemed necessary to protect the public.

(2)(a) In investigating or adjudicating a complaint or report that a license holder or applicant may be unable to practice with reasonable skill or safety by reason of any mental or physical condition, the disciplining authority may require a license holder or applicant to submit to a mental or physical examination by one or more licensed or certified health professionals designated by the disciplining authority. The license holder or applicant shall be provided written notice of the disciplining authority's intent to order a mental or physical examination, which notice shall include: (i) A statement of the specific conduct, event, or circumstances justifying an examination; (ii) a summary of the evidence supporting the disciplining authority's concern that the license holder or applicant may be unable to practice with reasonable skill and safety by reason of a mental or physical condition, and the grounds for believing such evidence to be credible and reliable; (iii) a statement of the nature, purpose, scope, and content of the intended examination; (iv) a statement that the license holder or applicant has the right to respond in writing within twenty days to challenge the disciplining authority's grounds for ordering an examination or to challenge the manner or form of the examination; and (v) a statement that if the license holder or applicant timely responds to the notice of intent, then the license holder or applicant will not be required to submit to the examination while the response is under consideration.

(b) Upon submission of a timely response to the notice of intent to order a mental or physical examination, the license holder or applicant shall have an opportunity to respond to or refute such an order by submission of evidence or written argument or both. The evidence and written argument supporting and opposing the mental or physical examination shall be reviewed by either a panel of the disciplining authority members who have not been involved with the allegations against the license holder or applicant or a neutral decision maker approved by the disciplining authority. The reviewing panel of the disciplining authority or the approved neutral decision maker may, in its discretion, ask for oral argument from the parties. The reviewing panel of the disciplining authority or the approved neutral decision maker shall prepare a written decision as to whether: There is reasonable cause to believe that the license holder or applicant may be unable to practice with reasonable skill and safety by reason of a mental or physical condition, or the manner or form of the mental or physical examination is appropriate, or both.

(c) Upon receipt by the disciplining authority of the written decision, or upon the failure of the license holder or applicant to timely respond to the notice of intent, the disciplining authority may issue an order requiring the license holder or applicant to undergo a mental or physical examination. All such mental or physical examinations shall be narrowly tailored to address only the alleged mental or physical condition and the ability of the license holder or applicant to practice with reasonable skill and safety. An order of the disciplining authority requiring the license holder or applicant to undergo a mental or physical examination is not a final order for purposes of appeal. The cost of the examinations ordered by the disciplining authority shall be paid out of the health professions account. In addition to any examinations ordered by the disciplining authority, the licensee may submit physical or mental examination reports from licensed or certified health professionals of the license holder's or applicant's choosing and expense.

(d) If the disciplining authority finds that a license holder or applicant has failed to submit to a properly ordered mental or physical examination, then the disciplining authority may order appropriate action or discipline under RCW 18.130.180(9), unless the failure was due to circumstances beyond the person's control. However, no such action or discipline may be imposed unless the license holder or applicant has had the notice and opportunity to challenge the disciplining authority's grounds for ordering the examination, to challenge the manner and form, to assert any other defenses, and to have such challenges or defenses considered by either a panel of the disciplining authority members who have not been involved with the allegations against the license holder or applicant or a neutral decision maker approved by the disciplining authority, as previously set forth in this section. Further, the action or discipline ordered by the disciplining authority shall not be more severe than a suspension of the license, certification, registration or application until such time as the license holder or applicant complies with the properly ordered mental or physical examination.

(e) Nothing in this section shall restrict the power of a disciplining authority to act in an emergency under RCW 34.05.422(4), 34.05.479, and 18.130.050(7).

(f) A determination by a court of competent jurisdiction that a license holder or applicant is mentally incompetent or mentally ill is presumptive evidence of the license holder's or applicant's inability to practice with reasonable skill and safety. An individual affected under this section shall at reasonable intervals be afforded an opportunity, at his or her expense, to demonstrate that the individual can resume competent practice with reasonable skill and safety to the consumer.

(3) For the purpose of subsection (2) of this section, an applicant or license holder governed by this chapter, by making application, practicing, or filing a license renewal, is deemed to have given consent to submit to a mental, physical, or psychological examination when directed in writing by the disciplining authority and further to have waived all objections to the admissibility or use of the examining health professional's testimony or examination reports by the disciplining authority on the ground that the testimony or reports constitute privileged communications.

[1995 c 336 § 8; 1987 c 150 § 6; 1986 c 259 § 9; 1984 c 279 § 17.]

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.130.172 Evidence summary and stipulations.** (1)

Prior to serving a statement of charges under RCW 18.130.090 or 18.130.170, the disciplinary authority may furnish a statement of allegations to the licensee or applicant along with a detailed summary of the evidence relied upon to establish the allegations and a proposed stipulation for informal resolution of the allegations. These documents shall be exempt from public disclosure until such time as the allegations are resolved either by stipulation or otherwise.

(2) The disciplinary authority and the applicant or licensee may stipulate that the allegations may be disposed of informally in accordance with this subsection. The stipulation shall contain a statement of the facts leading to the filing of the complaint; the act or acts of unprofessional conduct [conduct] alleged to have been committed or the alleged basis for determining that the applicant or licensee is unable to practice with reasonable skill and safety; a statement that the stipulation is not to be construed as a finding of either unprofessional conduct or inability to practice; an acknowledgement that a finding of unprofessional conduct or inability to practice, if proven, constitutes grounds for discipline under this chapter; and an agreement on the part of the licensee or applicant that the sanctions set forth in RCW 18.130.160, except RCW 18.130.160 (1), (2), (6), and (8), may be imposed as part of the stipulation, except that no fine may be imposed but the licensee or applicant may agree to reimburse the disciplinary authority the costs of investigation and processing the complaint up to an amount not exceeding one thousand dollars per allegation; and an agreement on the part of the disciplinary authority to forego further disciplinary proceedings concerning the allegations. A stipulation entered into pursuant to this subsection shall not be considered formal disciplinary action.

(3) If the licensee or applicant declines to agree to disposition of the charges by means of a stipulation pursuant to subsection (2) of this section, the disciplinary authority may proceed to formal disciplinary action pursuant to RCW 18.130.090 or 18.130.170.

(4) Upon execution of a stipulation under subsection (2) of this section by both the licensee or applicant and the disciplinary authority, the complaint is deemed disposed of and shall become subject to public disclosure on the same basis and to the same extent as other records of the disciplinary authority. Should the licensee or applicant fail to pay any agreed reimbursement within thirty days of the date specified in the stipulation for payment, the disciplinary authority may seek collection of the amount agreed to be paid in the same manner as enforcement of a fine under RCW 18.130.165. [1993 c 367 § 7.]

**18.130.175 Voluntary substance abuse monitoring programs.** (1) In lieu of disciplinary action under RCW 18.130.160 and if the disciplining authority determines that the unprofessional conduct may be the result of substance abuse, the disciplining authority may refer the license holder

to a voluntary substance abuse monitoring program approved by the disciplining authority.

The cost of the treatment shall be the responsibility of the license holder, but the responsibility does not preclude payment by an employer, existing insurance coverage, or other sources. Primary alcoholism or other drug addiction treatment shall be provided by approved treatment programs under RCW 70.96A.020 or by any other provider approved by the entity or the commission. However, nothing shall prohibit the disciplining authority from approving additional services and programs as an adjunct to primary alcoholism or other drug addiction treatment. The disciplining authority may also approve the use of out-of-state programs. Referral of the license holder to the program shall be done only with the consent of the license holder. Referral to the program may also include probationary conditions for a designated period of time. If the license holder does not consent to be referred to the program or does not successfully complete the program, the disciplining authority may take appropriate action under RCW 18.130.160. The secretary shall adopt uniform rules for the evaluation by the disciplinary authority of a relapse or program violation on the part of a license holder in the substance abuse monitoring program. The evaluation shall encourage program participation with additional conditions, in lieu of disciplinary action, when the disciplinary authority determines that the license holder is able to continue to practice with reasonable skill and safety.

(2) In addition to approving substance abuse monitoring programs that may receive referrals from the disciplining authority, the disciplining authority may establish by rule requirements for participation of license holders who are not being investigated or monitored by the disciplining authority for substance abuse. License holders voluntarily participating in the approved programs without being referred by the disciplining authority shall not be subject to disciplinary action under RCW 18.130.160 for their substance abuse, and shall not have their participation made known to the disciplining authority, if they meet the requirements of this section and the program in which they are participating.

(3) The license holder shall sign a waiver allowing the program to release information to the disciplining authority if the licensee does not comply with the requirements of this section or is unable to practice with reasonable skill or safety. The substance abuse program shall report to the disciplining authority any license holder who fails to comply with the requirements of this section or the program or who, in the opinion of the program, is unable to practice with reasonable skill or safety. License holders shall report to the disciplining authority if they fail to comply with this section or do not complete the program's requirements. License holders may, upon the agreement of the program and disciplining authority, reenter the program if they have previously failed to comply with this section.

(4) The treatment and pretreatment records of license holders referred to or voluntarily participating in approved programs shall be confidential, shall be exempt from RCW 42.17.250 through 42.17.450, and shall not be subject to discovery by subpoena or admissible as evidence except for monitoring records reported to the disciplining authority for cause as defined in subsection (3) of this section. Monitoring records relating to license holders referred to the program by the disciplining authority or relating to license

holders reported to the disciplining authority by the program for cause, shall be released to the disciplining authority at the request of the disciplining authority. Records held by the disciplining authority under this section shall be exempt from RCW 42.17.250 through 42.17.450 and shall not be subject to discovery by subpoena except by the license holder.

(5) "Substance abuse," as used in this section, means the impairment, as determined by the disciplining authority, of a license holder's professional services by an addiction to, a dependency on, or the use of alcohol, legend drugs, or controlled substances.

(6) This section does not affect an employer's right or ability to make employment-related decisions regarding a license holder. This section does not restrict the authority of the disciplining authority to take disciplinary action for any other unprofessional conduct.

(7) A person who, in good faith, reports information or takes action in connection with this section is immune from civil liability for reporting information or taking the action.

(a) The immunity from civil liability provided by this section shall be liberally construed to accomplish the purposes of this section and the persons entitled to immunity shall include:

(i) An approved monitoring treatment program;  
 (ii) The professional association operating the program;  
 (iii) Members, employees, or agents of the program or association;

(iv) Persons reporting a license holder as being possibly impaired or providing information about the license holder's impairment; and

(v) Professionals supervising or monitoring the course of the impaired license holder's treatment or rehabilitation.

(b) The courts are strongly encouraged to impose sanctions on clients and their attorneys whose allegations under this subsection are not made in good faith and are without either reasonable objective, substantive grounds, or both.

(c) The immunity provided in this section is in addition to any other immunity provided by law. [1998 c 132 § 10; 1993 c 367 § 3; 1991 c 3 § 270; 1988 c 247 § 2.]

**Finding—Intent—Severability—1998 c 132:** See notes following RCW 18.71.0195.

**Legislative intent—1988 c 247:** "Existing law does not provide for a program for rehabilitation of health professionals whose competency may be impaired due to the abuse of alcohol and other drugs.

It is the intent of the legislature that the disciplining authorities seek ways to identify and support the rehabilitation of health professionals whose practice or competency may be impaired due to the abuse of drugs or alcohol. The legislature intends that such health professionals be treated so that they can return to or continue to practice their profession in a way which safeguards the public. The legislature specifically intends that the disciplining authorities establish an alternative program to the traditional administrative proceedings against such health professionals." [1988 c 247 § 1.]

**18.130.180 Unprofessional conduct.** The following conduct, acts, or conditions constitute unprofessional conduct for any license holder or applicant under the jurisdiction of this chapter:

(1) The commission of any act involving moral turpitude, dishonesty, or corruption relating to the practice of the person's profession, whether the act constitutes a crime or not. If the act constitutes a crime, conviction in a criminal proceeding is not a condition precedent to disciplinary

action. Upon such a 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 is 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;

(2) Misrepresentation or concealment of a material fact in obtaining a license or in reinstatement thereof;

(3) All advertising which is false, fraudulent, or misleading;

(4) Incompetence, negligence, or malpractice which results in injury to a patient or which creates an unreasonable risk that a patient may be harmed. The use of a nontraditional treatment by itself shall not constitute unprofessional conduct, provided that it does not result in injury to a patient or create an unreasonable risk that a patient may be harmed;

(5) Suspension, revocation, or restriction of the individual's license to practice any health care 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;

(6) The possession, use, prescription for use, or distribution of controlled substances or legend drugs in any way other than for legitimate or therapeutic purposes, diversion of controlled substances or legend drugs, the violation of any drug law, or prescribing controlled substances for oneself;

(7) Violation of any state or federal statute or administrative rule regulating the profession in question, including any statute or rule defining or establishing standards of patient care or professional conduct or practice;

(8) Failure to cooperate with the disciplining authority by:

(a) Not furnishing any papers or documents;

(b) Not furnishing in writing a full and complete explanation covering the matter contained in the complaint filed with the disciplining authority;

(c) Not responding to subpoenas issued by the disciplining authority, whether or not the recipient of the subpoena is the accused in the proceeding; or

(d) Not providing reasonable and timely access for authorized representatives of the disciplining authority seeking to perform practice reviews at facilities utilized by the license holder;

(9) Failure to comply with an order issued by the disciplining authority or a stipulation for informal disposition entered into with the disciplining authority;

(10) Aiding or abetting an unlicensed person to practice when a license is required;

(11) Violations of rules established by any health agency;

(12) Practice beyond the scope of practice as defined by law or rule;

(13) Misrepresentation or fraud in any aspect of the conduct of the business or profession;

(14) Failure to adequately supervise auxiliary staff to the extent that the consumer's health or safety is at risk;

(15) Engaging in a profession involving contact with the public while suffering from a contagious or infectious disease involving serious risk to public health;

(16) Promotion for personal gain of any unnecessary or inefficacious drug, device, treatment, procedure, or service;

(17) Conviction of any gross misdemeanor or felony relating to the practice of the person's profession. For the purposes of this subsection, conviction includes all instances in which a plea of guilty or nolo contendere is the basis for 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;

(18) The procuring, or aiding or abetting in procuring, a criminal abortion;

(19) The offering, undertaking, or agreeing to cure or treat disease by a secret method, procedure, treatment, or medicine, or the treating, operating, or prescribing for any health condition by a method, means, or procedure which the licensee refuses to divulge upon demand of the disciplining authority;

(20) The willful betrayal of a practitioner-patient privilege as recognized by law;

(21) Violation of chapter 19.68 RCW;

(22) Interference with an investigation or disciplinary proceeding by willful misrepresentation of facts before the disciplining authority or its authorized representative, or by the use of threats or harassment against any patient or witness to prevent them from providing evidence in a disciplinary proceeding or any other legal action, or by the use of financial inducements to any patient or witness to prevent or attempt to prevent him or her from providing evidence in a disciplinary proceeding;

(23) Current misuse of:

(a) Alcohol;

(b) Controlled substances; or

(c) Legend drugs;

(24) Abuse of a client or patient or sexual contact with a client or patient;

(25) Acceptance of more than a nominal gratuity, hospitality, or subsidy offered by a representative or vendor of medical or health-related products or services intended for patients, in contemplation of a sale or for use in research publishable in professional journals, where a conflict of interest is presented, as defined by rules of the disciplining authority, in consultation with the department, based on recognized professional ethical standards. [1995 c 336 § 9; 1993 c 367 § 22. Prior: 1991 c 332 § 34; 1991 c 215 § 3; 1989 c 270 § 33; 1986 c 259 § 10; 1984 c 279 § 18.]

**Application to scope of practice—Captions not law—1991 c 332:** See notes following RCW 18.130.010.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.130.185 Injunctive relief for violations of RCW 18.130.170 or 18.130.180.** If a person or business regulated by this chapter violates RCW 18.130.170 or 18.130.180, the attorney general, any prosecuting attorney, the secretary, the board, or any other person may maintain an action in the name of the state of Washington to enjoin the person from committing the violations. The injunction shall not relieve the offender from criminal prosecution, but the remedy by injunction shall be in addition to the liability of the offender

to criminal prosecution and disciplinary action. [1993 c 367 § 8; 1987 c 150 § 8; 1986 c 259 § 15.]

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.130.186 Voluntary substance abuse monitoring program—Content—License surcharge.** (1) To implement a substance abuse monitoring program for license holders specified under RCW 18.130.040, who are impaired by substance abuse, the disciplinary authority may enter into a contract with a voluntary substance abuse program under RCW 18.130.175. The program may include any or all of the following:

(a) Contracting with providers of treatment programs;

(b) Receiving and evaluating reports of suspected impairment from any source;

(c) Intervening in cases of verified impairment;

(d) Referring impaired license holders to treatment programs;

(e) Monitoring the treatment and rehabilitation of impaired license holders including those ordered by the disciplinary authority;

(f) Providing education, prevention of impairment, posttreatment monitoring, and support of rehabilitated impaired license holders; and

(g) Performing other activities as agreed upon by the disciplinary authority.

(2) A contract entered into under subsection (1) of this section may be financed by a surcharge on each license issuance or renewal to be collected by the department of health from the license holders of the same regulated health profession. These moneys shall be placed in the health professions account to be used solely for the implementation of the program. [1993 c 367 § 9; 1989 c 125 § 3.]

**18.130.190 Practice without license—Investigation of complaints—Cease and desist orders—Injunctions—Penalties.** (1) The secretary shall investigate complaints concerning practice by unlicensed persons of a profession or business for which a license is required by the chapters specified in RCW 18.130.040. In the investigation of the complaints, the secretary shall have the same authority as provided the secretary under RCW 18.130.050.

(2) The secretary may issue a notice of intention to issue a cease and desist order to any person whom the secretary has reason to believe is engaged in the unlicensed practice of a profession or business for which a license is required by the chapters specified in RCW 18.130.040. The person to whom such notice is issued may request an adjudicative proceeding to contest the charges. The request for hearing must be filed within twenty days after service of the notice of intention to issue a cease and desist order. The failure to request a hearing constitutes a default, whereupon the secretary may enter a permanent cease and desist order, which may include a civil fine. All proceedings shall be conducted in accordance with chapter 34.05 RCW.

(3) If the secretary makes a final determination that a person has engaged or is engaging in unlicensed practice, the secretary may issue a cease and desist order. In addition, the secretary may impose a civil fine in an amount not exceeding one thousand dollars for each day upon which the person

engaged in unlicensed practice of a business or profession for which a license is required by one or more of the chapters specified in RCW 18.130.040. The proceeds of such fines shall be deposited to the health professions account.

(4) If the secretary makes a written finding of fact that the public interest will be irreparably harmed by delay in issuing an order, the secretary may issue a temporary cease and desist order. The person receiving a temporary cease and desist order shall be provided an opportunity for a prompt hearing. The temporary cease and desist order shall remain in effect until further order of the secretary. The failure to request a prompt or regularly scheduled hearing constitutes a default, whereupon the secretary may enter a permanent cease and desist order, which may include a civil fine.

(5) Neither the issuance of a cease and desist order nor payment of a civil fine shall relieve the person so practicing or operating a business without a license from criminal prosecution therefor, but the remedy of a cease and desist order or civil fine shall be in addition to any criminal liability. The cease and desist order is conclusive proof of unlicensed practice and may be enforced under RCW 7.21.060. This method of enforcement of the cease and desist order or civil fine may be used in addition to, or as an alternative to, any provisions for enforcement of agency orders set out in chapter 34.05 RCW.

(6) The attorney general, a county prosecuting attorney, the secretary, a board, or any person may in accordance with the laws of this state governing injunctions, maintain an action in the name of this state to enjoin any person practicing a profession or business for which a license is required by the chapters specified in RCW 18.130.040 without a license from engaging in such practice or operating such business until the required license is secured. However, the injunction shall not relieve the person so practicing or operating a business without a license from criminal prosecution therefor, but the remedy by injunction shall be in addition to any criminal liability.

(7) Unlicensed practice of a profession or operating a business for which a license is required by the chapters specified in RCW 18.130.040, unless otherwise exempted by law, constitutes a gross misdemeanor for a single violation. Each subsequent violation, whether alleged in the same or in subsequent prosecutions, is a class C felony. All fees, fines, forfeitures, and penalties collected or assessed by a court because of a violation of this section shall be remitted to the health professions account. [1995 c 285 § 35; 1993 c 367 § 19; 1991 c 3 § 271. Prior: 1989 c 373 § 20; 1989 c 175 § 71; 1987 c 150 § 7; 1986 c 259 § 11; 1984 c 279 § 19.]

**Effective date—1995 c 285:** See RCW 48.30A.900.

**Severability—1989 c 373:** See RCW 7.21.900.

**Effective date—1989 c 175:** See note following RCW 34.05.010.

**Severability—1987 c 150:** See RCW 18.122.901.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.130.195 Violation of injunction—Penalty.** A person or business that violates an injunction issued under this chapter shall pay a civil penalty, as determined by the court, of not more than twenty-five thousand dollars, which shall be placed in the health professions account. For the

purpose of this section, the superior court issuing any injunction shall retain jurisdiction and the cause shall be continued, and in such cases the attorney general acting in the name of the state may petition for the recovery of civil penalties. [1987 c 150 § 5.]

**Severability—1987 c 150:** See RCW 18.122.901.

**18.130.200 Fraud or misrepresentation in obtaining or maintaining a license—Penalty.** A person who attempts to obtain, obtains, or attempts to maintain a license by willful misrepresentation or fraudulent representation is guilty of a gross misdemeanor. [1997 c 392 § 517; 1986 c 259 § 12; 1984 c 279 § 20.]

**Short title—Findings—Construction—Conflict with federal requirements—Part headings and captions not law—1997 c 392:** See notes following RCW 74.39A.009.

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.130.210 Crime by license holder—Notice to attorney general or county prosecuting attorney.** If the disciplining authority determines or has cause to believe that a license holder has committed a crime, the disciplining authority, immediately subsequent to issuing findings of fact and a final order, shall notify the attorney general or the county prosecuting attorney in the county in which the act took place of the facts known to the disciplining authority. [1986 c 259 § 13; 1984 c 279 § 22.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.130.250 Retired active license status.** The disciplining authority may adopt rules pursuant to this section authorizing a retired active license status. An individual credentialed by a disciplining authority regulated in the state under RCW 18.130.040, who is practicing only in emergent or intermittent circumstances as defined by rule established by the disciplining authority, may hold a retired active license at a reduced renewal fee established by the secretary under RCW 43.70.250. Such a license shall meet the continuing education or continued competency requirements, if any, established by the disciplining authority for renewals, and is subject to the provisions of this chapter. Individuals who have entered into retired status agreements with the disciplinary authority in any jurisdiction shall not qualify for a retired active license under this section. [1991 c 229 § 1.]

**18.130.270 Continuing competency pilot projects.** The disciplinary authorities are authorized to develop and require licensees' participation in continuing competency pilot projects for the purpose of developing flexible, cost-efficient, effective, and geographically accessible competency assurance methods. The secretary shall establish criteria for development of pilot projects and shall select the disciplinary authorities that will participate from among the professions requesting participation. The department shall administer the projects in mutual cooperation with the disciplinary authority and shall allot and administer the budget for each pilot project. The department shall report to the legislature in January of each odd-numbered year concerning the progress and findings of the projects and shall make recommendations

on the expansion of continued competency requirements to other licensed health professions.

Each disciplinary authority shall establish its pilot project in rule and may support the projects from a surcharge on each of the affected profession's license renewal in an amount established by the secretary. [1991 c 332 § 3.]

**Application to scope of practice—Captions not law—1991 c 332:** See notes following RCW 18.130.010.

**18.130.300 Immunity from liability.** (1) The secretary, members of the boards or commissions, or individuals acting on their behalf are immune from suit in any action, civil or criminal, based on any disciplinary proceedings or other official acts performed in the course of their duties.

(2) A voluntary substance abuse monitoring program or an impaired practitioner program approved by a disciplining authority, or individuals acting on their behalf, are immune from suit in a civil action based on any disciplinary proceedings or other official acts performed in the course of their duties. [1998 c 132 § 11; 1994 sp.s. c 9 § 605; 1993 c 367 § 10; 1984 c 279 § 21.]

**Finding—Intent—Severability—1998 c 132:** See notes following RCW 18.71.0195.

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**18.130.310 Biennial reports—Format.** Subject to RCW 40.07.040, the disciplinary authority shall submit a biennial report to the legislature on its proceedings during the biennium, detailing the number of complaints made, investigated, and adjudicated and manner of disposition. The report may include recommendations for improving the disciplinary process, including proposed legislation. The department shall develop a uniform report format. [1989 1st ex.s. c 9 § 313; 1987 c 505 § 5; 1984 c 279 § 23.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**18.130.340 Opiate therapy guidelines.** The secretary of health shall coordinate and assist the regulatory boards and commissions of the health professions with prescriptive authority in the development of uniform guidelines for addressing opiate therapy for acute pain, and chronic pain associated with cancer and other terminal diseases, or other chronic or intractable pain conditions. The purpose of the guidelines is to assure the provision of effective medical treatment in accordance with recognized national standards and consistent with requirements of the public health and safety. [1995 c 336 § 10.]

**18.130.350 Application—Use of records or exchange of information not affected.** This chapter does not affect the use of records, obtained from the secretary or the disciplining authorities, in any existing investigation or action by any state agency. Nor does this chapter limit any existing exchange of information between the secretary or the disciplining authorities and other state agencies. [1997 c 270 § 3.]

**18.130.900 Short title—Applicability.** (1) This chapter shall be known and cited as the uniform disciplinary act.

(2) This chapter applies to any conduct, acts, or conditions occurring on or after June 11, 1986.

(3) This chapter does not apply to or govern the construction of and disciplinary action for any conduct, acts, or conditions occurring prior to June 11, 1986. Such conduct, acts, or conditions must be construed and disciplinary action taken according to the provisions of law existing at the time of the occurrence in the same manner as if this chapter had not been enacted. [1986 c 259 § 14; 1984 c 279 § 24.]

**Severability—1986 c 259:** See note following RCW 18.130.010.

**18.130.901 Severability—1984 c 279.** 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. [1984 c 279 § 95.]

## Chapter 18.135

### HEALTH CARE ASSISTANTS

#### Sections

- 18.135.010 Practices authorized.
- 18.135.020 Definitions.
- 18.135.025 Rules—Legislative intent.
- 18.135.030 Requirements for certification—Rules.
- 18.135.040 Certification of health care assistants.
- 18.135.050 Certification by health care facility or practitioner—Roster—Recertification.
- 18.135.055 Registering an initial or continuing certification—Fees.
- 18.135.060 Conditions for performing authorized functions—Renal dialysis.
- 18.135.065 Delegation—Duties of delegator and delegatee.
- 18.135.070 Complaints—Violations—Investigations—Disciplinary action.
- 18.135.090 Performance of authorized functions.
- 18.135.100 Uniform Disciplinary Act.

*Health professions advisory committee: RCW 18.138.120.*

**18.135.010 Practices authorized.** It is in the public interest that limited authority to administer skin tests and subcutaneous, intradermal, intramuscular, and intravenous injections and to perform minor invasive procedures to withdraw blood in this state be granted to health care assistants who are not so authorized under existing licensing statutes, subject to such regulations as will assure the protection of the health and safety of the patient. [1984 c 281 § 1.]

**18.135.020 Definitions.** As used in this chapter:

- (1) "Secretary" means the secretary of health.
- (2) "Health care assistant" means an unlicensed person who assists a licensed health care practitioner in providing health care to patients pursuant to this chapter. However persons trained by a federally approved end-stage renal disease facility who perform end-stage renal dialysis are exempt from certification under this chapter.
- (3) "Health care practitioner" means:
  - (a) A physician licensed under chapter 18.71 RCW;

(b) An osteopathic physician or surgeon licensed under chapter 18.57 RCW; or

(c) Acting within the scope of their respective licensure, a podiatric physician and surgeon licensed under chapter 18.22 RCW, a registered nurse or advanced registered nurse practitioner licensed under chapter 18.79 RCW, or a naturopath licensed under chapter 18.36A RCW.

(4) "Supervision" means supervision of procedures permitted pursuant to this chapter by a health care practitioner who is physically present and is immediately available in the facility during the administration of injections, as defined in this chapter, but need not be present during procedures to withdraw blood.

(5) "Health care facility" means any hospital, hospice care center, licensed or certified health care facility, health maintenance organization regulated under chapter 48.46 RCW, federally qualified health maintenance organization, renal dialysis center or facility federally approved under 42 C.F.R. 405.2100, blood bank federally licensed under 21 C.F.R. 607, or clinical laboratory certified under 20 C.F.R. 405.1301-16.

(6) "Delegation" means direct authorization granted by a licensed health care practitioner to a health care assistant to perform the functions authorized in this chapter which fall within the scope of practice of the delegator and which are not within the scope of practice of the delegatee. [1997 c 133 § 1. Prior: 1994 sp.s. c 9 § 719; 1994 c 76 § 1; 1991 c 3 § 272; 1986 c 115 § 2; 1984 c 281 § 2.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**18.135.025 Rules—Legislative intent.** The legislature declares that the citizenry of the state of Washington has a right to expect that health care assistants are sufficiently educated and trained to provide the services authorized under this chapter. It is the intent of the legislature that the regulations implementing this chapter and governing the education and occupational qualifications, work experience, instruction and training of health care assistants ensure that the public health and welfare are protected. [1986 c 216 § 1.]

**18.135.030 Requirements for certification—Rules.**

The secretary or the secretary's designee, with the advice of designees of the medical care quality assurance commission, the board of osteopathic medicine and surgery, the podiatric medical board, and the nursing care quality assurance commission, shall adopt rules necessary to administer, implement, and enforce this chapter and establish the minimum requirements necessary for a health care facility or health care practitioner to certify a health care assistant capable of performing the functions authorized in this chapter. The rules shall establish minimum requirements for each and every category of health care assistant. Said rules shall be adopted after fair consideration of input from representatives of each category. These requirements shall ensure that the public health and welfare are protected and shall include, but not be limited to, the following factors:

(1) The education and occupational qualifications for the health care assistant category;

(2) The work experience for the health care assistant category;

(3) The instruction and training provided for the health care assistant category; and

(4) The types of drugs or diagnostic agents which may be administered by injection by health care assistants working in a hospital or nursing home. The rules established pursuant to this subsection shall not prohibit health care assistants working in a health care facility other than a nursing home or hospital from performing the functions authorized under this chapter. [1994 sp.s. c 9 § 515; 1991 c 3 § 273; 1986 c 216 § 2; 1984 c 281 § 4.]

**Severability—Headings and captions not law—Effective date—1994 sp.s. c 9:** See RCW 18.79.900 through 18.79.902.

**18.135.040 Certification of health care assistants.**

A certification issued to a health care assistant pursuant to this chapter shall be authority to perform only the functions authorized in RCW 18.135.010 subject to proper delegation and supervision in the health care facility making the certification or under the supervision of the certifying health care practitioner in other health care facilities or in his or her office. No certification made by one health care facility or health care practitioner is transferrable to another health care facility or health care practitioner. [1984 c 281 § 3.]

**18.135.050 Certification by health care facility or practitioner—Roster—Recertification.**

(1) Any health care facility may certify a health care assistant to perform the functions authorized in this chapter in that health care facility; and any health care practitioner may certify a health care assistant capable of performing such services in any health care facility, or in his or her office, under a health care practitioner's supervision. Before certifying the health care assistant, the health care facility or health care practitioner shall verify that the health care assistant has met the minimum requirements established by the secretary under this chapter. These requirements shall not prevent the certifying entity from imposing such additional standards as the certifying entity considers appropriate. The health care facility or health care practitioner shall provide the licensing authority with a certified roster of health care assistants who are certified.

(2) Certification and recertification of a health care assistant shall be effective for a period determined by the secretary under RCW 43.70.250 and 43.70.280. Requirements for recertification shall be determined by the secretary under RCW 43.70.250 and 43.70.280. [1996 c 191 § 82; 1991 c 3 § 274; 1984 c 281 § 5.]

**18.135.055 Registering an initial or continuing certification—Fees.** The health care facility or health care practitioner registering an initial or continuing certification pursuant to the provisions of this chapter shall comply with administrative procedures, administrative requirements, and fees determined by the secretary as provided in RCW 43.70.250 and 43.70.280.

All fees collected under this section shall be credited to the health professions account as required in RCW 43.70.320. [1996 c 191 § 83; 1991 c 3 § 275; 1985 c 117 § 1.]

**18.135.060 Conditions for performing authorized functions—Renal dialysis.** (1) Except as provided in subsection (2) of this section:

(a) Any health care assistant certified pursuant to this chapter shall perform the functions authorized in this chapter only by delegation of authority from the health care practitioner and under the supervision of a health care practitioner acting within the scope of his or her license. In the case of subcutaneous, intradermal and intramuscular and intravenous injections, a health care assistant may perform such functions only under the supervision of a health care practitioner having authority, within the scope of his or her license, to order such procedures.

(b) The health care practitioner who ordered the procedure or a health care practitioner who could order the procedure under his or her license shall be physically present in the immediate area of a hospital or nursing home where the injection is administered. Sensitivity agents being administered intradermally or by the scratch method are excluded from this requirement.

(2) A health care assistant trained by a federally approved end-stage renal disease facility may perform venipuncture for blood withdrawal, administration of oxygen as necessary by cannula or mask, venipuncture for placement of fistula needles, intravenous administration of heparin and sodium chloride solutions as an integral part of dialysis treatment, and intradermal, subcutaneous, or topical administration of local anesthetics in conjunction with placement of fistula needles, and intraperitoneal administration of sterile electrolyte solutions and heparin for peritoneal dialysis: (a) In the center or health care facility if a registered nurse licensed under \*chapter 18.88 RCW is physically present and immediately available in such center or health care facility; or (b) in the patient's home if a physician and a registered nurse are available for consultation during the dialysis. [1993 c 13 § 1. Prior: 1986 c 216 § 3; 1986 c 115 § 1; 1984 c 281 § 6.]

\*Reviser's note: Chapter 18.88 RCW was repealed by 1994 sp.s. c 9 § 433, effective July 1, 1994.

**18.135.065 Delegation—Duties of delegator and delegatee.** (1) Each delegator, as defined under RCW 18.135.020(6) shall maintain a list of specific medications, diagnostic agents, and the route of administration of each that he or she has authorized for injection. Both the delegator and delegatee shall sign the above list, indicating the date of each signature. The signed list shall be forwarded to the secretary of the department of health and shall be available for review.

(2) Delegates are prohibited from administering any controlled substance as defined in RCW 69.50.101(d), any experimental drug, and any cancer chemotherapy agent unless a delegator is physically present in the immediate area where the drug is administered. [1991 c 3 § 276; 1986 c 216 § 4.]

**18.135.070 Complaints—Violations—Investigations—Disciplinary action.** The licensing authority of health care facilities or the disciplining authority of the delegating or supervising health care practitioner shall investigate all complaints or allegations of violations of

proper certification of a health care assistant or violations of delegation of authority or supervision. A substantiated violation shall constitute sufficient cause for disciplinary action by the licensing authority of a health care facility or the disciplining authority of the health care practitioner. [1993 c 367 § 11; 1984 c 281 § 7.]

**18.135.090 Performance of authorized functions.** The performance of the functions authorized in this chapter by a health care assistant pursuant to this chapter does not constitute unlicensed practice as a health care practitioner. [1984 c 281 § 9.]

**18.135.100 Uniform Disciplinary Act.** The Uniform Disciplinary Act, chapter 18.130 RCW, governs uncertified practice, the issuance and denial of certificates, and the discipline of certificate holders under this chapter. The secretary shall be the disciplining authority under this chapter. [1993 c 367 § 12.]

## Chapter 18.138

### DIETITIANS AND NUTRITIONISTS

#### Sections

18.138.010	Definitions.
18.138.020	Certification required.
18.138.030	Qualifications for certification.
18.138.040	Certification—Application procedures, requirements, fees.
18.138.050	Certification without examination.
18.138.060	Renewal of certification—Fee.
18.138.070	Authority of secretary—Ad hoc committee—Immunity.
18.138.090	Application of uniform disciplinary act.
18.138.100	Insurance coverage.
18.138.110	Health food stores exempted.
18.138.120	Health professions advisory committee—Membership—Duties—Expenses.

**18.138.010 Definitions.** (1) "Dietetics" is the integration and application of scientific principles of food, nutrition, biochemistry, physiology, management, and behavioral and social sciences in counseling people to achieve and maintain health. Unique functions of dietetics include, but are not limited to:

(a) Assessing individual and community food practices and nutritional status using anthropometric, biochemical, clinical, dietary, and demographic data for clinical, research, and program planning purposes;

(b) Establishing priorities, goals, and objectives that meet nutritional needs and are consistent with available resources and constraints;

(c) Providing nutrition counseling and education as components of preventive, curative, and restorative health care;

(d) Developing, implementing, managing, and evaluating nutrition care systems; and

(e) Evaluating, making changes in, and maintaining appropriate standards of quality in food and nutrition care services.

(2) "General nutrition services" means the counseling and/or educating of groups or individuals in the selection of food to meet normal nutritional needs for health maintenance, which includes, but is not restricted to:

(a) Assessing the nutritional needs of individuals and groups by planning, organizing, coordinating, and evaluating the nutrition components of community health care services;

(b) Supervising, administering, or teaching normal nutrition in colleges, universities, clinics, group care homes, nursing homes, hospitals, private industry, and group meetings.

(3) "Certified dietitian" means any person certified to practice dietetics under this chapter.

(4) "Certified nutritionist" means any person certified to provide general nutrition services under this chapter.

(5) "Department" means the department of health.

(6) "Secretary" means the secretary of health or the secretary's designee. [1991 c 3 § 278; 1988 c 277 § 1.]

**18.138.020 Certification required.** (1) No persons shall represent themselves as certified dietitians or certified nutritionists unless certified as provided for in this chapter.

(2) Persons represent themselves as certified dietitians or certified nutritionists when any title or any description of services is used which incorporates one or more of the following items or designations: "Certified dietitian," "certified dietician," "certified nutritionist," "D.," "C.D.," or "C.N."

(3) The secretary may by rule proscribe or regulate advertising and other forms of patient solicitation which are likely to mislead or deceive the public as to whether someone is certified under this chapter. [1991 c 3 § 279; 1988 c 277 § 2.]

**18.138.030 Qualifications for certification.** (1) An applicant applying for certification as a certified dietitian or certified nutritionist shall file a written application on a form or forms provided by the secretary setting forth under affidavit such information as the secretary may require, and proof that the candidate has met qualifications set forth below in subsection (2) or (3) of this section.

(2) Any person seeking certification as a "certified dietitian" shall meet the following qualifications:

(a) Be eighteen years of age or older;

(b) Has satisfactorily completed a major course of study in human nutrition, foods and nutrition, dietetics, or food systems management, and has received a baccalaureate or higher degree from a college or university accredited by the Western association of schools and colleges or a similar accreditation agency or colleges and universities approved by the secretary in rule;

(c) Demonstrates evidence of having successfully completed a planned continuous preprofessional experience in dietetic practice of not less than nine hundred hours under the supervision of a certified dietitian or a registered dietitian or demonstrates completion of a coordinated undergraduate program in dietetics, both of which meet the training criteria established by the secretary;

(d) Has satisfactorily completed an examination for dietitians administered by a public or private agency or institution recognized by the secretary as qualified to administer the examination; and

(e) Has satisfactorily completed courses of continuing education as currently established by the secretary.

(3) An individual may be certified as a certified dietitian if he or she provides evidence of meeting criteria for registration on June 9, 1988, by the commission on dietetic registration.

(4) Any person seeking certification as a "certified nutritionist" shall meet the following qualifications:

(a) Possess the qualifications required to be a certified dietitian; or

(b) Has received a master's degree or doctorate degree in one of the following subject areas: Human nutrition, nutrition education, foods and nutrition, or public health nutrition from a college or university accredited by the Western association of schools and colleges or a similar accrediting agency or colleges and universities approved by the secretary in rule. [1991 c 3 § 280; 1988 c 277 § 3.]

**18.138.040 Certification—Application procedures, requirements, fees.** (1) If the applicant meets the qualifications as outlined in RCW 18.138.030(2), the secretary shall confer on such candidates the title certified dietitian.

(2) If the applicant meets the qualifications as outlined in RCW 18.138.030(4), the secretary shall confer on such candidates the title certified nutritionist.

(3) Applicants for certification as a certified dietitian or certified nutritionist shall comply with administrative procedures, administrative requirements, and fees determined by the secretary under RCW 43.70.250 and 43.70.280. [1996 c 191 § 84; 1991 c 3 § 281; 1988 c 277 § 4.]

**18.138.050 Certification without examination.** The secretary may certify a person applying for the title "certified dietitian" without examination if such person is licensed or certified as a dietitian in another jurisdiction and if, in the secretary's judgment, the requirements of that jurisdiction are equivalent to or greater than those of Washington state. [1991 c 3 § 282; 1988 c 277 § 6.]

**18.138.060 Renewal of certification—Fee.** (1) Every person certified as a certified dietitian or certified nutritionist shall renew the certification according to administrative procedures, administrative requirements, and fees determined by the secretary as provided in RCW 43.70.250 and 43.70.280.

(2) All fees collected under this section shall be credited to the health professions account as required. [1996 c 191 § 85; 1991 c 3 § 283; 1988 c 277 § 7.]

**18.138.070 Authority of secretary—Ad hoc committee—Immunity.** In addition to any other authority provided by law, the secretary may:

(1) Adopt rules in accordance with chapter 34.05 RCW necessary to implement this chapter;

(2) Establish forms necessary to administer this chapter;

(3) Issue a certificate to an applicant who has met the requirements for certification and deny a certificate to an applicant who does not meet the minimum qualifications;

(4) Hire clerical, administrative, and investigative staff as needed to implement and administer this chapter and hire individuals, including those certified under this chapter, to serve as consultants as necessary to implement and administer this chapter;

(5) Maintain the official departmental record of all applicants and certificate holders;

(6) Conduct a hearing, pursuant to chapter 34.05 RCW, on an appeal of a denial of certification based on the applicant's failure to meet the minimum qualifications for certification;

(7) Investigate alleged violations of this chapter and consumer complaints involving the practice of persons representing themselves as certified dietitians or certified nutritionists;

(8) Issue subpoenas, statements of charges, statements of intent to deny certifications, and orders and delegate in writing to a designee the authority to issue subpoenas, statements of charges, and statements on intent to deny certifications;

(9) Conduct disciplinary proceedings, impose sanctions, and assess fines for violations of this chapter or any rules adopted under it in accordance with chapter 34.05 RCW;

(10) Set all certification, renewal, and late renewal fees in accordance with RCW 43.70.250;

(11) Set certification expiration dates and renewal periods for all certifications under this chapter; and

(12) Appoint members of the profession to serve in an ad hoc advisory capacity to the secretary in carrying out this chapter. The members will serve for designated time[s] and provide advice on matters specifically identified and requested by the secretary. The members shall be compensated in accordance with RCW 43.03.220 and reimbursed for travel expenses under RCW 43.03.040 and 43.03.060. The secretary, ad hoc committee members, or individuals acting in their behalf are immune from suit in a civil action based on any certification or disciplinary proceedings or other official acts performed in the course of their duties. [1994 sp.s. c 9 § 516; 1991 c 3 § 284; 1988 c 277 § 10.]

**Severability—Headings and captions not law—Effective date—** 1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

*Health professions advisory committee: RCW 18.138.120.*

#### **18.138.090 Application of uniform disciplinary act.**

The uniform disciplinary act, chapter 18.130 RCW, governs the issuance and denial of certificates, unauthorized practices, and the disciplining of certificate holders under this chapter. The secretary shall be the disciplining authority under this chapter. [1991 c 3 § 286; 1988 c 277 § 5.]

**18.138.100 Insurance coverage.** This chapter does not require or prohibit individual or group policies or contracts of an insurance carrier, health care service contractor, or health maintenance organization to provide benefits or coverage for services and supplies provided by a person certified under this chapter. [1988 c 277 § 9.]

**18.138.110 Health food stores exempted.** Nothing in this chapter shall be construed to apply to owners, operators or employees of health food stores provided the owners, operators or employees do not represent themselves to be certified dietitians or certified nutritionists. [1988 c 277 § 11.]

**18.138.120 Health professions advisory committee—Membership—Duties—Expenses.** The secretary shall

appoint a health professions advisory committee consisting of one member from each profession represented by an ad hoc advisory committee established under RCW 18.06.080, 18.84.040, 18.89.050, and 18.138.070, and one member of the health assistants profession as regulated under chapter 18.135 RCW, one member of the ocularists profession as regulated under chapter 18.55 RCW, and one member of the nursing assistants profession as regulated under chapter 18.88A RCW. The members shall serve three-year terms. Of the initial members, two shall be appointed for a one-year term, two shall be appointed for a two-year term, and the remainder shall be appointed for three-year terms. Thereafter, members shall be appointed for three-year terms. The committee shall advise the secretary in matters concerning changes in the professions, health care technologies, and health policies as requested by the secretary or initiated by the committee. The committee members shall be eligible to receive travel expenses under RCW 43.03.050 and 43.03.060. [1994 sp.s. c 9 § 517.]

**Severability—Headings and captions not law—Effective date—** 1994 sp.s. c 9: See RCW 18.79.900 through 18.79.902.

### **Chapter 18.140**

#### **CERTIFIED REAL ESTATE APPRAISER ACT**

##### Sections

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**18.140.005 Intent.** It is the intent of the legislature that only individuals who meet and maintain minimum standards of competence and conduct established under this chapter for certified or licensed real estate appraisers may provide real estate appraisal services to the public. [1996 c 182 § 1; 1993 c 30 § 1; 1989 c 414 § 1.]

**Effective dates—1996 c 182:** "This act shall take effect July 1, 1996, except section 3 of this act, which shall take effect July 1, 1997." [1996 c 182 § 16.]

**18.140.010 Definitions.** 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" means the real estate appraiser advisory committee 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. [1997 c 399 § 1; 1996 c 182 § 2; 1993 c 30 § 2; 1989 c 414 § 3.]

**Effective date—1997 c 399:** "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, 1997." [1997 c 399 § 3.]

**Effective dates—1996 c 182:** See note following RCW 18.140.005.

**18.140.020 Use of title by unauthorized person.** (1) No person other than a state-certified or state-licensed real estate appraiser may receive compensation of any form for a real estate appraisal or an appraisal review. However, compensation may be provided for brokers price opinions prepared by a real estate licensee, licensed under chapter 18.85 RCW.

(2) No person, other than a state-certified or state-licensed real estate appraiser, may assume or use that title or any title, designation, or abbreviation likely to create the impression of certification or licensure as a real estate appraiser by this state.

(3) A person who is not certified or licensed under this chapter shall not prepare any appraisal of real estate located in this state, except as provided under subsection (1) of this section.

(4) This section does not preclude a staff employee of a governmental entity from performing an appraisal or an appraisal assignment within the scope of his or her employment insofar as the performance of official duties for the governmental entity are concerned. Such an activity for the benefit of the governmental entity is exempt from the requirements of this chapter.

(5) This chapter does not preclude an individual person licensed by the state of Washington as a real estate broker or as a real estate salesperson from issuing a brokers price opinion. However, if the brokers price opinion is written, or given as evidence in any legal proceeding, and is issued to a person who is not a prospective seller, buyer, lessor, or lessee as the only intended user, then the brokers price opinion shall contain a statement, in an obvious location within the written document or specifically and affirmatively in spoken testimony, that substantially states: "This brokers price opinion is not an appraisal as defined in chapter 18.140 RCW and has been prepared by a real estate licensee, licensed under chapter 18.85 RCW, who . . . . (is/is not) also state certified or state licensed as a real estate appraiser under chapter 18.140 RCW." However, the brokers price opinion issued under this subsection may not be used as an appraisal in conjunction with a federally related transaction.

(6) This section does not apply to an appraisal or an appraisal review performed for a financial institution or mortgage broker by an employee or third party, when such appraisal or appraisal review is not required to be performed

by a state-certified or state-licensed real estate appraiser by the appropriate federal financial institutions regulatory agency.

(7) This section does not apply to an attorney licensed to practice law in this state or to a certified public accountant, as defined in RCW 18.04.025, who evaluates real property in the normal scope of his or her professional services. [1998 c 120 § 1; 1997 c 399 § 2; 1996 c 182 § 3; 1993 c 30 § 3; 1989 c 414 § 4.]

**Effective date—1997 c 399:** See note following RCW 18.140.010.

**Effective dates—1996 c 182:** See note following RCW 18.140.005.

**18.140.030 Powers and duties of director.** 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;

(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 the members for the real estate appraiser advisory committee to enable the committee to act in an advisory capacity to the director;

(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 relating to the experience, education, and examination requirements for each classification of state-certified appraiser and for licensure;

(8) To impose continuing education requirements as a prerequisite to renewal of certification or licensure;

(9) To consider recommendations by the real estate appraiser advisory committee relating to standards of professional appraisal 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. 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; and

(18) 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. [1996 c 182 § 4; 1993 c 30 § 4; 1989 c 414 § 7.]

**Effective dates—1996 c 182:** See note following RCW 18.140.005.

**18.140.040 Immunity.** The director or individuals acting on behalf of the director are immune from suit in any action, civil or criminal, based on any acts performed in the course of their duties except for their intentional or willful misconduct. [1993 c 30 § 5; 1989 c 414 § 8.]

**18.140.050 Fees and collection procedures.** The director shall establish fees by rule, under RCW 43.24.086 and chapter 34.05 RCW and establish collection procedures for the fees. [1989 c 414 § 9.]

**18.140.060 Applications—Original and renewal certification and licensure.** (1) Applications for examinations, original certification or licensure, and renewal certification or licensure shall be made in writing to the department on forms approved by the director. Applications for original and renewal certification or licensure shall include a statement confirming that the applicant shall comply with applicable rules and regulations and that the applicant understands the penalties for misconduct.

(2) The appropriate fees shall accompany all applications for examination, reexamination, original certification or licensure, and renewal certification or licensure. [1993 c 30 § 6; 1989 c 414 § 10.]

**18.140.070 Categories of state-certified or licensed real estate appraisers.** There shall be one category of state-

licensed real estate appraisers and two categories of state-certified real estate appraisers as follows:

(1) The state-licensed real estate appraiser;

(2) The state-certified residential real estate appraiser;

(3) The state-certified general real estate appraiser.

[1993 c 30 § 7; 1989 c 414 § 11.]

**18.140.080 Education requirements.** As a prerequisite to taking an examination for certification or licensure, an applicant shall present evidence satisfactory to the director that he or she has successfully completed the education requirements adopted by the director. [1993 c 30 § 8; 1989 c 414 § 12.]

**18.140.090 Experience requirements.** (1) As a prerequisite to taking an examination for certification or licensure, an applicant must meet the experience requirements adopted by the director.

(2) The preexamination experience claimed by an applicant, and accepted by the department for the purpose of taking the examination, shall remain subject to postlicensure auditing by the department. [1996 c 182 § 5; 1993 c 30 § 9; 1989 c 414 § 13.]

**Effective dates—1996 c 182:** See note following RCW 18.140.005.

**18.140.100 Examination requirements.** An original license or certificate shall be issued to persons who have satisfactorily passed the written examination as endorsed by the Appraiser Qualifications Board of the Appraisal Foundation and as adopted by the director. [1993 c 30 § 10; 1989 c 414 § 14.]

**18.140.110 Nonresident applicants—Consent for service of process.** Every applicant for licensing or certification who is not a resident of this state shall submit, with the application for licensing or certification, an irrevocable consent that service of process upon him or her may be made by service on the director if, in an action against the applicant in a court of this state arising out of the applicant's activities as a state-licensed or state-certified real estate appraiser, the plaintiff cannot, in the exercise of due diligence, obtain personal service upon the applicant. [1993 c 30 § 11; 1989 c 414 § 15.]

**18.140.120 Reciprocity.** An applicant for licensure or certification who is currently licensed or certified and in good standing under the laws of another state may obtain a license or certificate as a Washington state-licensed or state-certified real estate appraiser without being required to satisfy the examination requirements of this chapter if: The director determines that the licensure or certification requirements are substantially similar to those found in Washington state; and that the other state has a written reciprocal agreement to provide similar treatment to holders of Washington state licenses and/or certificates. [1993 c 30 § 12; 1989 c 414 § 16.]

**18.140.130 Expiration of license or certificate—Renewal—Failure to renew in timely manner.** (1) Each original and renewal license or certificate issued under this

chapter shall expire on the applicant's second birthday following issuance of the license or certificate.

(2) To be renewed as a state-licensed or state-certified real estate appraiser, the holder of a valid license or certificate shall apply and pay the prescribed fee to the director no earlier than one hundred twenty days prior to the expiration date of the license or certificate and shall demonstrate satisfaction of any continuing education requirements.

(3) If a person fails to renew a license or certificate prior to its expiration and no more than one year has passed since the person last held a valid license or certificate, the person may obtain a renewal license or certificate by satisfying all of the requirements for renewal and paying late renewal fees.

The director shall cancel the license or certificate of any person whose renewal fee is not received within one year from the date of expiration. A person may obtain a new license or certificate by satisfying the procedures and qualifications for initial licensure or certification, including the successful completion of any applicable examinations. [1996 c 182 § 6; 1993 c 30 § 13; 1989 c 414 § 17.]

**Effective dates—1996 c 182:** See note following RCW 18.140.005.

**18.140.140 Licenses and certificates—Required use of number.** (1) A license or certificate issued under this chapter shall bear the signature or facsimile signature of the director and a license or certificate number assigned by the director.

(2) Each state-licensed or state-certified real estate appraiser shall place his or her license or certificate number adjacent to or immediately below the title "state-licensed real estate appraiser," "state-certified residential real estate appraiser," or "state-certified general real estate appraiser" when used in an appraisal report or in a contract or other instrument used by the licensee or certificate holder in conducting real property appraisal activities, except that the license or certificate number shall not be required to appear when the title is not accompanied by a signature as is typical on such promotional and stationery items as brochures, business cards, forms, or letterhead. [1996 c 182 § 7; 1993 c 30 § 14; 1989 c 414 § 18.]

**Effective dates—1996 c 182:** See note following RCW 18.140.005.

**18.140.150 Use of term restricted—Group licenses or certificates prohibited.** (1) The term "state-licensed" or "state-certified real estate appraiser" may only be used to refer to individuals who hold the license or certificate and may not be used following or immediately in connection with the name or signature of a firm, partnership, corporation, group, or limited liability company, or in such manner that it might be interpreted as referring to a firm, partnership, corporation, group, limited liability company, or anyone other than an individual holder of the license or certificate.

(2) No license or certificate may be issued under this chapter to a corporation, partnership, firm, limited liability company, or group. This shall not be construed to prevent a state-licensed or state-certified appraiser from signing an appraisal report on behalf of a corporation, partnership, firm, group practice, or limited liability company. [1996 c 182 § 8; 1993 c 30 § 15; 1989 c 414 § 19.]

**Effective dates—1996 c 182:** See note following RCW 18.140.005.

**18.140.155 Temporary licensing or certification.** (1)

A real estate appraiser from another state who is licensed or certified by another state may apply for registration to receive temporary licensing or certification in Washington by paying a fee and filing a notarized application with the department on a form provided by the department.

(2) Licensing and certification privileges granted under the provisions of this section shall expire ninety days from issuance. Licensing or certification shall not be renewed, nor shall an applicant receive more than two registrations within any twelve-month period.

(3) Persons granted temporary licensing or certification privileges under this section shall not advertise or otherwise hold themselves out as being licensed or certified by the state of Washington.

(4) Persons granted temporary licensure or certification are subject to all provisions under this chapter. [1993 c 30 § 16.]

**18.140.160 Sanctions against license or certificate—**

**Grounds.** The director may deny an application for licensure or certification and may impose any one or more of the following sanctions against a state-licensed or state-certified appraiser: Suspend, revoke, or levy a fine not to exceed one thousand dollars for each offense and/or otherwise discipline in accordance with the provisions of this chapter, for any of the following acts or omissions:

(1) Failing to meet the minimum qualifications for state licensure or certification established by or pursuant to this chapter;

(2) Procuring or attempting to procure state licensure or certification under this chapter by knowingly making a false statement, knowingly submitting false information, or knowingly making a material misrepresentation on any application filed with the director;

(3) Paying money other than the fees provided for by this chapter to any employee of the director or the committee to procure state licensure or certification under this chapter;

(4) Obtaining a license or certification through the mistake or inadvertence of the director;

(5) Conviction of any 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 a conviction, however, the judgment and sentence is conclusive evidence at the ensuing disciplinary hearing of the guilt of the license or certificate holder or applicant of the crime described in the indictment or information, and of the person's violation of the statute on which it is 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) Failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, or communicating an appraisal;

(7) Negligence or incompetence in developing an appraisal, preparing an appraisal report, or communicating an appraisal;

(8) Continuing to act as a state-licensed or state-certified real estate appraiser when his or her license or certificate is on an expired status;

(9) Failing, upon demand, to disclose any information within his or her knowledge to, or to produce any document, book, or record in his or her possession for inspection of the director or the director's authorized representatives acting by authority of law;

(10) Violating any provision of this chapter or any lawful rule or regulation made by the director pursuant thereto;

(11) Advertising in a false, fraudulent, or misleading manner;

(12) Suspension, revocation, or restriction of the individual's license or certification to practice the profession by competent authority in any state, federal, or foreign jurisdiction, with a certified copy of the order, stipulation, or agreement being conclusive evidence of the revocation, suspension, or restriction;

(13) Failing to comply with an order issued by the director;

(14) Committing any act of fraudulent or dishonest dealing or a crime involving moral turpitude, with a certified copy of the final holding of any court of competent jurisdiction in such matter being conclusive evidence in any hearing under this chapter; and

(15) Issuing an appraisal report on any real property in which the appraiser has an interest unless his or her interest is clearly stated in the appraisal report. [1996 c 182 § 9; 1993 c 30 § 17; 1989 c 414 § 20.]

**Effective dates—1996 c 182:** See note following RCW 18.140.005.

**18.140.170 Violations—Investigations—Charges—Hearings.** The director may investigate the actions of a state-licensed or state-certified real estate appraiser or an applicant for licensure or certification or relicensure or recertification. Upon receipt of information indicating that a state-licensed or state-certified real estate appraiser under this chapter may have violated this chapter, the director shall cause one or more of the staff investigators to make an investigation of the facts to determine whether or not there is admissible evidence of any such violation. If technical assistance is required, a staff investigator may consult with one or more of the members of the committee.

In any investigation made by the director's investigative staff, the director shall have the power to compel the attendance of witnesses and the production of books, documents, records, and other papers, to administer oaths, and to take testimony and receive evidence concerning all matters within the director's jurisdiction.

If the director determines, upon investigation, that a state-licensed or state-certified real estate appraiser under this chapter has violated this chapter, a statement of charges shall be prepared and served upon the state-licensed or state-certified real estate appraiser. The statement of charges shall be served as follows: The statement of charges shall be sent by certified or registered mail, and if no receipt of service is received, two attempts to personally serve the statement of

charges shall be made. This statement of charges shall require the accused party to file an answer to the statement of charges within twenty days of the date of service.

In responding to a statement of charges, the accused party may admit to the allegations, deny the allegations, or otherwise plead. Failure to make a timely response shall be deemed an admission of the allegations contained in the statement of charges and will result in a default whereupon the director may enter an order under RCW 34.05.440. If a hearing is requested, the time of the hearing shall be scheduled but the hearing shall not be held earlier than thirty days after service of the charges upon the accused. A notice of hearing shall be issued at least twenty days prior to the hearing, specifying the time, date, and place of hearing. [1996 c 182 § 10; 1993 c 30 § 18; 1989 c 414 § 21.]

**Effective dates—1996 c 182:** See note following RCW 18.140.005.

**18.140.175 Cease and desist orders.** (1) The director may issue a cease and desist order to a person after notice and hearing and upon a determination that the person has violated a provision of this chapter or a lawful order or rule of the director.

(2) If the director makes a written finding of fact that the public interest will be irreparably harmed by delay in issuing an order, the director may issue a temporary cease and desist order. Before issuing the temporary cease and desist order, whenever possible, the director shall give notice by telephone or otherwise of the proposal to issue a temporary cease and desist order to the person. Every temporary cease and desist order shall include a provision that a hearing will be held upon request to determine whether the order will become permanent.

At the time the temporary cease and desist order is served, the person shall be notified that he or she is entitled to request a hearing for the sole purpose of determining whether the public interest requires that the temporary cease and desist order be continued or modified pending the outcome of the hearing to determine whether the order will become permanent. The hearing shall be held within thirty days after the department receives the request for hearing, unless the person requests a later hearing. A person may secure review of any decision rendered at a temporary cease and desist order review hearing in the same manner as an adjudicative proceeding. [1993 c 30 § 19.]

**18.140.180 Hearings—Orders—Judicial review.** The administrative hearing on the allegations in the statement of charges may be heard by an administrative law judge appointed under chapter 34.12 RCW at the time and place prescribed by the director and in accordance with the provisions of the Administrative Procedure Act, chapter 34.05 RCW. If the administrative law judge determines that a state-licensed or state-certified real estate appraiser is guilty of a violation of any of the provisions of this chapter, a formal decision shall be prepared that contains findings of fact and recommendations to the director concerning the appropriate disciplinary action to be taken.

In such event the director shall enter an order to that effect and shall file the same in his or her office and immediately mail a copy thereof to the affected party at the addresses of record with the department. Such order shall

not be operative for a period of ten days from the date thereof. Any party aggrieved by a final decision by the director in an adjudicative proceeding whether such decision is affirmative or negative in form, is entitled to a judicial review in the superior court under the provisions of the Administrative Procedure Act, chapter 34.05 RCW. [1993 c 30 § 20; 1989 c 414 § 22.]

**18.140.190 Duties of attorney general.** The attorney general shall render to the director opinions upon all questions of law relating to the construction or interpretation of this chapter, or arising in the administration thereof that may be submitted by the director, and shall act as attorney for the director in all actions and proceedings brought by or against the director under or pursuant to any provisions of this chapter. [1993 c 30 § 21; 1989 c 414 § 23.]

**18.140.200 Certificate or license suspension—Nonpayment or default on educational loan or scholarship.** The director shall suspend the certificate or license of any person who has been certified by a lending agency and reported to the director for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's certificate or license shall not be reissued until the person provides the director a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for certification or licensure during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the director may impose. [1996 c 293 § 19.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.140.202 License or certificate suspension—Noncompliance with support order—Reissuance.** The director shall immediately suspend any license or certificate issued under this chapter if the holder 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 director's receipt of a release issued by the department of social and health services stating that the person is in compliance with the order. [1997 c 58 § 832.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal**

**requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.140.210 Violation of chapter—Procedure.** The director may refer a complaint for violation of any section of this chapter before any court of competent jurisdiction.

Any violation of the provisions of this chapter shall be prosecuted by the prosecuting attorney of each county in which the violation occurs, and if the prosecuting attorney fails to act, the director may request the attorney general to take action in lieu of the prosecuting attorney.

Whenever evidence satisfactory to the director suggests that any person has violated any of the provisions of this chapter, or any part or provision thereof, the director may bring an action, in the superior court in the county where the person resides, against the person to enjoin any person from continuing a violation or engaging or doing any act or acts in furtherance thereof. In this action an order or judgment may be entered awarding a preliminary or final injunction as may be proper.

The director may petition the superior court in any county in this state for the appointment of a receiver to take over, operate, or close any real estate appraisal activity or practice in this state which is found upon inspection of its books and records to be operating in violation of the provisions of this chapter, pending a hearing. [1996 c 182 § 11.]

**Effective dates—1996 c 182:** See note following RCW 18.140.005.

**18.140.220 Acting without certificate or license—Penalty.** Any person acting as a state-certified or state-licensed real estate appraiser without a certificate or license that is currently valid is guilty of a misdemeanor. [1996 c 182 § 12.]

**Effective dates—1996 c 182:** See note following RCW 18.140.005.

**18.140.900 Short title.** This chapter may be known and cited as the real estate appraiser act. [1993 c 30 § 22; 1989 c 414 § 2.]

**18.140.910 Severability—1989 c 414.** 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. [1989 c 414 § 26.]

**Chapter 18.145**

**COURT REPORTING PRACTICE ACT**

(Formerly: Shorthand reporting practice act)

Sections

- 18.145.005 Findings.
- 18.145.010 Certificate required.
- 18.145.020 Practice of court reporting defined.
- 18.145.030 Definitions.
- 18.145.040 Exemptions.
- 18.145.050 Powers of director.
- 18.145.070 Liability of director.
- 18.145.080 Certification requirements.
- 18.145.090 Certification applications—Fee.

- 18.145.100 Renewals—Late fees—Reinstatement.
- 18.145.110 Persons with stenomask reporting experience.
- 18.145.120 Sanctions against certificate—Director's powers—Costs.
- 18.145.125 Certificate suspension—Nonpayment or default on educational loan or scholarship.
- 18.145.127 Certificate suspension—Noncompliance with support order—Reissuance.
- 18.145.130 Unprofessional conduct.
- 18.145.900 Short title.
- 18.145.910 Effective date—Implementation—1989 c 382.
- 18.145.911 Severability—1989 c 382.

**18.145.005 Findings.** The legislature finds it necessary to regulate the practice of court reporting at the level of certification to protect the public safety and well-being. The legislature intends that only individuals who meet and maintain minimum standards of competence may represent themselves as court reporters. [1995 c 27 § 1; 1989 c 382 § 1.]

**18.145.010 Certificate required.** (1) No person may represent himself or herself as a \*shorthand reporter or a court reporter without first obtaining a certificate as required by this chapter.

(2) A person represents himself or herself to be a \*shorthand reporter or court reporter when the person adopts or uses any title or description of services that incorporates one or more of the following terms: "Shorthand reporter," "court reporter," "certified shorthand reporter," or "certified court reporter." [1989 c 382 § 2.]

**\*Reviser's note:** "Shorthand reporter" or "court reporter" now just "court reporter" pursuant to 1995 c 27.

**18.145.020 Practice of court reporting defined.** The "practice of court reporting" means the making by means of written symbols or abbreviations in shorthand or machine writing or oral recording by a stenomask reporter of a verbatim record of any oral court proceeding, deposition, or proceeding before a jury, referee, court commissioner, special master, governmental entity, or administrative agency and the producing of a transcript from the proceeding. [1995 c 27 § 3; 1989 c 382 § 3.]

**18.145.030 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Department" means the department of licensing.

(2) "Director" means the director of licensing.

(3) "Court reporter" means an individual certified under this chapter. [1995 c 269 § 501; 1995 c 27 § 4; 1989 c 382 § 4.]

**Reviser's note:** This section was amended by 1995 c 27 § 4 and by 1995 c 269 § 501, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Effective date—1995 c 269:** See note following RCW 9.94A.040.

**Part headings not law—Severability—1995 c 269:** See notes following RCW 13.40.005.

**18.145.040 Exemptions.** Nothing in this chapter prohibits or restricts:

(1) The practice of court reporting by individuals who are licensed, certified, or registered as court reporters under

other laws of this state and who are performing services within their authorized scope of practice;

(2) The practice of court reporting by an individual employed by the government of the United States while the individual is performing duties prescribed by the laws and regulations of the United States; or

(3) The introduction of alternate technology in court reporting practice. [1995 c 27 § 5; 1989 c 382 § 5.]

**18.145.050 Powers of director.** In addition to any other authority provided by law, the director may:

(1) Adopt rules in accordance with chapter 34.05 RCW that are necessary to implement this chapter;

(2) Set all renewal, late renewal, duplicate, and verification fees in accordance with RCW 43.24.086;

(3) Establish the forms and procedures necessary to administer this chapter;

(4) Issue a certificate to any applicant who has met the requirements for certification;

(5) Hire clerical, administrative, and investigative staff as needed to implement and administer this chapter;

(6) Investigate complaints or reports of unprofessional conduct as defined in this chapter and hold hearings under chapter 34.05 RCW;

(7) Issue subpoenas for records and attendance of witnesses, statements of charges, statements of intent to deny certificates, and orders; administer oaths; take or cause depositions to be taken; and use other discovery procedures as needed in any investigation, hearing, or proceeding held under this chapter;

(8) Maintain the official departmental record of all applicants and certificate holders;

(9) Delegate, in writing to a designee, the authority to issue subpoenas, statements of charges, and statements of intent to deny certification;

(10) Approve the preparation and administration of examinations for certification;

(11) Establish by rule the procedures for an appeal of a failure of an examination;

(12) Conduct a hearing under chapter 34.05 RCW on an appeal of a denial of a certificate based on the applicant's failure to meet minimum qualifications for certification;

(13) Set the criteria for meeting the standard required for certification;

(14) Establish advisory committees whose membership shall include representatives of professional court reporting and stenomasking associations and representatives from accredited schools offering degrees in court reporting or stenomasking to advise the director on testing procedures, professional standards, disciplinary activities, or any other matters deemed necessary;

(15) Establish ad hoc advisory committees whose membership shall include representatives of professional court reporting and stenomasking associations and representatives from accredited schools offering degrees in court reporting or stenomasking to advise the director on testing procedures, professional standards, disciplinary activities, or any other matters deemed necessary. [1995 c 269 § 502; 1995 c 27 § 6; 1989 c 382 § 6.]

**Reviser's note:** This section was amended by 1995 c 27 § 6 and by 1995 c 269 § 502, each without reference to the other. Both amendments

are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Effective date—1995 c 269:** See note following RCW 9.94A.040.

**Part headings not law—Severability—1995 c 269:** See notes following RCW 13.40.005.

**18.145.070 Liability of director.** The director and individuals acting on the director's behalf shall not be civilly liable for any act performed in good faith in the course of their duties. [1995 c 269 § 503; 1995 c 27 § 7; 1989 c 382 § 8.]

**Reviser's note:** This section was amended by 1995 c 27 § 7 and by 1995 c 269 § 503, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Effective date—1995 c 269:** See note following RCW 9.94A.040.

**Part headings not law—Severability—1995 c 269:** See notes following RCW 13.40.005.

**18.145.080 Certification requirements.** The department shall issue a certificate to any applicant who meets the standards established under this chapter and who:

(1) Is holding one of the following:

(a) Certificate of proficiency, registered professional reporter, registered merit reporter, or registered diplomate reporter from [the] national court reporters association;

(b) Certificate of proficiency or certificate of merit from [the] national stenomask verbatim reporters association; or

(c) A current Washington state court reporter certification; or

(2) Has passed an examination approved by the director or an examination that meets or exceeds the standards established by the director. [1995 c 269 § 504; 1995 c 27 § 8; 1989 c 382 § 9.]

**Reviser's note:** This section was amended by 1995 c 27 § 8 and by 1995 c 269 § 504, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Effective date—1995 c 269:** See note following RCW 9.94A.040.

**Part headings not law—Severability—1995 c 269:** See notes following RCW 13.40.005.

**18.145.090 Certification applications—Fee.** Applications for certification shall be submitted on forms provided by the department. The department may require information and documentation to determine whether the applicant meets the standard for certification as provided in this chapter. Each applicant shall pay a fee determined by the director as provided in RCW 43.24.086 which shall accompany the application. [1995 c 27 § 9; 1989 c 382 § 10.]

**18.145.100 Renewals—Late fees—Reinstatement.** The director shall establish by rule the requirements and the renewal and late renewal fees for certification. Failure to renew the certificate on or before the expiration date cancels all privileges granted by the certificate. If an individual desires to reinstate a certificate which had not been renewed for three years or more, the individual shall satisfactorily demonstrate continued competence in conformance with standards determined by the director. [1989 c 382 § 11.]

**18.145.110 Persons with stenomask reporting experience.** Persons with two or more years' experience in stenomask reporting in Washington state as of January 1, 1996, shall be granted a court reporter certificate without examination, if application is made before January 1, 1996. [1995 c 27 § 10; 1989 c 382 § 12.]

**18.145.120 Sanctions against certificate—Director's powers—Costs.** (1) Upon receipt of complaints against court reporters, the director shall investigate and evaluate the complaint to determine if disciplinary action is appropriate. The director shall hold disciplinary hearings pursuant to chapter 34.05 RCW.

(2) After a hearing conducted under chapter 34.05 RCW and upon a finding that a certificate holder or applicant has committed unprofessional conduct or is unable to practice with reasonable skill and safety due to a physical or mental condition, the director may issue an order providing for one or any combination of the following:

(a) Revocation of the certification;

(b) Suspension of the certificate for a fixed or indefinite term;

(c) Restriction or limitation of the practice;

(d) Requiring the satisfactory completion of a specific program or remedial education;

(e) The monitoring of the practice by a supervisor approved by the director;

(f) Censure or reprimand;

(g) Compliance with conditions of probation for a designated period of time;

(h) Denial of the certification request;

(i) Corrective action;

(j) Refund of fees billed to or collected from the consumer.

Any of the actions under this section may be totally or partly stayed by the director. In determining what action is appropriate, the director shall consider sanctions necessary to protect the public, after which the director may consider and include in the order requirements designed to rehabilitate the certificate holder or applicant. All costs associated with compliance to orders issued under this section are the obligation of the certificate holder or applicant. [1995 c 27 § 11; 1989 c 382 § 13.]

**18.145.125 Certificate suspension—Nonpayment or default on educational loan or scholarship.** The director shall suspend the certificate of any person who has been certified by a lending agency and reported to the director for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's certificate shall not be reissued until the person provides the director a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for certification during the suspension,

reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the director may impose. [1996 c 293 § 20.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.145.127 Certificate suspension—Noncompliance with support order—Reissuance.** The director shall immediately suspend any certificate issued under this chapter if the holder 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 certification during the suspension, reissuance of the certificate shall be automatic upon the director's receipt of a release issued by the department of social and health services stating that the person is in compliance with the order. [1997 c 58 § 833.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.145.130 Unprofessional conduct.** The following conduct, acts, or conditions constitute unprofessional conduct for any certificate holder or applicant under the jurisdiction of this chapter:

(1) The commission of any act involving moral turpitude, dishonesty, or corruption relating to the practice of court reporting, 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;

(2) Misrepresentation or concealment of a material fact in obtaining or in seeking reinstatement of a certificate;

(3) Advertising in a false, fraudulent, or misleading manner;

(4) Incompetence or negligence;

(5) Suspension, revocation, or restriction of the individual's certificate, registration, or license to practice court reporting by a regulatory authority in any state, federal, or foreign jurisdiction;

(6) Violation of any state or federal statute or administrative rule regulating the profession;

(7) Failure to cooperate in an inquiry, investigation, or disciplinary action by:

(a) Not furnishing papers or documents;

(b) Not furnishing in writing a full and complete explanation of the matter contained in the complaint filed with the director;

(c) Not responding to subpoenas issued by the director, regardless of whether the recipient of the subpoena is the accused in the proceeding;

(8) Failure to comply with an order issued by the director or an assurance of discontinuance entered into with the director;

(9) Misrepresentation or fraud in any aspect of the conduct of the business or profession;

(10) Conviction of any gross misdemeanor or felony relating to the practice of the profession. For the purpose of this subsection, conviction includes all instances in which a plea of guilty or nolo contendere is the basis for 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. [1995 c 27 § 12; 1989 c 382 § 14.]

**18.145.900 Short title.** This chapter may be known and cited as the court reporting practice act. [1995 c 27 § 13; 1989 c 382 § 15.]

**18.145.910 Effective date—Implementation—1989 c 382.** This act shall take effect September 1, 1989, except that the director may immediately take such steps as are necessary to ensure that this act is implemented on its effective date. [1989 c 382 § 16.]

**18.145.911 Severability—1989 c 382.** 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. [1989 c 382 § 17.]

## Chapter 18.155

### SEX OFFENDER TREATMENT PROVIDERS

#### Sections

18.155.010 Findings—Construction.

18.155.020 Definitions.

18.155.030 Certificate required.

18.155.040 Secretary—Authority.

18.155.050 Sexual offender treatment providers advisory committee.

18.155.060 Immunity.

18.155.070 Certificate—Requirements.

18.155.080 Standards and procedures.

18.155.090 Application of uniform disciplinary act.

18.155.900 Index, part headings not law—1990 c 3.

18.155.901 Severability—1990 c 3.

18.155.902 Effective dates—Application—1990 c 3.

**18.155.010 Findings—Construction.** The legislature finds that sex offender therapists who examine and treat sex offenders pursuant to the special sexual offender sentencing alternative under \*RCW 9.94A.120(7)(a) and who may treat juvenile sex offenders pursuant to RCW 13.40.160, play a vital role in protecting the public from sex offenders who remain in the community following conviction. The legislature finds that the qualifications, practices, techniques, and effectiveness of sex offender treatment providers vary widely and that the court's ability to effectively determine the appropriateness of granting the sentencing alternative and monitoring the offender to ensure continued protection of the community is undermined by a lack of regulated practices. The legislature recognizes the right of sex offender therapists to practice, consistent with the paramount requirements of public safety. Public safety is best served by regulating sex offender therapists whose clients are being evaluated and being treated pursuant to \*RCW 9.94A.120(7)(a) and

13.40.160. This chapter shall be construed to require only those sex offender therapists who examine and treat sex offenders pursuant to \*RCW 9.94A.120(7)(a) and 13.40.160 to obtain a sexual offender treatment certification as provided in this chapter. [1990 c 3 § 801.]

\*Reviser's note: RCW 9.94A.120 was amended by 1995 c 108 § 3, changing subsection (7) to subsection (8).

**18.155.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter:

(1) "Certified sex offender treatment provider" means a licensed, certified, or registered health professional who is certified to examine and treat sex offenders pursuant to \*RCW 9.94A.120(7)(a) and 13.40.160.

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

(3) "Secretary" means the secretary of health.

(4) "Sex offender treatment provider" means a person who counsels or treats sex offenders accused of or convicted of a sex offense as defined by RCW 9.94A.030. [1990 c 3 § 802.]

\*Reviser's note: RCW 9.94A.120 was amended by 1995 c 108 § 3, changing subsection (7) to subsection (8).

**18.155.030 Certificate required.** (1) No person shall represent himself or herself as a certified sex offender treatment provider without first applying for and receiving a certificate pursuant to this chapter.

(2) Only a certified sex offender treatment provider may perform or provide the following services:

(a) Evaluations conducted for the purposes of and pursuant to \*RCW 9.94A.120(7)(a) and 13.40.160;

(b) Treatment of convicted sex offenders who are sentenced and ordered into treatment pursuant to \*RCW 9.94A.120(7)(a) and adjudicated juvenile sex offenders who are ordered into treatment pursuant to RCW 13.40.160. [1990 c 3 § 803.]

\*Reviser's note: RCW 9.94A.120 was amended by 1995 c 108 § 3, changing subsection (7) to subsection (8).

**18.155.040 Secretary—Authority.** In addition to any other authority provided by law, the secretary shall have the following authority:

(1) To set administrative procedures, administrative requirements, and fees in accordance with RCW 43.70.250 and 43.70.280;

(2) To establish forms necessary to administer this chapter;

(3) To issue a certificate to any applicant who has met the education, training, and examination requirements for certification and deny a certificate to applicants who do not meet the minimum qualifications for certification. Proceedings concerning the denial of certificates based on unprofessional conduct or impaired practice shall be governed by the uniform disciplinary act, chapter 18.130 RCW;

(4) To hire clerical, administrative, and investigative staff as needed to implement and administer this chapter and to hire individuals including those certified under this chapter to serve as examiners or consultants as necessary to implement and administer this chapter;

(5) To maintain the official department record of all applicants and certifications;

(6) To conduct a hearing on an appeal of a denial of a certificate on the applicant's failure to meet the minimum qualifications for certification. The hearing shall be conducted pursuant to chapter 34.05 RCW;

(7) To issue subpoenas, statements of charges, statements of intent to deny certificates, and orders and to delegate in writing to a designee the authority to issue subpoenas, statements of charges, and statements of intent to deny certificates;

(8) To determine the minimum education, work experience, and training requirements for certification, including but not limited to approval of educational programs;

(9) To prepare and administer or approve the preparation and administration of examinations for certification;

(10) To establish by rule the procedure for appeal of an examination failure;

(11) To adopt rules implementing a continuing competency program;

(12) To adopt rules in accordance with chapter 34.05 RCW as necessary to implement this chapter. [1996 c 191 § 86; 1990 c 3 § 804.]

**18.155.050 Sexual offender treatment providers advisory committee.** (1) The sexual offender treatment providers advisory committee is established to advise the secretary concerning the administration of this chapter.

(2) The secretary shall appoint the members of the advisory committee who shall consist of the following persons:

(a) One superior court judge;

(b) Three sexual offender treatment providers;

(c) One mental health practitioner who specializes in treating victims of sexual assault;

(d) One defense attorney with experience in representing persons charged with sexual offenses;

(e) One representative from the Washington association of prosecuting attorneys;

(f) The secretary of the department of social and health services or his or her designee;

(g) The secretary of the department of corrections or his or her designee.

The secretary shall develop and implement the certification procedures with the advice of the committee by July 1, 1991. Following implementation of these procedures by the secretary, the committee shall be a permanent body. The members shall serve staggered six-year terms, to be set by the secretary. No person other than the members representing the departments of social and health services and corrections may serve more than two consecutive terms.

The secretary may remove any member of the advisory committee for cause as specified by rule. In a case of a vacancy, the secretary shall appoint a person to serve for the remainder of the unexpired term.

(3) Committee members shall be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(4) The committee shall elect officers as deemed necessary to administer its duties. A simple majority of the committee members currently serving shall constitute a quorum of the committee.

(5) Members of the advisory committee shall be residents of this state. The members who are sex offender treatment providers must have a minimum of five years of extensive work experience in treating sex offenders to qualify for appointment to the initial committee, which shall develop and implement the certification program. After July 1, 1991, the sex offender treatment providers on the committee must be certified pursuant to this chapter.

(6) The committee shall meet at times as necessary to conduct committee business. [1990 c 3 § 805.]

**18.155.060 Immunity.** The secretary, members of the committee, and individuals acting on their behalf are immune from suit in any action, civil or criminal, based on any acts performed in the course of their duties. [1990 c 3 § 806.]

**18.155.070 Certificate—Requirements.** The department shall issue a certificate to any applicant who meets the following requirements:

(1) Successful completion of an educational program approved by the secretary or successful completion of alternate training which meets the criteria of the secretary;

(2) Successful completion of any experience requirement established by the secretary;

(3) Successful completion of an examination administered or approved by the secretary;

(4) Not having engaged in unprofessional conduct or being unable to practice with reasonable skill and safety as a result of a physical or mental impairment;

(5) Other requirements as may be established by the secretary that impact the competence of the sex offender treatment provider. [1990 c 3 § 807.]

**18.155.080 Standards and procedures.** The secretary shall establish standards and procedures for approval of the following:

(1) Educational programs and alternate training;

(2) Examination procedures;

(3) Certifying applicants who have a comparable certification in another jurisdiction;

(4) Application method and forms;

(5) Requirements for renewals of certificates;

(6) Requirements of certified sex offender treatment providers who seek inactive status;

(7) Other rules, policies, administrative procedures, and administrative requirements as appropriate to carry out the purposes of this chapter. [1996 c 191 § 87; 1990 c 3 § 808.]

**18.155.090 Application of uniform disciplinary act.** The uniform disciplinary act, chapter 18.130 RCW, governs unauthorized practice, the issuance and denial of certificates, and the discipline of certified sex offender treatment providers under this chapter. [1990 c 3 § 809.]

**18.155.900 Index, part headings not law—1990 c 3.** The index and part headings used in this act do not constitute any part of the law. [1990 c 3 § 1404.]

**18.155.901 Severability—1990 c 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. [1990 c 3 § 1405.]

**18.155.902 Effective dates—Application—1990 c 3.**

(1) Sections 101 through 131, 401 through 409, 501 through 504, 606, 707 and 708, 801 through 810, 1101 through 1104, 1201 through 1210, and 1401 through 1403 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [February 28, 1990].

(2) Sections 201 through 203, 301 through 305, 701 through 706, and 901 through 904 shall take effect July 1, 1990, and shall apply to crimes committed on or after July 1, 1990.

(3) Sections 1001 through 1012 shall take effect July 1, 1990.

(4) Section 1301 shall take effect July 1, 1991.

(5) Sections 601 through 605, for purposes of sentencing adult or juvenile offenders shall take effect July 1, 1990, and shall apply to crimes or offenses committed on or after July 1, 1990. For purposes of defining a "sexually violent offense" pursuant to section 1002(4) of this act, sections 601 through 605 of this act shall take effect July 1, 1990, and shall apply to crimes committed on, before, or after July 1, 1990. [1990 c 3 § 1406.]

## Chapter 18.160

### FIRE SPRINKLER SYSTEM CONTRACTORS

#### Sections

18.160.010 Definitions.

18.160.020 Local government license and permit requirements—Exemptions from chapter.

18.160.030 State director of fire protection—Duties.

18.160.040 Certificate of competency—Contractor license.

18.160.050 Renewal—Certificate of competency—Contractor license—Fire protection license fund created.

18.160.070 Local government regulation—Application to state and government contractors.

18.160.080 Actions against certificates or licenses—Grounds—Appeal.

18.160.085 Certificate suspension—Nonpayment or default on educational loan or scholarship.

18.160.090 Surety bond—Security deposit—Venue and time limit for actions upon bonds—Limit of liability of surety—Payment of claims.

18.160.100 Unlicensed operations—Penalty.

18.160.110 Enforcement—Civil proceedings.

18.160.900 Prospective application.

18.160.901 Effective date—1990 c 177.

18.160.902 Severability—1990 c 177.

*Criminal penalties: RCW 9A.5.260.*

**18.160.010 Definitions.** The following words or terms shall have the meanings indicated unless the context clearly indicates otherwise.

(1) "Certificate of competency holder" means an individual who has satisfactorily met the qualifications and has received a certificate of competency from the state director of fire protection under the provisions of this chapter.

(2) "Fire protection sprinkler system contractor" means a person or organization that offers to undertake the execu-

tion of contracts for the installation, inspection, maintenance, or servicing of a fire protection sprinkler system or any part of such a system.

(3) "Fire protection sprinkler system" means an assembly of underground and/or overhead piping or conduit beginning at the connection to the primary water supply, whether public or private, that conveys water with or without other agents to dispersal openings or devices to extinguish, control, or contain fire and to provide protection from exposure to fire or other products of combustion.

(4) "Fire protection sprinkler system contractor's license" means the license issued by the state director of fire protection to a fire protection sprinkler system contractor upon an application being approved, the fee being paid, and the satisfactory completion of the requirements of this chapter. The license shall be issued in the name of the fire protection sprinkler system contractor with the name or names of the certificate of competency holder noted thereon.

(5) "NFPA 13-D" means whatever standard that is used by the national fire protection association for the installation of fire protection sprinkler systems in one or two-family residential dwellings or mobile homes.

(6) "NFPA 13-R" means whatever standard that is used by the national fire protection association for the installation of fire protection sprinkler systems in residential dwellings up to four stories in height.

(7) "Inspection" means a visual examination of a fire protection sprinkler system or portion of the system to verify that the system appears to be in operating condition and is free from physical damage and complies with the applicable statutes and regulations adopted by the state director of fire protection.

(8) "Installation" means the initial placement of fire protection sprinkler system equipment or the extension, modification, or alteration of equipment after the initial placement. Installation shall include the work from a street or main water access throughout the entire building.

(9) "Maintenance" means to maintain in the condition of repair that provides performance as originally planned.

(10) "Organization" means a corporation, partnership, firm, or other business association, governmental entity, or any other legal or commercial entity.

(11) "Person" means a natural person, including an owner, manager, partner, officer, employee, or occupant.

(12) "Service" means to repair or test. [1990 c 177 § 2.]

**18.160.020 Local government license and permit requirements—Exemptions from chapter.**

(1) A municipality or county may not enact an order, ordinance, rule, or regulation requiring a fire protection sprinkler system contractor to obtain a fire sprinkler contractor license from the municipality or county. However, a municipality or county may require a fire protection sprinkler system contractor to obtain a permit and pay a fee for the installation of a fire protection sprinkler system and require the installation of such systems to conform with the building code or other construction requirements of the municipality or county, but may not impose financial responsibility requirements other than proof of a valid license.

(2) This chapter does not apply to:

(a) United States, state, and local government employees, building officials, fire marshals, fire inspectors, or insurance inspectors when acting in their official capacities;

(b) A person or organization acting under court order;

(c) A person or organization that sells or supplies products or materials to a licensed fire protection sprinkler system contractor;

(d) A registered professional engineer acting solely in a professional capacity;

(e) An employee of a licensed fire protection sprinkler system contractor performing duties for the registered fire protection sprinkler system contractor; and

(f) An owner/occupier of a single-family residence performing his or her own installation in that residence. [1990 c 177 § 3.]

**18.160.030 State director of fire protection—Duties.**

(1) This chapter shall be administered by the state director of fire protection.

(2) The state director of fire protection shall have the authority, and it shall be his or her duty to:

(a) Issue such administrative regulations as necessary for the administration of this chapter;

(b)(i) Set reasonable fees for licenses, certificates, testing, and other aspects of the administration of this chapter. However, the license fee for fire protection sprinkler system contractors engaged solely in the installation, inspection, maintenance, or servicing of NFPA 13-D fire protection sprinkler systems shall not exceed one hundred dollars, and the license fee for fire protection sprinkler system contractors engaged solely in the installation, inspection, maintenance, or servicing of NFPA 13-R fire protection sprinkler systems shall not exceed three hundred dollars;

(ii) Adopt rules establishing a special category restricted to contractors registered under chapter 18.27 RCW who install underground systems that service fire protection sprinkler systems. The rules shall be adopted within ninety days of March 31, 1992;

(c) Enforce the provisions of this chapter;

(d) Conduct investigations of complaints to determine if any infractions of this chapter or the regulations developed under this chapter have occurred;

(e) Work with the \*fire sprinkler advisory committee consisting of fire protection sprinkler system contractors and other related officials;

(f) Assign a certificate number to each certificate of competency holder; and

(g) Adopt rules necessary to implement and administer a program which requires the affixation of a seal any time a fire protection sprinkler system is installed, which seal shall include the certificate number of any certificate of competency holder who installs, in whole or in part, the fire protection sprinkler system. [1992 c 116 § 2; 1990 c 177 § 4.]

**\*Reviser's note:** The section creating the fire sprinkler advisory committee, 1990 c 177 § 9, was vetoed by the governor.

**18.160.040 Certificate of competency—Contractor license.**

(1) To become a certificate of competency holder under this chapter, an applicant must have satisfactorily passed an examination administered by the state director of fire protection. A certificate of competency holder can

satisfy this examination requirement by presenting a copy of a current certificate of competency from the national institute for certification in engineering technologies showing that the applicant has achieved the classification of engineering technician level 3 or senior engineering technician level 4 in the field of fire protection, automatic sprinkler system layout. The state director of fire protection may accept equivalent proof of qualification in lieu of examination, as recommended by the \*fire sprinkler advisory committee. This examination requirement is mandatory except as otherwise provided in this chapter.

(2) Every applicant for a certificate of competency shall fulfill the requirements established by the state director of fire protection and the \*fire protection sprinkler system technical advisory committee under chapter 34.05 RCW.

(3) Every applicant for a certificate of competency shall make application to the state director of fire protection and pay the fees required.

(4) Provided the application for the certificate of competency is made prior to ninety days after May 1, 1991, the state director of fire protection, in lieu of the examination requirements of the applicant for a certificate of competency, may accept as satisfactory evidence of competency and qualification, affidavits attesting that the applicant has had a minimum of three years' experience.

(5) The state director of fire protection may, after consultation with the \*fire sprinkler advisory committee, issue a temporary certificate of competency to an applicant who, in his or her judgment, will satisfactorily perform as a certificate of competency holder under the provisions of this chapter. The temporary certificate of competency shall remain in effect for a period of up to three years. The temporary certificate of competency holder shall, within the three-year period, complete the examination requirements specified in subsection (1) of this section. There shall be no examination exemption for an individual issued a temporary certificate of competency. Prior to the expiration of the three-year period, the temporary certificate of competency holder shall make application for a regular certificate of competency. The procedures and qualifications for issuance of a regular certificate of competency shall be applicable to the temporary certificate of competency holder. When a temporary certificate of competency expires, the holder shall cease all activities associated with the holding of a temporary certificate of competency, subject to the penalties contained in this chapter.

(6) To become a licensed fire protection sprinkler system contractor under this chapter, a person or firm must comply with the following:

(a) Must be or have in his or her full-time employ a holder of a valid certificate of competency;

(b) Comply with the minimum insurance requirements of this chapter; and

(c) Make application to the state director of fire protection for a license and pay the fees required.

(7) Each license and certificate of competency issued under this chapter must be posted in a conspicuous place in the fire protection sprinkler system contractor's place of business.

(8) All bids, advertisements, proposals, offers, and installation drawings for fire protection sprinkler systems

must prominently display the fire protection sprinkler system contractor's license number.

(9) A certificate of competency or license issued under this chapter is not transferable.

(10) In no case shall a certificate of competency holder be employed full time by more than one fire protection sprinkler system contractor at the same time. If the certificate of competency holder should leave the employment of the fire protection sprinkler system contractor, he or she must notify the state director of fire protection within thirty days. If the certificate of competency holder should leave the employment of the fire protection sprinkler system contractor, the contractor shall have six months or until the expiration of the current license, whichever occurs last, to submit a new application identifying another certificate of competency holder who is at the time of application an owner of the fire protection sprinkler system business or a full-time employee of the fire protection sprinkler system contractor, in order to be issued a new license. If such application is not received and a new license issued within the allotted time, the state director of fire protection shall revoke the license of the fire protection sprinkler system contractor. [1990 c 177 § 5.]

\*Reviser's note: The section creating the fire sprinkler advisory committee, 1990 c 177 § 9, was vetoed by the governor.

**18.160.050 Renewal—Certificate of competency—Contractor license—Fire protection license fund created.**

(1)(a) All certificate of competency holders that desire to continue in the fire protection sprinkler business shall annually, prior to January 1, secure from the state director of fire protection a renewal certificate of competency upon payment of the fee as prescribed by the state director of fire protection. Application for renewal shall be upon a form prescribed by the state director of fire protection and the certificate holder shall furnish the information required by the director.

(b) Failure of any certificate of competency holder to secure his or her renewal certificate of competency within sixty days after the due date shall constitute sufficient cause for the state director of fire protection to suspend the certificate of competency.

(c) The state director of fire protection may, upon the receipt of payment of all delinquent fees including a late charge, restore a certificate of competency that has been suspended for failure to pay the renewal fee.

(d) A certificate of competency holder may voluntarily surrender his or her certificate of competency to the state director of fire protection and be relieved of the annual renewal fee. After surrendering the certificate of competency, he or she shall not be known as a certificate of competency holder and shall desist from the practice thereof. Within two years from the time of surrender of the certificate of competency, he or she may again qualify for a certificate of competency, without examination, by the payment of the required fee. If two or more years have elapsed, he or she shall return to the status of a new applicant.

(2)(a) All licensed fire protection sprinkler system contractors desiring to continue to be licensed shall annually, prior to January 1, secure from the state director of fire protection a renewal license upon payment of the fee as

prescribed by the state director of fire protection. Application for renewal shall be upon a form prescribed by the state director of fire protection and the license holder shall furnish the information required by the director.

(b) Failure of any license holder to secure his or her renewal license within sixty days after the due date shall constitute sufficient cause for the state director of fire protection to suspend the license.

(c) The state director of fire protection may, upon the receipt of payment of all delinquent fees including a late charge, restore a license that has been suspended for failure to pay the renewal fee.

(3) The initial certificate of competency or license fee shall be prorated based upon the portion of the year such certificate of competency or license is in effect, prior to renewal on January 1.

(4) The fire protection contractor license fund is created in the custody of the state treasurer. All receipts from license and certificate fees and charges or from the money generated by the rules and regulations promulgated under this chapter shall be deposited into the fund. Expenditures from the fund may be used only for purposes authorized under this chapter. Only the state director of fire protection or the director'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. [1990 c 177 § 6.]

**18.160.070 Local government regulation—Application to state and government contractors.** (1) Nothing in this chapter limits the power of a municipality, county, or the state to regulate the quality and character of work performed by contractors, through a system of permits, fees, and inspections which are designed to assure compliance with and aid in the implementation of state and local building laws or to enforce other local laws for the protection of the public health and safety. Nothing in this chapter limits the power of the municipality, county, or the state to adopt any system of permits requiring submission to and approval by the municipality, county, or the state, of technical drawings and specifications for work to be performed by contractors before commencement of the work. The official authorized to issue building or other related permits shall ascertain that the fire protection sprinkler system contractor is duly licensed by requiring evidence of a valid fire protection sprinkler system contractor's license.

(2) This chapter applies to any fire protection sprinkler system contractor performing work for any municipality, county, or the state. Officials of any municipality, county, or the state are required to determine compliance with this chapter before awarding any contracts for the installation, repair, service, alteration, fabrication, addition, or inspection of a fire protection sprinkler system. [1990 c 177 § 8.]

**18.160.080 Actions against certificates or licenses—Grounds—Appeal.** (1) The state director of fire protection may refuse to issue or renew or may suspend or revoke the privilege of a licensed fire protection sprinkler system contractor or the certificate of a certificate of competency holder to engage in the fire protection sprinkler system

business or in lieu thereof, establish penalties as prescribed by Washington state law, for any of the following reasons:

(a) Gross incompetency or gross negligence in the preparation of technical drawings, installation, repair, alteration, maintenance, inspection, service, or addition to fire protection sprinkler systems;

(b) Conviction of a felony;

(c) Fraudulent or dishonest practices while engaging in the fire protection sprinkler systems business;

(d) Use of false evidence or misrepresentation in an application for a license or certificate of competency;

(e) Permitting his or her license to be used in connection with the preparation of any technical drawings which have not been prepared by him or her personally or under his or her immediate supervision, or in violation of this chapter; or

(f) Knowingly violating any provisions of this chapter or the regulations issued thereunder.

(2) The state director of fire protection shall revoke the license of a licensed fire protection sprinkler system contractor or the certificate of a certificate of competency holder who engages in the fire protection sprinkler system business while the license or certificate of competency is suspended.

(3) The state director of fire protection shall immediately suspend any license or certificate issued under this chapter if the holder 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 issuance or reinstatement during the suspension, issuance or reissuance of the license or certificate shall be automatic upon the director's receipt of a release issued by the department of social and health services stating that the person is in compliance with the order.

(4) Any licensee or certificate of competency holder who is aggrieved by an order of the state director of fire protection suspending or revoking a license may, within thirty days after notice of such suspension or revocation, appeal under chapter 34.05 RCW. This subsection does not apply to actions taken under subsection (3) of this section. [1997 c 58 § 834; 1990 c 177 § 10.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.160.085 Certificate suspension—Nonpayment or default on educational loan or scholarship.** The state director of fire protection shall suspend the certificate of any person who has been certified by a lending agency and reported to the state director of fire protection for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for

a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's certificate shall not be reissued until the person provides the state director of fire protection a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for certification during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the state director of fire protection may impose. [1996 c 293 § 21.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.160.090 Surety bond—Security deposit—Venue and time limit for actions upon bonds—Limit of liability of surety—Payment of claims.** (1) Before granting a license under this chapter, the director of fire protection shall require that the applicant file with the state director of fire protection a surety bond issued by a surety insurer who meets the requirements of chapter 48.28 RCW in a form acceptable to the director of fire protection running to the state of Washington in the penal sum of ten thousand dollars. However, the surety bond for a fire protection sprinkler system contractor whose business is restricted solely to NFPA 13-D or NFPA 13-R systems shall be in the penal sum of six thousand dollars. The bond shall be conditioned that the applicant will pay all purchasers of fire protection sprinkler systems with whom the applicant has a contract for the applicant to install, inspect, maintain, or service a fire protection sprinkler system, and who have obtained a judgment against the applicant for the breach of such a contract. The term "purchaser" means an owner of property who has entered into a contract for the installation of a fire protection sprinkler system on that property, or a contractor who contracts to install, inspect, maintain, or service such a system with an owner of property and subcontracts the work to the applicant. No other person, including, but not limited to, persons who supply labor, materials, or rental equipment to the applicant, shall have any rights against the bond.

(2) In lieu of the surety bond required by this section the applicant may file with the director of fire protection a deposit consisting of cash or other security acceptable to the director of fire protection in an amount equal to the penal sum of the required bond. The director of fire protection may adopt rules necessary for the proper administration of the security.

(3) Before granting renewal of a fire protection sprinkler system contractor's license to any applicant, the director of fire protection shall require that the applicant file with the director satisfactory evidence that the surety bond or cash deposit is in full force.

(4) Any purchaser of a fire protection sprinkler system having a claim against the licensee for the breach of a contract for the licensee to install, inspect, maintain, or service a fire protection sprinkler system may bring suit upon such bond in superior court of the county in which the work was done or of any county in which jurisdiction of the licensee may be had. Any such action must be brought not later than one year after the expiration of the licensee's

license or renewal license then in effect at the time of the alleged breach of contract.

(5) The bond shall be considered one continuous obligation, and the surety upon the bond shall not be liable in aggregate or cumulative amount exceeding ten thousand dollars, or six thousand dollars if the bond was issued to a licensee whose business is restricted solely to NFPA 13-D or NFPA 13-R systems, regardless of the number of years the bond is in effect, or whether it is reinstated, renewed, reissued, or otherwise continued, and regardless of the year in which any claim accrued. The bond shall not be liable for any liability of the licensee for tortious acts, whether or not such liability is imposed by statute or common law, or is imposed by contract. The bond shall not be a substitute or supplemental to any liability or other insurance required by law or by the contract.

(6) If the surety desires to make payment without awaiting court action against it, the amount of the bond shall be reduced to the extent of any payment made by the surety in good faith under the bond. Any payment shall be based on final judgments received by the surety.

(7) Claims against the bond shall be satisfied from the bond in the following order:

(a) Claims by a purchaser of a fire protection sprinkler system for the breach of a contract for the licensee to install, inspect, maintain, or service a fire protection sprinkler system;

(b) Any court costs, interest, and attorneys' fees the plaintiff may be entitled to recover by contract, statute, or court rule.

A condition precedent to the surety being liable to any claimant is a final judgment against the licensee, unless the surety desires to make payment without awaiting court action. In the event of a dispute regarding the apportionment of the bond proceeds among claimants, the surety may bring an action for interpleader against all claimants upon the bond.

(8) Any purchaser of a fire protection sprinkler system having an unsatisfied final judgment against the licensee for the breach of a contract for the licensee to install, inspect, maintain, or service a fire protection sprinkler system may execute upon the security held by the director of fire protection by serving a certified copy of the unsatisfied final judgment by registered or certified mail upon the director within one year of the date of entry of such judgment. Upon the receipt of service of such certified copy the director shall pay or order paid from the deposit, through the registry of the court which rendered judgment, towards the amount of the unsatisfied judgment. The priority of payment by the director shall be the order of receipt by the director, but the director shall have no liability for payment in excess of the amount of the deposit. [1991 sp.s. c 6 § 1.]

**18.160.100 Unlicensed operations—Penalty.** Any fire protection sprinkler system contractor who constructs, installs, or maintains a fire protection sprinkler system in any occupancy, except an owner-occupied single-family dwelling, without first obtaining a fire sprinkler contractor's license from the state of Washington, is guilty of a gross misdemeanor. This section may not be construed to create any criminal liability for a prime contractor or an owner of an

occupancy unless it is proved that the prime contractor or owner had actual knowledge of an illegal construction, installation, or maintenance of a fire protection sprinkler system by a fire protection sprinkler system contractor. [1992 c 116 § 3.]

**Wrongful acts by contractor, criminal penalty:** RCW 9.45.260.

**18.160.110 Enforcement—Civil proceedings.** Civil proceedings to enforce this chapter may be brought by the attorney general or the prosecuting attorney of any county where a violation occurs on his or her own motion or at the request of the state director of fire protection. [1992 c 116 § 4.]

**18.160.900 Prospective application.** This chapter applies prospectively only and not retroactively. A municipal or county order, ordinance, rule, or regulation that is in effect as of May 1, 1991, is not invalid because of the provisions of this chapter. This chapter does not prohibit municipalities or counties from adopting stricter guidelines that will assure the proper installation of fire sprinkler systems within their jurisdictions. [1990 c 177 § 12.]

**18.160.901 Effective date—1990 c 177.** RCW 18.160.010 through 18.160.080 shall take effect May 1, 1991. [1990 c 177 § 13.]

**18.160.902 Severability—1990 c 177.** 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. [1990 c 177 § 14.]

**Chapter 18.165**

**PRIVATE INVESTIGATORS**

(Formerly: Private detectives)

Sections

- 18.165.010 Definitions.
- 18.165.020 Exemptions.
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- 18.165.280 License or certificate suspension—Nonpayment or default on educational loan or scholarship.
- 18.165.290 License suspension—Noncompliance with support order—Reissuance.
- 18.165.900 Severability—1991 c 328.
- 18.165.901 Severability—Effective date—1995 c 277.

**18.165.010 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Armed private investigator" means a private investigator who has a current firearms certificate issued by the commission and is licensed as an armed private investigator under this chapter.

(2) "Chief law enforcement officer" means the elected or appointed police administrator of a municipal, county, or state police or sheriff’s department that has full law enforcement powers in its jurisdiction.

(3) "Commission" means the criminal justice training commission established in chapter 43.101 RCW.

(4) "Department" means the department of licensing.

(5) "Director" means the director of the department of licensing.

(6) "Employer" includes any individual, firm, corporation, partnership, association, company, society, manager, contractor, subcontractor, bureau, agency, service, office, or an agent of any of the foregoing that employs or seeks to enter into an arrangement to employ any person as a private investigator.

(7) "Firearms certificate" means a certificate issued by the commission.

(8) "Forensic scientist" or "accident reconstructionist" means a person engaged exclusively in collecting and analyzing physical evidence and data relating to an accident or other matter and compiling such evidence or data to render an opinion of likely cause, fault, or circumstance of the accident or matter.

(9) "Person" includes any individual, firm, corporation, partnership, association, company, society, manager, contractor, subcontractor, bureau, agency, service, office, or an agent or employee of any of the foregoing.

(10) "Principal" of a private investigator agency means the owner or manager appointed by a corporation.

(11) "Private investigator" means a person who is licensed under this chapter and is employed by a private investigator agency for the purpose of investigation, escort or body guard services, or property loss prevention activities.

(12) "Private investigator agency" means a person or entity licensed under this chapter and engaged in the business of detecting, discovering, or revealing one or more of the following:

(a) Crime, criminals, or related information;

(b) The identity, habits, conduct, business, occupation, honesty, integrity, credibility, knowledge, trustworthiness, efficiency, loyalty, activity, movement, whereabouts, affiliations, associations, transactions, acts, reputation, or character of any person or thing;

(c) The location, disposition, or recovery of lost or stolen property;

(d) The cause or responsibility for fires, libels, losses, accidents, or damage or injury to persons or to property;

(e) Evidence to be used before a court, board, officer, or investigative committee;

(f) Detecting the presence of electronic eavesdropping devices; or

(g) The truth or falsity of a statement or representation.

(13) "Qualifying agent" means an officer or manager of a corporation who meets the requirements set forth in this chapter for obtaining a private investigator agency license.

(14) "Sworn peace officer" means a person who is an employee of the federal government, the state, or a political subdivision, agency, or department branch of a municipality or other unit of local government, and has law enforcement powers. [1995 c 277 § 17; 1991 c 328 § 1.]

**18.165.020 Exemptions.** The requirements of this chapter do not apply to:

(1) A person who is employed exclusively or regularly by one employer and performs investigations solely in connection with the affairs of that employer, if the employer is not a private investigator agency;

(2) An officer or employee of the United States or of this state or a political subdivision thereof, while engaged in the performance of the officer's official duties;

(3) A person engaged exclusively in the business of obtaining and furnishing information about the financial rating of persons;

(4) An attorney at law while performing the attorney's duties as an attorney;

(5) A licensed collection agency or its employee, while acting within the scope of that person's employment and making an investigation incidental to the business of the agency;

(6) Insurers, agents, and insurance brokers licensed by the state, while performing duties in connection with insurance transacted by them;

(7) A bank subject to the jurisdiction of the \*Washington state banking commission or the comptroller of currency of the United States, or a savings and loan association subject to the jurisdiction of this state or the federal home loan bank board;

(8) A licensed insurance adjuster performing the adjuster's duties within the scope of the adjuster's license;

(9) A secured creditor engaged in the repossession of the creditor's collateral, or a lessor engaged in the repossession of leased property in which it claims an interest;

(10) A person who is a forensic scientist, accident reconstructionist, or other person who performs similar functions and does not hold himself or herself out to be an investigator in any other capacity; or

(11) A person solely engaged in the business of securing information about persons or property from public records. [1995 c 277 § 18; 1991 c 328 § 2.]

**\*Reviser's note:** Powers, duties, and functions of the department of general administration relating to financial institutions were transferred to the department of financial institutions by 1993 c 472, effective October 1, 1993. See chapter 43.320 RCW.

**18.165.030 Private investigator license—Requirements.** An applicant must meet the following minimum requirements to obtain a private investigator license:

(1) Be at least eighteen years of age;

(2) Be a citizen or resident alien of the United States;

(3) Not have been convicted of a crime in any jurisdiction, if the director determines that the applicant's particular crime directly relates to his or her capacity to perform the duties of a private investigator and the director determines that the license should be withheld to protect the citizens of Washington state. The director shall make her or his determination to withhold a license because of previous convictions notwithstanding the restoration of employment rights act, chapter 9.96A RCW;

(4) Be employed by or have an employment offer from a private investigator agency or be licensed as a private investigator agency;

(5) Submit a set of fingerprints;

(6) Pay the required nonrefundable fee for each application; and

(7) Submit a fully completed application that includes proper identification on a form prescribed by the director for each company of employment. [1995 c 277 § 19; 1991 c 328 § 3.]

**18.165.040 Armed private investigator license—Requirements.** (1) An applicant must meet the following minimum requirements to obtain an armed private investigator license:

(a) Be licensed as a private investigator;

(b) Be at least twenty-one years of age;

(c) Have a current firearms certificate issued by the commission;

(d) Have a license to carry a concealed pistol; and

(e) Pay the fee established by the director.

(2) The armed private investigator license may take the form of an endorsement to the private investigator license if deemed appropriate by the director. [1995 c 277 § 21; 1991 c 328 § 4.]

**18.165.050 Private investigator agency license—Requirements, restrictions—Assignment or transfer.** (1) In addition to meeting the minimum requirements to obtain a license as a private investigator, an applicant, or, in the case of a partnership or limited partnership, each partner, or, in the case of a corporation, the qualifying agent must meet the following additional requirements to obtain a private investigator agency license:

(a) Pass an examination determined by the director to measure the person's knowledge and competence in the private investigator agency business; or

(b) Have had at least three years' experience in investigative work or its equivalent as determined by the director. A year's experience means not less than two thousand hours of actual compensated work performed before the filing of an application. An applicant shall substantiate the experience by written certifications from previous employers. If the applicant is unable to supply written certifications from previous employers, applicants may offer written certifications from professional persons other than employers who, based on personal professional knowledge, can substantiate the employment.

(2) An agency license issued pursuant to this section may not be assigned or transferred without prior written approval of the director.

(3) No license to own or operate a private investigator company may be issued to an applicant if the name of the company portrays the company as a public law enforcement agency, or in association with a public law enforcement agency, or includes the word "police." [1995 c 277 § 22; 1991 c 328 § 5.]

**18.165.060 Armed private investigator license authority—Registration of firearms.** (1) An armed private investigator license grants authority to the holder, while in the performance of his or her duties, to carry a firearm with which the holder has met the proficiency requirements established by the commission.

(2) All firearms carried by armed private investigators in the performance of their duties must be owned by the employer and, if required by law, must be registered with the proper government agency. [1995 c 277 § 23; 1991 c 328 § 6.]

**18.165.070 Investigation of applicants.** (1) Applications for licenses required under this chapter shall be filed with the director on a form provided by the director. The director may require any information and documentation that reasonably relates to the need to determine whether the applicant meets the criteria.

(2) After receipt of an application for a license, the director shall conduct an investigation to determine whether the facts set forth in the application are true and shall request that the Washington state patrol compare the fingerprints submitted with the application to fingerprint records available to the Washington state patrol. The Washington state patrol shall forward the fingerprints of applicants for an armed private investigator license to the federal bureau of investigation for a national criminal history records check. The director may require that fingerprint cards of licensees be periodically reprocessed to identify criminal convictions subsequent to registration.

(3) The director shall solicit comments from the chief law enforcement officer of the county and city or town in which the applicant's employer is located on issuance of a permanent private investigator license.

(4) A summary of the information acquired under this section, to the extent that it is public information, may be forwarded by the department to the applicant's employer. [1995 c 277 § 25; 1991 c 328 § 7.]

**18.165.080 License cards and certificates—Issuance and requirements.** (1) The director shall issue a private investigator license card to each licensed private investigator and an armed private investigator license card to each armed private investigator.

(a) The license card may not be used as security clearance.

(b) A private investigator shall carry the license card whenever he or she is performing the duties of a private investigator and shall exhibit the card upon request.

(c) An armed private investigator shall carry the license card whenever he or she is performing the duties of an armed private investigator and shall exhibit the card upon request.

(2) The director shall issue a license certificate to each licensed private investigator agency.

(a) Within seventy-two hours after receipt of the license certificate, the licensee shall post and display the certificate in a conspicuous place in the principal office of the licensee within the state.

(b) It is unlawful for any person holding a license certificate to knowingly and willfully post the license certificate upon premises other than those described in the license certificate or to materially alter a license certificate.

(c) Every advertisement by a licensee that solicits or advertises business shall contain the name of the licensee, the address of record, and the license number as they appear in the records of the director.

(d) The licensee shall notify the director within thirty days of any change in the licensee's officers or directors or any material change in the information furnished or required to be furnished to the director. [1995 c 277 § 26; 1991 c 328 § 8.]

**18.165.090 Preassignment training and testing.** (1) The director shall adopt rules establishing preassignment training and testing requirements. The director may establish, by rule, continuing education requirements for private investigators.

(2) The director shall consult with the private investigator industry and law enforcement before adopting or amending the preassignment training or continuing education requirements of this section. [1995 c 277 § 27; 1991 c 328 § 9.]

**18.165.100 Agency license—Surety bond or certificate of insurance required.** (1) No private investigator agency license may be issued under the provisions of this chapter unless the applicant files with the director a surety bond, executed by a surety company authorized to do business in this state, in the sum of ten thousand dollars conditioned to recover against the principal and its servants, officers, agents, and employees by reason of its wrongful or illegal acts in conducting business licensed under this chapter. The bond shall be made payable to the state of Washington, and anyone so injured by the principal or its servants, officers, agents, or employees shall have the right and shall be permitted to sue directly upon this obligation in his or her own name. This obligation shall be subject to successive suits for recovery until the face amount is completely exhausted.

(2) Every licensee must at all times maintain on file with the director the surety bond required by this section in full force and effect. Upon failure by a licensee to do so, the director shall suspend the licensee's license and shall not reinstate the license until this requirement is met.

(3) In lieu of posting bond, a licensed private investigator agency may file with the director a certificate of insurance as evidence that it has comprehensive general liability coverage of at least twenty-five thousand dollars for bodily or personal injury and twenty-five thousand dollars for property damage.

(4) The director may approve alternative methods of guaranteeing financial responsibility. [1995 c 277 § 28; 1991 c 328 § 10.]

**18.165.110 Regulatory provisions exclusive—Authority of the state and political subdivisions.** (1) The provisions of this chapter relating to the licensing for regulatory purposes of private investigators, armed private investigators, and private investigator agencies are exclusive. No governmental subdivision of this state may enact any laws or rules licensing for regulatory purposes such persons, except as provided in subsections (2) and (3) of this section.

(2) This section shall not be construed to prevent a political subdivision of this state from levying a business fee, business and occupation tax, or other tax upon private investigator agencies if such fees or taxes are levied by the state on other types of businesses within its boundaries.

(3) This section shall not be construed to prevent this state or a political subdivision of this state from licensing for regulatory purposes private investigator agencies with respect to activities that are not regulated under this chapter. [1995 c 277 § 29; 1991 c 328 § 11.]

**18.165.120 Out-of-state private investigators operating across state lines.** Private investigators or armed private investigators whose duties require them to operate across state lines may operate in this state for up to thirty days per year, if they are properly registered and certified in another state with training and certification requirements that the director finds are at least equal to the requirements of this state. [1995 c 277 § 30; 1991 c 328 § 12.]

**18.165.130 Required notice of certain occurrences.** (1) A private investigator agency shall notify the director within thirty days after the death or termination of employment of any employee who is a licensed private investigator or armed private investigator by returning the license to the department with the word ["terminated"] written across the face of the license, the date of termination, and the signature of the principal of the private investigator company.

(2) A private investigator agency shall notify the director within seventy-two hours and the chief law enforcement officer of the county, city, or town in which the agency is located immediately upon receipt of information affecting a licensed private investigator's or armed private investigator's continuing eligibility to hold a license under the provisions of this chapter.

(3) A private investigator company shall notify the local law enforcement agency whenever an employee who is an armed private investigator discharges his or her firearm

while on duty other than on a supervised firearm range. The notification shall be made within ten business days of the date the firearm is discharged. [1995 c 277 § 31; 1991 c 328 § 13.]

**18.165.140 Out-of-state private investigators—Application—Fee—Temporary assignment.** (1) Any person from another state that the director determines has selection, training, and other requirements at least equal to those required by this chapter, and who holds a valid license, registration, identification, or similar card issued by the other state, may apply for a private investigator license card or armed private investigator license card on a form prescribed by the director. Upon receipt of an application fee to be determined by the director, the director shall issue the individual a private investigator license card or armed private investigator license card.

(2) A valid license, registration, identification, or similar card issued by any other state of the United States is valid in this state for a period of ninety days, but only if the licensee is on temporary assignment for the same employer that employs the licensee in the state in which he or she is a permanent resident.

(3) A person from another state on temporary assignment in Washington may not solicit business in this state or represent himself or herself as licensed in this state. [1995 c 277 § 32; 1991 c 328 § 14.]

**18.165.150 Licenses required—Use of public law enforcement insignia prohibited—Penalties—Enforcement.** (1) After June 30, 1992, any person who performs the functions and duties of a private investigator in this state without being licensed in accordance with the provisions of this chapter, or any person presenting or attempting to use as his or her own the license of another, or any person who gives false or forged evidence of any kind to the director in obtaining a license, or any person who falsely impersonates any other licensee, or any person who attempts to use an expired or revoked license, or any person who violates any of the provisions of this chapter is guilty of a gross misdemeanor.

(2) After January 1, 1992, a person is guilty of a gross misdemeanor if he or she owns or operates a private investigator agency in this state without first obtaining a private investigator agency license.

(3) After June 30, 1992, the owner or qualifying agent of a private investigator agency is guilty of a gross misdemeanor if he or she employs any person to perform the duties of a private investigator without the employee having in his or her possession a permanent private investigator license issued by the department. This shall not preclude a private investigator agency from requiring applicants to attend preassignment training classes or from paying wages for attending the required preassignment training classes.

(4) After June 30, 1992, a person is guilty of a gross misdemeanor if he or she performs the functions and duties of an armed private investigator in this state unless the person holds a valid armed private investigator license issued by the department.

(5) After June 30, 1992, it is a gross misdemeanor for a private investigator agency to hire, contract with, or

otherwise engage the services of an unlicensed armed private investigator knowing that the private investigator does not have a valid armed private investigator license issued by the director.

(6) It is a gross misdemeanor for a person to possess or use any vehicle or equipment displaying the word "police" or "law enforcement officer" or having any sign, shield, marking, accessory, or insignia that indicates that the equipment or vehicle belongs to a public law enforcement agency.

(7) It is the duty of all officers of the state and political subdivisions thereof to enforce the provisions of this chapter. The attorney general shall act as legal adviser of the director, and render such legal assistance as may be necessary in carrying out the provisions of this chapter. [1995 c 277 § 33; 1991 c 328 § 15.]

**18.165.155 Transfer of license.** A licensee who transfers from one company to another must submit a transfer application on a form prescribed by the director along with a transfer fee established by the director. [1995 c 277 § 20.]

**18.165.160 Prohibited acts.** The following acts are prohibited and constitute grounds for disciplinary action, assessing administrative penalties, or denial, suspension, or revocation of any license under this chapter, as deemed appropriate by the director:

(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 or firearms certificate, including falsifying requested identification information;

(3) Not meeting the qualifications set forth in RCW 18.165.030, 18.165.040, or 18.165.050;

(4) Failing to return immediately on demand a firearm issued by an employer;

(5) Carrying a firearm in the performance of his or her duties if not the holder of a valid armed private investigator license, or carrying a firearm not meeting the provisions of this chapter while in the performance of his or her duties;

(6) Failing to return immediately on demand company identification, badges, or other items issued to the private investigator by an employer;

(7) Making any statement that would reasonably cause another person to believe that the private investigator is a sworn peace officer;

(8) Divulging confidential information obtained in the course of any investigation to which he or she was assigned;

(9) Acceptance of employment that is adverse to a client or former client and relates to a matter about which a licensee has obtained confidential information by reason of or in the course of the licensee's employment by the client;

(10) Conviction of a gross misdemeanor or felony or the commission of any act involving moral turpitude, dishonesty, or corruption whether the act constitutes a crime or not. If the act constitutes a crime, conviction in a criminal proceeding is not a condition precedent to disciplinary action. Upon such a 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 is 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;

(11) Advertising that is false, fraudulent, or misleading;

(12) Incompetence or negligence that results in injury to a person or that creates an unreasonable risk that a person may be harmed;

(13) 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;

(14) 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;

(15) Failure to comply with an order issued by the director or an assurance of discontinuance entered into with the director;

(16) Aiding or abetting an unlicensed person to practice if a license is required;

(17) Misrepresentation or fraud in any aspect of the conduct of the business or profession;

(18) Failure to adequately supervise employees to the extent that the public health or safety is at risk;

(19) Interference with an investigation or disciplinary proceeding by willful misrepresentation of facts before the director or the director's authorized representative, or by the 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;

(20) Assigning or transferring any license issued pursuant to the provisions of this chapter, except as provided in RCW 18.165.050;

(21) Assisting a client to locate, trace, or contact a person when the investigator knows that the client is prohibited by any court order from harassing or contacting the person whom the investigator is being asked to locate, trace, or contact, as it pertains to domestic violence, stalking, or minor children;

(22) Failure to maintain bond or insurance;

(23) Failure to have a qualifying principal in place; or

(24) Being certified as not in compliance with a support order or a residential or visitation order as provided in RCW 74.20A.320. [1997 c 58 § 835; 1995 c 277 § 34; 1991 c 328 § 16.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to

certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.165.165 Display of firearms while soliciting clients.** No licensee, employee or agent of a licensee, or anyone accompanying a licensee, employee, or agent may display a firearm while soliciting a client. [1995 c 277 § 24.]

**18.165.170 Authority of director.** The director has the following authority in administering this chapter:

(1) To adopt, amend, and rescind rules as deemed necessary to carry out this chapter;

(2) To issue subpoenas and administer oaths in connection with an investigation, hearing, or proceeding held under this chapter;

(3) 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;

(4) To compel attendance of witnesses at hearings;

(5) In the course of investigating a complaint or report of unprofessional conduct, to conduct practice reviews;

(6) To take emergency action ordering summary suspension of a license, or restriction or limitation of the licensee's practice pending proceedings by the director;

(7) To use 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 in the hearing;

(8) To enter into contracts for professional services determined to be necessary for adequate enforcement of this chapter;

(9) To adopt standards of professional conduct or practice;

(10) 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;

(11) 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. The applicant or license holder shall not be required to admit to any violation of the law, and the assurance shall not be construed as such an admission. Violation of an assurance under this subsection is grounds for disciplinary action;

(12) To designate individuals authorized to sign subpoenas and statements of charges;

(13) To employ such investigative, administrative, and clerical staff as necessary for the enforcement of this chapter;

(14) To compel attendance of witnesses at hearings; and

(15) To assess administrative penalties for violations of law, rules, or regulations. [1995 c 277 § 35; 1991 c 328 § 17.]

### **18.165.180 Complaints—Investigation—Immunity.**

A person, including but not limited to consumers, licensees, corporations, organizations, and state and local governmental agencies, may submit a written complaint to the department charging a license holder or applicant with unprofessional or unlawful 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 or unlawful conduct, the director shall investigate to determine if there has been unprofessional or unlawful 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. [1995 c 277 § 36; 1991 c 328 § 18.]

### **18.165.190 Violations—Statement of charges—Hearings.**

(1) If the director determines, upon investigation, that there is reason to believe a violation of this chapter has occurred, a statement of charges shall be prepared and served upon the license holder or applicant and notice of this action given to the owner or qualifying agent of the employing private investigator agency. The statement of charges shall be accompanied by a notice that the license holder or applicant may request a hearing to contest the charges. The license holder or applicant must file a request for hearing with the department within twenty days after being served the statement of charges. The failure to request a hearing constitutes a default, whereupon the director may enter an order pursuant to RCW 34.05.440.

(2) If a hearing is requested, the time of the hearing shall be scheduled but the hearing shall not be held earlier than thirty days after service of the charges upon the license holder or applicant. A notice of hearing shall be issued at least twenty days prior to the hearing, specifying the time, date, and place of the hearing. [1995 c 277 § 37; 1991 c 328 § 19.]

**18.165.200 Application of administrative procedure act to hearings.** The procedures governing adjudicative proceedings before agencies under chapter 34.05 RCW, the administrative procedure act, govern all hearings before the director. [1991 c 328 § 20.]

### **18.165.210 Inability to practice by reason of a mental or physical condition—Statement of charges—Hearing—Sanctions—Mental or physical examinations—Presumed consent for examination.**

(1) If the director believes a license holder or applicant may be unable to practice with reasonable skill and safety to the public by reason of any mental or physical condition, a statement of charges shall be served on the license holder or applicant and notice shall also be issued providing an opportunity for a hearing. The hearing shall be limited to the sole issue of the capacity of the license holder or applicant to practice with reasonable skill or safety. If the director determines that the license holder or applicant is unable to practice with reasonable skill and safety for one of the reasons stated in this subsection, the director shall impose such sanctions as are deemed necessary to protect the public.

(2) In investigating or adjudicating a complaint or report that a license holder or applicant may be unable to practice with reasonable skill or safety by reason of a mental or physical condition, the department may require a license holder or applicant to submit to a mental or physical examination by one or more licensed or certified health professionals designated by the director. The cost of the examinations ordered by the department shall be paid by the department. In addition to any examinations ordered by the department, the licensee may submit physical or mental examination reports from licensed or certified health professionals of the license holder's or applicant's choosing and expense. Failure of the license holder or applicant to submit to examination when directed constitutes grounds for immediate suspension or withholding of the license, consequent upon which a default and final order may be entered without the taking of testimony or presentations of evidence, unless the failure was due to circumstances beyond the person's control. A determination by a court of competent jurisdiction that a license holder or applicant is mentally incompetent or mentally ill is presumptive evidence of the license holder's or applicant's inability to practice with reasonable skill and safety. An individual affected under this section shall at reasonable intervals be afforded an opportunity to demonstrate that the individual can resume competent practice with reasonable skill and safety to the public.

(3) For the purpose of subsection (2) of this section, an applicant or license holder governed by this chapter, by making application, practicing, or filing a license renewal, is deemed to have given consent to submit to a mental, physical, or psychological examination if directed in writing by the department and further to have waived all objections to the admissibility or use of the examining health professional's testimony or examination reports by the director on the ground that the testimony or reports constitute hearsay or privileged communications. [1991 c 328 § 21.]

**18.165.220 Unprofessional, unlawful conduct or inability to practice—Penalties.** Upon a finding that a license holder or applicant has committed unprofessional or unlawful conduct or is unable to practice with reasonable skill and safety due to a physical or mental condition, 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) Requiring the satisfactory completion of a specific program of remedial education or treatment;
- (5) Monitoring of the practice by a supervisor approved by the director;
- (6) Censure or reprimand;
- (7) Compliance with conditions of probation for a designated period of time;
- (8) Withholding a license request;
- (9) Other corrective action;
- (10) Refund of fees billed to and collected from the consumer; or
- (11) Assessing administrative penalties.

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. [1995 c 277 § 38; 1991 c 328 § 22.]

**18.165.230 Enforcement of orders for payment of fines.** If an order for payment of a fine is made as a result of a hearing and timely payment is not made as directed in the final order, the director may enforce the order for payment in the superior court in the county in which the hearing was held. This right of enforcement shall be in addition to any other rights the director may have as to a licensee ordered to pay a fine but shall not be construed to limit a licensee's ability to seek judicial review.

In an action for enforcement of an order of payment of a fine, the director's order is conclusive proof of the validity of the order of payment of a fine and the terms of payment. [1991 c 328 § 23.]

**18.165.240 Unlicensed practice—Complaints—Director's authority—Injunctions—Penalty.** (1) The director shall investigate complaints concerning practice by unlicensed persons of a profession or business for which a license is required by this chapter. In the investigation of the complaints, the director shall have the same authority as provided the director under RCW 18.165.190. The director shall issue a cease and desist order to a person after notice and hearing and upon a determination that the person has violated this subsection. If the director makes a written finding of fact that the public interest will be irreparably harmed by delay in issuing an order, the director may issue a temporary cease and desist order. The cease and desist order shall not relieve the person practicing or operating a business without a license from criminal prosecution therefor, but the remedy of a cease and desist order shall be in addition to any criminal liability. The cease and desist order is conclusive proof of unlicensed practice and may be enforced under RCW 7.21.060. This method of enforcement of the cease and desist order may be used in addition to, or as an alternative to, any provisions for enforcement of agency orders.

(2) The attorney general, a county prosecuting attorney, the director, or any person may, in accordance with the law of this state governing injunctions, maintain an action in the name of this state to enjoin any person practicing a profession or business for which a license is required by this chapter without a license from engaging in such practice or operating such business until the required license is secured. However, the injunction shall not relieve the person practicing or operating a business without a license from criminal prosecution therefor, but the remedy by injunction shall be in addition to any criminal liability.

(3) Unlicensed practice of a profession or operating a business for which a license is required by this chapter, unless otherwise exempted by law, constitutes a gross misdemeanor. [1995 c 277 § 39; 1991 c 328 § 24.]

**18.165.250 Violation of injunction—Penalty.** A person or business that violates an injunction issued under this chapter shall pay a civil penalty, as determined by the

court, of not more than twenty-five thousand dollars, which shall be paid to the department. For the purpose of this section, the superior court issuing any injunction shall retain jurisdiction and the cause shall be continued, and in such cases the attorney general acting in the name of the state may petition for the recovery of civil penalties. [1991 c 328 § 25.]

**18.165.260 Immunity.** The director or individuals acting on the director's behalf 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. [1991 c 328 § 26.]

**18.165.270 Application of administrative procedure act to acts of the director.** The director, in implementing and administering the provisions of this chapter, shall act in accordance with the administrative procedure act, chapter 34.05 RCW. [1991 c 328 § 27.]

**18.165.280 License or certificate suspension—Nonpayment or default on educational loan or scholarship.** The director shall suspend the license or certificate of any person who has been certified by a lending agency and reported to the director for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's license or certificate shall not be reissued until the person provides the director a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for licensure or certification during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the director may impose. [1996 c 293 § 22.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.165.290 License suspension—Noncompliance with support order—Reissuance.** The director shall immediately suspend a license issued under this chapter if the holder 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 shall be automatic upon the director's receipt of a release issued by the department of social and health services stating that the person is in compliance with the order. [1997 c 58 § 836.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.165.900 Severability—1991 c 328.** 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. [1991 c 328 § 29.]

**18.165.901 Severability—Effective date—1995 c 277.** See RCW 18.170.901 and 18.170.902.

## Chapter 18.170 SECURITY GUARDS

### Sections

- 18.170.010 Definitions.
- 18.170.020 Exemptions.
- 18.170.030 Security guard license—Requirements.
- 18.170.040 Armed private security guard license—Requirements.
- 18.170.050 Armed private security guard license authority—Registration of firearms.
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- 18.170.230 Unprofessional conduct or inability to practice—Penalties.
- 18.170.240 Enforcement of orders for payment of fines.
- 18.170.250 Unlicensed practice—Complaints—Director's authority—Injunctions—Penalty.
- 18.170.260 Violation of injunction—Penalty.
- 18.170.270 Immunity.
- 18.170.280 Application of administrative procedure act to acts of the director.
- 18.170.900 Severability—1991 c 334.
- 18.170.901 Severability—1995 c 277.
- 18.170.902 Effective date—1995 c 277.

**18.170.010 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Armed private security guard" means a private security guard who has a current firearms certificate issued by the commission and is licensed as an armed private security guard under this chapter.

(2) "Armored vehicle guard" means a person who transports in an armored vehicle under armed guard, from one place to another place, valuables, jewelry, currency, documents, or any other item that requires secure delivery.

(3) "Burglar alarm response runner" means a person employed by a private security company to respond to burglar alarm system signals.

(4) "Burglar alarm system" means a device or an assembly of equipment and devices used to detect or signal unauthorized intrusion, movement, or exit at a protected premises, other than in a vehicle, to which police or private security guards are expected to respond.

(5) "Chief law enforcement officer" means the elected or appointed police administrator of a municipal, county, or state police or sheriff's department that has full law enforcement powers in its jurisdiction.

(6) "Commission" means the criminal justice training commission established in chapter 43.101 RCW.

(7) "Department" means the department of licensing.

(8) "Director" means the director of the department of licensing.

(9) "Employer" includes any individual, firm, corporation, partnership, association, company, society, manager, contractor, subcontractor, bureau, agency, service, office, or an agent of any of the foregoing that employs or seeks to enter into an arrangement to employ any person as a private security guard.

(10) "Firearms certificate" means the certificate issued by the commission.

(11) "Licensee" means a person granted a license required by this chapter.

(12) "Person" includes any individual, firm, corporation, partnership, association, company, society, manager, contractor, subcontractor, bureau, agency, service, office, or an agent or employee of any of the foregoing.

(13) "Principal corporate officer" means the president, vice-president, treasurer, secretary, comptroller, or any other person who performs the same functions for the corporation as performed by these officers.

(14) "Private security company" means a person or entity licensed under this chapter and engaged in the business of providing the services of private security guards on a contractual basis.

(15) "Private security guard" means an individual who is licensed under this chapter and principally employed as or typically referred to as one of the following:

- (a) Security officer or guard;
- (b) Patrol or merchant patrol service officer or guard;
- (c) Armed escort or bodyguard;
- (d) Armored vehicle guard;
- (e) Burglar alarm response runner; or
- (f) Crowd control officer or guard.

(16) "Qualifying agent" means an officer or manager of a corporation who meets the requirements set forth in this

chapter for obtaining a license to own or operate a private security company.

(17) "Sworn peace officer" means a person who is an employee of the federal government, the state, a political subdivision, agency, or department branch of a municipality, or other unit of local government, and has law enforcement powers. [1991 c 334 § 1.]

**18.170.020 Exemptions.** The requirements of this chapter do not apply to:

(1) A person who is employed exclusively or regularly by one employer and performs the functions of a private security guard solely in connection with the affairs of that employer, if the employer is not a private security company;

(2) A sworn peace officer while engaged in the performance of the officer's official duties; or

(3) A sworn peace officer while employed by any person to engage in off-duty employment as a private security guard, but only if the employment is approved by the chief law enforcement officer of the jurisdiction where the employment takes place and the sworn peace officer does not employ, contract with, or broker for profit other persons to assist him or her in performing the duties related to his or her private employer. [1991 c 334 § 2.]

**18.170.030 Security guard license—Requirements.** An applicant must meet the following minimum requirements to obtain a private security guard license:

(1) Be at least eighteen years of age;

(2) Be a citizen of the United States or a resident alien;

(3) Not have been convicted of a crime in any jurisdiction, if the director determines that the applicant's particular crime directly relates to his or her capacity to perform the duties of a private security guard, and the director determines that the license should be withheld to protect the citizens of Washington state. The director shall make her or his determination to withhold a license because of previous convictions notwithstanding the restoration of employment rights act, chapter 9.96A RCW;

(4) Be employed by or have an employment offer from a licensed private security company or be licensed as a private security company;

(5) Satisfy the training requirements established by the director;

(6) Submit a set of fingerprints;

(7) Pay the required nonrefundable fee for each application; and

(8) Submit a fully completed application that includes proper identification on a form prescribed by the director for each company of employment. [1995 c 277 § 1; 1991 c 334 § 3.]

**18.170.040 Armed private security guard license—Requirements.** (1) An applicant must meet the following minimum requirements to obtain an armed private security guard license:

(a) Be licensed as a private security guard;

(b) Be at least twenty-one years of age;

(c) Have a current firearms certificate issued by the commission; and

(d) Pay the fee established by the director.

(2) An armed private security guard license may take the form of an endorsement to the security guard license if deemed appropriate by the director. [1991 c 334 § 4.]

**18.170.050 Armed private security guard license authority—Registration of firearms.** (1) An armed private security guard license grants authority to the holder, while in the performance of his or her duties, to carry a firearm with which the holder has met the proficiency requirements established by the commission.

(2) All firearms carried by armed private security guards in the performance of their duties must be owned or leased by the employer and, if required by law, must be registered with the proper government agency. [1991 c 334 § 5.]

**18.170.060 Private security company license—Requirements, restrictions—Qualifying agent—Assignment or transfer of license.** (1) In addition to meeting the minimum requirements to obtain a license as a private security guard, an applicant, or, in the case of a partnership, each partner, or, in the case of a corporation, the qualifying agent must meet the following requirements to obtain a license to own or operate a private security company:

(a) Possess three years' experience as a manager, supervisor, or administrator in the private security business or a related field approved by the director, or be at least twenty-one years of age and pass an examination determined by the director to measure the person's knowledge and competence in the private security business;

(b) Meet the insurance requirements of this chapter; and

(c) Pay any additional fees established by the director.

(2) If the qualifying agent upon whom the licensee relies to comply with subsection (1) of this section ceases to perform his or her duties on a regular basis, the licensee must promptly notify the director by certified or registered mail. Within sixty days of sending notification to the director, the licensee must obtain a substitute qualifying agent who meets the requirements of this section. The director may extend the period for obtaining a substitute qualifying agent.

(3) A company license issued pursuant to this section may not be assigned or transferred without prior written approval of the director.

(4) No license to own or operate a private security guard company may be issued to an applicant if the name of the company portrays the company as a public law enforcement agency, or in association with a public law enforcement agency, or includes the word "police." [1995 c 277 § 4; 1991 c 334 § 6.]

**18.170.070 License cards and certificates—Issuance and requirements.** (1) The director shall issue a private security guard license card to each licensed private security guard and an armed private security guard license card to each armed private security guard.

(a) The license card may not be used as security clearance.

(b) A private security guard shall carry the license card whenever he or she is performing the duties of a private security guard and shall exhibit the card upon request.

(c) An armed private security guard shall carry the license card whenever he or she is performing the duties of an armed private security guard and shall exhibit the card upon request.

(2) The director shall issue a license certificate to each licensed private security company.

(a) Within seventy-two hours after receipt of the license certificate, the licensee shall post and display the certificate in a conspicuous place in the principal office of the licensee within the state.

(b) It is unlawful for any person holding a license certificate to knowingly and willfully post the license certificate upon premises other than those described in the license certificate or to materially alter a license certificate.

(c) Every advertisement by a licensee that solicits or advertises business shall contain the name of the licensee, the address of record, and the license number as they appear in the records of the director.

(d) The licensee shall notify the director within thirty days of any change in the licensee's officers or directors or any material change in the information furnished or required to be furnished to the director. [1995 c 277 § 5; 1991 c 334 § 7.]

**18.170.080 Licensed private security companies—Certificate of insurance required.** A licensed private security company shall file and maintain with the director a certificate of insurance as evidence that it has comprehensive general liability coverage of at least twenty-five thousand dollars for bodily or personal injury and twenty-five thousand dollars for property damage. [1991 c 334 § 8.]

**18.170.090 Temporary registration cards—Requirements—Expiration—Suspension.** (1) A licensed private security company may issue an employee a temporary registration card of the type and form provided by the director, but only after the employee has completed preassignment training and submitted a full and complete application for a private security guard license to the department. The application must be mailed to the department within three business days after issuance of the temporary registration card. The temporary registration card is valid for a maximum period of sixty days and does not authorize a person to carry firearms during the performance of his or her duties as a private security guard. The temporary registration card permits the applicant to perform the duties of a private security guard for the issuing licensee.

(2) Upon expiration of a temporary registration card or upon the receipt of a permanent registration card or notification from the department that a permanent license is being withheld from an applicant, the applicant shall surrender his or her temporary registration card to the licensee.

(3) The director may suspend the authority to use temporary registration cards for a period of one year for any private security guard company that fails to comply with the provisions of this section. After the suspension period, the director may reinstate the company's use of temporary

registration cards after receipt of a written request from the company. [1995 c 277 § 6; 1991 c 334 § 9.]

**18.170.100 Preassignment training and testing.** (1) The director shall adopt rules establishing preassignment training and testing requirements, which shall include a minimum of four hours of classes. The director may establish, by rule, continuing education requirements for private security guards.

(2) The director shall consult with the private security industry and law enforcement before adopting or amending the preassignment training or continuing education requirements of this section. [1995 c 277 § 7; 1991 c 334 § 10.]

**18.170.110 Required notice of certain occurrences.**

(1) A private security company shall notify the director within thirty days after the death or termination of employment of any employee who is a licensed private security guard or armed private security guard by returning the license to the department with the word [""]terminated[""] written across the face of the license, the date of termination, and the signature of the principal or the principal's designee of the private security guard company.

(2) A private security company shall notify the department within seventy-two hours and the chief law enforcement officer of the county, city, or town in which the private security guard or armed private security guard was last employed immediately upon receipt of information affecting his or her continuing eligibility to hold a license under the provisions of this chapter.

(3) A private security guard company shall notify the local law enforcement agency whenever an employee who is an armed private security guard discharges his or her firearm while on duty other than on a supervised firearm range. The notification shall be made within ten business days of the date the firearm is discharged. [1995 c 277 § 8; 1991 c 334 § 11.]

**18.170.120 Out-of-state licensees—Application—Fee—Temporary assignment.**

(1) Any person from another state that the director determines has selection, training, and other requirements at least equal to those required by this chapter, and who holds a valid license, registration, identification, or similar card issued by the other state, may apply for a private security guard license card or armed private security guard license card on a form prescribed by the director. Upon receipt of a processing fee to be determined by the director, the director shall issue the individual a private security guard license card or armed private security guard license card.

(2) A valid private security guard license, registration, identification, or similar card issued by any other state of the United States is valid in this state for a period of ninety days, but only if the licensee is on temporary assignment as a private security guard for the same employer that employs the licensee in the state in which he or she is a permanent resident.

(3) A person from another state on temporary assignment in Washington may not solicit business in this state or represent himself or herself as licensed in this state. [1995 c 277 § 9; 1991 c 334 § 12.]

**18.170.130 Investigation of applicants.** (1) Applications for licenses required under this chapter shall be filed with the director on a form provided by the director. The director may require any information and documentation that reasonably relates to the need to determine whether the applicant meets the criteria.

(2) After receipt of an application for a license, the director shall conduct an investigation to determine whether the facts set forth in the application are true and shall request that the Washington state patrol compare the fingerprints submitted with the application to fingerprint records available to the Washington state patrol. The Washington state patrol shall forward the fingerprints of applicants for an armed private security guard license to the Federal Bureau of Investigation for a national criminal history records check. The director may require that fingerprint cards of licensees be periodically reprocessed to identify criminal convictions subsequent to registration.

(3) The director shall solicit comments from the chief law enforcement officer of the county and city or town in which the applicant's employer is located on issuance of a permanent private security guard license.

(4) A summary of the information acquired under this section, to the extent that it is public information, shall be forwarded by the department to the applicant's employer. [1995 c 277 § 10; 1991 c 334 § 13.]

**18.170.140 Regulatory provisions exclusive—Authority of the state and political subdivisions.** (1) The provisions of this chapter relating to the licensing for regulatory purposes of private security guards, armed private security guards, and private security companies are exclusive. No governmental subdivision of this state may enact any laws or rules licensing for regulatory purposes such persons, except as provided in subsections (2) and (3) of this section.

(2) This section shall not be construed to prevent a political subdivision of this state from levying a business license fee, business and occupation tax, or other tax upon private security companies if such fees or taxes are levied on other types of businesses within its boundaries.

(3) This section shall not be construed to prevent this state or a political subdivision of this state from licensing or regulating private security companies with respect to activities performed or offered that are not of a security nature. [1991 c 334 § 14.]

**18.170.150 Out-of-state private security guards operating across state lines.** Private security guards or armed private security guards whose duties require them to operate across state lines may operate in this state if they are properly registered and certified in another state with training, insurance, and certification requirements that the director finds are at least equal to the requirements of this state. [1991 c 334 § 15.]

**18.170.160 Licenses required—Use of public law enforcement insignia prohibited—Penalties—Enforcement.** (1) After June 30, 1992, any person who performs the functions and duties of a private security guard in this state without being licensed in accordance with this

chapter, or any person presenting or attempting to use as his or her own the license of another, or any person who gives false or forged evidence of any kind to the director in obtaining a license, or any person who falsely impersonates any other licensee, or any person who attempts to use an expired or revoked license, or any person who violates any of the provisions of this chapter is guilty of a gross misdemeanor.

(2) After January 1, 1992, a person is guilty of a gross misdemeanor if he or she owns or operates a private security company in this state without first obtaining a private security company license.

(3) After June 30, 1992, the owner or qualifying agent of a private security company is guilty of a gross misdemeanor if he or she employs an unlicensed person to perform the duties of a private security guard without issuing the employee a valid temporary registration card if the employee does not have in his or her possession a permanent private security guard license issued by the department. This subsection does not preclude a private security company from requiring applicants to attend preassignment training classes or from paying wages for attending the required preassignment training classes.

(4) After June 30, 1992, a person is guilty of a gross misdemeanor if he or she performs the functions and duties of an armed private security guard in this state unless the person holds a valid armed private security guard license issued by the department.

(5) After June 30, 1992, it is a gross misdemeanor for a private security company to hire, contract with, or otherwise engage the services of an unlicensed armed private security guard knowing that he or she does not have a valid armed private security guard license issued by the director.

(6) It is a gross misdemeanor for a person to possess or use any vehicle or equipment displaying the word "police" or "law enforcement officer" or having any sign, shield, marking, accessory, or insignia that indicates that the equipment or vehicle belongs to a public law enforcement agency.

(7) It is a gross misdemeanor for any person who performs the functions and duties of a private security guard to use any name that includes the word "police" or "law enforcement" or that portrays the individual or a business as a public law enforcement agency.

(8) It is the duty of all officers of the state and political subdivisions thereof to enforce the provisions of this chapter. The attorney general shall act as legal adviser of the director, and render such legal assistance as may be necessary in carrying out the provisions of this chapter. [1995 c 277 § 11; 1991 c 334 § 16.]

**18.170.163 License or certificate suspension—Nonpayment or default on educational loan or scholarship.** The director shall suspend the license or certificate of any person who has been certified by a lending agency and reported to the director for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally

or state-guaranteed educational loan or service-conditional scholarship. The person's license or certificate shall not be reissued until the person provides the director a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for licensure or certification during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the director may impose. [1996 c 293 § 23.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.170.164 License suspension—Noncompliance with support order—Reissuance.** The director shall immediately suspend any license issued under this chapter if the holder 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 shall be automatic upon the director's receipt of a release issued by the department of social and health services stating that the person is in compliance with the order. [1997 c 58 § 838.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.170.165 Transfer of license.** A licensee who transfers from one company to another must submit a transfer application on a form prescribed by the director along with a transfer fee established by the director. [1995 c 277 § 2.]

**18.170.170 Prohibited acts.** In addition to the provisions of RCW 18.170.164, the following acts are prohibited and constitute grounds for disciplinary action, assessing administrative penalties, or denial, suspension, or revocation of any license under this chapter, as deemed appropriate by the director:

(1) Knowingly violating any of the provisions of this chapter or the rules adopted under this chapter;

(2) Practicing fraud, deceit, or misrepresentation in any of the private security activities covered by this chapter;

(3) Knowingly making a material misstatement or omission in the application for a license or firearms certificate;

(4) Not meeting the qualifications set forth in RCW 18.170.030, 18.170.040, or 18.170.060;

(5) Failing to return immediately on demand a firearm issued by an employer;

(6) Carrying a firearm in the performance of his or her duties if not the holder of a valid armed private security guard license, or carrying a firearm not meeting the provisions of this chapter while in the performance of his or her duties;

(7) Failing to return immediately on demand any uniform, badge, or other item of equipment issued to the private security guard by an employer;

(8) Making any statement that would reasonably cause another person to believe that the private security guard is a sworn peace officer;

(9) Divulging confidential information that may compromise the security of any premises, or valuables shipment, or any activity of a client to which he or she was assigned;

(10) Conviction of a gross misdemeanor or felony or the commission of any act involving moral turpitude, dishonesty, or corruption whether the act constitutes a crime or not. If the act constitutes a crime, conviction in a criminal proceeding is not a condition precedent to disciplinary action. Upon such a 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 is 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;

(11) Misrepresentation or concealment of a material fact in obtaining a license or in reinstatement thereof;

(12) Advertising that is false, fraudulent, or misleading;

(13) Incompetence or negligence that results in injury to a person or that creates an unreasonable risk that a person may be harmed;

(14) 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;

(15) 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;

(16) Failure to comply with an order issued by the director or an assurance of discontinuance entered into with the disciplining authority;

(17) Aiding or abetting an unlicensed person to practice if a license is required;

(18) Misrepresentation or fraud in any aspect of the conduct of the business or profession;

(19) Failure to adequately supervise employees to the extent that the public health or safety is at risk;

(20) Interference with an investigation or disciplinary proceeding by willful misrepresentation of facts before the

director or the director's authorized representative, or by the use of threats or harassment against a client or witness to prevent them from providing evidence in a disciplinary proceeding or any other legal action;

(21) Assigning or transferring any license issued pursuant to the provisions of this chapter, except as provided in RCW 18.170.060;

(22) Failure to maintain insurance; and

(23) Failure to have a qualifying principal in place. [1997 c 58 § 837; 1995 c 277 § 12; 1991 c 334 § 17.]

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.170.175 Display of firearms while soliciting clients.** No licensee, employee or agent of a licensee, or anyone accompanying a licensee, employee, or agent may display a firearm while soliciting a client. [1995 c 277 § 3.]

**18.170.180 Authority of director.** The director has the following authority in administering this chapter:

(1) To adopt, amend, and rescind rules as deemed necessary to carry out this chapter;

(2) To issue subpoenas and administer oaths in connection with an investigation, hearing, or proceeding held under this chapter;

(3) 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;

(4) To compel attendance of witnesses at hearings;

(5) In the course of investigating a complaint or report of unprofessional conduct, to conduct practice reviews;

(6) To take emergency action ordering summary suspension of a license, or restriction or limitation of the licensee's practice pending proceedings by the director;

(7) To use 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 in the hearing;

(8) To enter into contracts for professional services determined to be necessary for adequate enforcement of this chapter;

(9) To adopt standards of professional conduct or practice;

(10) 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;

(11) 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. The applicant or license holder shall not be required to admit to any violation of the law, and the assurance shall not be construed as such an admission. Violation of an assurance under this subsection is grounds for disciplinary action;

(12) To designate individuals authorized to sign subpoenas and statements of charges;

(13) To employ such investigative, administrative, and clerical staff as necessary for the enforcement of this chapter; and

(14) To compel the attendance of witnesses at hearings. [1991 c 334 § 18.]

**18.170.190 Complaints—Investigation—Immunity.**

A person, including but not limited to consumers, licensees, corporations, organizations, and state and local governmental agencies, may submit a written complaint to the department charging a license holder or applicant with unprofessional or unlawful conduct and specifying the grounds for this 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 or unlawful conduct, the director shall investigate to determine if there has been unprofessional or unlawful 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. [1995 c 277 § 14; 1991 c 334 § 19.]

**18.170.200 Violations—Statement of charges—Hearings.**

(1) If the director determines, upon investigation, that there is reason to believe a violation of this chapter has occurred, a statement of charges shall be prepared and served upon the license holder or applicant and notice of this action given to the owner or qualifying agent of the employing private security company. The statement of charges shall be accompanied by a notice that the license holder or applicant may request a hearing to contest the charges. The license holder or applicant must file a request for hearing with the department within twenty days after being served the statement of charges. The failure to request a hearing constitutes a default, whereupon the director may enter an order pursuant to RCW 34.05.440.

(2) If a hearing is requested, the time of the hearing shall be scheduled but the hearing shall not be held earlier than thirty days after service of the charges upon the license holder or applicant. A notice of hearing shall be issued at least twenty days prior to the hearing, specifying the time, date, and place of the hearing. [1991 c 334 § 20.]

**18.170.210 Application of administrative procedure act to hearings.** The procedures governing adjudicative proceedings before agencies under chapter 34.05 RCW, the administrative procedure act, govern all hearings before the director. [1991 c 334 § 21.]

**18.170.220 Inability to practice by reason of a mental or physical condition—Statement of charges—Hearing—Sanctions—Examinations—Presumed consent.**

(1) If the director believes a license holder or applicant may be unable to practice with reasonable skill and safety to the public by reason of a mental or physical condition, a statement of charges shall be served on the license holder or applicant and notice shall also be issued providing an opportunity for a hearing. The hearing shall be limited to the sole issue of the capacity of the license holder or applicant to practice with reasonable skill or safety. If the director determines that the license holder or applicant is

unable to practice with reasonable skill and safety for one of the reasons stated in this subsection, the director shall impose such sanctions as are deemed necessary to protect the public.

(2) In investigating or adjudicating a complaint or report that a license holder or applicant may be unable to practice with reasonable skill or safety by reason of a mental or physical condition, the department may require a license holder or applicant to submit to a mental or physical examination by one or more licensed or certified health professionals designated by the director. The cost of the examinations ordered by the department shall be paid by the department. In addition to any examinations ordered by the department, the licensee may submit physical or mental examination reports from licensed or certified health professionals of the license holder's or applicant's choosing and expense. Failure of the license holder or applicant to submit to examination when directed constitutes grounds for immediate suspension or withholding of the license, consequent upon which a default and final order may be entered without the taking of testimony or presentations of evidence, unless the failure was due to circumstances beyond the person's control. A determination by a court of competent jurisdiction that a license holder or applicant is mentally incompetent or mentally ill is presumptive evidence of the license holder's or applicant's inability to practice with reasonable skill and safety. An individual affected under this section shall at reasonable intervals be afforded an opportunity to demonstrate that the individual can resume competent practice with reasonable skill and safety to the public.

(3) For the purpose of subsection (2) of this section, an applicant or license holder governed by this chapter, by making application, practicing, or filing a license renewal, is deemed to have given consent to submit to a mental, physical, or psychological examination if directed in writing by the department and further to have waived all objections to the admissibility or use of the examining health professional's testimony or examination reports by the director on the ground that the testimony or reports constitute hearsay or privileged communications. [1991 c 334 § 22.]

**18.170.230 Unprofessional conduct or inability to practice—Penalties.** Upon a finding that a license holder or applicant has committed unprofessional conduct or is unable to practice with reasonable skill and safety due to a physical or mental condition, 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) Requiring the satisfactory completion of a specific program of remedial education or treatment;
- (5) Monitoring of the practice by a supervisor approved by the director;
- (6) Censure or reprimand;
- (7) Compliance with conditions of probation for a designated period of time;
- (8) Withholding a license request;
- (9) Other corrective action;

(10) Refund of fees billed to and collected from the consumer; or

(11) The assessment of administrative penalties.

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. [1995 c 277 § 15; 1991 c 334 § 23.]

**18.170.240 Enforcement of orders for payment of fines.** If an order for payment of a fine is made as a result of a hearing and timely payment is not made as directed in the final order, the director may enforce the order for payment in the superior court in the county in which the hearing was held. This right of enforcement shall be in addition to any other rights the director may have as to a licensee ordered to pay a fine but shall not be construed to limit a licensee's ability to seek judicial review.

In an action for enforcement of an order of payment of a fine, the director's order is conclusive proof of the validity of the order of payment of a fine and the terms of payment. [1991 c 334 § 24.]

**18.170.250 Unlicensed practice—Complaints—Director's authority—Injunctions—Penalty.** (1) The director shall investigate complaints concerning practice by unlicensed persons of a profession or business for which a license is required by this chapter. In the investigation of the complaints, the director shall have the same authority as provided the director under RCW 18.170.190. The director shall issue a cease and desist order to a person after notice and hearing and upon a determination that the person has violated this subsection. If the director makes a written finding of fact that the public interest will be irreparably harmed by delay in issuing an order, the director may issue a temporary cease and desist order. The cease and desist order shall not relieve the person practicing or operating a business without a license from criminal prosecution therefor, but the remedy of a cease and desist order shall be in addition to any criminal liability. The cease and desist order is conclusive proof of unlicensed practice and may be enforced under RCW 7.21.060. This method of enforcement of the cease and desist order may be used in addition to, or as an alternative to, any provisions for enforcement of agency orders.

(2) The attorney general, a county prosecuting attorney, the director, or any person may, in accordance with the law of this state governing injunctions, maintain an action in the name of this state to enjoin any person practicing a profession or business for which a license is required by this chapter without a license from engaging in such practice or operating such business until the required license is secured. However, the injunction shall not relieve the person practicing or operating a business without a license from criminal prosecution therefor, but the remedy by injunction shall be in addition to any criminal liability.

(3) Unlicensed practice of a profession or operating a business for which a license is required by this chapter, unless otherwise exempted by law, constitutes a gross misdemeanor. [1995 c 277 § 16; 1991 c 334 § 25.]

**18.170.260 Violation of injunction—Penalty.** A person or business that violates an injunction issued under this chapter shall pay a civil penalty, as determined by the court, of not more than twenty-five thousand dollars, which shall be paid to the department. For the purpose of this section, the superior court issuing any injunction shall retain jurisdiction and the cause shall be continued, and in such cases the attorney general acting in the name of the state may petition for the recovery of civil penalties. [1991 c 334 § 26.]

**18.170.270 Immunity.** The director or individuals acting on the director's behalf 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. [1991 c 334 § 27.]

**18.170.280 Application of administrative procedure act to acts of the director.** The director, in implementing and administering the provisions of this chapter, shall act in accordance with the administrative procedure act, chapter 34.05 RCW. [1991 c 334 § 28.]

**18.170.900 Severability—1991 c 334.** 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. [1991 c 334 § 30.]

**18.170.901 Severability—1995 c 277.** 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. [1995 c 277 § 40.]

**18.170.902 Effective date—1995 c 277.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [May 9, 1995]. [1995 c 277 § 41.]

## Chapter 18.175 ATHLETE AGENTS

### Sections

- 18.175.010 Findings.
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**18.175.010 Findings.** The legislature finds it necessary to regulate the practice of athlete agents and athlete

agent firms to protect the public health, safety, and welfare. The public has a right to be kept informed about the role of athlete agents. The purpose of this chapter is to help ensure that public information is available and that the integrity of interscholastic athletics is preserved. [1991 c 236 § 1.]

**18.175.020 Athlete agents and athlete agent firms—Certificate of registration required—Violations.** (1) It is a violation of this chapter for a person to practice or represent himself or herself as an athlete agent or athlete agent firm without a certificate of registration as an athlete agent or athlete agent firm.

(2) It is a violation of this chapter for a person other than a registered athlete agent or an employee or representative of a professional sport team to directly or indirectly solicit an individual to enter into an agent contract or professional sport services contract or procure, offer, promise, or attempt to obtain employment for an individual with a professional sport team or as a professional athlete. [1991 c 236 § 2.]

**18.175.025 Certificate of registration suspension—Nonpayment or default on educational loan or scholarship.** The director shall suspend the certificate of registration of any person who has been certified by a lending agency and reported to the director for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's certificate of registration shall not be reissued until the person provides the director a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for certification of registration during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the director may impose. [1996 c 293 § 24.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.175.027 Certificate of registration suspension—Noncompliance with support order—Reissuance.** The director shall immediately suspend a certificate of registration issued under this chapter if the holder 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 certification during the suspension, reissuance of the certificate shall be automatic upon the director's receipt of a release issued by the department of social and health services stating that the person is in compliance with the order. [1997 c 58 § 839.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to

certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.175.030 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Department" means the department of licensing.

(2) "Director" means the director of licensing.

(3) "Athlete agent" means an individual registered under this chapter.

(4) "Athlete agent firm" means a sole proprietorship, partnership, association, corporation, or other entity that employs one or more individuals to act as an athlete agent on behalf of the entity.

(5) "Agent contract" means a contract or agreement pursuant to which a person authorizes or empowers an athlete agent to negotiate or solicit on behalf of the person with one or more professional sport teams for the employment of the person by a professional sport team or to negotiate or solicit on behalf of the person for the employment of the person as a professional athlete.

(6) "Institution of higher education" means a public or private college or university in this state.

(7) "Professional athlete" means a person who is under contract to a professional sports team and is no longer enrolled in an institution of higher education as an undergraduate student.

(8) "Professional sport services contract" means a contract or agreement pursuant to which a person is employed or agrees to render services as a player on a professional sport team or as a professional athlete.

(9) "Student athlete" means a person who engages in, is eligible to engage in, or may be eligible to engage in any intercollegiate sporting event, contest, exhibition, or program in this state. The term also includes an individual who has applied for enrollment to an institution of higher education. A person ceases to be a "student athlete" as soon as his or her collegiate eligibility in the sport in which he or she is under scholarship has expired. [1991 c 236 § 3.]

**18.175.040 Exemptions.** The registration provisions of this chapter do not apply to a person:

(1) Who is related to the student athlete by blood or marriage;

(2) Who represents or advises no more than one student athlete in any given year; or

(3) Who represents only professional athletes. [1991 c 236 § 4.]

**18.175.050 Authority of director.** In addition to any other authority provided by law, the director may:

(1) Adopt rules in accordance with chapter 34.05 RCW as necessary to implement this chapter;

(2) Establish forms and procedures as necessary to administer this chapter;

(3) Register applicants;

(4) Hire clerical, administrative, and investigative staff as needed to implement and administer this chapter;

(5) Maintain the official departmental record of all applicants and registrants; and

(6) Set all registration, renewal, and late renewal fees in accordance with RCW 43.24.086. [1991 c 236 § 5.]

**18.175.060 Disclosure statements.** (1) An athlete agent shall file with the department a disclosure statement which contains all of the following:

(a) The educational background, training, and experience of the athlete agent with respect to practice as an athlete agent;

(b) The business name and address of each athlete agent firm represented by the athlete agent;

(c) A record of all felony convictions, or misdemeanor convictions punishable by imprisonment, of the athlete agent and each owner, partner, officer, or shareholder of ten percent or more of the stock of the athlete agent firm represented by the athlete agent; and

(d) A record of any sanctions issued to or disciplinary actions taken against the athlete agent, the athlete agent firm, or any athlete, professional sport team, or institution of higher education as a result of the conduct of the athlete agent or the athlete agent firm.

(2) An athlete agent shall file an updated disclosure statement with the department within thirty days of a change in the information required under subsection (1) (b), (c), or (d) of this section.

(3) Before entering into negotiations for an agent contract, an athlete agent shall give to the prospective client a copy of the current disclosure statement on file with the department.

(4) The department shall make disclosure statements available to the public for inspection and copying. [1991 c 236 § 6.]

**18.175.070 Penalties.** (1) It is a gross misdemeanor punishable according to chapter 9A.20 RCW for an athlete agent, athlete agent firm, or any person exempt under RCW 18.175.040 to:

(a) Induce a student athlete to enter into an agent contract or professional sport services contract; or

(b) Enter into an agreement whereby the athletic agent offers anything of value to an employee of an institution of higher education in return for the referral of a student athlete by that employee.

(2) It is a class C felony punishable according to chapter 9A.20 RCW for an athlete agent, athlete agent firm, or any person exempt under RCW 18.175.040 to offer money or any valuable consideration to a student athlete to induce the student athlete to enter into a professional sports services contract. [1991 c 236 § 7.]

**18.175.080 Application of consumer protection act.** The regulation of athlete agents is a matter affecting the public interest for the purpose of applying chapter 19.86 RCW. Activities of athlete agents prohibited under this chapter are not reasonable in relation to the development and preservation of business. A violation of this chapter constitutes an unfair or deceptive act or practice in trade or

commerce for the purpose of applying chapter 19.86 RCW. [1991 c 236 § 8.]

## Chapter 18.180 PROCESS SERVERS

### Sections

18.180.010 Registration—Exceptions.

18.180.020 Registration renewal.

18.180.030 Identification of process server on proof of service.

18.180.040 Collection of costs of service—Application.

18.180.050 Registration suspension—Nonpayment or default on educational loan or scholarship.

18.180.900 Construction—1992 c 125.

**18.180.010 Registration—Exceptions.** (1) A person who serves legal process for a fee in the state of Washington shall register as a process server with the auditor of the county in which the process server resides or operates his or her principal place of business.

(2) The requirement to register under subsection (1) of this section does not apply to any of the following persons:

(a) A sheriff, deputy sheriff, marshal, constable, or government employee who is acting in the course of employment;

(b) An attorney or the attorney's employees, who are not serving process on a fee basis;

(c) A person who is court appointed to serve the court's process;

(d) An employee of a person who is registered under this section;

(e) A person who does not receive a fee or wage for serving process. [1992 c 125 § 1.]

**18.180.020 Registration renewal.** A process server required to register under RCW 18.180.010 must renew the registration within one year of the date of the initial registration or when the registrant changes his or her name, the name of his or her business, business address, or business telephone number, whichever occurs sooner. If the renewal is required because of a change in the information identifying the process server, the process server must renew the registration within ten days of the date the identifying information changes. The process server shall pay the registration fee upon renewal. [1992 c 125 § 3.]

**18.180.030 Identification of process server on proof of service.** (1) A process server required to register under RCW 18.180.010 shall indicate the process server's registration number and the process server's county of registration on any proof of service the process server signs.

(2) Employees of a process server required to register under RCW 18.180.010 shall indicate the employer's registration number and the employer's county of registration on any proof of service the registrant's employee signs. [1992 c 125 § 4.]

**18.180.040 Collection of costs of service—Application.** (1) Except as provided in subsection (2) of this section, any person who is otherwise entitled to collect the costs of service of process shall not be entitled to collect

those costs if the person does not use a process server who under this chapter either is required to register or is exempt from the registration requirement.

(2) The person may collect the costs of the service of process if the process server registers within forty-five days after serving the process.

(3) This section shall apply to all process served on or after August 1, 1992. [1992 c 125 § 5.]

**18.180.050 Registration suspension—Nonpayment or default on educational loan or scholarship.** The auditor of the county shall suspend the registration of any person who has been certified by a lending agency and reported to the auditor of the county for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's registration shall not be reissued until the person provides the auditor of the county a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for registration during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the auditor of the county may impose. [1996 c 293 § 25.]

Severability—1996 c 293: See note following RCW 18.04.420.

**18.180.900 Construction—1992 c 125.** Nothing in this act modifies Superior Court Civil Rule 4. [1992 c 125 § 7.]

## Chapter 18.185 BAIL BOND AGENTS

### Sections

18.185.005	Declaration, intent, construction.
18.185.010	Definitions.
18.185.020	Agent license requirements.
18.185.030	Agency license requirements.
18.185.040	License applications.
18.185.050	License cards, certificates—Advertising—Notice of changes.
18.185.055	License suspension—Nonpayment or default on educational loan or scholarship.
18.185.057	License suspension—Noncompliance with support order—Reissuance.
18.185.060	Prelicensing training requirements.
18.185.070	Bond.
18.185.080	Relation of this chapter to local regulation, taxation.
18.185.090	Notice concerning agent's status.
18.185.100	Records—Finances—Disposition of security.
18.185.110	Prohibited acts.
18.185.120	Director's powers.
18.185.130	Complaints.
18.185.140	Charges against licensee or applicant—Hearing.
18.185.150	Hearing procedures.
18.185.160	Enforcement of monetary penalty.
18.185.170	Cease and desist orders—Injunctions—Criminal penalties—Disposition of monetary assessments.
18.185.180	Civil penalties.
18.185.190	Official immunity.

18.185.200	Application of Administrative Procedure Act.
18.185.210	Application of Consumer Protection Act.
18.185.220	Branch office—Qualified bail bond agent as manager.
18.185.230	License required for branch office.
18.185.900	Severability—1993 c 260.
18.185.901	Effective date—1993 c 260.

**18.185.005 Declaration, intent, construction.** The legislature declares that the licensing of bail bond agents should be uniform throughout the state. Therefore, it is the intent of the legislature to preempt any local regulation of bail bond agents, including licensing fees, but not including local business license fees. Nothing in this chapter limits the discretion of the courts of this state to accept or reject a particular surety or recognizance bond in a particular case. [1993 c 260 § 1.]

**18.185.010 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Department" means the department of licensing.

(2) "Director" means the director of licensing.

(3) "Collateral or security" means property of any kind given as security to obtain a bail bond.

(4) "Bail bond agency" means a business that sells and issues corporate surety bail bonds or that provides security in the form of personal or real property to insure the appearance of a criminal defendant before the courts of this state or the United States.

(5) "Qualified agent" means an owner, sole proprietor, partner, manager, officer, or chief operating officer of a corporation who meets the requirements set forth in this chapter for obtaining a bail bond agency license.

(6) "Bail bond agent" means a person who is employed by a bail bond agency and engages in the sale or issuance of bail bonds, but does not mean a clerical, secretarial, or other support person who does not participate in the sale or issuance of bail bonds.

(7) "Licensee" means a bail bond agency or a bail bond agent or both.

(8) "Branch office" means any office physically separated from the principal place of business of the licensee from which the licensee or an employee or agents conduct any activity meeting the criteria of [a] bail bond agency. [1996 c 242 § 1; 1993 c 260 § 2.]

**18.185.020 Agent license requirements.** An applicant must meet the following minimum requirements to obtain a bail bond agent license:

(1) Be at least eighteen years of age;

(2) Be a citizen or resident alien of the United States;

(3) Not have been convicted of a crime in any jurisdiction in the preceding ten years, if the director determines that the applicant's particular crime directly relates to a capacity to perform the duties of a bail bond agent and the director determines that the license should be withheld to protect the citizens of Washington state. If the director shall make a determination to withhold a license because of previous convictions, the determination shall be consistent with the restoration of employment rights act, chapter 9.96A RCW;

(4) Be employed by a bail bond agency or be licensed as a bail bond agency; and

(5) Pay the required fee. [1993 c 260 § 3.]

**18.185.030 Agency license requirements.** (1) In addition to meeting the minimum requirements to obtain a license as a bail bond agent, a qualified agent must meet the following additional requirements to obtain a bail bond agency license:

(a) Pass an examination determined by the director to measure the person's knowledge and competence in the bail bond agency business; or

(b) Have had at least three years' experience as a manager, supervisor, or administrator in the bail bond business or a related field as determined by the director. A year's experience means not less than two thousand hours of actual compensated work performed before the filing of an application. An applicant shall substantiate the experience by written certifications from previous employers. If the applicant is unable to supply written certifications from previous employers, applicants may offer written certifications from persons other than employers who, based on personal knowledge, can substantiate the employment; and

(c) Pay any additional fees as established by the director.

(2) An agency license issued under this section may not be assigned or transferred without prior written approval of the director. [1993 c 260 § 4.]

**18.185.040 License applications.** (1) Applications for licenses required under this chapter shall be filed with the director on a form provided by the director. The director may require any information and documentation that reasonably relates to the need to determine whether the applicant meets the criteria, which may include fingerprints.

(2) After receipt of an application for a license, the director may conduct an investigation to determine whether the facts set forth in the application are true. [1993 c 260 § 5.]

**18.185.050 License cards, certificates—Advertising—Notice of changes.** (1) The director shall issue a bail bond agent license card to each licensed bail bond agent. A bail bond agent shall carry the license card whenever he or she is performing the duties of a bail bond agent and shall exhibit the card upon request.

(2) The director shall issue a license certificate to each licensed bail bond agency.

(a) Within seventy-two hours after receipt of the license certificate, the licensee shall post and display the certificate in a conspicuous place in the principal office of the licensee within the state.

(b) It is unlawful for any person holding a license certificate to knowingly and willfully post the license certificate upon premises other than those described in the license certificate or to materially alter a license certificate.

(c) Every advertisement by a licensee that solicits or advertises business shall contain the name of the licensee, the address of record, and the license number as they appear in the records of the director.

(d) The licensee shall notify the director within thirty days of any change in the licensee's officers or directors or

any material change in the information furnished or required to be furnished to the director. [1993 c 260 § 6.]

**18.185.055 License suspension—Nonpayment or default on educational loan or scholarship.** The director shall suspend the license of any person who has been certified by a lending agency and reported to the director for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's license shall not be reissued until the person provides the director a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for licensure during the suspension, reinstatement shall be automatic upon receipt of the notice and payment of any reinstatement fee the director may impose. [1996 c 293 § 26.]

**Severability—1996 c 293:** See note following RCW 18.04.420.

**18.185.057 License suspension—Noncompliance with support order—Reissuance.** The director shall immediately suspend any license issued under this chapter if the holder 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 shall be automatic upon the director's receipt of a release issued by the department of social and health services stating that the person is in compliance with the order. [1997 c 58 § 840.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**18.185.060 Prelicensing training requirements.** (1) The director shall adopt rules establishing precense training and testing requirements, which shall include a minimum of four hours of classes. The director may establish, by rule, continuing education requirements for bail bond agents.

(2) The director shall consult with the bail bond industry before adopting or amending the precense training or continuing education requirements of this section.

(3) The director may appoint an advisory committee consisting of representatives from the bail bond industry and a consumer to assist in the development of rules to implement this chapter.

(4) A bail bond agent need not fulfill the preclicensing training requirements of this chapter if he or she, within sixty days prior to July 1, 1994, provides proof to the director that he or she previously has met the training requirements of this chapter or has been employed as a bail bond agent for at least eighteen consecutive months immediately prior to the date of application. [1993 c 260 § 7.]

**18.185.070 Bond.** (1) No bail bond agency license may be issued under the provisions of this chapter unless the qualified agent files with the director a bond, executed by a surety company authorized to do business in this state, in the sum of ten thousand dollars conditioned to recover against the agency and its servants, officers, agents, and employees by reason of its violation of the provisions of RCW 18.185.100. The bond shall be made payable to the state of Washington, and anyone so injured by the agency or its servants, officers, agents, or employees may bring suit upon the bond in any county in which jurisdiction over the licensee may be obtained. The suit must be brought not later than two years after the failure to return property in accordance with RCW 18.185.100. If valid claims against the bond exceed the amount of the bond or deposit, each claimant shall be entitled only to a pro rata amount, based on the amount of the claim as it is valid against the bond, without regard to the date of filing of any claim or action.

(2) Every licensed bail bond agency must at all times maintain on file with the director the bond required by this section in full force and effect. Upon failure by a licensee to do so, the director shall suspend the licensee's license and shall not reinstate the license until this requirement is met.

(3) In lieu of posting a bond, a qualified agent may deposit in an interest-bearing account, ten thousand dollars.

(4) The director may waive the bond requirements of this section, in his or her discretion, pursuant to adopted rules. [1993 c 260 § 8.]

**18.185.080 Relation of this chapter to local regulation, taxation.** (1) The provisions of this chapter relating to the licensing for regulatory purposes of bail bond agents and bail bond agencies are exclusive. No governmental subdivision of this state may enact any laws or rules licensing for regulatory purposes such persons, except as provided in subsections (2) and (3) of this section.

(2) This section shall not be construed to prevent a political subdivision of this state from levying a business fee, business and occupation tax, or other tax upon bail bond agencies if such fees or taxes are levied by the political subdivision on other types of businesses within its boundaries.

(3) This section shall not be construed to prevent this state or a political subdivision of this state from licensing for regulatory purposes bail bond agencies with respect to activities that are not regulated under this chapter. [1993 c 260 § 9.]

**18.185.090 Notice concerning agent's status.** (1) A bail bond agency shall notify the director within thirty days after the death or termination of employment of any employee who is a licensed bail bond agent.

(2) A bail bond agency shall notify the director within seventy-two hours upon receipt of information affecting a licensed bail bond agent's continuing eligibility to hold a license under the provisions of this chapter. [1993 c 260 § 10.]

**18.185.100 Records—Finances—Disposition of security.** (1) Every qualified agent shall keep adequate records for three years of all collateral and security received, all trust accounts required by this section, and all bail bond transactions handled by the bail bond agency, as specified by rule. The records shall be open to inspection without notice by the director or authorized representatives of the director.

(2) Every qualified agent who receives collateral or security is a fiduciary of the property and shall keep adequate records for three years of the receipt, safekeeping, and disposition of the collateral or security. Every qualified agent shall maintain a trust account in a federally insured financial institution located in this state. All moneys, including cash, checks, money orders, wire transfers, and credit card sales drafts, received as collateral or security or otherwise held for a bail bond agency's client shall be deposited in the trust account not later than the third banking day following receipt of the funds or money. A qualified agent shall not in any way encumber the corpus of the trust account or commingle any other moneys with moneys properly maintained in the trust account. Each qualified agent required to maintain a trust account shall report annually under oath to the director the account number and balance of the trust account, and the name and address of the institution that holds the trust account, and shall report to the director within ten business days whenever the trust account is changed or relocated or a new trust account is opened.

(3) Whenever a bail bond is exonerated by the court, the qualified agent shall, within five business days after written notification of exonerated and upon written demand, return all collateral or security to the person entitled thereto. [1996 c 242 § 3; 1993 c 260 § 11.]

**18.185.110 Prohibited acts.** The following acts are prohibited and constitute grounds for disciplinary action or denial, suspension, or revocation of any license under this chapter, as deemed appropriate by the director:

(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) Failing to meet the qualifications set forth in RCW 18.185.020 and 18.185.030;

(4) Conviction of a gross misdemeanor or felony or the commission of any act involving moral turpitude, dishonesty, or corruption whether the act constitutes a crime or not. If the act constitutes a crime, conviction in a criminal proceeding is not a condition precedent to disciplinary action. Upon such a 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 is 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;

(5) Advertising that is false, fraudulent, or misleading;

(6) Incompetence or negligence that results in injury to a person or that creates an unreasonable risk that a person may be harmed;

(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) Failure to cooperate with the director by not:

(a) 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) Furnishing in writing a full and complete explanation covering the matter contained in a complaint filed with the department; or

(c) Responding to subpoenas issued by the director, whether or not the recipient of the subpoena is the accused in the proceeding;

(9) Failure to comply with an order issued by the director or an assurance of discontinuance entered into with the director;

(10) Aiding or abetting an unlicensed person to practice if a license is required;

(11) Knowingly committing, or being a party to, any material fraud, misrepresentation, concealment, conspiracy, collusion, trick, scheme, or device whereby any other person lawfully relies upon the word, representation, or conduct of the licensee;

(12) Failure to adequately supervise employees to the extent that the client funds are at risk;

(13) Interference with an investigation or disciplinary proceeding by willful misrepresentation of facts before the director or the director's authorized representative, or by the 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;

(14) Assigning or transferring any license issued pursuant to the provisions of this chapter, except as provided in RCW 18.185.030;

(15) Conversion of any money or contract, deed, note, mortgage, or other evidence of title, to his or her own use or to the use of his or her principal or of any other person, when delivered to him or her in trust or on condition, in violation of the trust or before the happening of the condition; and failure to return any money or contract, deed, note, mortgage, or other evidence of title within thirty days after the owner is entitled to possession, and makes demand for possession, shall be prima facie evidence of conversion;

(16) Failing to keep records, maintain a trust account, or return collateral or security, as required by RCW 18.185.100;

(17) Any conduct in a bail bond transaction which demonstrates bad faith, dishonesty, or untrustworthiness; or

(18) Violation of an order to cease and desist that is issued by the director under this chapter. [1993 c 260 § 12.]

**18.185.120 Director's powers.** The director has the following authority in administering this chapter:

(1) To adopt, amend, and rescind rules as deemed necessary to carry out this chapter;

(2) To issue an order providing for one or any combination of the following upon violation or violations of this chapter: Denying, suspending, or revoking a license; assessing monetary penalties; restricting or limiting practice; complying with conditions of probation for a designated period of time; making restitution to the person harmed by the licensee; or other corrective action;

(3) To issue subpoenas and administer oaths in connection with an investigation, hearing, or proceeding held under this chapter;

(4) 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;

(5) To compel attendance of witnesses at hearings;

(6) To establish fees by rule under RCW 43.24.086 and chapter 34.05 RCW;

(7) To take emergency action ordering summary suspension of a license, or restriction or limitation of the licensee's practice pending proceedings by the director;

(8) To use 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 in the hearing;

(9) To enter into contracts for professional services determined to be necessary for adequate enforcement of this chapter;

(10) To adopt standards of professional conduct or practice;

(11) In the event of a finding of unprofessional conduct by an applicant or license holder, to impose sanctions against an applicant or license holder as provided by this chapter;

(12) 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. The applicant or license holder shall not be required to admit to any violation of the law, and the assurance shall not be construed as such an admission. Violation of an assurance under this subsection is grounds for disciplinary action;

(13) To designate individuals authorized to sign subpoenas and statements of charges; and

(14) To employ such investigative, administrative, and clerical staff as necessary for the enforcement of this chapter. [1993 c 260 § 13.]

**18.185.130 Complaints.** Any person 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. [1993 c 260 § 14.]

**18.185.140 Charges against licensee or applicant—Hearing.** (1) If the director determines, upon investigation, that there is reason to believe a violation of this chapter has occurred, a statement of charges shall be prepared and served upon the license holder or applicant and notice of this action given to the owner or qualified agent of the employing bail bond agency. The statement of charges shall be accompanied by a notice that the license holder or applicant may request a hearing to contest the charges. The license holder or applicant must file a request for hearing with the department within twenty days after being served the statement of charges. The failure to request a hearing constitutes a default, whereupon the director may enter an order under RCW 34.05.440.

(2) If a hearing is requested, the time of the hearing shall be scheduled but the hearing shall not be held earlier than thirty days after service of the charges upon the license holder or applicant. A notice of hearing shall be issued at least twenty days prior to the hearing, specifying the time, date, and place of the hearing. [1993 c 260 § 15.]

**18.185.150 Hearing procedures.** The procedures governing adjudicative proceedings before agencies under chapter 34.05 RCW, the Administrative Procedure Act, shall govern all hearings before the director. [1993 c 260 § 16.]

**18.185.160 Enforcement of monetary penalty.** If an order for payment of a monetary penalty is made as a result of a hearing and timely payment is not made as directed in the final order, the director may enforce the order for payment in the superior court in the county in which the hearing was held. This right of enforcement shall be in addition to any other rights the director may have as to a licensee ordered to pay a monetary penalty but shall not be construed to limit a licensee's ability to seek judicial review.

In an action for enforcement of an order of payment of a monetary penalty, the director's order is conclusive proof of the validity of the order of payment of a penalty and the terms of payment. [1993 c 260 § 17.]

**18.185.170 Cease and desist orders—Injunctions—Criminal penalties—Disposition of monetary assessments.** (1) The director shall investigate complaints concerning practice by unlicensed persons of a profession or business for which a license is required by this chapter. In the investigation of the complaints, the director has the same authority as provided the director under RCW 18.185.140. The director shall issue a cease and desist order to a person after notice and hearing and upon a determination that the person has violated this subsection. If the director makes a written finding of fact that the public interest will be irreparably harmed by delay in issuing an order, the director may issue a temporary cease and desist order. The cease and desist order shall not relieve the person practicing or operating a business without a license from criminal prosecution therefor, but the remedy of a cease and desist order shall be in addition to any criminal liability. The cease and desist order is conclusive proof of unlicensed practice and may be enforced under RCW 7.21.060. This method of enforcement of the cease and desist order may be used in

addition to, or as an alternative to, any provisions for enforcement of agency orders.

(2) The attorney general, a county prosecuting attorney, the director, or any person may, in accordance with the law of this state governing injunctions, maintain an action in the name of this state to enjoin any person practicing a profession or business for which a license is required by this chapter without a license from engaging in such practice or operating such business until the required license is secured. However, the injunction shall not relieve the person practicing or operating a business without a license from criminal prosecution therefor, but the remedy by injunction shall be in addition to any criminal liability.

(3) After June 30, 1994, any person who performs the functions and duties of a bail bond agent in this state without being licensed in accordance with the provisions of this chapter, or any person presenting or attempting to use as his or her own the license of another, or any person who gives false or forged evidence of any kind to the director in obtaining a license, or any person who falsely impersonates any other licensee, or any person who attempts to use an expired or revoked license, or any person who violates any of the provisions of this chapter is guilty of a gross misdemeanor.

(4) After January 1, 1994, a person is guilty of a gross misdemeanor if he or she owns or operates a bail bond agency in this state without first obtaining a bail bond agency license.

(5) After June 30, 1994, the owner or qualified agent of a bail bond agency is guilty of a gross misdemeanor if he or she employs any person to perform the duties of a bail bond agent without the employee having in his or her possession a permanent bail bond agent license issued by the department.

(6) All fees, fines, forfeitures, and penalties collected or assessed by a court because of a violation of this section shall be remitted to the department. [1993 c 260 § 18.]

**18.185.180 Civil penalties.** A person or business that violates an injunction issued under this chapter shall pay a civil penalty, as determined by the court, of not more than twenty-five thousand dollars, which shall be paid to the department. For the purpose of this section, the superior court issuing any injunction shall retain jurisdiction. [1993 c 260 § 19.]

**18.185.190 Official immunity.** The director or individuals acting on the director's behalf 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. [1993 c 260 § 20.]

**18.185.200 Application of Administrative Procedure Act.** The director, in implementing and administering the provisions of this chapter, shall act in accordance with the Administrative Procedure Act, chapter 34.05 RCW. [1993 c 260 § 21.]

**18.185.210 Application of Consumer Protection Act.** Failure to fulfill the fiduciary duties and other duties as

prescribed in RCW 18.185.100 is not reasonable in relation to the development and preservation of business. A violation of RCW 18.185.100 is an unfair or deceptive act in trade or commerce for the purpose of applying the Consumer Protection Act, chapter 19.86 RCW. [1993 c 260 § 22.]

**18.185.220 Branch office—Qualified bail bond agent as manager.** A branch office may not operate under a business name other than the name of the principal bail bond agency and must have a qualified bail bond agent as manager of the office. The qualified agent shall comply with the provisions of RCW 18.185.100. [1996 c 242 § 2.]

**18.185.230 License required for branch office.** If a licensee maintains a branch office, the licensee shall not operate that branch office until a branch office license has been received from the director. A bail bond agency may apply to the director for authority to establish one or more branch offices under the same name as the main office upon the payment of a fee as prescribed by the director by rule. The director shall issue a separate license for each branch office showing the location of each branch which shall be prominently displayed in the office for which it is issued. A corporation, partnership, or sole proprietorship shall not establish more than one principal office within this state. [1996 c 242 § 4.]

**18.185.900 Severability—1993 c 260.** If any provision of this chapter or its application to any person or circumstance is held invalid, the remainder of the chapter or the application of the provision to other persons or circumstances is not affected. [1993 c 260 § 23.]

**18.185.901 Effective date—1993 c 260.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993. [1993 c 260 § 25.]

**Implementation—1993 c 260:** "The director of licensing may take such steps as are necessary to ensure that this act is implemented on its effective date." [1993 c 260 § 24.]

## Chapter 18.190

### OPERATION AS LIMITED LIABILITY COMPANY

#### Sections

18.190.010 License—Requirements.

**18.190.010 License—Requirements.** Any business or profession licensed under this title may operate as a limited liability company formed under chapter 25.15 RCW. Any such limited liability company must be licensed as a limited liability company in accordance with the otherwise applicable licensing provisions of this title. Any such limited liability company shall meet the following requirements:

(1) The principal purpose and business of the limited liability company shall be to furnish services to the public which are consistent with the applicable chapter under this title;

(2) At least one manager of the limited liability company shall be a person licensed under the applicable chapter under this title; and

(3) Each resident manager or member in charge of an office of the limited liability company in this state and each resident manager or member personally engaged within this state in the business or profession of the company shall be licensed under the applicable chapter under this title. [1994 c 211 § 1403.]

**Effective date—Severability—1994 c 211:** See RCW 25.15.900 and 25.15.902.

## Chapter 18.195

### CONSUMER ACCESS TO VISION CARE ACT

#### Sections

18.195.010 Findings—Intent.

18.195.020 Definitions.

18.195.030 Prohibited practices—Separation of examination and dispensing—Notice—Duplication of lenses.

18.195.040 Prescription not referring to contacts—Verification of performance—Notice—Prescription time limit—Safety notice—Noncompliance.

18.195.050 Rule making—Effect.

18.195.900 Short title.

18.195.901 Construction.

18.195.902 Captions not law.

18.195.903 Severability—1994 c 106.

**18.195.010 Findings—Intent.** The legislature finds that in the newly reformed health care delivery system it is necessary to clarify providers' roles to ensure that they are working together to maximize patient access while controlling costs. This is especially important in the vision care industry, where the potential for confusion exists due to some overlapping scopes of practice among licensed providers.

The legislature finds that boards regulating health care professions should be mindful of the necessary balance between public safety and access to affordable care, and adopt rules that are consistent with their legislative intent. The risk that this balance may be lost is especially high in the optical industry, where competitive pressures have led to the involvement of the federal trade commission. The legislature recognizes its role in ensuring appropriate access to vision care for state residents by clarifying necessary prescription content and ensuring prescription release to the patient. [1994 c 106 § 1.]

**18.195.020 Definitions.** For purposes of this chapter, the following definitions apply:

(1) "Dispensing" means the retail delivery of ophthalmic goods to the patient by a prescriber or optician.

(2) "Eye examination" means a testing process administered by a prescriber that includes the process of determining the refractive condition of a patient's eyes. If requested by the patient, it also determines the appropriateness of contact lenses.

(3) "Fitting" means the performance of mechanical procedures and measurements necessary to adapt and fit eyeglasses or contact lenses from a written prescription. In the case of contact lenses, the prescription must be in writing and fitting includes the selection of the physical characteris-

tics of the lenses including conversion of the spectacle power to contact lens equivalents, lens design, material and manufacturer of the lenses, and supervision of the trial wearing of the lenses which may require incidental revisions during the fitting period. The revisions may not alter the effect of the written prescription.

(4) "Ophthalmic goods" means eyeglasses or a component or components of eyeglasses, and contact lenses.

(5) "Ophthalmic services" means the measuring, fitting, adjusting, and fabricating of ophthalmic goods subsequent to an eye examination.

(6) "Optician" means a person licensed under chapter 18.34 RCW.

(7) "Patient" means a person who has had an eye examination.

(8) "Practitioner" includes prescribers and opticians.

(9) "Prescriber" means an ophthalmologist or optometrist who performs eye examinations under chapter 18.53, 18.57, or 18.71 RCW.

(10) "Prescription" means the written directive from a prescriber for corrective lenses and consists of the refractive powers. If the patient wishes to purchase contact lenses, the prescription must contain a notation that the patient is "OK for contacts" or similar language confirming there are no contraindications for contacts.

(11) "Secretary" means the secretary of the department of health. [1994 c 106 § 2.]

**18.195.030 Prohibited practices—Separation of examination and dispensing—Notice—Duplication of lenses.** (1) No prescriber shall:

(a) Fail to provide to the patient one copy of the patient's prescription at the completion of the eye examination. A prescriber may refuse to give the patient a copy of the patient's prescription until the patient has paid for the eye examination, but only if that prescriber would have required immediate payment from that patient had the examination revealed that no ophthalmic goods were required;

(b) Condition the availability of an eye examination or prescription, or both, to a patient on a requirement that the patient agree to purchase ophthalmic goods from the prescriber or a dispenser approved by the prescriber;

(c) Fail to include a notation of "OK for contacts" or similar language on the prescription if the prescriber would have fitted the patient himself or herself, provided there are no contraindications for contacts, and if the patient has requested contact lenses. Such a notation will indicate to the practitioner fitting the contact lenses that the initial fitting and follow-up must be completed within six months of the date of the eye examination. The prescriber will inform the patient that failure to complete the initial fitting and obtain the follow-up evaluation by a prescriber within the six-month time frame will void the "OK for contacts" portion of the prescription. The prescriber who performs the follow-up will place on the prescription "follow-up completed," or similar language, and include his or her name and the date of the follow-up. Patients who comply with both the initial fitting and follow-up requirements will then be able to obtain replacement contact lenses until the expiration date listed on the prescription. If the prescriber concludes the ocular

health of the eye presents a contraindication for contact lenses, a verbal explanation of that contraindication must be given to the patient by the prescriber at the time of the eye examination and documentation maintained in the patient's records. However, a prescriber may exclude categories of contact lenses where clinically indicated;

(d) Include a prescription expiration date of less than two years, unless warranted by the ocular health of the eye. If a prescription is to expire in less than two years, an explanatory notation must be made by the prescriber in the patient's record and a verbal explanation given to the patient at the time of the eye examination;

(e) Charge the patient a fee in addition to the prescriber's examination fee as a condition to releasing the prescription to the patient. However, a prescriber may charge a reasonable, additional fee for verifying ophthalmic goods dispensed by another practitioner if that fee is imposed at the time the verification is performed; or

(f) Place on the prescription, or require the patient to sign, or deliver to the patient a form or notice waiving or disclaiming the liability or responsibility of the prescriber for the accuracy of the eye examination or the accuracy of the ophthalmic goods and services dispensed by another practitioner. In prohibiting the use of waivers and disclaimers of liability under this subsection, it is not the intent of the legislature to impose liability on an ophthalmologist or optometrist for the ophthalmic goods and services dispensed by another seller pursuant to the ophthalmologist's or optometrist's prescription.

(2) Nothing contained in this title shall prevent a prescriber or optician from measuring the refractive power of eyeglass lenses and duplicating the eyeglass lenses upon the request of a patient. [1994 c 106 § 3.]

**18.195.040 Prescription not referring to contacts—Verification of performance—Notice—Prescription time limit—Safety notice—Noncompliance.** (1) If the patient chooses to purchase contact lenses from an optician and the prescription is silent regarding contact lenses, the optician shall contact the prescriber and request a written prescription with a notation of "OK for contacts" or similar language. However, if no evaluation for contact lenses had been done during the eye examination, the prescriber may decline to approve the prescription for contact lenses without further evaluation.

(2) If a patient chooses to purchase contact lenses from an optician, the optician shall advise the patient, in writing, that a prescriber is to verify the performance of the initial set of contact lenses on the eyes within six months of the date of the eye examination or the "OK for contacts" portion of the prescription will be void. The patient shall be requested to sign the written advisement and the signed document will be maintained as part of the patient's records. If the patient declines to sign the document, it shall be noted in the record.

(3) No practitioner may dispense contact lenses based on a prescription that is over two years old.

(4) All fitters and dispensers of contact lenses shall distribute safety pamphlets to their patients in order to improve consumer decisions as well as health-related decisions.

(5) It is unprofessional conduct under chapter 18.130 RCW for a practitioner to fail to comply with this section. [1994 c 106 § 4.]

**18.195.050 Rule making—Effect.** (1) The secretary shall adopt rules necessary to implement the purposes of this chapter. The secretary is specifically directed to adopt rules that maximize competition in the delivery of vision care limited only by the existing scope of practice of the professions and by provisions preventing demonstrated and substantial threats to the public's vision health.

(2) This chapter and the rules adopted by the secretary pursuant to this section shall supersede rules adopted pursuant to chapter 18.34, 18.53, 18.57, or 18.71 RCW that conflict with this chapter. To the extent that, in the secretary's opinion, these rules conflict with the purposes of this chapter, the secretary may declare such rules null and void. [1994 c 106 § 6.]

**18.195.900 Short title.** This chapter may be cited as the Consumer Access to Vision Care Act. [1994 c 106 § 7.]

**18.195.901 Construction.** Nothing in this chapter shall be construed as expanding the scope of practice of a vision care practitioner beyond that currently authorized by state law. [1994 c 106 § 5.]

**18.195.902 Captions not law.** Section captions as used in this chapter constitute no part of the law. [1994 c 106 § 8.]

**18.195.903 Severability—1994 c 106.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected. [1994 c 106 § 9.]

## Chapter 18.200

### ORTHOTIC AND PROSTHETIC SERVICES

#### Sections

18.200.005	Intent—Purpose—1997 c 285.
18.200.010	Definitions.
18.200.020	Treatment limits.
18.200.030	Use of title—Prohibited without license—Posting of license.
18.200.040	Practices not limited by chapter.
18.200.050	Secretary's authority.
18.200.060	Advisory committee—Composition—Terms—Duties.
18.200.070	Application—Requirements—Examination—Alternative standards.
18.200.080	Licensure without examination.
18.200.090	Reciprocity.
18.200.100	Application of uniform disciplinary act.
18.200.900	Short title.
18.200.901	Severability—1997 c 285.
18.200.902	Effective date—1997 c 285 §§ 1-5 and 8-12.

**18.200.005 Intent—Purpose—1997 c 285. (Effective December 1, 1998.)** It is the intent of the legislature that this act accomplish the following: Safeguard public health, safety, and welfare; protect the public from being misled by unethical, ill-prepared, unscrupulous, and unauthorized

persons; assure the highest degree of professional conduct on the part of orthotists and prosthetists; and assure the availability of orthotic and prosthetic services of high quality to persons in need of the services. The purpose of this act is to provide for the regulation of persons offering orthotic and prosthetic services to the public. [1997 c 285 § 1.]

**18.200.010 Definitions. (Effective December 1, 1998.)** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Advisory committee" means the orthotics and prosthetics advisory committee.

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

(3) "Secretary" means the secretary of health or the secretary's designee.

(4) "Orthotics" means the science and practice of evaluating, measuring, designing, fabricating, assembling, fitting, adjusting, or servicing, as well as providing the initial training necessary to accomplish the fitting of, an orthosis for the support, correction, or alleviation of neuromuscular or musculoskeletal dysfunction, disease, injury, or deformity. The practice of orthotics encompasses evaluation, treatment, and consultation. With basic observational gait and postural analysis, orthotists assess and design orthoses to maximize function and provide not only the support but the alignment necessary to either prevent or correct deformity or to improve the safety and efficiency of mobility or locomotion, or both. Orthotic practice includes providing continuing patient care in order to assess its effect on the patient's tissues and to assure proper fit and function of the orthotic device by periodic evaluation.

(5) "Orthotist" means a person licensed to practice orthotics under this chapter.

(6) "Orthosis" means a custom-fabricated, definitive brace or support that is designed for long-term use. Except for the treatment of scoliosis, orthosis does not include prefabricated or direct-formed orthotic devices, as defined in this section, or any of the following assistive technology devices: Commercially available knee orthoses used following injury or surgery; spastic muscle tone-inhibiting orthoses; upper extremity adaptive equipment; finger splints; hand splints; custom-made, leather wrist gauntlets; face masks used following burns; wheelchair seating that is an integral part of the wheelchair and not worn by the patient independent of the wheelchair; fabric or elastic supports; corsets; arch supports, also known as foot orthotics; low-temperature formed plastic splints; trusses; elastic hose; canes; crutches; cervical collars; dental appliances; and other similar devices as determined by the secretary, such as those commonly carried in stock by a pharmacy, department store, corset shop, or surgical supply facility. Prefabricated orthoses, also known as custom-fitted, or off-the-shelf, are devices that are manufactured as commercially available stock items for no specific patient. Direct-formed orthoses are devices formed or shaped during the molding process directly on the patient's body or body segment. Custom-fabricated orthoses, also known as custom-made orthoses, are devices designed and fabricated, in turn, from raw materials for a specific patient and require the generation of an image, form, or mold that replicates the patient's body or body segment and, in turn, involves the rectification of dimen-

sions, contours, and volumes to achieve proper fit, comfort, and function for that specific patient.

(7) "Prosthetics" means the science and practice of evaluating, measuring, designing, fabricating, assembling, fitting, aligning, adjusting, or servicing, as well as providing the initial training necessary to accomplish the fitting of, a prosthesis through the replacement of external parts of a human body lost due to amputation or congenital deformities or absences. The practice of prosthetics also includes the generation of an image, form, or mold that replicates the patient's body or body segment and that requires rectification of dimensions, contours, and volumes for use in the design and fabrication of a socket to accept a residual anatomic limb to, in turn, create an artificial appendage that is designed either to support body weight or to improve or restore function or cosmesis, or both. Involved in the practice of prosthetics is observational gait analysis and clinical assessment of the requirements necessary to refine and mechanically fix the relative position of various parts of the prosthesis to maximize the function, stability, and safety of the patient. The practice of prosthetics includes providing continuing patient care in order to assess the prosthetic device's effect on the patient's tissues and to assure proper fit and function of the prosthetic device by periodic evaluation.

(8) "Prosthetist" means a person who is licensed to practice prosthetics under this chapter.

(9) "Prosthesis" means a definitive artificial limb that is alignable or articulated, or, in lower extremity applications, capable of weight bearing. Prosthesis means an artificial medical device that is not surgically implanted and that is used to replace a missing limb, appendage, or other external human body part including an artificial limb, hand, or foot. The term does not include artificial eyes, ears, fingers or toes, dental appliances, ostomy products, devices such as artificial breasts, eyelashes, wigs, or other devices as determined by the secretary that do not have a significant impact on the musculoskeletal functions of the body. In the lower extremity of the body, the term prosthesis does not include prostheses required for amputations distal to and including the transmetatarsal level. In the upper extremity of the body, the term prosthesis does not include prostheses that are provided to restore function for amputations distal to and including the carpal level.

(10) "Authorized health care practitioner" means licensed physicians, physician's assistants, osteopathic physicians, chiropractors, naturopaths, podiatric physicians and surgeons, dentists, and advanced registered nurse practitioners. [1997 c 285 § 2.]

**18.200.020 Treatment limits.** (*Effective December 1, 1998.*) An orthotist or prosthetist may only provide treatment utilizing new orthoses or prostheses for which the orthotist or prosthetist is licensed to do so, and only under an order from or referral by an authorized health care practitioner. A consultation and periodic review by an authorized health care practitioner is not required for evaluation, repair, adjusting, or servicing of orthoses by a licensed orthotist and servicing of prostheses by a licensed prosthetist. Nor is an authorized health care practitioner's order required for maintenance of an orthosis or prosthesis

to the level of its original prescription for an indefinite period of time if the order remains appropriate for the patient's medical needs.

Orthotists and prosthetists must refer persons under their care to authorized health care practitioners if they have reasonable cause to believe symptoms or conditions are present that require services beyond the scope of their practice or for which the prescribed orthotic or prosthetic treatment is contraindicated. [1997 c 285 § 3.]

**18.200.030 Use of title—Prohibited without license—Posting of license.** (*Effective December 1, 1998.*)

No person may represent himself or herself as a licensed orthotist or prosthetist, use a title or description of services, or engage in the practice of orthotics or prosthetics without applying for licensure, meeting the required qualifications, and being licensed by the department of health, unless otherwise exempted by this chapter.

A person not licensed with the secretary must not represent himself or herself as being so licensed and may not use in connection with his or her name the words or letters "L.O.," "L.P.," or "L.P.O.," or other letters, words, signs, numbers, or insignia indicating or implying that he or she is either a licensed orthotist or a licensed prosthetist, or both. No person may practice orthotics or prosthetics without first having a valid license. The license must be posted in a conspicuous location at the person's work site. [1997 c 285 § 4.]

**18.200.040 Practices not limited by chapter.** (*Effective December 1, 1998.*) Nothing in this chapter shall be construed to prohibit or restrict:

(1) The practice by individuals listed under RCW 18.130.040 and performing services within their authorized scopes of practice;

(2) The practice by an individual employed by the government of the United States while engaged in the performance of duties prescribed by the laws of the United States;

(3) The practice by a person who is a regular student in an orthotic or prosthetic educational program approved by the secretary, and whose performance of services is pursuant to a regular course of instruction or assignments from an instructor and under the general supervision of the instructor, if the person is designated by a title that clearly indicates the person's status as a student or trainee;

(4) A person fulfilling the supervised residency or internship experience requirements described in RCW 18.200.070, if the activities and services constitute a part of the experience necessary to meet the requirements of this chapter; or

(5) A person from performing orthotic or prosthetic services in this state if: (a) The services are performed for no more than ninety working days; and (b) the person is licensed in another state or has met commonly accepted standards for the practice of orthotics or prosthetics as determined by the secretary. [1997 c 285 § 5.]

**18.200.050 Secretary's authority.** In addition to other authority provided by law, the secretary has the authority to:

(1) Adopt rules under chapter 34.05 RCW necessary to implement this chapter;

(2) Establish administrative procedures, administrative requirements, and fees in accordance with RCW 43.70.250 and 43.70.280. All fees collected under this section must be credited to the health professions account as required under RCW 43.70.320;

(3) Register applicants, issue licenses to applicants who have met the education, training, and examination requirements for licensure, and deny licenses to applicants who do not meet the minimum qualifications, except that proceedings concerning the denial of credentials based upon unprofessional conduct or impairment are governed by the uniform disciplinary act, chapter 18.130 RCW;

(4) Hire clerical, administrative, investigative, and other staff as needed to implement this chapter and hire individuals licensed under this chapter to serve as examiners for any practical examinations;

(5) Determine minimum education requirements and evaluate and designate those educational programs from which graduation will be accepted as proof of eligibility to take a qualifying examination for applicants for licensure;

(6) Establish the standards and procedures for revocation of approval of education programs;

(7) Utilize or contract with individuals or organizations having expertise in the profession or in education to assist in the evaluations;

(8) Prepare and administer, or approve the preparation and administration of, examinations for applicants for licensure;

(9) Determine whether alternative methods of training are equivalent to formal education, and establish forms, procedures, and criteria for evaluation of an applicant's alternative training to determine the applicant's eligibility to take any qualifying examination;

(10) Determine which jurisdictions have licensing requirements equivalent to those of this state and issue licenses without examinations to individuals licensed in those jurisdictions;

(11) Define and approve any experience requirement for licensing;

(12) Implement and administer a program for consumer education;

(13) Adopt rules implementing continuing competency requirements for renewal of the license and relicensing;

(14) Maintain the official department records of all applicants and licensees;

(15) Establish by rule the procedures for an appeal of an examination failure;

(16) Establish requirements and procedures for an inactive license; and

(17) With the advice of the advisory committee, the secretary may recommend collaboration with health professions, boards, and commissions to develop appropriate referral protocols. [1997 c 285 § 6.]

associations of the state. The committee is composed of five members, one member initially appointed for a term of one year, two for a term of two years, and two for a term of three years. Subsequent appointments are for terms of three years. No person may serve as a member of the committee for more than two consecutive terms. Members of the advisory committee must be residents of this state and citizens of the United States. The committee is composed of three individuals licensed in the category designated and engaged in rendering services to the public. Two members must at all times be holders of licenses for the practice of either prosthetics or orthotics, or both, in this state, except for the initial members of the advisory committee, all of whom must fulfill the requirements for licensure under this chapter. One member must be a practicing orthotist. One member must be a practicing prosthetist. One member must be licensed by the state as a physician licensed under chapter 18.57 or 18.71 RCW, specializing in orthopedic medicine or surgery or physiatry. Two members must represent the public at large and be unaffiliated directly or indirectly with the profession being credentialed but, to the extent possible, be consumers of orthotic and prosthetic services. The two members appointed to the advisory committee representing the public at large must have an interest in the rights of consumers of health services and must not be or have been a licensee of a health occupation committee or an employee of a health facility, nor derive his or her primary livelihood from the provision of health services at any level of responsibility.

(2) The secretary may remove any member of the advisory committee for cause as specified by rule. In the case of a vacancy, the secretary shall appoint a person to serve for the remainder of the unexpired term.

(3) The advisory committee may provide advice on matters specifically identified and requested by the secretary, such as applications for licenses.

(4) The advisory committee may be requested by the secretary to approve an examination required for licensure under this chapter.

(5) The advisory committee may be requested by the secretary to review and monitor the exemptions to requirements of certain orthoses and prostheses in this chapter and recommend to the secretary any statutory changes that may be needed to properly protect the public.

(6) The advisory committee, at the request of the secretary, may recommend rules in accordance with the administrative procedure act, chapter 34.05 RCW, relating to standards for appropriateness of orthotic and prosthetic care.

(7) The advisory committee shall meet at the times and places designated by the secretary and hold meetings during the year as necessary to provide advice to the secretary. The committee may elect a chair and a vice-chair. A majority of the members currently serving constitute a quorum.

(8) Each member of an advisory committee shall be reimbursed for travel expenses as authorized in RCW 43.03.050 and 43.03.060. In addition, members of the committees shall be compensated in accordance with RCW 43.03.240 when engaged in the authorized business of their committees.

(9) The secretary, members of advisory committees, or individuals acting on their behalf are immune from suit in any action, civil or criminal, based on any credentialing or

**18.200.060 Advisory committee—Composition—Terms—Duties.** (1) The secretary has the authority to appoint an advisory committee to further the purposes of this chapter. The secretary may consider the persons who are recommended for appointment by the orthotic and prosthetic

disciplinary proceedings or other official acts performed in the course of their duties. [1997 c 285 § 7.]

**18.200.070 Application—Requirements—Examination—Alternative standards.** (*Effective December 1, 1998.*) (1) An applicant must file a written application on forms provided by the department showing to the satisfaction of the secretary, in consultation with the advisory committee, that the applicant meets the following requirements:

(a) The applicant possesses a baccalaureate degree with coursework appropriate for the profession approved by the secretary, or possesses equivalent training as determined by the secretary pursuant to subsections (3) and (5) of this section;

(b) The applicant has the amount of formal training, including the hours of classroom education and clinical practice, in areas of study as the secretary deems necessary and appropriate;

(c) The applicant has completed a clinical internship or residency in the professional area for which a license is sought in accordance with the standards, guidelines, or procedures for clinical internships or residencies inside or outside the state as established by the secretary, or that are otherwise substantially equivalent to the standards commonly accepted in the fields of orthotics and prosthetics as determined by the secretary pursuant to subsections (3) and (5) of this section. The secretary must set the internship as at least one year.

(2) An applicant for licensure as either an orthotist or prosthetist must pass all written and practical examinations that are required and approved by the secretary in consultation with the advisory committee.

(3) The standards and requirements for licensure established by the secretary must be substantially equal to the standards commonly accepted in the fields of orthotics and prosthetics.

(4) An applicant failing to make the required grade in the first examination may take up to three subsequent examinations as the applicant desires upon prepaying a fee, determined by the secretary under RCW 43.70.250, for each subsequent examination. Upon failing four examinations, the secretary may invalidate the original application and require remedial education before the person may take future examinations.

(5) The secretary may waive some of the education, examination, or experience requirements of this section if the secretary determines that the applicant meets alternative standards, established by the secretary through rule, that are substantially equivalent to the requirements in subsections (1) and (2) of this section. [1997 c 285 § 8.]

**18.200.080 Licensure without examination.** (*Effective December 1, 1998.*) The secretary may grant a license without an examination for those applicants who have practiced full time for five of the six years prior to \*the effective date of this act and who have provided comprehensive orthotic or prosthetic, or orthotic and prosthetic, services in an established practice. This section applies only to those individuals who apply within one year of \*the effective date of this act. [1997 c 285 § 9.]

**\*Reviser's note:** 1997 c 285 has two different effective dates. The effective date for sections 1 through 5 and 8 through 12 is December 1, 1998, and the effective date for the remainder of the act is July 27, 1997

**18.200.090 Reciprocity.** (*Effective December 1, 1998.*) An applicant holding a license in another state or a territory of the United States may be licensed to practice in this state without examination if the secretary determines that the other jurisdiction's credentialing standards are substantially equivalent to the standards in this jurisdiction. [1997 c 285 § 10.]

**18.200.100 Application of uniform disciplinary act.** (*Effective December 1, 1998.*) The uniform disciplinary act, chapter 18.130 RCW, governs the issuance and denial of licenses, unauthorized practice, and the discipline of persons licensed under this chapter. The secretary is the disciplining authority under this chapter. [1997 c 285 § 11.]

**18.200.900 Short title.** (*Effective December 1, 1998.*) This chapter is known and may be cited as the orthotics and prosthetics practice act. [1997 c 285 § 12.]

**18.200.901 Severability—1997 c 285.** 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. [1997 c 285 § 14.]

**18.200.902 Effective date—1997 c 285 §§ 1-5 and 8-12.** Sections 1 through 5 and 8 through 12 of this act take effect December 1, 1998. [1997 c 285 § 16.]

## Chapter 18.205

### CHEMICAL DEPENDENCY PROFESSIONALS

#### Sections

- 18.205.010 Chemical dependency professional certification.
- 18.205.020 Definitions.
- 18.205.030 Title or description of services.
- 18.205.040 Use of title.
- 18.205.050 Practice not prohibited or restricted by chapter.
- 18.205.060 Authority of secretary.
- 18.205.070 Official record of proceedings.
- 18.205.080 Chemical dependency certification advisory committee—Composition—Terms.
- 18.205.090 Certification requirements.
- 18.205.100 Educational programs and alternative training—Standards and procedures—Established by rule.
- 18.205.110 Examination.
- 18.205.120 Application for certification—Fee.
- 18.205.130 Waiver of examination—Certification of applicants—Intent.
- 18.205.140 Applicant credentialed in another state—Certification without examination.
- 18.205.150 Uniform disciplinary act.
- 18.205.900 Effective dates—1998 c 243.

**18.205.010 Chemical dependency professional certification.** The legislature recognizes chemical dependency professionals as discrete health professionals. Chemical dependency professional certification serves the public interest. [1998 c 243 § 1.]

**18.205.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Certification" means a voluntary process recognizing an individual who qualifies by examination and meets established educational prerequisites, and which protects the title of practice.

(2) "Certified chemical dependency professional" means an individual certified in chemical dependency counseling, under this chapter.

(3) "Chemical dependency counseling" means employing the core competencies of chemical dependency counseling to assist or attempt to assist an alcohol or drug addicted person to develop and maintain abstinence from alcohol and other mood-altering drugs.

(4) "Committee" means the chemical dependency certification advisory committee established under this chapter.

(5) "Core competencies of chemical dependency counseling" means competency in the nationally recognized knowledge, skills, and attitudes of professional practice, including assessment and diagnosis of chemical dependency, chemical dependency treatment planning and referral, patient and family education in the disease of chemical dependency, individual and group counseling with alcoholic and drug addicted individuals, relapse prevention counseling, and case management, all oriented to assist alcoholic and drug addicted patients to achieve and maintain abstinence from mood-altering substances and develop independent support systems.

(6) "Department" means the department of health.

(7) "Health profession" means a profession providing health services regulated under the laws of this state.

(8) "Secretary" means the secretary of health or the secretary's designee. [1998 c 243 § 2.]

**18.205.030 Title or description of services.** (*Effective July 1, 1999.*) No person may represent oneself as a certified chemical dependency professional or use any title or description of services of [a] certified chemical dependency professional without applying for certification, meeting the required qualifications, and being certified by the department of health, unless otherwise exempted by this chapter. [1998 c 243 § 3.]

**18.205.040 Use of title.** Nothing in this chapter shall be construed to authorize the use of the title "certified chemical dependency professional" when treating patients in settings other than programs approved under chapter 70.96A RCW. [1998 c 243 § 4.]

**18.205.050 Practice not prohibited or restricted by chapter.** Nothing in this chapter shall be construed to prohibit or restrict:

(1) The practice by an individual licensed, certified, or registered under the laws of this state and performing services within the authorized scope of practice;

(2) The practice by an individual employed by the government of the United States while engaged in the performance of duties prescribed by the laws of the United States;

(3) The practice by a person who is a regular student in an educational program approved by the secretary, and whose performance of services is pursuant to a regular course of instruction or assignments from an instructor and under the general supervision of the instructor. [1998 c 243 § 5.]

**18.205.060 Authority of secretary.** In addition to any other authority provided by law, the secretary has the authority to:

(1) Adopt rules under chapter 34.05 RCW necessary to implement this chapter, in consultation with the committee;

(2) Establish all certification, examination, and renewal fees in accordance with RCW 43.70.250;

(3) Establish forms and procedures necessary to administer this chapter;

(4) Issue certificates to applicants who have met the education, training, and examination requirements for certification and to deny certification to applicants who do not meet the minimum qualifications, except that proceedings concerning the denial of certification based upon unprofessional conduct or impairment shall be governed by the uniform disciplinary act, chapter 18.130 RCW;

(5) Hire clerical, administrative, investigative, and other staff as needed to implement this chapter, and hire individuals certified under this chapter to serve as examiners for any practical examinations;

(6) Determine minimum education requirements and evaluate and designate those educational programs that will be accepted as proof of eligibility to take a qualifying examination for applicants for certification;

(7) Prepare, grade, and administer, or determine the nature of, and supervise the grading and administration of, examinations for applicants for certification;

(8) Determine whether alternative methods of training are equivalent to formal education, and establish forms, procedures, and criteria for evaluation of an applicant's alternative training to determine the applicant's eligibility to take any qualifying examination;

(9) Determine which states have credentialing requirements equivalent to those of this state, and issue certificates to individuals credentialed in those states without examinations;

(10) Define and approve any experience requirement for certification;

(11) Implement and administer a program for consumer education;

(12) Adopt rules implementing a continuing competency program;

(13) Maintain the official department record of all applicants and certificated individuals;

(14) Establish by rule the procedures for an appeal of an examination failure; and

(15) Establish disclosure requirements. [1998 c 243 § 6.]

**18.205.070 Official record of proceedings.** The secretary shall keep an official record of all proceedings. A part of the record shall consist of a register of all applicants for certification under this chapter and the results of each application. [1998 c 243 § 7.]

**18.205.080 Chemical dependency certification advisory committee—Composition—Terms.** (1) The secretary shall appoint a chemical dependency certification advisory committee to further the purposes of this chapter. The committee shall be composed of seven members, one member initially appointed for a term of one year, three for a term of two years, and three for a term of three years. Subsequent appointments shall be for terms of three years. No person may serve as a member of the committee for more than two consecutive terms. Members of the committee shall be residents of this state. The committee shall be composed of four certified chemical dependency professionals; one chemical dependency treatment program director; one physician licensed under chapter 18.71 or 18.57 RCW who is certified in addiction medicine or a licensed or certified mental health practitioner; and one member of the public who has received chemical dependency counseling.

(2) The secretary may remove any member of the committee for cause as specified by rule. In the case of a vacancy, the secretary shall appoint a person to serve for the remainder of the unexpired term.

(3) The committee shall meet at the times and places designated by the secretary and shall hold meetings during the year as necessary to provide advice to the director. The committee may elect a chair and a vice-chair. A majority of the members currently serving shall constitute a quorum.

(4) Each member of the committee shall be reimbursed for travel expenses as authorized in RCW 43.03.050 and 43.03.060. In addition, members of the committee shall be compensated in accordance with RCW 43.03.240 when engaged in the authorized business of the committee.

(5) The director of the department of social and health services division of alcohol and substance abuse or the director's designee, shall serve as an ex officio member of the committee.

(6) The secretary, members of the committee, or individuals acting on their behalf are immune from suit in any action, civil or criminal, based on any certification or disciplinary proceedings or other official acts performed in the course of their duties. [1998 c 243 § 8.]

**18.205.090 Certification requirements. (Effective July 1, 1999.)** (1) The secretary shall issue a certificate to any applicant who demonstrates to the secretary's satisfaction that the following requirements have been met:

(a) Completion of an educational program approved by the secretary or successful completion of alternate training that meets established criteria;

(b) Successful completion of an approved examination, based on core competencies of chemical dependency counseling; and

(c) Successful completion of an experience requirement that establishes fewer hours of experience for applicants with higher levels of relevant education. In meeting any experience requirement established under this subsection, the secretary may not require more than one thousand five hundred hours of experience in chemical dependency counseling for applicants who are licensed under chapter 18.83 RCW or under chapter 18.79 RCW as advanced registered nurse practitioners.

(2) The secretary shall establish by rule what constitutes adequate proof of meeting the criteria.

(3) Applicants are subject to the grounds for denial of a certificate or issuance of a conditional certificate under chapter 18.130 RCW.

(4) Certified chemical dependency professionals shall not be required to be registered under chapter 18.19 RCW. [1998 c 243 § 9.]

**18.205.100 Educational programs and alternative training—Standards and procedures—Established by rule.** The secretary may establish by rule the standards and procedures for approval of educational programs and alternative training. The secretary may utilize or contract with individuals or organizations having expertise in the profession or in education to assist in the evaluations. The secretary shall establish by rule the standards and procedures for revocation of approval of education [educational] programs. The standards and procedures set shall apply equally to educational programs and training in the United States and in foreign jurisdictions. The secretary may establish a fee for educational program evaluations. [1998 c 243 § 10.]

**18.205.110 Examination.** (1) The date and location of examinations shall be established by the secretary. Applicants who have been found by the secretary to meet the other requirements for certification shall be scheduled for the next examination following the filing of the application. The secretary shall establish by rule the examination application deadline.

(2) The secretary or the secretary's designees shall examine each applicant, by means determined most effective, on subjects appropriate to the scope of practice, as applicable. Such examinations shall be limited to the purpose of determining whether the applicant possesses the minimum skill and knowledge necessary to practice competently.

(3) The examination papers, all grading of the papers, and the grading of any practical work shall be preserved for a period of not less than one year after the secretary has made and published the decisions. All examinations shall be conducted under fair and wholly impartial methods.

(4) Any applicant failing to make the required grade in the first examination may take up to three subsequent examinations as the applicant desires upon prepaying a fee determined by the secretary under RCW 43.70.250 for each subsequent examination. Upon failing four examinations, the secretary may invalidate the original application and require such remedial education before the person may take future examinations.

(5) The secretary may approve an examination prepared or administered by a private testing agency or association of licensing agencies for use by an applicant in meeting the certification requirements. [1998 c 243 § 11.]

**18.205.120 Application for certification—Fee.** Applications for certification shall be submitted on forms provided by the secretary. The secretary may require any information and documentation that reasonably relates to the need to determine whether the applicant meets the criteria for certification provided for in this chapter and chapter

18.130 RCW. Each applicant shall pay a fee determined by the secretary under RCW 43.70.250. The fee shall accompany the application. [1998 c 243 § 12.]

**18.205.130 Waiver of examination—Certification of applicants—Intent.** (*Effective July 1, 1999.*) (1) Within two years after July 1, 1999, the secretary shall waive the examination and certify a person who pays a fee and produces a valid chemical dependency counselor certificate of qualification from the department of social and health services.

(2) Within two years after July 1, 1999, the secretary shall waive the examination and certify applicants who are licensed under chapter 18.83 RCW or under chapter 18.79 RCW as advanced registered nurse practitioners who pay a fee, who document completion of courses substantially equivalent to those required of chemical dependency counselors working in programs approved under chapter 70.96A RCW on July 1, 1999, and who provide evidence of one thousand five hundred hours of experience in chemical dependency counseling.

(3) It is the intent of the legislature that the credentialing of chemical dependency professionals be established solely by the department. [1998 c 243 § 13.]

**18.205.140 Applicant credentialed in another state—Certification without examination.** (*Effective July 1, 1999.*) An applicant holding a credential in another state may be certified to practice in this state without examination if the secretary determines that the other state's credentialing standards are substantially equivalent to the standards in this state. [1998 c 243 § 14.]

**18.205.150 Uniform disciplinary act.** The uniform disciplinary act, chapter 18.130 RCW, shall govern the issuance and denial of certificates, unauthorized practice, and the discipline of persons certified under this chapter. The secretary shall be the disciplining authority under this chapter. [1998 c 243 § 15.]

**18.205.900 Effective dates—1998 c 243.** This act takes effect July 1, 1998, except for sections 3, 9, 13, and 14 of this act, which take effect July 1, 1999. [1998 c 243 § 18.]



# Title 19

## BUSINESS REGULATIONS—MISCELLANEOUS

### Chapters

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68 RCW.</i></p> <p><i>Cities and towns, powers to regulate business: Title 35 RCW.</i></p> <p><i>Coal mining: Title 78 RCW.</i></p> <p><i>Common carriers: Title 81 RCW.</i></p> <p><i>Consumer leases: Chapter 63.10 RCW.</i></p> <p><i>Consumer loan act: Chapter 31.04 RCW.</i></p> <p><i>Controlled substances, uniform act: Chapter 69.50 RCW.</i></p> <p><i>Credit unions: Chapter 31.12 RCW.</i></p> <p><i>Development credit corporations: Chapter 31.20 RCW.</i></p> <p><i>Discrimination: Chapter 49.60 RCW.</i></p> <p><i>Drugs, uniform controlled substances act: Chapter 69.50 RCW.</i></p> <p><i>Drugs and cosmetics: Chapter 69.04 RCW.</i></p> <p><i>Fish marketing act: Chapter 24.36 RCW.</i></p> <p><i>Fishermen, commercial: Title 75 RCW.</i></p> <p><i>Food and beverage establishment workers' permits: Chapter 69.06 RCW.</i></p> <p><i>Food processing, adulteration, misbranding, standards: Chapter 69.04 RCW.</i></p> <p><i>Forests and forest products: Title 76 RCW.</i></p> <p><i>Fruit: Title 15 RCW.</i></p> <p><i>Gas and oil pipelines: Chapter 81.88 RCW.</i></p> |
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*Hydraulic brake fluid, standards and specifications:* RCW 46.37.365.  
*Livestock marketing and inspection:* Chapter 16.57 RCW.  
*Massachusetts Trust Act:* Chapter 23.90 RCW  
*Measurement of goods, raw materials and agricultural products, fraud, penalty:* RCW 9.45.122 through 9.45.126.  
*Meat inspection:* Chapter 16.49A RCW.  
*Milk and milk products for animal food:* Chapter 15.37 RCW.  
*Mines, mineral and petroleum:* Title 78 RCW.  
*Monopolies and trusts prohibited:* State Constitution Art. 12 § 22.  
*Mutual savings banks:* Title 32 RCW.  
*Partnerships:* Title 25 RCW.  
*Periodicals, postage, purchase by public agencies—Manner of payment:* RCW 42.24.035.  
*Pesticide applicators—Surety bond:* Chapter 17.21 RCW.  
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*Poisons, dispensing and sale:* Chapter 69.40 RCW.  
*Professional service corporations:* Chapter 18.100 RCW.  
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*Public utilities:* Title 80 RCW.  
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*Retail installment sales of goods and services:* Chapter 63.14 RCW.  
*Sales of personal property:* Title 62A RCW.  
*Savings and loan associations:* Title 33 RCW.  
*Shoefitting devices, x-ray, etc., prohibited:* RCW 70.98.170.  
*Transportation, public:* Title 81 RCW.  
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*Warehouses and grain elevators:* Title 22 RCW.  
*Washington fresh fruit sales limitation act:* Chapter 15.21 RCW.

### Chapter 19.02

#### BUSINESS LICENSE CENTER ACT

##### Sections

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 19.02.901 Severability—1982 c 182.  
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 19.02.920 Construction.

**Reviser's note:** Throughout chapter 19.02 RCW, the term "this 1977 amendatory act" has been changed to "this chapter." For codification of "this 1977 amendatory act" [1977 ex.s. c 319], see Codification Tables, Volume O.

**19.02.010 Purpose—Intent.** Experience under the pilot program of the business coordination act suggests that the number of state licenses required for new businesses and the renewal of existing licenses places an undue burden on business. Studies under this act also show that the state can reduce its costs by coordinating and consolidating application forms, information, and licenses. Therefore, the legislature extends the business coordination act by establishing a business license program and license center to develop and implement the following goals and objectives:

(1) The first goal of this system is to provide a convenient, accessible, and timely one-stop system for the business community to acquire and maintain the necessary state licenses to conduct business. This system shall be developed and operated in the most cost-efficient manner for the business community and state. The objectives of this goal are:

(a) To provide a service whereby information is available to the business community concerning all state licensing and regulatory requirements, and to the extent feasible, include local and federal information concerning the same regulated activities;

(b) To provide a system which will enable state agencies to efficiently store, retrieve, and exchange license information with due regard to privacy statutes; to issue and renew master licenses where such licenses are appropriate; and to provide appropriate support services for this objective;

(c) To provide at designated locations one consolidated application form to be completed by any given applicant; and

(d) To provide a state-wide system of common business identification.

(2) The second goal of this system is to aid business and the growth of business in Washington state by instituting a master license system that will reduce the paperwork burden on business, and promote the elimination of obsolete and duplicative licensing requirements by consolidating existing licenses and applications.

It is the intent of the legislature that the authority for determining if a requested license shall be issued shall remain with the agency legally authorized to issue the license.

It is the further intent of the legislature that those licenses which no longer serve a useful purpose in regulating certain business activities should be eliminated. [1982 c 182 § 1; 1977 ex.s. c 319 § 1.]

**19.02.020 Definitions.** As used in this chapter, the following words shall have the following meanings:

(1) "System" means the mechanism by which master licenses are issued and renewed, license and regulatory information is disseminated, and account data is exchanged by the agencies;

(2) "Business license center" means the business registration and licensing center established by this chapter and located in and under the administrative control of the department of licensing;

(3) "Master application" means a document incorporating pertinent data from existing applications for licenses covered under this chapter;

(4) "Master license" means the single document designed for public display issued by the business license center which certifies state agency license approval and which incorporates the endorsements for individual licenses included in the master license system, which the state requires for any person subject to this chapter;

(5) "License" means the whole or part of any agency permit, license, certificate, approval, registration, charter, or any form or permission required by law, including agency rule, to engage in any activity;

(6) "Regulatory" means all licensing and other governmental or statutory requirements pertaining to business or professional activities;

(7) "Person" means any individual, sole proprietorship, partnership, association, cooperative, corporation, nonprofit organization, state or local government agency, and any other organization required to register with the state to do business in the state and to obtain one or more licenses from the state or any of its agencies;

(8) "Director" means the director of licensing;

(9) "Department" means the department of licensing;

(10) "Regulatory agency" means any state agency, board, commission, or division which regulates one or more professions, occupations, industries, businesses, or activities;

(11) "Renewal application" means a document used to collect pertinent data for renewal of licenses covered under this chapter; and

(12) "License information packet" means a collection of information about licensing requirements and application procedures custom-assembled for each request. [1993 c 142 § 3; 1992 c 107 § 1; 1982 c 182 § 2; 1979 c 158 § 75; 1977 ex.s. c 319 § 2.]

**Effective dates—1992 c 107:** "(1) Sections 1 through 4, 6, and 8 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect June 1, 1992.

(2) Sections 5 and 7 of this act shall take effect July 1, 1992." [1992 c 107 § 9.]

**19.02.030 Center—Created—Duties—Administrator—Rules.** (1) There is created within the department of licensing a business license center.

(2) The duties of the center shall include:

(a) Developing and administering a computerized one-stop master license system capable of storing, retrieving, and exchanging license information with due regard to privacy statutes, as well as issuing and renewing master licenses in an efficient manner;

(b) Providing a license information service detailing requirements to establish or engage in business in this state;

(c) Providing for staggered master license renewal;

(d) Identifying types of licenses appropriate for inclusion in the master license system;

(e) Recommending in reports to the governor and the legislature the elimination, consolidation, or other modification of duplicative, ineffective, or inefficient licensing or inspection requirements; and

(f) Incorporating licenses into the master license system.

(3) The department of licensing shall establish the position of assistant director of the business license center.

(4) The director of licensing may adopt under chapter 34.05 RCW such rules as may be necessary to effectuate the purposes of this chapter. [1993 c 142 § 4; 1982 c 182 § 3; 1979 c 158 § 76; 1977 ex.s. c 319 § 3.]

**19.02.035 Center to compile and distribute information—Scope.** The business license center shall compile information regarding the regulatory programs associated with each of the licenses obtainable under the master license system. This information shall include, at a minimum, a listing of the statutes and administrative rules requiring the licenses and pertaining to the regulatory programs that are directly related to the licensure. For example, for pesticide dealers' licenses, the information shall include the statutes and rules requiring licensing as well as those pertaining to the subject of registering or distributing pesticides.

The business license center shall provide information governed by this section to any person requesting it. Materials used by the center to describe the services provided by the center shall indicate that this information is available upon request. [1982 c 182 § 4.]

**19.02.050 Participation of state agencies.** The legislature hereby directs the full participation by the following agencies in the implementation of this chapter:

(1) Department of agriculture;

(2) Secretary of state;

(3) Department of social and health services;

(4) Department of revenue;

(5) Department of fish and wildlife;

(6) Department of employment security;

(7) Department of labor and industries;

(8) Department of community, trade, and economic development;

(9) Liquor control board;

(10) Department of health;

(11) Department of licensing;

(12) Parks and recreation commission;

(13) Utilities and transportation commission; and

(14) Other agencies as determined by the governor. [1997 c 391 § 11; 1994 c 264 § 8; 1989 1st ex.s. c 9 § 317; 1985 c 466 § 38; 1979 c 158 § 78; 1977 ex.s. c 319 § 5.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**Effective date—Severability—1985 c 466:** See notes following RCW 43.31.125.

**19.02.070 Issuance of licenses—Scope—Master application and fees—Action by regulatory agency, when—Agencies provided information.** (1) Any person requiring licenses which have been incorporated into the system shall submit a master application to the department requesting the issuance of the licenses. The master application form shall contain in consolidated form information necessary for the issuance of the licenses.

(2) The applicant shall include with the application the sum of all fees and deposits required for the requested individual license endorsements as well as the handling fee established under RCW 19.02.075.

(3) Irrespective of any authority delegated to the department of licensing to implement the provisions of this chapter, the authority for approving issuance and renewal of any requested license that requires a preclicensing or renewal investigation, inspection, testing, or other judgmental review by the regulatory agency otherwise legally authorized to issue the license shall remain with that agency. The business license center has the authority to issue those licenses for which proper fee payment and a completed application form have been received and for which no preclicensing or renewal approval action is required by the regulatory agency.

(4) Upon receipt of the application and proper fee payment for any license for which issuance is subject to regulatory agency action under subsection (3) of this section, the department shall immediately notify the regulatory agency with authority to approve issuance or renewal of the license requested by the applicant. Each regulatory agency shall advise the department within a reasonable time after receiving the notice: (a) That the agency approves the issuance of the requested license and will advise the applicant of any specific conditions required for issuing the license; (b) that the agency denies the issuance of the license and gives the applicant reasons for the denial; or (c) that the application is pending.

(5) The department shall issue a master license endorsed for all the approved licenses to the applicant and advise the applicant of the status of other requested licenses. It is the responsibility of the applicant to contest the decision regarding conditions imposed or licenses denied through the normal process established by statute or by the agency with the authority for approving issuance of the license.

(6) Regulatory agencies shall be provided information from the master application for their licensing and regulatory functions. [1990 c 264 § 1; 1982 c 182 § 6; 1979 c 158 § 79; 1977 ex.s. c 319 § 7.]

**Effective date—1990 c 264:** "This act shall take effect July 1, 1990. The director of licensing may immediately take such steps as are necessary to ensure that sections 1 and 2 of this act are implemented on their effective date." [1990 c 264 § 5.]

**19.02.075 Master application fees—Renewal.** (1) The department shall collect a fee of fifteen dollars on each master application. The entire master application fee shall be deposited in the master license fund.

(2) The department shall collect a fee of nine dollars on each renewal application. Renewal application fees shall be deposited in the master license fund. [1995 c 403 § 1007; 1992 c 107 § 2; 1990 c 264 § 2.]

**Findings—Short title—Intent—1995 c 403:** See note following RCW 34.05.328.

**Part headings not law—Severability—1995 c 403:** See RCW 43.05.903 and 43.05.904.

**Effective dates—1992 c 107:** See note following RCW 19.02.020.

**Effective date—1990 c 264:** See note following RCW 19.02.070.

**19.02.080 Licensing fees—Disposition of.** All fees collected under the system shall be deposited with the state treasurer. Upon issuance or renewal of the master license or supplemental licenses, the department shall distribute the fees, except for fees covered under RCW 19.02.210 and for fees covered under RCW 19.80.075, to the appropriate

accounts under the applicable statutes for those agencies' licenses. [1992 c 107 § 3; 1982 c 182 § 7.]

**Effective dates—1992 c 107:** See note following RCW 19.02.020.

**19.02.085 Licensing fees—Master license delinquency fee—Rate—Disposition.** To encourage timely renewal by applicants, a master license delinquency fee shall be imposed on licensees who fail to renew by the master license expiration date. The master license delinquency fee shall be the lesser of one hundred fifty dollars or fifty percent of a base comprised of the licensee's renewal fee minus corporate licensing taxes, corporation annual report fee, and any interest fees or penalties charged for late taxes or corporate renewals. The master license delinquency fee shall be added to the renewal fee and paid by the licensee before a master license shall be renewed. The delinquency fee shall be deposited in the master license fund. [1992 c 107 § 5; 1989 c 170 § 1; 1982 c 182 § 9.]

**Effective dates—1992 c 107:** See note following RCW 19.02.020.

**19.02.090 Master license—Expiration date—Prorated fees—Conditions of renewal.** (1) The department shall assign an expiration date for each master license. All renewable licenses endorsed on that master license shall expire on that date. License fees shall be prorated to accommodate the staggering of expiration dates.

(2) All renewable licenses endorsed on a master license shall be renewed by the department under conditions originally imposed unless a regulatory agency advises the department of conditions or denials to be imposed before the endorsement is renewed. [1982 c 182 § 8.]

**19.02.100 Master license—Issuance or renewal—Denial.** (1) The department shall not issue or renew a master license to any person if:

(a) The person does not have a valid tax registration, if required;

(b) The person is a corporation delinquent in fees or penalties owing to the secretary of state or is not validly registered under Title 23B RCW, chapter 18.100 RCW, Title 24 RCW, and any other statute now or hereafter adopted which gives corporate or business licensing responsibilities to the secretary of state; or

(c) The person has not submitted the sum of all fees and deposits required for the requested individual license endorsements, any outstanding master license delinquency fee, or other fees and penalties to be collected through the system.

(2) Nothing in this section shall prevent registration by the state of an employer for the purpose of paying an employee of that employer industrial insurance or unemployment insurance benefits.

(3) 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. [1997 c 58 § 865; 1991 c 72 § 8; 1982 c 182 § 10.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**19.02.110 Master license—System to include additional licenses.** In addition to the licenses processed under the master license system prior to April 1, 1982, on July 1, 1982, use of the master license system shall be expanded as provided by this section.

Applications for the following shall be filed with the business license center and shall be processed, and renewals shall be issued, under the master license system:

- (1) Nursery dealer's licenses required by chapter 15.13 RCW;
- (2) Seed dealer's licenses required by chapter 15.49 RCW;
- (3) Pesticide dealer's licenses required by chapter 15.58 RCW;
- (4) Shopkeeper's licenses required by chapter 18.64 RCW;
- (5) Refrigerated locker licenses required by chapter 19.32 RCW;
- (6) Wholesalers licenses and retailers licenses required by \*chapter 19.91 RCW;
- (7) Egg dealer's licenses required by chapter 69.25 RCW. [1988 c 5 § 3; 1982 c 182 § 11.]

**\*Reviser's note:** Chapter 19.91 RCW was repealed by 1986 c 321 § 14, effective July 1, 1991.

**19.02.200 Center as secretary of state's agent for corporate renewals—Proposals for—Schedule.** See RCW 43.07.200.

**19.02.210 Master license fund.** The master license fund is created in the state treasury. Unless otherwise indicated in RCW 19.02.075, all receipts from handling and master license delinquency fees shall be deposited into the fund. Moneys in the fund may be spent only after appropriation beginning in fiscal year 1993. Expenditures from the fund may be used only to administer the master license services program. [1992 c 107 § 4.]

**Effective dates—1992 c 107:** See note following RCW 19.02.020.

**19.02.220 Combined licensing project—Report—Evaluation.** (1) By June 30, 1997, the department shall have a pilot combined licensing project fully operational in at least two cities within the state of Washington, with at least one city west of the Cascade mountains and at least one city east of the Cascade mountains.

(2) By January 31, 1997, the department shall make an interim report to the legislature on the progress of the pilot combined licensing project.

(3) By January 31, 1998, the department shall have evaluated the pilot combined licensing project and reported to the legislature with a plan for transition of the pilot project into an ongoing program. The transition plan shall include cost, funding sources, and staffing needs for the ongoing program.

(4) Upon approval and continued funding of the transition plan by the legislature under this section, the master license system shall implement a transition from the pilot program to the ongoing program. [1995 c 403 § 1006.]

**Findings—1995 c 403:** "The master license system of the department of licensing is a proven, progressive program for one-stop state licensing. This flexible system should be expanded into a state-wide shared data base to facilitate combined licensing processes at local, state, and federal levels as a benefit to the business community through improved customer service.

In order to achieve this goal the department of licensing should expand the license information management system, offered by the master license system, to include local and federal licensing requirements, making this information readily accessible at appropriate locations throughout the state. In addition, the department should develop a pilot program expanding the capabilities of the master licensing [license] system to local and federal levels in an efficient manner; and provide access to the expanded master licensing [license] system for all jurisdictions within the state of Washington." [1995 c 403 § 1001.]

**Findings—Short title—Intent—1995 c 403:** See note following RCW 34.05.328.

**Part headings not law—Severability—1995 c 403:** See RCW 43.05.903 and 43.05.904.

**19.02.300 Contract to issue conditional federal employer identification numbers, credentials, and documents—Issuance in conjunction with license applications.**

(1) The director may contract with the federal internal revenue service, or other appropriate federal agency, to issue conditional federal employer identification numbers, or other federal credentials or documents, at specified offices and locations of the agency in conjunction with any application for state licenses under this chapter.

(2) To the extent permitted by any contract entered under subsection (1) of this section, the department may contract, under chapter 39.34 RCW, with any agency of state or local government which is participating in the master licensing program to issue conditional federal employer identification numbers, or other federal credentials or documents, in conjunction with applications for state licenses under this chapter. [1997 c 51 § 2.]

**Intent—1997 c 51:** "The legislature intends to simplify the process of registering and licensing businesses in this state by authorizing state agencies to provide consolidated forms, instructions, service locations, and other operations whenever coordination of these functions would benefit individual businesses and the business community of this state. To further this goal, agencies participating in the master business license program should be able to contract with the federal internal revenue service, or other appropriate federal agency, to issue a conditional federal employer identification number, or other federal credentials or documents, at the same time that a business applies for registration or licensing with any state agency." [1997 c 51 § 1.]

**19.02.800 Master license system—Certain business or professional activity licenses exempt.** Except as provided in RCW 43.07.200, the provisions of this chapter regarding the processing of license applications and renewals under a master license system shall not apply to those

business or professional activities that are licensed or regulated under chapter 31.04, \*31.08, 31.12, \*\*31.12A, or 31.13 RCW or under Title 30, 32, 33, or 48 RCW. [1982 c 182 § 17.]

**Reviser's note:** \*(1) Chapter 31.08 RCW was repealed by 1991 c 208 § 24, effective January 1, 1993.

\*\*\*(2) Chapter 31.12A RCW was repealed by 1996 c 5 § 7, effective December 31, 2000.

**19.02.810 Master license system—Existing licenses or permits registered under, when.** A license or permit affected by chapter 182, Laws of 1982 and otherwise valid on April 1, 1982, need not be registered under the master license system until the renewal or expiration date of that license or permit under the laws in effect prior to April 1, 1982, unless otherwise revoked or suspended. [1982 c 182 § 46.]

**19.02.890 Short title.** This chapter may be known and cited as the business license center act. [1982 c 182 § 18.]

**19.02.900 Severability—1977 ex.s. c 319.** If any provision of this 1977 amendatory 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. [1977 ex.s. c 319 § 10.]

**19.02.901 Severability—1982 c 182.** 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. [1982 c 182 § 47.]

**19.02.910 Effective date—1977 ex.s. c 319.** This 1977 amendatory act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1977. [1977 ex.s. c 319 § 11.]

**19.02.920 Construction.** The rule of strict construction shall have no application to this chapter and it shall be liberally construed in order to carry out its purposes. [1982 c 182 § 16.]

## Chapter 19.06

### BLIND MADE PRODUCTS—SERVICES

#### Sections

19.06.010 Labels—Contents—Requirements—Prohibited acts.  
19.06.020 Governmental agencies shall purchase goods and services—Conditions.  
19.06.030 Advertising limitations.  
19.06.040 Penalty.

**19.06.010 Labels—Contents—Requirements—Prohibited acts.** Products made by blind persons and sold or distributed in this state as blind made may bear a label affixed directly to the product reading "MADE BY THE BLIND" and shall show the distributor's or manufacturer's name. Any product bearing such label shall have been made

by blind people to the extent of at least seventy-five percent of the man hours required for its manufacture. No other label, trade name or sales device tending to create the impression that a product is made by blind persons shall be used in connection with the sale or distribution of such product unless the product shall have been made by blind people to the extent of at least seventy-five percent of the man hours required for its manufacture. [1961 c 56 § 1; 1959 c 100 § 1.]

**19.06.020 Governmental agencies shall purchase goods and services—Conditions.** Any board, commission, officer, employee or other person or persons of the state, or any county, city, town, school district or other agency, political subdivision or taxing district of the state, whose duty it is to purchase materials, supplies, goods, wares, merchandise or produce, or to procure services, for the use of any department or institution within the state, shall make such purchases and procure such services whenever available, from any nonprofit agency for the blind located within the state which manufactures or distributes blind made products: PROVIDED, That the goods and services made by or offered by such agencies shall be equal in quality and price to those available from other sources. [1961 c 56 § 4; 1959 c 100 § 2.]

**19.06.030 Advertising limitations.** No advertising of blind made products shall refer to any product which is not blind made, nor shall any such advertising contain or refer to names or pictures of any blind persons or otherwise exploit the blind. [1961 c 56 § 2.]

**19.06.040 Penalty.** Any violation of this chapter shall be a misdemeanor. [1961 c 56 § 3.]

## Chapter 19.09

### CHARITABLE SOLICITATIONS

#### Sections

19.09.010 Purpose.  
19.09.020 Definitions.  
19.09.065 Charitable organizations and commercial fund raisers—Registration required—Public record—Registration not endorsement.  
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- 19.09.910 Severability—1973 1st ex.s. c 13.
- 19.09.911 Severability—1983 c 265.
- 19.09.912 Effective date—1983 c 265.
- 19.09.913 Effective date—1986 c 230.
- 19.09.914 Severability—1993 c 471.
- 19.09.915 Effective date—1993 c 471.

*Fees—Charitable trusts—Charitable solicitations: RCW 43.07.125.*

*Telephone, solicitation regulated: RCW 80.36.390.*

**19.09.010 Purpose.** The purpose of this chapter is to provide citizens of the state of Washington with information relating to persons and organizations who solicit funds from the public for public charitable purposes in order to prevent (1) deceptive and dishonest practices in the conduct of soliciting funds for or in the name of charity; and (2) improper use of contributions intended for charitable purposes. [1986 c 230 § 1; 1973 1st ex.s. c 13 § 1.]

**19.09.020 Definitions.** When used in this chapter, unless the context otherwise requires:

(1) A "bona fide officer or employee" of a charitable organization is one (a) whose conduct is subject to direct control by such organization; (b) who does not act in the manner of an independent contractor in his or her relation with the organization; and (c) whose compensation is not computed on funds raised or to be raised.

(2) "Charitable organization" means any entity that solicits or collects contributions from the general public where the contribution is or is purported to be used to support a charitable activity, but does not include any commercial fund raiser or commercial fund-raising entity as defined in this section. "Charitable" (a) is not limited to its common law meaning unless the context clearly requires a narrower meaning; (b) does not include religious or political activities; and (c) includes, but is not limited to, educational, recreational, social, patriotic, legal defense, benevolent, and health causes.

(3) "Compensation" means salaries, wages, fees, commissions, or any other remuneration or valuable consideration.

(4) "Contribution" means the payment, donation, promise or grant, for consideration or otherwise, of any money or property of any kind or value which contribution is wholly or partly induced by a solicitation. Reference to dollar amounts of "contributions" or "solicitations" in this

chapter means in the case of payments or promises to pay for merchandise or rights of any description, the value of the total amount paid or promised to be paid for such merchandise or rights less the reasonable purchase price to the charitable organization of any such tangible merchandise, rights, or services resold by the organization, and not merely that portion of the purchase price to be applied to a charitable purpose.

(5) "Cost of solicitation" means and includes all direct and indirect costs, expenditures, debts, obligations, salaries, wages, commissions, fees, or other money or thing of value paid or incurred in making a solicitation. Cost of solicitation does not include the reasonable purchase price to the charitable organization of any tangible goods or services resold by the organization as a part of its fund raising activities.

(6) "Entity" means an individual, organization, group, association, partnership, corporation, agency or unit of state government, or any combination thereof.

(7) "General public" or "public" means any individual located in Washington state without a membership or other official relationship with a charitable organization before a solicitation by the charitable organization.

(8) "Commercial fund raiser" or "commercial fund-raising entity" means any entity that for compensation or other consideration within this state directly or indirectly solicits or receives contributions for or on behalf of any charitable organization or charitable purpose, or that is engaged in the business of or is held out to persons in this state as independently engaged in the business of soliciting or receiving contributions for such purposes. However, the following shall not be deemed a commercial fund raiser or "commercial fund-raising entity": (a) Any entity that provides fund-raising advice or consultation to a charitable organization within this state but neither directly nor indirectly solicits or receives any contribution for or on behalf of any such charitable organization; and (b) a bona fide officer or other employee of a charitable organization.

(9) "Membership" means that for the payment of fees, dues, assessments, etc., an organization provides services and confers a bona fide right, privilege, professional standing, honor, or other direct benefit, in addition to the right to vote, elect officers, or hold office. The term "membership" does not include those persons who are granted a membership upon making a contribution as the result of solicitation.

(10) "Other employee" of a charitable organization means any person (a) whose conduct is subject to direct control by such organization; (b) who does not act in the manner of any independent contractor in his or her relation with the organization; and (c) who is not engaged in the business of or held out to persons in this state as independently engaged in the business of soliciting contributions for charitable or religious purposes.

(11) "Parent organization" means that part of a charitable organization that coordinates, supervises, or exercises control over policy, fund raising, or expenditures, or assists or advises one or more related foundations, supporting organizations, chapters, branches, or affiliates of such organization in the state of Washington.

(12) "Political activities" means those activities subject to chapter 42.17 RCW or the Federal Elections Campaign Act of 1971, as amended.

(13) "Religious activities" means those religious, evangelical, or missionary activities under the direction of a religious organization duly organized and operating in good faith that are entitled to receive a declaration of current tax exempt status for religious purposes from the United States government and the duly organized branches or chapters of those organizations.

(14) "Secretary" means the secretary of state.

(15) "Solicitation" means any oral or written request for a contribution, including the solicitor's offer or attempt to sell any property, rights, services, or other thing in connection with which:

(a) Any appeal is made for any charitable purpose; or

(b) The name of any charitable organization is used as an inducement for consummating the sale; or

(c) Any statement is made that implies that the whole or any part of the proceeds from the sale will be applied toward any charitable purpose or donated to any charitable organization.

The solicitation shall be deemed completed when made, whether or not the person making it receives any contribution or makes any sale.

Bingo activities, raffles, and amusement games conducted under chapter 9.46 RCW and applicable rules of the Washington state gambling commission are specifically excluded and shall not be deemed a solicitation under this chapter. [1993 c 471 § 1; 1986 c 230 § 2; 1983 c 265 § 1; 1979 c 158 § 80; 1977 ex.s. c 222 § 1; 1974 ex.s. c 106 § 1; 1973 1st ex.s. c 13 § 2.]

**19.09.065 Charitable organizations and commercial fund raisers—Registration required—Public record—Registration not endorsement.** (1) All charitable organizations and commercial fund raisers shall register with the secretary prior to conducting any solicitations.

(2) Failure to register as required by this chapter is a violation of this chapter.

(3) Information provided to the secretary pursuant to this chapter shall be a public record except as otherwise stated in this chapter.

(4) Registration shall not be considered or be represented as an endorsement by the secretary or the state of Washington. [1993 c 471 § 2; 1986 c 230 § 3; 1983 c 265 § 4.]

**19.09.075 Charitable organizations—Application for registration—Contents—Fee—Veterans' affairs—Notice, advice.** An application for registration as a charitable organization shall be submitted in the form prescribed by rule by the secretary, containing, but not limited to, the following:

(1) The name, address, and telephone number of the charitable organization;

(2) The name(s) under which the organization will solicit contributions;

(3) The name, address, and telephone number of the officers of or persons accepting responsibility for the organization;

(4) The names of the three officers or employees receiving the greatest amount of compensation from the organization;

(5) The purpose of the organization;

(6)(a) Whether the organization is exempt from federal income tax; and if so the organization shall attach to its application a copy of the letter by which the internal revenue service granted such status; and

(b) The name and address of the entity that prepares, reviews, or audits the financial statement of the organization;

(7) A solicitation report of the organization for the preceding accounting year including:

(a) The number and types of solicitations conducted;

(b) The total dollar value of support received from solicitations and from all other sources received on behalf of the charitable purpose of the charitable organization;

(c) The total amount of money applied to charitable purposes, fund raising costs, and other expenses;

(d) The name, address, and telephone number of any commercial fund raiser used by the organization;

(8) An irrevocable appointment of the secretary to receive service of process in noncriminal proceedings as provided in RCW 19.09.305; and

(9) The total revenue of the preceding fiscal year.

The solicitation report required to be submitted under subsection (7) of this section shall be in the form prescribed by rule by the secretary, or as agreed to by the secretary and a charitable organization or a group of charitable organizations. A consolidated application for registration may, at the option of the charitable organization, be submitted by a parent organization for itself and any or all of its related foundations, supporting organizations, chapters, branches, or affiliates in the state of Washington.

The application shall be signed by the president, treasurer, or comparable officer of the organization whose signature shall be notarized. The application shall be submitted with a nonrefundable filing fee which shall be in an amount to be established by the secretary by rule. In determining the amount of this application fee, the secretary may consider factors such as the entity's annual budget and its federal income tax status. If the secretary determines that the application is complete, the application shall be filed and the applicant deemed registered.

The secretary shall notify the director of veterans' affairs upon receipt of an application for registration as a charitable organization from an entity that purports to raise funds to benefit veterans of the United States military services. The director of veterans' affairs may advise the secretary and the attorney general of any information, reports, or complaints regarding such an organization. [1993 c 471 § 3; 1986 c 230 § 4; 1983 c 265 § 5.]

**19.09.076 Charitable organizations—Application for registration—Exemptions—Rules—Compliance with conditions.** The application requirements of RCW 19.09.075 do not apply to the following:

(1) Any charitable organization raising less than an amount as set by rule adopted by the secretary in any accounting year when all the activities of the organization, including all fund raising activities, are carried on by persons who are unpaid for their services and no part of the charitable organization's assets or income inures to the benefit of or is paid to any officer or member of the organization;

(2) Any charitable organization located outside of the state of Washington if the organization files the following with the secretary:

(a) The registration documents required under the charitable solicitation laws of the state in which the charitable organization is located;

(b) The registration required under the charitable solicitation laws of the state of California and the state of New York; and

(c) Such federal income tax forms as may be required by rule of the secretary.

All entities soliciting charitable donations shall comply with the requirements of RCW 19.09.100. [1994 c 287 § 1; 1993 c 471 § 4; 1986 c 230 § 5.]

**19.09.079 Commercial fund raisers—Application for registration—Contents—Fee.** An application for registration as a commercial fund raiser shall be submitted in the form prescribed by the secretary, containing, but not limited to, the following:

(1) The name, address, and telephone number of the commercial fund-raising entity;

(2) The name(s), address(es), and telephone number(s) of the owner(s) and principal officer(s) of the commercial fund-raising entity;

(3) The name, address, and telephone number of the individual responsible for the activities of the commercial fund-raising entity in Washington;

(4) A list of states and Canadian provinces in which fund raising has been performed;

(5) The names of the three officers or employees receiving the greatest amount of compensation from the commercial fund-raising entity;

(6) The name and address of the entity that prepares, reviews, or audits the financial statement of the organization;

(7) A solicitation report of the commercial fund-raising entity for the preceding accounting year, including:

(a) The number and types of fund raising services conducted;

(b) The names of charitable organizations required to register under RCW 19.09.065 for whom fund raising services have been performed;

(c) The total value of contributions received on behalf of charitable organizations required to register under RCW 19.09.065 by the commercial fund raiser, affiliate of the commercial fund raiser, or any entity retained by the commercial fund raiser; and

(d) The amount of money disbursed to charitable organizations for charitable purposes, net of fund raising costs paid by the charitable organization as stipulated in any agreement between charitable organizations and the commercial fund raiser;

(8) The name, address, and telephone number of any commercial fund raiser that was retained in the conduct of providing fund raising services; and

(9) An irrevocable appointment of the secretary to receive service of process in noncriminal proceedings as provided in RCW 19.09.305.

The application shall be signed by an officer or owner of the commercial fund raiser and shall be submitted with a nonrefundable fee in an amount to be established by rule of

the secretary. If the secretary determines that the application is complete, the application shall be filed and the applicant deemed registered. [1993 c 471 § 5; 1986 c 230 § 7; 1983 c 265 § 15.]

**19.09.085 Registration—Duration—Change—Notice to reregister.** (1) Registration under this chapter shall be effective for one year or longer, as established by the secretary.

(2) Reregistration required under RCW 19.09.075 or 19.09.079 shall be submitted to the secretary no later than the date established by the secretary by rule.

(3) Entities required to register under this chapter shall file a notice of change of information within thirty days of any change in the information contained in RCW 19.09.075 (1) through (6) or 19.09.079 (1) through (6).

(4) The secretary shall notify entities registered under this chapter of the need to reregister upon the expiration of their current registration. The notification shall be by mail, sent at least sixty days prior to the expiration of their current registration. Failure to register shall not be excused by a failure of the secretary to mail the notice or by an entity's failure to receive the notice. [1993 c 471 § 6; 1986 c 230 § 8; 1983 c 265 § 8.]

**19.09.095 Subsidiary organizations—Requirement to register—Exemptions.** A charitable organization that is supervised and controlled by a superior or parent organization that is incorporated, qualified to do business, or is doing business within this state shall not be required to register under RCW 19.09.065 if the superior or parent organization files an application, on behalf of its subsidiary, in addition to or as a part of its own application. If an application has been filed by a superior or parent organization, on behalf of the subsidiary organization, the superior or parent organization shall (1) report financial information either separately or in consolidated form for its subsidiary organization(s), and (2) identify the subsidiary organization(s) on whose behalf the application is being submitted, indicating which such organization(s), if any, collected or expended five thousand dollars or more during their fiscal year. [1986 c 230 § 9; 1983 c 265 § 6.]

**19.09.097 Contract with commercial fund raiser—Limitations—Registration form—Contents—Copy—Fee.**

(1) No charitable organization may contract with a commercial fund raiser for any fund raising service or activity unless its contract requires that both parties comply with the law and permits officers of the charity reasonable access to: (a) The fund raisers' financial records relating to that charitable organization; and (b) the fund raisers' operations including without limitation the right to be present during any telephone solicitation. In addition, the contract shall specify the amount of raised funds that the charitable organization will receive or the method of computing that amount, the amount of compensation of the commercial fund raiser or the method of computing that amount, and whether the compensation is fixed or contingent.

(2) Before a charitable organization may contract with a commercial fund raiser for any fund raising service or activity, the charitable organization and commercial fund

raiser shall complete a registration form. The registration shall be filed by the charitable organization with the secretary, in the form prescribed by the secretary, within five working days of the execution of the contract containing, but not limited to the following information:

(a) The name and registration number of the commercial fund raiser;

(b) The name of the surety or sureties issuing the bond required by RCW 19.09.190, the aggregate amount of such bond or bonds, the bond number(s), original effective date(s), and termination date(s);

(c) The name and registration number of the charitable organization;

(d) The name of the representative of the commercial fund raiser who will be responsible for the conduct of the fund raising;

(e) The type(s) of service(s) to be provided by the commercial fund raiser;

(f) The dates such service(s) will begin and end;

(g) The terms of the agreement between the charitable organization and commercial fund raiser relating to:

(i) Amount or percentages of amounts to inure to the charitable organization;

(ii) Limitations placed on the maximum amount to be raised by the fund raiser, if the amount to inure to the charitable organization is not stated as a percentage of the amount raised;

(iii) Costs of fund raising that will be the responsibility of the charitable organization, regardless of whether paid as a direct expense, deducted from the amounts disbursed, or otherwise; and

(iv) The manner in which contributions received directly by the charitable organization, not the result of services provided by the commercial fund raiser, will be identified and used in computing the fee owed to the commercial fund raiser; and

(h) The names of any entity to which more than ten percent of the total anticipated fund raising cost is to be paid, and whether any principal officer or owner of the commercial fund raiser or relative by blood or marriage thereof is an owner or officer of any such entity.

(3) A correct copy of the contract shall be filed with the secretary before the commencement of any campaign.

(4) The registration form shall be submitted with a nonrefundable filing fee in an amount to be established by rule of the secretary and shall be signed by an owner or principal officer of the commercial fund raiser and the president, treasurer, or comparable officer of the charitable organization. [1993 c 471 § 7; 1986 c 230 § 10.]

#### **19.09.100 Conditions applicable to solicitations.**

The following conditions apply to solicitations as defined by RCW 19.09.020:

(1) A charitable organization, whether or not required to register pursuant to this chapter, that directly solicits contributions from the public in this state shall make the following clear and conspicuous disclosures at the point of solicitation:

(a) The name of the individual making the solicitation;

(b) The identity of the charitable organization and the city of the principal place of business of the charitable organization;

(c) If requested by the solicitee, the published number in the office of the secretary for the donor to obtain additional financial disclosure information on file with the secretary.

(2) A commercial fund raiser shall clearly and conspicuously disclose at the point of solicitation:

(a) The name of the individual making the solicitation;

(b) The name of the entity for which the fund raiser is an agent or employee and the name and city of the charitable organization for which the solicitation is being conducted; and

(c) If requested by the solicitee, the published number in the office of the secretary for the donor to obtain additional financial disclosure information on file with the secretary. The disclosure must be made during an oral solicitation of a contribution, and at the same time at which a written request for a contribution is made.

(3) A person or organization soliciting charitable contributions by telephone shall make the disclosures required under subsection (1) or (2) of this section in the course of the solicitation but prior to asking for a commitment for a contribution from the solicitee, and in writing to any solicitee that makes a pledge within five working days of making the pledge. If the person or organization sends any materials to the person or organization solicited before the receipt of any contribution, those materials shall include the disclosures required in subsection (1) or (2) of this section, whichever is applicable.

(4) In the case of a solicitation by advertisement or mass distribution, including posters, leaflets, automatic dialing machines, publication, and audio or video broadcasts, it shall be clearly and conspicuously disclosed in the body of the solicitation material that:

(a) The solicitation is conducted by a named commercial fund raiser, if it is;

(b) The notice of solicitation required by the charitable solicitation act is on file with the secretary's office; and

(c) The potential donor can obtain additional financial disclosure information at a published number in the office of the secretary.

(5) A container or vending machine displaying a solicitation must also display in a clear and conspicuous manner the name of the charitable organization for which funds are solicited, the name, business address, and telephone number of the individual and any commercial fund raiser responsible for collecting funds placed in the containers or vending machines, and the following statement: "This charity is currently registered with the secretary's office under the charitable solicitation act, registration number . . . ."

(6) A commercial fund raiser shall not represent that tickets to any fund raising event will be donated for use by another person unless all the following requirements are met:

(a) The commercial fund raiser prior to conducting a solicitation has written commitments from persons stating that they will accept donated tickets and specifying the number of tickets they will accept;

(b) The written commitments are kept on file by the commercial fund raiser for three years and are made available to the secretary, attorney general, or county prosecutor on demand;

(c) The contributions solicited for donated tickets may not be more than the amount representing the number of

ticket commitments received from persons and kept on file under (a) of this subsection; and

(d) Not later than seven calendar days prior to the date of the event for which ticket donations are solicited, the commercial fund raiser shall give all donated tickets to the persons who made the written commitments to accept them.

(7) Each person or organization soliciting charitable contributions shall not represent orally or in writing that:

(a) The charitable contribution is tax deductible unless the charitable organization for which charitable contributions are being solicited or to which tickets for fund raising events or other services or goods will be donated, has applied for and received from the internal revenue service a letter of determination granting tax deductible status to the charitable organization;

(b) The person soliciting the charitable contribution is a volunteer or words of similar meaning or effect that create the impression that the person soliciting is not a paid solicitor unless such person is unpaid for his or her services;

(c) The person soliciting the charitable contribution is a member, staffer, helper, or employee of the charitable organization or words of similar meaning or effect that create the impression that the person soliciting is not a paid solicitor if the person soliciting is employed, contracted, or paid by a commercial fund raiser.

(8) If the charitable organization is associated with, or has a name that is similar to, any unit of government each person or organization soliciting contributions shall disclose to each person solicited whether the charitable organization is or is not part of any unit of government and the true nature of its relationship to the unit of government. This subsection does not apply to a foundation or other charitable organization that is organized, operated, or controlled by or in connection with a registered public charity, including any governmental agency or unit, from which it derives its name.

(9) No person may, in conducting any solicitation, use the name "police," "sheriff," "fire fighter," "firemen," or a similar name unless properly authorized by a bona fide police, sheriff, or fire fighter organization or police, sheriff, or fire department. A proper authorization shall be in writing and signed by two authorized officials of the organization or department and shall be filed with the secretary.

(10) A person may not, in conducting any solicitation, use the name of a federally chartered or nationally recognized military veterans' service organization as determined by the United States veterans' administration unless authorized in writing by the highest ranking official of that organization in this state.

(11) A charitable organization shall comply with all local governmental regulations that apply to soliciting for or on behalf of charitable organizations.

(12) The advertising material and the general promotional plan for a solicitation shall not be false, misleading, or deceptive, and shall afford full and fair disclosure.

(13) Solicitations shall not be conducted by a charitable organization or commercial fund raiser that has, or if a corporation, its officers, directors, or principals have, been convicted of a crime involving solicitations for or on behalf of a charitable organization in this state, the United States, or any other state or foreign country within the past ten years or has been subject to any permanent injunction or

administrative order or judgment under RCW 19.86.080 or 19.86.090, involving a violation or violations of RCW 19.86.020, within the past ten years, or of restraining a false or misleading promotional plan involving solicitations for charitable organizations.

(14) No charitable organization or commercial fund raiser subject to this chapter may use or exploit the fact of registration under this chapter so as to lead the public to believe that registration constitutes an endorsement or approval by the state, but the use of the following is not deemed prohibited: "Currently registered with the Washington state secretary of state as required by law. Registration number \_\_\_\_\_"

(15) No entity may engage in any solicitation for contributions for or on behalf of any charitable organization or commercial fund raiser unless the charitable organization or commercial fund raiser is currently registered with the secretary.

(16) No entity may engage in any solicitation for contributions unless it complies with all provisions of this chapter.

(17)(a) No entity may place a telephone call for the purpose of charitable solicitation that will be received by the solicitee before eight o'clock a.m. or after nine o'clock p.m.

(b) No entity may, while placing a telephone call for the purpose of charitable solicitation, engage in any conduct the natural consequence of which is to harass, intimidate, or torment any person in connection with the telephone call.

(18) Failure to comply with subsections (1) through (17) of this section is a violation of this chapter. [1994 c 287 § 2; 1993 c 471 § 9; 1986 c 230 § 11; 1983 c 265 § 9; 1982 c 227 § 7; 1977 ex.s. c 222 § 6; 1974 ex.s. c 106 § 3; 1973 1st ex.s. c 13 § 10.]

**Effective date—1982 c 227:** "Sections 5 and 6 of this act shall take effect June 30, 1983. The remaining sections of this act are necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect March 1, 1982." [1982 c 227 § 25.]

**Reviser's note:** Substitute House Bill No. 778 (1982 c 227), was signed by the governor April 3, 1982.

#### **19.09.190 Commercial fund raisers—Surety bond.**

Every commercial fund raiser who (1) directly or indirectly receives contributions from the public on behalf of any charitable organization; or (2) is compensated based upon funds raised or to be raised, number of solicitations made or to be made, or any other similar method; or (3) incurs or is authorized to incur expenses on behalf of the charitable organization; or (4) has not been registered with the secretary as a commercial fund raiser for the preceding accounting year shall execute a surety bond as principal with one or more sureties whose liability in the aggregate as such sureties will equal at least fifteen thousand dollars. The secretary may, by rule, provide for the reduction and reinstatement of the bond required by this section.

The issuer of the surety bond shall be licensed to do business in this state, and shall promptly notify the secretary when claims or payments are made against the bond or when the bond is canceled. The bond shall be filed with the secretary in the form prescribed by the secretary. The bond shall run to the state and to any person who may have a cause of action against the obligor of said bond for any malfeasance,

misfeasance, or deceptive practice in the conduct of such solicitation. [1993 c 471 § 10; 1986 c 230 § 16; 1983 c 265 § 16; 1982 c 227 § 8; 1977 ex.s. c 222 § 9; 1973 1st ex.s. c 13 § 19.]

**Effective date—1982 c 227:** See note following RCW 19.09.100.

**19.09.200 Books, records, and contracts.** (1) Charitable organizations and commercial fund raisers shall maintain accurate, current, and readily available books and records at their usual business locations until at least three years have elapsed following the effective period to which they relate.

(2) All contracts between commercial fund raisers and charitable organizations shall be in writing, and true and correct copies of such contracts or records thereof shall be kept on file in the various offices of the charitable organization and the commercial fund raiser for a three-year period. Such records and contracts shall be available for inspection and examination by the attorney general or by the county prosecuting attorney. A copy of such contract or record shall be submitted by the charitable organization or commercial fund raiser, within ten days, following receipt of a written demand therefor from the attorney general or county prosecutor. [1993 c 471 § 11; 1986 c 230 § 12; 1982 c 227 § 9; 1973 1st ex.s. c 13 § 20.]

**Effective date—1982 c 227:** See note following RCW 19.09.100.

**19.09.210 Financial statements.** Upon the request of the attorney general or the county prosecutor, a charitable organization or commercial fund raiser shall submit a financial statement containing, but not limited to, the following information:

(1) The gross amount of the contributions pledged and the gross amount collected.

(2) The amount thereof, given or to be given to charitable purposes represented together with details as to the manner of distribution as may be required.

(3) The aggregate amount paid and to be paid for the expenses of such solicitation.

(4) The amounts paid to and to be paid to commercial fund raisers or charitable organizations.

(5) Copies of any annual or periodic reports furnished by the charitable organization, of its activities during or for the same fiscal period, to its parent organization, subsidiaries, or affiliates, if any. [1993 c 471 § 12; 1986 c 230 § 13; 1983 c 265 § 10; 1982 c 227 § 10; 1977 ex.s. c 222 § 10; 1975 1st ex.s. c 219 § 1; 1973 1st ex.s. c 13 § 21.]

**Effective date—1982 c 227:** See note following RCW 19.09.100.

**19.09.230 Using the name, symbol, or emblem of another entity—Filing.** No charitable organization, commercial fund raiser, or other entity may knowingly use the identical or deceptively similar name, symbol, or emblem of any other entity for the purpose of soliciting contributions from persons in this state without the written consent of such other entity. If the official name or the "doing business name" being registered is the same or deceptively similar as that of another entity, the secretary may request that a copy of the written consent from that entity be filed with the registration. Such consent may be deemed to have been given by anyone who is a director, trustee, or other authorized

officer of that entity. A copy of the written consent must be kept on file by the charitable organization or commercial fund raiser and made available to the secretary, attorney general, or county prosecutor upon demand.

A person may be deemed to have used the name of another person for the purpose of soliciting contributions if such latter person's name is listed on any stationery, advertisement, brochure, or correspondence of the charitable organization or person or if such name is listed or represented to any one who has contributed to, sponsored, or endorsed the charitable organization or person, or its or his activities.

The secretary may revoke or deny any application for registration that violates this section. [1994 c 287 § 3; 1993 c 471 § 13; 1986 c 230 § 14; 1982 c 227 § 11; 1973 1st ex.s. c 13 § 23.]

**Effective date—1982 c 227:** See note following RCW 19.09.100.

**19.09.240 Using similar name, symbol, emblem, or statement.** No charitable organization, commercial fund raiser, or other person soliciting contributions for or on behalf of a charitable organization may use a name, symbol, emblem, or statement so closely related or similar to that used by another charitable organization or governmental agency that the use thereof would tend to confuse or mislead the public. The secretary may revoke or deny any application for registration that violates this section.

This section does not apply to a foundation or other charitable organization that is organized, operated, or controlled by or in connection with a registered public charity, including any governmental agency or unit, from which it derives its name. [1993 c 471 § 14; 1986 c 230 § 15; 1973 1st ex.s. c 13 § 24.]

**19.09.271 Failure to register—Late filing fee—Notice to attorney general.** (1) Any charitable organization or commercial fund raiser who, after notification by the secretary, fails to properly register under this chapter by the end of the first business day following the issuance of the notice, is liable for a late filing fee in an amount to be established by rule of the secretary. The late filing fee is in addition to any other filing fee provided by this chapter.

(2) The secretary shall notify the attorney general of any entity liable for late filing fees under subsection (1) of this section. [1993 c 471 § 8; 1986 c 230 § 17.]

**19.09.275 Violations—Penalties.** Any person who knowingly violates any provision of this chapter or who knowingly gives false or incorrect information to the secretary, attorney general, or county prosecuting attorney in filing statements required by this chapter, whether or not such statement or report is verified is guilty of a gross misdemeanor punishable under chapter 9A.20 RCW.

Any person who violates any provisions of this chapter or who gives false or incorrect information to the secretary, attorney general, or county prosecuting attorney in filing statements required by this chapter, whether or not such statement or report is verified, is guilty of a misdemeanor punishable under chapter 9A.20 RCW. [1993 c 471 § 15; 1986 c 230 § 18; 1983 c 265 § 11; 1982 c 227 § 12; 1977 ex.s. c 222 § 14.]

**Effective date—1982 c 227:** See note following RCW 19.09.100.

**19.09.276 Waiver of rule-set penalties—Notice by organization seeking relief—Investigation.** The secretary may waive penalties that have been set by rule and assessed by the secretary due from a registered charitable organization previously in good standing that would otherwise be penalized. A charitable organization desiring to seek relief under this section must, within fifteen days of discovery by its corporate officials, director, or other authorized officer of the missed filing or lapse, notify the secretary in writing. The notification must include the name and mailing address of the organization, the organization's officer to whom correspondence should be sent, and a statement under oath by a responsible officer of the organization, setting forth the nature of the missed filing or lapse, the circumstances giving rise to the missed filing or lapse, and the relief sought. Upon receipt of the notice, the secretary shall investigate the circumstances of the missed filing or lapse. If the secretary is satisfied that sufficient exigent or mitigating circumstances exist, that the organization has demonstrated good faith and a reasonable attempt to comply with the applicable corporate statutes of this state, the secretary may issue an order allowing relief from the penalty. If the secretary determines the request does not comply with the requirements for relief, the secretary shall deny the relief and state the reasons for the denial. Notwithstanding chapter 34.05 RCW, a denial of relief by the secretary is not reviewable. [1994 c 287 § 4.]

**19.09.277 Violations—Attorney general—Cease and desist order—Temporary order.** If it appears to the attorney general that a person has engaged or is about to engage in an act or practice constituting a violation of a provision of this chapter or a rule adopted or order issued under this chapter, the attorney general may, in the attorney general's discretion, issue an order directing the person to cease and desist from continuing the act or practice. Reasonable notice of and opportunity for a hearing shall be given. The attorney general may issue a temporary order pending the hearing, which shall remain in effect until ten days after the hearing is held and which shall become final if the person to whom the notice is addressed does not request a hearing within fifteen days after the receipt of the notice. [1993 c 471 § 20.]

**19.09.279 Violations—Attorney general—Penalty—Hearing—Recovery in superior court.** (1) The attorney general may assess against any person or organization who violates this chapter, or any rule adopted under this chapter, a civil penalty of not more than one thousand dollars for each violation.

(2) Such person or organization shall be afforded the opportunity for a hearing, upon request made to the attorney general within thirty days after the date of issuance of the notice of assessment. The hearing shall be conducted in accordance with chapter 34.05 RCW.

(3) If any person fails to pay an assessment after it has become a final and unappealable order, or after the court has entered final judgment in favor of the state, the attorney general may recover the amount assessed by action in the appropriate superior court. In such action, the validity and

appropriateness of the final order imposing the penalty shall not be subject to review. [1993 c 471 § 21.]

**19.09.305 Service on secretary when registrant not found—Procedure—Fee—Costs.** When a person or an organization registered under this chapter, or its president, treasurer, or comparable officers, cannot be found after reasonably diligent effort, the secretary of state shall be an agent of such person or organization upon whom process may be served. Service on the secretary shall be made by delivering to the secretary or the secretary's designee duplicate copies of such process, and a filing fee to be established by rule of the secretary. Thereupon, the secretary shall immediately cause one of the copies thereof to be forwarded to the registrant at the most current address shown in the secretary's files. Any service so had on the secretary shall be returnable in not less than thirty days.

Any fee under this section shall be taxable as costs in the action.

The secretary shall maintain a record of all process served on the secretary under this section, and shall record the date of service and the secretary's action with reference thereto.

Nothing in this section limits or affects the right to serve process required or permitted to be served on a registrant in any other manner now or hereafter permitted by law. [1993 c 471 § 16; 1983 c 265 § 7.]

**19.09.315 Forms and procedures—Filing of financial statement—Publications—Fee.** (1) The secretary may establish, by rule, standard forms and procedures for the efficient administration of this chapter.

(2) The secretary may provide by rule for the filing of a financial statement by registered entities.

(3) The secretary may issue such publications, reports, or information from the records as may be useful to the solicited public and charitable organizations. To defray the costs of any such publication, the secretary is authorized to charge a reasonable fee to cover the costs of preparing, printing, and distributing such publications. [1993 c 471 § 17; 1983 c 265 § 17.]

**19.09.340 Violations deemed unfair practice under chapter 19.86 RCW—Application of chapter 9.04 RCW—Procedure.** (1) The commission by any person of an act or practice prohibited by this chapter is hereby declared to be an unfair act or practice or unfair method of competition in the conduct of trade or commerce for the purpose of application of the Consumer Protection Act, chapter 19.86 RCW.

(2) The secretary may refer such evidence, as may be available, concerning violations of this chapter to the attorney general or the prosecuting attorney of the county wherein the alleged violation arose. In addition to any other action they might commence, the attorney general or the county prosecuting attorney may bring an action in the name of the state, with or without such reference, against any person to restrain and prevent the doing of any act or practice prohibited by this chapter: PROVIDED, That this chapter shall be considered in conjunction with chapters 9.04 and 19.86 RCW, as now or hereafter amended, and the

powers and duties of the attorney general and the prosecuting attorney as they may appear in the aforementioned chapters, shall apply against all persons subject to this chapter. [1983 c 265 § 12; 1982 c 227 § 13; 1973 1st ex.s. c 13 § 34.]

**Effective date—1982 c 227:** See note following RCW 19.09.100.

**19.09.355 Moneys to be transmitted to general fund.** All fees and other moneys received by the secretary of state under this chapter shall be transmitted to the state treasurer for deposit in the state general fund. [1983 c 265 § 18.]

**19.09.400 Attorney general—Investigations—Publication of information.** The attorney general, in the attorney general's discretion, may:

(1) Annually, or more frequently, make such public or private investigations within or without this state as the attorney general deems necessary to determine whether any registration should be granted, denied, revoked, or suspended, or whether any person has violated or is about to violate a provision of this chapter or any rule adopted or order issued under this chapter, or to aid in the enforcement of this chapter or in the prescribing of rules and forms under this chapter; and

(2) Publish information concerning a violation of this chapter or a rule adopted or order issued under this chapter. [1993 c 471 § 18.]

**19.09.410 Attorney general—Investigations—Powers—Superior court may compel.** For the purpose of any investigation or proceeding under this chapter, the attorney general or any officer designated by the attorney general may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which the attorney general deems relevant or material to the inquiry.

In case of willful failure on the part of a person to comply with a subpoena lawfully issued by the attorney general or on the refusal of a witness to testify to matters regarding which the witness may be lawfully interrogated, the superior court of a county, on application of the attorney general and after satisfactory evidence of willful disobedience, may compel obedience by proceedings for contempt, as in the case of disobedience of a subpoena issued from the court or a refusal to testify therein. [1993 c 471 § 19.]

**19.09.420 Copies of information for attorney general.** The secretary shall provide the attorney general with copies of or direct electronic access to all registrations, reports, or other information filed under this chapter. [1993 c 471 § 23.]

**19.09.430 Administrative procedure act to govern administration.** The administrative procedure act, chapter 34 05 RCW, shall wherever applicable govern the rights, remedies, and procedures respecting the administration of this chapter. [1993 c 471 § 22.]

**19.09.440 Annual report by secretary of state.** (1) Annually, the secretary of state shall publish a report indicating:

(a) For each charitable organization registered under RCW 19.09.065 the percentage relationship between (i) the total amount of money applied to charitable purposes; and (ii) the dollar value of support received from solicitations and received from all other sources on behalf of the charitable purpose of the organization;

(b) For each commercial fund raiser registered under RCW 19.09.065 the percentage relationship between (i) the amount of money disbursed to charitable organizations for charitable purposes; and (ii) the total value of contributions received on behalf of charitable organizations by the commercial fund raiser; and

(c) Such other information as the secretary of state deems appropriate.

(2) The secretary of state may use the latest information obtained pursuant to RCW 19.09.075 or otherwise under chapter 19.09 RCW to prepare the report. [1993 c 471 § 42.]

**19.09.910 Severability—1973 1st ex.s. c 13.** The provisions of this chapter are severable, and if any part or provision hereof shall be void, the decision of the court so holding shall not affect or impair any of the remaining parts or provisions of this chapter. [1973 1st ex.s. c 13 § 38.]

**19.09.911 Severability—1983 c 265.** 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. [1983 c 265 § 20.]

**19.09.912 Effective date—1983 c 265.** With the exception of section 19 of this act, this act shall take effect January 1, 1984. [1983 c 265 § 21.]

**Reviser's note:** "Section 19 of this act" is an uncodified appropriation section.

**19.09.913 Effective date—1986 c 230.** This act shall take effect on January 1, 1987. [1986 c 230 § 21.]

**19.09.914 Severability—1993 c 471.** 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. [1993 c 471 § 43.]

**19.09.915 Effective date—1993 c 471.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993. [1993 c 471 § 44.]

**Chapter 19.16**  
**COLLECTION AGENCIES**

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**19.16.100 Definitions.** Unless a different meaning is plainly required by the context, the following words and phrases as hereinafter used in this chapter shall have the following meanings:

(1) "Person" includes individual, firm, partnership, trust, joint venture, association, or corporation.

(2) "Collection agency" means and includes:

(a) Any person directly or indirectly engaged in soliciting claims for collection, or collecting or attempting to

collect claims owed or due or asserted to be owed or due another person;

(b) Any person who directly or indirectly furnishes or attempts to furnish, sells, or offers to sell forms represented to be a collection system or scheme intended or calculated to be used to collect claims even though the forms direct the debtor to make payment to the creditor and even though the forms may be or are actually used by the creditor himself in his own name;

(c) Any person who in attempting to collect or in collecting his own claim uses a fictitious name or any name other than his own which would indicate to the debtor that a third person is collecting or attempting to collect such claim.

(3) "Collection agency" does not mean and does not include:

(a) Any individual engaged in soliciting claims for collection, or collecting or attempting to collect claims on behalf of a licensee under this chapter, if said individual is an employee of the licensee;

(b) Any individual collecting or attempting to collect claims for not more than one employer, if all the collection efforts are carried on in the name of the employer and if the individual is an employee of the employer;

(c) Any person whose collection activities are carried on in his or its true name and are confined and are directly related to the operation of a business other than that of a collection agency, such as but not limited to trust companies, savings and loan associations, building and loan associations, abstract companies doing an escrow business, real estate brokers, public officers acting in their official capacities, persons acting under court order, lawyers, insurance companies, credit unions, loan or finance companies, mortgage banks, and banks;

(d) Any person who on behalf of another person prepares or mails monthly or periodic statements of accounts due if all payments are made to that other person and no other collection efforts are made by the person preparing the statements of account; or

(e) An "out-of-state collection agency" as defined in this chapter.

(4) "Out-of-state collection agency" means a person whose activities within this state are limited to collecting debts from debtors located in this state by means of interstate communications, including telephone, mail, or facsimile transmission, from the person's location in another state on behalf of clients located outside of this state.

(5) "Claim" means any obligation for the payment of money or thing of value arising out of any agreement or contract, express or implied.

(6) "Statement of account" means a report setting forth only amounts billed, invoices, credits allowed, or aged balance due.

(7) "Director" means the director of licensing.

(8) "Client" or "customer" means any person authorizing or employing a collection agency to collect a claim.

(9) "Licensee" means any person licensed under this chapter.

(10) "Board" means the Washington state collection agency board.

(11) "Debtor" means any person owing or alleged to owe a claim. [1994 c 195 § 1; 1990 c 190 § 1; 1979 c 158 § 81; 1971 ex.s. c 253 § 1.]

**19.16.110 License required.** No person shall act, assume to act, or advertise as a collection agency or out-of-state collection agency as defined in this chapter, except as authorized by this chapter, without first having applied for and obtained a license from the director.

Nothing contained in this section shall be construed to require a regular employee of a collection agency or out-of-state collection agency duly licensed under this chapter to procure a collection agency license. [1994 c 195 § 2; 1971 ex.s. c 253 § 2.]

**19.16.120 Denial, revocation, suspension of, or refusal to renew, license—Civil penalty—Grounds.** In addition to other provisions of this chapter, any license issued pursuant to this chapter or any application therefor may be denied, not renewed, revoked, or suspended, or in lieu of or in addition to suspension a licensee may be assessed a civil, monetary penalty in an amount not to exceed one thousand dollars:

(1) If an individual applicant or licensee is less than eighteen years of age or is not a resident of this state.

(2) If an applicant or licensee is not authorized to do business in this state.

(3) If the application or renewal forms required by this chapter are incomplete, fees required under RCW 19.16.140 and 19.16.150, if applicable, have not been paid, and the surety bond or cash deposit or other negotiable security acceptable to the director required by RCW 19.16.190, if applicable, has not been filed or renewed or is canceled.

(4) If any individual applicant, owner, officer, director, or managing employee of a nonindividual applicant or licensee:

(a) Shall have knowingly made a false statement of a material fact in any application for a collection agency license or an out-of-state collection agency license or renewal thereof, or in any data attached thereto and two years have not elapsed since the date of such statement;

(b) Shall have had a license to engage in the business of a collection agency or out-of-state collection agency denied, not renewed, suspended, or revoked by this state, any other state, or foreign country, for any reason other than the nonpayment of licensing fees or failure to meet bonding requirements: PROVIDED, That the terms of this subsection shall not apply if:

(i) Two years have elapsed since the time of any such denial, nonrenewal, or revocation; or

(ii) The terms of any such suspension have been fulfilled;

(c) Has been convicted in any court of any felony involving forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, or conspiracy to defraud and is incarcerated for that offense or five years have not elapsed since the date of such conviction;

(d) Has had any judgment entered against him in any civil action involving forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, or conspiracy to defraud and five years have not elapsed since the date

of the entry of the final judgment in said action: PROVIDED, That in no event shall a license be issued unless the judgment debt has been discharged;

(e) Has had his license to practice law suspended or revoked and two years have not elapsed since the date of such suspension or revocation, unless he has been relicensed to practice law in this state;

(f) Has had any judgment entered against him or it under the provisions of RCW 19.86.080 or 19.86.090 involving a violation or violations of RCW 19.86.020 and two years have not elapsed since the entry of the final judgment: PROVIDED, That in no event shall a license be issued unless the terms of such judgment, if any, have been fully complied with: PROVIDED FURTHER, That said judgment shall not be grounds for denial, suspension, nonrenewal, or revocation of a license unless the judgment arises out of and is based on acts of the applicant, owner, officer, director, managing employee, or licensee while acting for or as a collection agency or an out-of-state collection agency;

(g) Has petitioned for bankruptcy, and two years have not elapsed since the filing of said petition;

(h) Shall be insolvent in the sense that his or its liabilities exceed his or its assets or in the sense that he or it cannot meet his or its obligations as they mature;

(i) Has failed to pay any civil, monetary penalty assessed in accordance with RCW 19.16.351 or 19.16.360 within ten days after the assessment becomes final;

(j) Has knowingly failed to comply with, or violated any provisions of this chapter or any rule or regulation issued pursuant to this chapter, and two years have not elapsed since the occurrence of said noncompliance or violation; or

(k) Has been found by a court of competent jurisdiction to have violated the federal fair debt collection practices act, 15 U.S.C. Sec. 1692 et seq., or the Washington state consumer protection act, chapter 19.86 RCW, and two years have not elapsed since that finding.

Except as otherwise provided in this section, any person who is engaged in the collection agency business as of January 1, 1972 shall, upon filing the application, paying the fees, and filing the surety bond or cash deposit or other negotiable security in lieu of bond required by this chapter, be issued a license under this chapter.

The director 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 director's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order. [1997 c 58 § 847; 1994 c 195 § 3; 1977 ex.s. c 194 § 1; 1973 1st ex.s. c 20 § 1; 1971 ex.s. c 253 § 3.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal**

**requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**19.16.130 License—Application—Form—Contents.**

Every application for a license shall be in writing, under oath, and in the form prescribed by the director.

Every application shall contain such relevant information as the director may require.

The applicant shall furnish the director with such evidence as the director may reasonably require to establish that the requirements and qualifications for a licensee have been fulfilled by the applicant.

Every application for a license shall state, among other things that may be required, the name of the applicant with the name under which the applicant will do business and the location by street and number, city and state of each office of the business for which the license is sought.

No license shall be issued in any fictitious name which may be confused with or which is similar to any federal, state, county, or municipal governmental function or agency or in any name which may tend to describe any business function or enterprise not actually engaged in by the applicant or in any name which is the same as or so similar to that of any existing licensee as would tend to deceive the public or in any name which would otherwise tend to be deceptive or misleading. The foregoing shall not necessarily preclude the use of a name which may be followed by a geographically descriptive title which would distinguish it from a similar name licensed but operating in a different geographical area. [1971 ex.s. c 253 § 4.]

**19.16.140 License—Application—Fees—**

**Exemptions.** Each applicant when submitting his application shall pay a licensing fee and an investigation fee determined by the director as provided in RCW 43.24.086. The licensing fee for an out-of-state collection agency shall not exceed fifty percent of the licensing fee for a collection agency. An out-of-state collection agency is exempt from the licensing fee if the agency is licensed or registered in a state that does not require payment of an initial fee by any person who collects debts in the state only by means of interstate communications from the person's location in another state. If a license is not issued in response to the application, the license fee shall be returned to the applicant.

An annual license fee determined by the director as provided in RCW 43.24.086 shall be paid to the director on or before January first of each year. The annual license fee for an out-of-state collection agency shall not exceed fifty percent of the annual license fee for a collection agency. An out-of-state collection agency is exempt from the annual license fee if the agency is licensed or registered in a state that does not require payment of an annual fee by any person who collects debts in the state only by means of interstate communications from the person's location in another state. If the annual license fee is not paid on or before January first, the licensee shall be assessed a penalty for late payment in an amount determined by the director as provided in RCW 43.24.086. If the fee and penalty are not paid by January thirty-first, it will be necessary for the licensee to submit a new application for a license: PRO-

VIDED, That no license shall be issued upon such new application unless and until all fees and penalties previously accrued under this section have been paid.

Any license or branch office certificate issued under the provisions of this chapter shall expire on December thirty-first following the issuance thereof. [1994 c 195 § 4; 1985 c 7 § 81; 1975 1st ex.s. c 30 § 90; 1971 ex.s. c 253 § 5.]

**19.16.150 Branch office certificate required.**

If a licensee maintains a branch office, he or it shall not operate a collection agency business in such branch office until he or it has secured a branch office certificate therefor from the director. A licensee, so long as his or its license is in full force and effect and in good standing, shall be entitled to branch office certificates for any branch office operated by such licensee upon payment of the fee therefor provided in this chapter.

Each licensee when applying for a branch office certificate shall pay a fee determined by the director as provided in RCW 43.24.086. An annual fee determined by the director as provided in RCW 43.24.086 for a branch office certificate shall be paid to the director on or before January first of each year. If the annual fee is not paid on or before January first, a penalty for late payment in an amount determined by the director as provided in RCW 43.24.086 shall be assessed. If the fee and the penalty are not paid by January thirty-first, it will be necessary for the licensee to apply for a new branch office certificate: PROVIDED, That no such new branch office certificate shall be issued unless and until all fees and penalties previously accrued under this section have been paid. [1985 c 7 § 82; 1975 1st ex.s. c 30 § 91; 1971 ex.s. c 253 § 6.]

**19.16.160 License and branch office certificate—**

**Form—Contents—Display.** Each license and branch office certificate, when issued, shall be in the form and size prescribed by the director and shall state in addition to any other matter required by the director:

- (1) The name of the licensee;
- (2) The name under which the licensee will do business;
- (3) The address at which the collection agency business is to be conducted; and
- (4) The number and expiration date of the license or branch office certificate.

A licensee shall display his or its license in a conspicuous place in his or its principal place of business and, if he or it conducts a branch office, the branch office certificate shall be conspicuously displayed in the branch office.

Concurrently with or prior to engaging in any activity as a collection agency, as defined in this chapter, any person shall furnish to his or its client or customer the number indicated on the collection agency license issued to him pursuant to this section. [1973 1st ex.s. c 20 § 2; 1971 ex.s. c 253 § 7.]

**19.16.170 Procedure upon change of name or business location.**

Whenever a licensee shall contemplate a change of his or its trade name or a change in the location of his or its principal place of business or branch office, he or it shall give written notice of such proposed change to the director. The director shall approve the proposed change

and issue a new license or a branch office certificate, as the case may be, reflecting the change. [1971 ex.s. c 253 § 8.]

**19.16.180 Assignability of license or branch office certificate.** (1) Except as provided in subsection (2) of this section, a license or branch office certificate granted under this chapter is not assignable or transferable.

(2) Upon the death of an individual licensee, the director shall have the right to transfer the license and any branch office certificate of the decedent to the personal representative of his estate for the period of the unexpired term of the license and such additional time, not to exceed one year from the date of death of the licensee, as said personal representative may need in order to settle the deceased's estate or sell the collection agency. [1971 ex.s. c 253 § 9.]

**19.16.190 Surety bond requirements—Cash deposit or securities—Exception.** (1) Except as limited by subsection (7) of this section, each applicant shall, at the time of applying for a license, file with the director a surety bond in the sum of five thousand dollars. The bond shall be annually renewable on January first of each year, shall be approved by the director as to form and content, and shall be executed by the applicant as principal and by a surety company authorized to do business in this state as surety. Such bond shall run to the state of Washington as obligee for the benefit of the state and conditioned that the licensee shall faithfully and truly perform all agreements entered into with the licensee's clients or customers and shall, within thirty days after the close of each calendar month, account to and pay to his client or customer the net proceeds of all collections made during the preceding calendar month and due to each client or customer less any offsets due licensee under RCW 19.16.210 and 19.16.220. The bond required by this section shall remain in effect until canceled by action of the surety or the licensee or the director.

(2) An applicant for a license under this chapter may furnish, file, and deposit with the director, in lieu of the surety bond provided for herein, a cash deposit or other negotiable security acceptable to the director. The security deposited with the director in lieu of the surety bond shall be returned to the licensee at the expiration of one year after the collection agency's license has expired or been revoked if no legal action has been instituted against the licensee or on said security deposit at the expiration of said one year.

(3) A surety may file with the director notice of his or its withdrawal on the bond of the licensee. Upon filing a new bond or upon the revocation of the collection agency license or upon the expiration of sixty days after the filing of notice of withdrawal as surety by the surety, the liability of the former surety for all future acts of the licensee shall terminate.

(4) The director shall immediately cancel the bond given by a surety company upon being advised that the surety company's license to transact business in this state has been revoked.

(5) Upon the filing with the director of notice by a surety of his withdrawal as the surety on the bond of a licensee or upon the cancellation by the director of the bond of a surety as provided in this section, the director shall immediately give notice to the licensee of the withdrawal or

cancellation. The notice shall be sent to the licensee by registered or certified mail with request for a return receipt and addressed to the licensee at his or its main office as shown by the records of the director. At the expiration of thirty days from the date of mailing the notice, the license of the licensee shall be terminated, unless the licensee has filed a new bond with a surety satisfactory to the director.

(6) All bonds given under this chapter shall be filed and held in the office of the director.

(7) An out-of-state collection agency need not fulfill the bonding requirements under this section if the out-of-state collection agency maintains an adequate bond or legal alternative as required by the state in which the out-of-state collection agency is located. [1994 c 195 § 5; 1971 ex.s. c 253 § 10.]

**19.16.200 Action on bond, cash deposit or securities.** In addition to all other legal remedies, an action may be brought in any court of competent jurisdiction upon the bond or cash deposit or security in lieu thereof, required by RCW 19.16.190, by any person to whom the licensee fails to account and pay as set forth in such bond or by any client or customer of the licensee who has been damaged by failure of the licensee to comply with all agreements entered into with such client or customer: PROVIDED, That the aggregate liability of the surety to all such clients or customers shall in no event exceed the sum of such bond.

An action upon such bond or security shall be commenced by serving and filing of the complaint within one year from the date of the cancellation of the bond or, in the case of a cash deposit or other security deposited in lieu of the surety bond, within one year of the date of expiration or revocation of license: PROVIDED, That no action shall be maintained upon such bond or such cash deposit or other security for any claim which has been barred by any nonclaim statute or statute of limitations of this state. Two copies of the complaint shall be served by registered or certified mail upon the director at the time the suit is started. Such service shall constitute service on the surety. The director shall transmit one of said copies of the complaint served on him to the surety within forty-eight hours after it shall have been received.

The director shall maintain a record, available for public inspection, of all suits commenced under this chapter upon surety bonds, or the cash or other security deposited in lieu thereof.

In the event of a judgment being entered against the deposit or security referred to in RCW 19.16.190(2), the director shall, upon receipt of a certified copy of a final judgment, pay said judgment from the amount of the deposit or security. [1971 ex.s. c 253 § 11.]

**19.16.210 Accounting and payments by licensee to customer.** A licensee shall within thirty days after the close of each calendar month account in writing to his or its customers for all collections made during that calendar month and pay to his or its customers the net proceeds due and payable of all collections made during that calendar month except that a licensee need not account to the customer for:

(1) Court costs recovered which were previously advanced by licensee or his or its attorney.

(2) Attorney's fees and interest or other charges incidental to the principal amount of the obligation legally and properly belonging to the licensee, if such charges are retained by the licensee after the principal amount of the obligation has been accounted for and remitted to the customer. When the net proceeds are less than ten dollars at the end of any calendar month, payments may be deferred for a period not to exceed three months. [1971 ex.s. c 253 § 12.]

**19.16.220 Accounting and payments by customer to licensee.** Every customer of a licensee shall, within thirty days after the close of each calendar month, account and pay to his or its collection agency all sums owing to the collection agency for payments received by the customer during that calendar month on claims in the hands of the collection agency.

If a customer fails to pay a licensee any sums due under this section, the licensee shall, in addition to other remedies provided by law, have the right to offset any moneys due the licensee under this section against any moneys due customer under RCW 19.16.210. [1971 ex.s. c 253 § 13.]

**19.16.230 Licensee—Business office—Records to be kept.** (1) Every licensee required to keep and maintain records pursuant to this section, other than an out-of-state collection agency, shall establish and maintain a regular active business office in the state of Washington for the purpose of conducting his or its collection agency business. Said office must be open to the public during reasonable stated business hours, and must be managed by a resident of the state of Washington.

(2) Every licensee shall keep a record of all sums collected by him or it and all disbursements made by him or it. All such records shall be kept at the business office referred to in subsection (1) of this section, unless the licensee is an out-of-state collection agency, in which case the record shall be kept at the business office listed on the licensee's license.

(3) Licensees shall maintain and preserve accounting records of collections and payments to customers for a period of four years from the date of the last entry thereon. [1994 c 195 § 6; 1987 c 85 § 1; 1973 1st ex.s. c 20 § 3; 1971 ex.s. c 253 § 14.]

**19.16.240 Licensee—Trust fund account—Exception.** Each licensee, other than an out-of-state collection agency, shall at all times maintain a separate bank account in this state in which all moneys collected by the licensee shall be deposited except that negotiable instruments received may be forwarded directly to a customer. Moneys received must be deposited within ten days after posting to the book of accounts. In no event shall moneys received be disposed of in any manner other than to deposit such moneys in said account or as provided in this section.

The bank account shall bear some title sufficient to distinguish it from the licensee's personal or general checking account, such as "Customer's Trust Fund Account" There shall be sufficient funds in said trust account at all

times to pay all moneys due or owing to all customers and no disbursements shall be made from such account except to customers or to remit moneys collected from debtors on assigned claims and due licensee's attorney or to refund over payments except that a licensee may periodically withdraw therefrom such moneys as may accrue to licensee.

Any money in such trust account belonging to a licensee may be withdrawn for the purpose of transferring the same into the possession of licensee or into a personal or general account of licensee. [1994 c 195 § 7; 1971 ex.s. c 253 § 15.]

**19.16.245 Financial statement.** No licensee shall receive any money from any debtor as a result of the collection of any claim until he or it shall have submitted a financial statement showing the assets and liabilities of the licensee truly reflecting that the licensee's net worth is not less than the sum of seven thousand five hundred dollars, in cash or its equivalent, of which not less than five thousand dollars shall be deposited in a bank, available for the use of the licensee's business. Any money so collected shall be subject to the provisions of RCW 19.16.430(2). The financial statement shall be sworn to by the licensee, if the licensee is an individual, or by a partner, officer, or manager in its behalf if the licensee is a partnership, corporation, or unincorporated association. The information contained in the financial statement shall be confidential and not a public record, but is admissible in evidence at any hearing held, or in any action instituted in a court of competent jurisdiction, pursuant to the provisions of this chapter: PROVIDED, That this section shall not apply to those persons holding a valid license issued pursuant to this chapter on July 16, 1973. [1973 1st ex.s. c 20 § 9.]

**19.16.250 Prohibited practices.** No licensee or employee of a licensee shall:

(1) Directly or indirectly aid or abet any unlicensed person to engage in business as a collection agency in this state or receive compensation from such unlicensed person: PROVIDED, That nothing in this chapter shall prevent a licensee from accepting, as forwarder, claims for collection from a collection agency or attorney whose place of business is outside the state.

(2) Collect or attempt to collect a claim by the use of any means contrary to the postal laws and regulations of the United States postal department.

(3) Publish or post or cause to be published or posted, any list of debtors commonly known as "bad debt lists" or threaten to do so. For purposes of this chapter, a "bad debt list" means any list of natural persons alleged to fail to honor their lawful debts. However, nothing herein shall be construed to prohibit a licensee from communicating to its customers or clients by means of a coded list, the existence of a check dishonored because of insufficient funds, not sufficient funds or closed account by the financial institution servicing the debtor's checking account: PROVIDED, That the debtor's identity is not readily apparent: PROVIDED FURTHER, That the licensee complies with the requirements of subsection (9)(e) of this section.

(4) Have in his possession or make use of any badge, use a uniform of any law enforcement agency or any

simulation thereof, or make any statements which might be construed as indicating an official connection with any federal, state, county, or city law enforcement agency, or any other governmental agency, while engaged in collection agency business.

(5) Perform any act or acts, either directly or indirectly, constituting the practice of law.

(6) Advertise for sale or threaten to advertise for sale any claim as a means of endeavoring to enforce payment thereof or agreeing to do so for the purpose of soliciting claims, except where the licensee has acquired claims as an assignee for the benefit of creditors or where the licensee is acting under court order.

(7) Use any name while engaged in the making of a demand for any claim other than the name set forth on his or its current license issued hereunder.

(8) Give or send to any debtor or cause to be given or sent to any debtor, any notice, letter, message, or form which represents or implies that a claim exists unless it shall indicate in clear and legible type:

(a) The name of the licensee and the city, street, and number at which he is licensed to do business;

(b) The name of the original creditor to whom the debtor owed the claim if such name is known to the licensee or employee: **PROVIDED**, That upon written request of the debtor, the licensee shall make a reasonable effort to obtain the name of such person and provide this name to the debtor;

(c) If the notice, letter, message, or form is the first notice to the debtor or if the licensee is attempting to collect a different amount than indicated in his or its first notice to the debtor, an itemization of the claim asserted must be made including:

(i) Amount owing on the original obligation at the time it was received by the licensee for collection or by assignment;

(ii) Interest or service charge, collection costs, or late payment charges, if any, added to the original obligation by the original creditor, customer or assignor before it was received by the licensee or employee: **PROVIDED**, That upon written request of the debtor, the licensee shall make a reasonable effort to obtain information on such items and provide this information to the debtor;

(iii) Interest or service charge, if any, added by the licensee or customer or assignor after the obligation was received by the licensee for collection;

(iv) Collection costs, if any, that the licensee is attempting to collect;

(v) Attorneys' fees, if any, that the licensee is attempting to collect on his or its behalf or on the behalf of a customer or assignor;

(vi) Any other charge or fee that the licensee is attempting to collect on his or its own behalf or on the behalf of a customer or assignor.

(9) Communicate or threaten to communicate, the existence of a claim to a person other than one who might be reasonably expected to be liable on the claim in any manner other than through proper legal action, process, or proceedings except under the following conditions:

(a) A licensee or employee of a licensee may inform a credit reporting bureau of the existence of a claim: **PRO-**

**VIDED**, That if the licensee or employee of a licensee reports a claim to a credit reporting bureau, the licensee shall upon receipt of written notice from the debtor that any part of the claim is disputed, forward a copy of such written notice to the credit reporting bureau;

(b) A licensee or employee in collecting or attempting to collect a claim may communicate the existence of a claim to a debtor's employer if the claim has been reduced to a judgment;

(c) A licensee or employee in collecting or attempting to collect a claim that has not been reduced to judgment, may communicate the existence of a claim to a debtor's employer if:

(i) The licensee or employee has notified or attempted to notify the debtor in writing at his last known address or place of employment concerning the claim and the debtor after a reasonable time has failed to pay the claim or has failed to agree to make payments on the claim in a manner acceptable to the licensee, and

(ii) The debtor has not in writing to the licensee disputed any part of the claim: **PROVIDED**, That the licensee or employee may only communicate the existence of a claim which has not been reduced to judgment to the debtor's employer once unless the debtor's employer has agreed to additional communications.

(d) A licensee may for the purpose of locating the debtor or locating assets of the debtor communicate the existence of a claim to any person who might reasonably be expected to have knowledge of the whereabouts of a debtor or the location of assets of the debtor if the claim is reduced to judgment, or if not reduced to judgment, when:

(i) The licensee or employee has notified or attempted to notify the debtor in writing at his last known address or last known place of employment concerning the claim and the debtor after a reasonable time has failed to pay the claim or has failed to agree to make payments on the claim in a manner acceptable to the licensee, and

(ii) The debtor has not in writing disputed any part of the claim.

(e) A licensee may communicate the existence of a claim to its customers or clients if the claim is reduced to judgment, or if not reduced to judgment, when:

(i) The licensee has notified or attempted to notify the debtor in writing at his last known address or last known place of employment concerning the claim and the debtor after a reasonable time has failed to pay the claim or has failed to agree to make payments on the claim in a manner acceptable to the licensee, and

(ii) The debtor has not in writing disputed any part of the claim.

(10) Threaten the debtor with impairment of his credit rating if a claim is not paid.

(11) Communicate with the debtor after notification in writing from an attorney representing such debtor that all further communications relative to a claim should be addressed to the attorney: **PROVIDED**, That if a licensee requests in writing information from an attorney regarding such claim and the attorney does not respond within a reasonable time, the licensee may communicate directly with the debtor until he or it again receives notification in writing that an attorney is representing the debtor.

(12) Communicate with a debtor or anyone else in such a manner as to harass, intimidate, threaten, or embarrass a debtor, including but not limited to communication at an unreasonable hour, with unreasonable frequency, by threats of force or violence, by threats of criminal prosecution, and by use of offensive language. A communication shall be presumed to have been made for the purposes of harassment if:

(a) It is made with a debtor or spouse in any form, manner, or place, more than three times in a single week;

(b) It is made with a debtor at his or her place of employment more than one time in a single week;

(c) It is made with the debtor or spouse at his or her place of residence between the hours of 9:00 p.m. and 7:30 a.m.

(13) Communicate with the debtor through use of forms or instruments that simulate the form or appearance of judicial process, the form or appearance of government documents, or the simulation of a form or appearance of a telegraphic or emergency message.

(14) Communicate with the debtor and represent or imply that the existing obligation of the debtor may be or has been increased by the addition of attorney fees, investigation fees, service fees, or any other fees or charges when in fact such fees or charges may not legally be added to the existing obligation of such debtor.

(15) Threaten to take any action against the debtor which the licensee cannot legally take at the time the threat is made.

(16) Send any telegram or make any telephone calls to a debtor or concerning a debt or for the purpose of demanding payment of a claim or seeking information about a debtor, for which the charges are payable by the addressee or by the person to whom the call is made.

(17) In any manner convey the impression that the licensee is vouched for, bonded to or by, or is an instrumentality of the state of Washington or any agency or department thereof.

(18) Collect or attempt to collect in addition to the principal amount of a claim any sum other than allowable interest, collection costs or handling fees expressly authorized by statute, and, in the case of suit, attorney's fees and taxable court costs.

(19) Procure from a debtor or collect or attempt to collect on any written note, contract, stipulation, promise or acknowledgment under which a debtor may be required to pay any sum other than principal, allowable interest, and, in the case of suit, attorney's fees and taxable court costs. [1983 c 107 § 1; 1981 c 254 § 5; 1971 ex.s. c 253 § 16.]

**19.16.260 Licensing prerequisite to suit.** No collection agency or out-of-state collection agency may bring or maintain an action in any court of this state involving the collection of a claim of any third party without alleging and proving that he or it is duly licensed under this chapter and has satisfied the bonding requirements hereof, if applicable: PROVIDED, That in any case where judgment is to be entered by default, it shall not be necessary for the collection agency or out-of-state collection agency to prove such matters.

A copy of the current collection agency license or out-of-state collection agency license, certified by the director to be a true and correct copy of the original, shall be prima facie evidence of the licensing and bonding of such collection agency or out-of-state collection agency as required by this chapter. [1994 c 195 § 8; 1971 ex.s. c 253 § 17.]

**19.16.270 Presumption of validity of assignment.** In any action brought by licensee to collect the claim of his or its customer, the assignment of the claim to licensee by his or its customer shall be conclusively presumed valid, if the assignment is filed in court with the complaint, unless objection is made thereto by the debtor in a written answer or in writing five days or more prior to trial. [1971 ex.s. c 253 § 18.]

**19.16.280 Board created—Composition of board—Qualification of members.** There is hereby created a board to be known and designated as the "Washington state collection agency board". The board shall consist of five members, one of whom shall be the director and the other four shall be appointed by the governor. The director may delegate his duties as a board member to a designee from his department. The director or his designee shall be the executive officer of the board and its chairman.

At least two but no more than two members of the board shall be licensees hereunder. Each of the licensee members of the board shall be actively engaged in the collection agency business at the time of his appointment and must continue to be so engaged and continue to be licensed under this chapter during the term of his appointment or he will be deemed to have resigned his position: PROVIDED, That no individual may be a licensee member of the board unless he has been actively engaged as either an owner or executive employee or a combination of both of a collection agency business in this state for a period of not less than five years immediately prior to his appointment.

No board member shall be employed by or have any interest in, directly or indirectly, as owner, partner, officer, director, agent, stockholder, or attorney, any collection agency in which any other board member is employed by or has such an interest.

No member of the board other than the director or his designee shall hold any other elective or appointive state or federal office. [1971 ex.s. c 253 § 19.]

**19.16.290 Board—Initial members—Terms—Oath—Removal.** The initial members of the board shall be named by the governor within thirty days after January 1, 1972. At the first meeting of the board, the members appointed by the governor shall determine by lot the period of time from January 1, 1972 that each of them shall serve, one for one year; one for two years; one for three years; and one for four years. In the event of a vacancy on the board, the governor shall appoint a successor for the unexpired term.

Each member appointed by the governor shall qualify by taking the usual oath of a state officer, which shall be filed with the secretary of state, and each member shall hold office for the term of his appointment and until his successor is appointed and qualified.

Any member of the board other than the director or his designee may be removed by the governor for neglect of duty, misconduct, malfeasance or misfeasance in office, after being given a written statement of the charges against him and sufficient opportunity to be heard thereon. [1971 ex.s. c 253 § 20.]

**19.16.300 Board meetings—Quorum—Effect of vacancy.** The board shall meet as soon as practicable after the governor has appointed the initial members of the board. The board shall meet at least once a year and at such other times as may be necessary for the transaction of its business.

The time and place of the initial meeting of the board and the annual meetings shall be at a time and place fixed by the director. Other meetings of the board shall be held upon written request of the director at a time and place designated by him, or upon the written request of any two members of the board at a time and place designated by them.

A majority of the board shall constitute a quorum.

A vacancy in the board membership shall not impair the right of the remaining members of the board to exercise any power or to perform any duty of the board, so long as the power is exercised or the duty performed by a quorum of the board. [1971 ex.s. c 253 § 21.]

**19.16.310 Board—Compensation—Reimbursement of travel expenses.** Each member of the board appointed by the governor shall be compensated in accordance with RCW 43.03.240 and in addition thereto shall be reimbursed for travel expenses incurred while on official business of the board and in attending meetings thereof, in accordance with the provisions of RCW 43.03.050 and 43.03.060. [1984 c 287 § 54; 1975-'76 2nd ex.s. c 34 § 58; 1971 ex.s. c 253 § 22.]

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**Effective date—Severability—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

**19.16.320 Board—Territorial scope of operations.** The board may meet, function and exercise its powers and perform its duties at any place within the state. [1971 ex.s. c 253 § 23.]

**19.16.330 Board—Immunity from suit.** Members of the board shall be immune from suit in any civil action based upon an official act performed in good faith as members of such board. [1971 ex.s. c 253 § 24.]

**19.16.340 Board—Records.** All records of the board shall be kept in the office of the director. Copies of all records and papers of the board, certified to be true copies by the director, shall be received in evidence in all cases with like effect as the originals. All actions by the board which require publication, or any writing shall be over the signature of the director or his designee. [1971 ex.s. c 253 § 25.]

**19.16.351 Additional powers and duties of board.**

The board, in addition to any other powers and duties granted under this chapter:

(1) May adopt, amend, and rescind such rules and regulations for its own organization and procedure and such other rules and regulations as it may deem necessary in order to perform its duties hereunder.

(2) When an applicant or licensee has requested a hearing as provided in RCW 19.16.360 the board shall meet and after notice and hearing may deny any application for a license hereunder, and may fail to renew, suspend, or revoke any license issued hereunder, if the applicant or licensee has failed to comply with or violated any provision of this chapter or any rule or regulation issued pursuant to this chapter. In its discretion, the board may assess a civil, monetary penalty against a licensee in an amount not to exceed one thousand dollars in lieu of or in addition to suspension. It shall be the duty of the board within thirty days after the last day of hearing to notify the appellant of its decision.

(3) May inquire into the needs of the collection agency business, the needs of the director, and the matter of the policy of the director in administering this chapter, and make such recommendations with respect thereto as, after consideration, may be deemed important and necessary for the welfare of the state, the welfare of the public, and the welfare and progress of the collection agency business.

(4) Upon request of the director, confer and advise in matters relating to the administering of this chapter.

(5) May consider and make appropriate recommendations to the director in all matters referred to the board.

(6) Upon his request, confer with and advise the director in the preparation of any rules and regulations to be adopted, amended, or repealed.

(7) May assist the director in the collection of such information and data as the director may deem necessary to the proper administration of this chapter. [1977 ex.s. c 194 § 2; 1973 1st ex.s. c 20 § 8.]

**19.16.360 Licenses—Denial, suspension, revocation or refusal to renew—Civil penalty—Hearing.** (1) Whenever the director shall have reasonable cause to believe that grounds exist for denial, nonrenewal, revocation or suspension of a license issued or to be issued under this chapter, or in lieu of or in addition to suspension that a licensee should be assessed a civil, monetary penalty not to exceed one thousand dollars, he shall notify the applicant or licensee in writing by certified or registered mail, with return receipt requested, stating the grounds upon which it is proposed that the license be denied, revoked, not renewed, or suspended and upon which any monetary penalty is going to be assessed and the amount of the penalty.

(2) Within thirty days from the receipt of notice of the alleged grounds for denial, revocation, lack of renewal, or suspension or for the monetary penalty to be assessed in lieu of or in addition to suspension, the applicant or licensee may serve upon the director a written request for hearing before the board. Service of a request for a hearing shall be by certified mail and shall be addressed to the director at his office in Thurston county. Upon receiving a request for a hearing, the director shall fix a date for which the matter

may be heard by the board, which date shall be not less than thirty days from the receipt of the request for such hearing. If no request for hearing is made within the time specified, the license shall be deemed denied, revoked, or not renewed or the license shall be deemed suspended and/or the civil, monetary penalty shall be deemed assessed.

(3) Whenever a licensee who has made timely and sufficient application for the renewal of a license, receives notice from the director that it is proposed that his or its license is not to be renewed, and said licensee requests a hearing under subsection (2) of this section, the licensee's current license shall not expire until the last day for seeking review of the board's decision expires or if judicial review of the board's decision is sought until final judgment has been entered by the superior court, or in the event of an appeal or appeals, until final judgment has been entered by the last appellate court in which review has been sought. [1977 ex.s. c 194 § 3; 1973 1st ex.s. c 20 § 4; 1971 ex.s. c 253 § 27.]

**19.16.380 Administrative procedure act—Application.** Except as specifically provided in this chapter, the rules adopted and the hearings conducted shall be in accordance with the provisions of chapter 34.05 RCW (administrative procedure act). [1971 ex.s. c 253 § 29.]

**19.16.390 Personal service of process outside state.** Personal service of any process in an action under this chapter may be made upon any person outside the state if such person has engaged in conduct in violation of this chapter which has had the impact in this state which this chapter rephends. Such persons shall be deemed to have thereby submitted themselves to the jurisdiction of the courts of this state within the meaning of RCW 4.28.180 and 4.28.185. A holder of an out-of-state collection agency license is deemed to have appointed the director or the director's designee to be the licensee's true and lawful agent upon whom may be served any legal process against that licensee arising or growing out of any violation of this chapter. [1994 c 195 § 9; 1971 ex.s. c 253 § 30.]

**19.16.400 Investigations or proceedings—Powers of director or designees—Contempt.** (1) The director may initiate and conduct investigations as may be reasonably necessary to establish the existence of any alleged violations of or noncompliance with the provisions of this chapter or any rules and regulations issued hereunder. For the purpose of any investigation or proceeding under this chapter, the director or any officer designated by him may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which the director deems relevant or material to the inquiry.

(2) If any individual fails to obey a subpoena or obeys a subpoena but refuses to give evidence, any court of competent jurisdiction, upon application by the director, may issue to that person an order requiring him to appear before the court, to show cause why he should not be compelled to obey the subpoena and give evidence material to the matter under investigation. The failure to obey an order of the

court may be punishable as contempt. [1973 1st ex.s. c 20 § 5; 1971 ex.s. c 253 § 31.]

**19.16.410 Rules, orders, decisions, etc.** The director may promulgate rules, make specific decisions, orders and rulings, including therein demands and findings, and take other necessary action for the implementation and enforcement of his duties under this chapter. [1971 ex.s. c 253 § 32.]

**19.16.420 Copy of this chapter, rules and regulations available to licensee.** On or about the first day of February in each year, the director shall cause to be made available at reasonable expense to a licensee a copy of this chapter, a copy of the current rules and regulations of the director, and board, and such other materials as the director or board prescribe. [1971 ex.s. c 253 § 33.]

**19.16.430 Violations—Operating agency without a license—Penalty—Return of fees or compensation.** (1) Any person who knowingly operates as a collection agency or out-of-state collection agency without a license or knowingly aids and abets such violation is punishable by a fine not exceeding five hundred dollars or by imprisonment not exceeding one year or both.

(2) Any person who operates as a collection agency or out-of-state collection agency in the state of Washington without a valid license issued pursuant to this chapter shall not charge or receive any fee or compensation on any moneys received or collected while operating without a license or on any moneys received or collected while operating with a license but received or collected as a result of his or its acts as a collection agency or out-of-state collection agency while not licensed hereunder. All such moneys collected or received shall be forthwith returned to the owners of the accounts on which the moneys were paid. [1994 c 195 § 10; 1973 1st ex.s. c 20 § 6; 1971 ex.s. c 253 § 34.]

**19.16.440 Violations of RCW 19.16.110 and 19.16.250 are unfair and deceptive trade practices under chapter 19.86 RCW.** The operation of a collection agency or out-of-state collection agency without a license as prohibited by RCW 19.16.110 and the commission by a licensee or an employee of a licensee of an act or practice prohibited by RCW 19.16.250 are declared to be unfair acts or practices or unfair methods of competition in the conduct of trade or commerce for the purpose of the application of the Consumer Protection Act found in chapter 19.86 RCW. [1994 c 195 § 11; 1973 1st ex.s. c 20 § 7; 1971 ex.s. c 253 § 35.]

**19.16.450 Violation of RCW 19.16.250—Additional penalty.** If an act or practice in violation of RCW 19.16.250 is committed by a licensee or an employee of a licensee in the collection of a claim, neither the licensee, the customer of the licensee, nor any other person who may thereafter legally seek to collect on such claim shall ever be allowed to recover any interest, service charge, attorneys' fees, collection costs, delinquency charge, or any other fees or charges otherwise legally chargeable to the debtor on such

claim: PROVIDED, That any person asserting the claim may nevertheless recover from the debtor the amount of the original claim or obligation. [1971 ex.s. c 253 § 36.]

**19.16.460 Violations may be enjoined.** Notwithstanding any other actions which may be brought under the laws of this state, the attorney general or the prosecuting attorney of any county within the state may bring an action in the name of the state against any person to restrain and prevent any violation of this chapter. [1971 ex.s. c 253 § 37.]

**19.16.470 Violations—Assurance of discontinuance—Effect.** The attorney general may accept an assurance of discontinuance of any act or practice deemed in violation of this chapter from any person engaging in or who has engaged in such act or practice. Any such assurance shall be in writing and be filed with and subject to the approval of the superior court of the county in which the alleged violator resides or has his principal place of business, or in the alternative, in Thurston county.

Such assurance of discontinuance shall not be considered an admission of a violation for any purpose; however, proof of failure to perform the terms of any such assurance shall constitute prima facie proof of a violation of this chapter for the purpose of securing an injunction as provided for in RCW 19.16.460: PROVIDED, That after commencement of any action by a prosecuting attorney, as provided therein, the attorney general may not accept an assurance of discontinuance without the consent of said prosecuting attorney. [1971 ex.s. c 253 § 38.]

**19.16.480 Violation of injunction—Civil penalty.** Any person who violates any injunction issued pursuant to this chapter shall forfeit and pay a civil penalty of not more than twenty-five thousand dollars. For the purpose of this section the superior court issuing any injunction shall retain jurisdiction, and the cause shall be continued, and in such cases the attorney general acting in the name of the state may petition for the recovery of civil penalties. [1971 ex.s. c 253 § 39.]

**19.16.500 Public bodies may retain collection agencies to collect public debts—Fees.** (1)(a) Agencies, departments, taxing districts, political subdivisions of the state, counties, and cities may retain, by written contract, collection agencies licensed under this chapter for the purpose of collecting public debts owed by any person, including any restitution that is being collected on behalf of a crime victim.

(b) Any governmental entity as described in (a) of this subsection using a collection agency may add a reasonable fee, payable by the debtor, to the outstanding debt for the collection agency fee incurred or to be incurred. The amount to be paid for collection services shall be left to the agreement of the governmental entity and its collection agency or agencies, but a contingent fee of up to fifty percent of the first one hundred thousand dollars of the unpaid debt per account and up to thirty-five percent of the unpaid debt over one hundred thousand dollars per account is reasonable, and a minimum fee of the full amount of the

debt up to one hundred dollars per account is reasonable. Any fee agreement entered into by a governmental entity is presumptively reasonable.

(2) No debt may be assigned to a collection agency unless (a) there has been an attempt to advise the debtor (i) of the existence of the debt and (ii) that the debt may be assigned to a collection agency for collection if the debt is not paid, and (b) at least thirty days have elapsed from the time notice was attempted.

(3) Collection agencies assigned debts under this section shall have only those remedies and powers which would be available to them as assignees of private creditors.

(4) For purposes of this section, the term debt shall include fines and other debts, including the fee required under subsection (1)(b) of this section. [1997 c 387 § 1; 1982 c 65 § 1.]

*Interest rate: RCW 43.17.240.*

**19.16.900 Provisions cumulative—Violation of RCW 19.16.250 deemed civil.** The provisions of this chapter shall be cumulative and nonexclusive and shall not affect any other remedy available at law: PROVIDED, That the violation of RCW 19.16.250 shall be construed as exclusively civil and not penal in nature. [1971 ex.s. c 253 § 40.]

**19.16.910 Severability—1971 ex.s. c 253.** If any section or provision of this act shall be adjudged to be invalid or unconstitutional such adjudication shall not affect the validity of the act as a whole, or any section, provisions, or part thereof not adjudged invalid or unconstitutional. [1971 ex.s. c 253 § 41.]

**19.16.920 Provisions exclusive—Authority of political subdivisions to levy business and occupation taxes not affected.** (1) The provisions of this chapter relating to the licensing and regulation of collection agencies and out-of-state collection agencies shall be exclusive and no county, city, or other political subdivision of this state shall enact any laws or rules and regulations licensing or regulating collection agencies.

(2) This section shall not be construed to prevent a political subdivision of this state from levying a business and occupation tax upon collection agencies or out-of-state collection agencies maintaining an office within that political subdivision if a business and occupation tax is levied by it upon other types of businesses within its boundaries. [1994 c 195 § 12; 1971 ex.s. c 253 § 42.]

**19.16.930 Effective date—1971 ex.s. c 253.** This act shall become effective January 1, 1972. [1971 ex.s. c 253 § 44.]

**19.16.940 Short title.** This chapter shall be known and may be cited as the "Collection Agency Act". [1971 ex.s. c 253 § 45.]

**19.16.950 Section headings.** Section headings used in this chapter shall not constitute any part of the law. [1971 ex.s. c 253 § 46.]

## Chapter 19.25

## REPRODUCED SOUND RECORDINGS

Sections	
19.25.010	Definitions.
19.25.020	Reproduction of sound without consent of owner unlawful— Fine and penalty.
19.25.030	Use of recording of live performance without consent of owner unlawful—Fine and penalty.
19.25.040	Failure to disclose origin of certain recordings unlawful— Fine and penalty.
19.25.050	Contraband recordings—Disposition, forfeiture, penalty.
19.25.800	Chapter not applicable to broadcast by commercial or educa- tional radio or television.
19.25.810	Chapter not applicable to certain nonrecorded broadcast use.
19.25.820	Chapter not applicable to defined public record.
19.25.900	Severability—1974 ex.s. c 100.
19.25.901	Severability—1991 c 38.

**19.25.010 Definitions.** As used in this chapter:

(1) "Owner" means a person who owns the sounds fixed in a master phonograph record, master disc, master tape, master film, or other recording on which sound is or can be recorded and from which the transferred recorded sounds are directly or indirectly derived.

(2) "Fixed" means embodied in a recording or other tangible medium of expression, by or under the authority of the author, so that the matter embodied is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.

(3) "Live performance" means a recitation, rendering, or playing of a series of images; musical, spoken or other sounds; or combination of images and sounds.

(4) "Recording" means a tangible medium on which sounds, images, or both are recorded or otherwise stored, including an original phonograph record, disc, tape, audio or video cassette, wire, film, or other medium now existing or developed later on which sounds, images, or both are or can be recorded or otherwise stored or a copy or reproduction that duplicates in whole or in part the original.

(5) "Manufacturer" means the entity authorizing the duplication of the recording in question, but shall not include the manufacturer of the cartridge or casing itself. [1991 c 38 § 1; 1974 ex.s. c 100 § 1.]

**19.25.020 Reproduction of sound without consent of owner unlawful—Fine and penalty.** (1) A person commits an offense if the person:

(a) Knowingly reproduces for sale or causes to be transferred any recording with intent to sell it or cause it to be sold or use it or cause it to be used for commercial advantage or private financial gain without the consent of the owner;

(b) Transports within this state, for commercial advantage or private financial gain, a recording with the knowledge that the sounds have been reproduced or transferred without the consent of the owner; or

(c) Advertises, offers for sale, sells, or rents, or causes the sale, resale, or rental of or possesses for one or more of these purposes any recording that the person knows has been reproduced or transferred without the consent of the owner.

(2) An offense under this section is a felony punishable by:

(a) A fine of not more than two hundred fifty thousand dollars, imprisonment for not more than ten years, or both if:

(i) The offense involves at least one thousand unauthorized recordings during a one hundred eighty-day period; or

(ii) The defendant has been previously convicted under this section;

(b) A fine of not more than two hundred fifty thousand dollars, imprisonment for not more than five years, or both, if the offense involves more than one hundred but less than one thousand unauthorized recordings during a one hundred eighty-day period.

(3) Any other offense under this section is a gross misdemeanor punishable by a fine of not more than twenty-five thousand dollars, imprisonment for not more than one year, or both.

(4) This section does not affect the rights and remedies of a party in private litigation.

(5) This section applies only to recordings that were initially fixed before February 15, 1972. [1991 c 38 § 2; 1974 ex.s. c 100 § 2.]

**19.25.030 Use of recording of live performance without consent of owner unlawful—Fine and penalty.**

(1) A person commits an offense if the person:

(a) For commercial advantage or private financial gain advertises, offers for sale, sells, rents, transports, causes the sale, resale, rental, or transportation of or possesses for one or more of these purposes a recording of a live performance with the knowledge that the live performance has been recorded or fixed without the consent of the owner; or

(b) With the intent to sell for commercial advantage or private financial gain records or fixes or causes to be recorded or fixed on a recording a live performance with the knowledge that the live performance has been recorded or fixed without the consent of the owner.

(2) An offense under this section is a felony punishable by:

(a) A fine of not more than two hundred fifty thousand dollars, imprisonment for not more than ten years, or both, if:

(i) The offense involves at least one thousand unauthorized recordings embodying sound or at least one hundred unauthorized audiovisual recordings during a one hundred eighty-day period; or

(ii) The defendant has been previously convicted under this section; or

(b) A fine of not more than two hundred fifty thousand dollars, imprisonment for not more than five years, or both, if the offense involves more than one hundred but less than one thousand unauthorized recordings embodying sound or more than ten but less than one hundred unauthorized audiovisual recordings during a one hundred eighty-day period.

(3) Any other offense under this section is a gross misdemeanor punishable by a fine of not more than twenty-five thousand dollars, imprisonment for not more than one year, or both.

(4) In the absence of a written agreement or law to the contrary, the performer or performers of a live performance are presumed to own the rights to record or fix those sounds.

(5) For the purposes of this section, a person who is authorized to maintain custody and control over business records that reflect whether or not the owner of the live performance consented to having the live performance recorded or fixed is a competent witness in a proceeding regarding the issue of consent.

(6) This section does not affect the rights and remedies of a party in private litigation. [1991 c 38 § 3; 1974 ex.s. c 100 § 3.]

**19.25.040 Failure to disclose origin of certain recordings unlawful—Fine and penalty.** (1) A person is guilty of failure to disclose the origin of a recording when, for commercial advantage or private financial gain, the person knowingly advertises, or offers for sale, resale, or rent, or sells or resells, or rents, leases, or lends, or possesses for any of these purposes, any recording which does not contain the true name and address of the manufacturer in a prominent place on the cover, jacket, or label of the recording.

(2) An offense under this section is a felony punishable by:

(a) A fine of not more than two hundred fifty thousand dollars, imprisonment for not more than ten years, or both, if:

(i) The offense involves at least one hundred unauthorized recordings during a one hundred eighty-day period; or

(ii) The defendant has been previously convicted under this section;

(b) A fine of not more than two hundred fifty thousand dollars, imprisonment for not more than five years, or both, if the offense involves more than ten but less than one hundred unauthorized recordings during a one hundred eighty-day period.

(3) Any other offense under this section is a gross misdemeanor punishable by a fine of not more than twenty-five thousand dollars, imprisonment for not more than one year, or both.

(4) This section does not affect the rights and remedies of a party in private litigation. [1991 c 38 § 4; 1974 ex.s. c 100 § 4.]

**19.25.050 Contraband recordings—Disposition, forfeiture, penalty.** (1) All recordings which have been fixed transferred, or possessed without the consent of the owner in violation of RCW 19.25.020 or 19.25.030, and any recording which does not contain the true name and address of the manufacturer in violation of RCW 19.25.040 shall be deemed to be contraband. The court shall order the seizure, forfeiture, and destruction or other disposition of such contraband.

(2) The owner or the prosecuting attorney may institute proceedings to forfeit contraband recordings. The provisions of this subsection shall apply to any contraband recording, regardless of lack of knowledge or intent on the part of the possessor, retail seller, manufacturer, or distributor.

(3) Whenever a person is convicted of a violation under this chapter, the court, in its judgment of conviction, shall, in addition to the penalty therein prescribed, order the forfeiture and destruction or other disposition of all contraband recordings and any and all electronic, mechanical, or

other devices for manufacturing, reproducing, packaging, or assembling such recordings, which were used to facilitate any violation of this chapter. [1991 c 38 § 5.]

**19.25.800 Chapter not applicable to broadcast by commercial or educational radio or television.** This chapter shall not be applicable to any recording that is used or intended to be used only for broadcast by commercial or educational radio or television stations. [1991 c 38 § 6.]

**19.25.810 Chapter not applicable to certain nonrecorded broadcast use.** This chapter shall not be applicable to any recording that is received in the ordinary course of a broadcast by a commercial or educational radio or television station where no recording is made of the broadcast. [1991 c 38 § 7.]

**19.25.820 Chapter not applicable to defined public record.** This chapter shall not be applicable to any recording defined as a public record of any court, legislative body, or proceedings of any public body, whether or not a fee is charged or collected for copies. [1991 c 38 § 8.]

**19.25.900 Severability—1974 ex.s. c 100.** If any provision of this 1974 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. [1974 ex.s. c 100 § 5.]

**19.25.901 Severability—1991 c 38.** 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. [1991 c 38 § 9.]

## Chapter 19.27

### STATE BUILDING CODE

#### Sections

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*Building permits: RCW 36.21.070 and 36.21.080.*

*Counties*

*adoption of building, plumbing, electrical codes, etc: RCW 36.32.120(7).  
building codes: Chapter 36.43 RCW.*

*Energy-related building standards: Chapter 19.27A RCW.*

*Underground storage tanks: RCW 90.76.020.*

**19.27.010 Short title.** This chapter shall be known as the State Building Code Act. [1974 ex.s. c 96 § 1.]

**19.27.015 Definitions.** As used in this chapter:

(1) "City" means a city or town;

(2) "Multifamily residential building" means common wall residential buildings that consist of four or fewer units, that do not exceed two stories in height, that are less than five thousand square feet in area, and that have a one-hour fire-resistive occupancy separation between units; and

(3) "Temporary growing structure" means a structure that has the sides and roof covered with polyethylene, polyvinyl, or similar flexible synthetic material and is used to provide plants with either frost protection or increased heat retention. [1996 c 157 § 1; 1985 c 360 § 1.]

**Effective date—1996 c 157:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [March 25, 1996]." [1996 c 157 § 3.]

**19.27.020 Purposes—Objectives—Standards.** The purpose of this chapter is to promote the health, safety and welfare of the occupants or users of buildings and structures and the general public by the provision of building codes throughout the state. Accordingly, this chapter is designed to effectuate the following purposes, objectives, and standards:

(1) To require minimum performance standards and requirements for construction and construction materials, consistent with accepted standards of engineering, fire and life safety.

(2) To require standards and requirements in terms of performance and nationally accepted standards.

(3) To permit the use of modern technical methods, devices and improvements.

(4) To eliminate restrictive, obsolete, conflicting, duplicating and unnecessary regulations and requirements which could unnecessarily increase construction costs or retard the use of new materials and methods of installation or provide unwarranted preferential treatment to types or classes of materials or products or methods of construction.

(5) To provide for standards and specifications for making buildings and facilities accessible to and usable by physically disabled persons.

(6) To consolidate within each authorized enforcement jurisdiction, the administration and enforcement of building codes. [1985 c 360 § 6; 1974 ex.s. c 96 § 2.]

**19.27.031 State building code—Adoption—Conflicts—Opinions.** Except as otherwise provided in this chapter, there shall be in effect in all counties and cities the state building code which shall consist of the following codes which are hereby adopted by reference:

(1) Uniform Building Code and Uniform Building Code Standards, published by the International Conference of Building Officials;

(2) Uniform Mechanical Code, including Chapter 13, Fuel Gas Piping, Appendix B, published by the International Conference of Building Officials;

(3) The Uniform Fire Code and Uniform Fire Code Standards, published by the International Fire Code Institute: PROVIDED, That, notwithstanding any wording in this code, participants in religious ceremonies shall not be precluded from carrying hand-held candles;

(4) Except as provided in RCW 19.27.170, the Uniform Plumbing Code and Uniform Plumbing Code Standards, published by the International Association of Plumbing and Mechanical Officials: PROVIDED, That chapters 11 and 12 of such code are not adopted; and

(5) The rules and regulations adopted by the council establishing standards for making buildings and facilities accessible to and usable by the physically handicapped or elderly persons as provided in RCW 70.92.100 through 70.92.160.

In case of conflict among the codes enumerated in subsections (1), (2), (3), and (4) of this section, the first named code shall govern over those following.

The codes enumerated in this section shall be adopted by the council as provided in RCW 19.27.074.

The council may issue opinions relating to the codes at the request of a local official charged with the duty to enforce the enumerated codes. [1995 c 343 § 1. Prior: 1989 c 348 § 9; 1989 c 266 § 1; 1985 c 360 § 5.]

**Severability—1989 c 348:** See note following RCW 90.54.020.

**Rights not impaired—1989 c 348:** See RCW 90.54.920.

**19.27.035 Process for review.** The building code council shall, within one year of July 23, 1989, adopt a process for the review of proposed state-wide amendments to the codes enumerated in RCW 19.27.031, and proposed or enacted local amendments to the codes enumerated in RCW 19.27.031 as amended and adopted by the state building code council. [1989 c 266 § 6.]

**19.27.040 Cities and counties authorized to amend state building code—Limitations.** The governing body of each county or city is authorized to amend the state building code as it applies within the jurisdiction of the county or city. The minimum performance standards of the codes and the objectives enumerated in RCW 19.27.020 shall not be diminished by any county or city amendments.

Nothing in this chapter shall authorize any modifications of the requirements of chapter 70.92 RCW. [1990 c 2 § 11; 1985 c 360 § 8; 1977 ex.s. c 14 § 12; 1974 ex.s. c 96 § 4.]

**Effective dates—1990 c 2:** "Sections 1 through 4, 6, 7, 9, and 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 shall take effect March 1, 1990. Sections 11 and 12 of this act shall take effect January 1, 1991. Section 8 of this act shall take effect July 1, 1991." [1990 c 2 § 14.]

**Findings—Severability—1990 c 2:** See notes following RCW 19.27A.015.

**19.27.042 Cities and counties—Emergency exemptions for housing for indigent persons.** (1) Effective January 1, 1992, the legislative authorities of cities and counties may adopt an ordinance or resolution to exempt from state building code requirements buildings whose character of use or occupancy has been changed in order to provide housing for indigent persons. The ordinance or resolution allowing the exemption shall include the following conditions:

(a) The exemption is limited to existing buildings located in this state;

(b) Any code deficiencies to be exempted pose no threat to human life, health, or safety;

(c) The building or buildings exempted under this section are owned or administered by a public agency or nonprofit corporation; and

(d) The exemption is authorized for no more than five years on any given building. An exemption for a building may be renewed if the requirements of this section are met for each renewal.

(2) By January 1, 1992, the state building code council shall adopt by rule, guidelines for cities and counties exempting buildings under subsection (1) of this section. [1991 c 139 § 1.]

**19.27.050 Enforcement.** The state building code required by this chapter shall be enforced by the counties and cities. Any county or city not having a building department shall contract with another county, city, or inspection agency approved by the county or city for enforcement of the state building code within its jurisdictional boundaries. [1985 c 360 § 9; 1974 ex.s. c 96 § 5.]

**19.27.060 Local building regulations superseded—Exceptions.** (1) The governing bodies of counties and cities may amend the codes enumerated in RCW 19.27.031 as amended and adopted by the state building code council as they apply within their respective jurisdictions, but the amendments shall not result in a code that is less than the minimum performance standards and objectives contained in the state building code.

(a) No amendment to a code enumerated in RCW 19.27.031 as amended and adopted by the state building

code council that affects single family or multifamily residential buildings shall be effective unless the amendment is approved by the building code council under RCW 19.27.074(1)(b).

(b) Any county or city amendment to a code enumerated in RCW 19.27.031 which is approved under RCW 19.27.074(1)(b) shall continue to be effective after any action is taken under RCW 19.27.074(1)(a) without necessity of reapproval under RCW 19.27.074(1)(b) unless the amendment is declared null and void by the council at the time any action is taken under RCW 19.27.074(1)(a) because such action in any way altered the impact of the amendment.

(2) Except as permitted or provided otherwise under this section, the state building code shall be applicable to all buildings and structures including those owned by the state or by any governmental subdivision or unit of local government.

(3) The governing body of each county or city may limit the application of any portion of the state building code to exclude specified classes or types of buildings or structures according to use other than single family or multifamily residential buildings: PROVIDED, That in no event shall fruits or vegetables of the tree or vine stored in buildings or warehouses constitute combustible stock for the purposes of application of the uniform fire code.

(4) The provisions of this chapter shall not apply to any building four or more stories high with a B occupancy as defined by the uniform building code, 1982 edition, and with a city fire insurance rating of 1, 2, or 3 as defined by a recognized fire rating bureau or organization.

(5) No provision of the uniform fire code concerning roadways shall be part of the state building code: PROVIDED, That this subsection shall not limit the authority of a county or city to adopt street, road, or access standards.

(6) The provisions of the state building code may be preempted by any city or county to the extent that the code provisions relating to the installation or use of sprinklers in jail cells conflict with the secure and humane operation of jails.

(7)(a) Effective one year after July 23, 1989, the governing bodies of counties and cities may adopt an ordinance or resolution to exempt from permit requirements certain construction or alteration of either group R, division 3, or group M, division 1 occupancies, or both, as defined in the uniform building code, 1988 edition, for which the total cost of fair market value of the construction or alteration does not exceed fifteen hundred dollars. The permit exemption shall not otherwise exempt the construction or alteration from the substantive standards of the codes enumerated in RCW 19.27.031, as amended and maintained by the state building code council under RCW 19.27.070.

(b) Prior to July 23, 1989, the state building code council shall adopt by rule, guidelines exempting from permit requirements certain construction and alteration activities under (a) of this subsection. [1989 c 266 § 2; 1989 c 246 § 1; 1987 c 462 § 12; 1986 c 118 § 15; 1985 c 360 § 10; 1981 2nd ex.s. c 12 § 5; 1980 c 64 § 1; 1975 1st ex.s. c 282 § 2; 1974 ex.s. c 96 § 6.]

**Reviser's note:** This section was amended by 1989 c 246 § 1 and by 1989 c 266 § 2, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Effective dates—1987 c 462:** See note following RCW 13.04.116.

**19.27.065 Exemption—Temporary growing structures used for commercial production of horticultural plants.** The provisions of this chapter do not apply to temporary growing structures used solely for the commercial production of horticultural plants including ornamental plants, flowers, vegetables, and fruits. A temporary growing structure is not considered a building for purposes of this chapter. [1996 c 157 § 2.]

**Effective date—1996 c 157:** See note following RCW 19.27.015.

**19.27.067 Temporary worker housing—Exemption—Standards.** (1) Temporary worker housing shall be constructed, altered, or repaired as provided in chapter 70.114A RCW and chapter 37, Laws of 1998. The construction, alteration, or repair of temporary worker housing is not subject to the codes adopted under RCW 19.27.031, except as provided by rule adopted under chapter 70.114A RCW or chapter 37, Laws of 1998.

(2) For the purpose of this section, "temporary worker housing" has the same meaning as provided in RCW 70.114A.020.

(3) This section is applicable to temporary worker housing as of the date of the final adoption of the temporary worker building code by the department of health under RCW 70.114A.081. [1998 c 37 § 1.]

**19.27.070 State building code council—Established—Membership—Travel expenses—Administrative, clerical assistance.** There is hereby established a state building code council to be appointed by the governor.

(1) The state building code council shall consist of fifteen members, two of whom shall be county elected legislative body members or elected executives and two of whom shall be city elected legislative body members or mayors. One of the members shall be a local government building code enforcement official and one of the members shall be a local government fire service official. Of the remaining nine members, one member shall represent general construction, specializing in commercial and industrial building construction; one member shall represent general construction, specializing in residential and multifamily building construction; one member shall represent the architectural design profession; one member shall represent the structural engineering profession; one member shall represent the mechanical engineering profession; one member shall represent the construction building trades; one member shall represent manufacturers, installers, or suppliers of building materials and components; one member shall be a person with a physical disability and shall represent the disability community; and one member shall represent the general public. At least six of these fifteen members shall reside east of the crest of the Cascade mountains. The council shall include: Two members of the house of representatives appointed by the speaker of the house, one from each caucus; two members of the senate appointed by the president of the senate, one from each caucus; and an employee of the electrical division of the department of labor and industries, as ex officio, nonvoting members with all

other privileges and rights of membership. Terms of office shall be for three years. The council shall elect a member to serve as chair of the council for one-year terms of office. Any member who is appointed by virtue of being an elected official or holding public employment shall be removed from the council if he or she ceases being such an elected official or holding such public employment. Before making any appointments to the building code council, the governor shall seek nominations from recognized organizations which represent the entities or interests listed in this subsection. Members serving on the council on July 28, 1985, may complete their terms of office. Any vacancy shall be filled by alternating appointments from governmental and nongovernmental entities or interests until the council is constituted as required by this subsection.

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

(3) The department of community, trade, and economic development shall provide administrative and clerical assistance to the building code council. [1995 c 399 § 8; 1989 c 246 § 2; 1987 c 505 § 7; 1985 c 360 § 11; 1984 c 287 § 55; 1975-'76 2nd ex.s. c 34 § 59; 1974 ex.s. c 96 § 7.]

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**Effective date—Severability—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

**Polling places—Standards—Revision, when:** RCW 29.57.030.

**19.27.074 State building code council—Duties—Public meetings—Timing of code changes.** (1) The state building code council shall:

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

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

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

(d) Propose a budget for the operation of the state building code council to be submitted to the office of financial management pursuant to RCW 43.88.090.

(2) The state building code council may:

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

(b) Employ permanent and temporary staff and contract for services; and

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

All meetings of the state building code council shall be open to the public under the open public meetings act, chapter 42.30 RCW. All actions of the state building code council which adopt or amend any code of state-wide applicability shall be pursuant to the administrative procedure act, chapter 34.05 RCW.

All council decisions relating to the codes enumerated in RCW 19.27.031 shall require approval by at least a majority of the members of the council.

All decisions to adopt or amend codes of state-wide application shall be made prior to December 1 of any year and shall not take effect before the end of the regular legislative session in the next year. [1989 c 266 § 3; 1985 c 360 § 2.]

**19.27.080 Chapters of RCW not affected.** Nothing in this chapter affects the provisions of chapters 19.28, 43.22, 70.77, 70.79, 70.87, 48.48, 18.20, 18.46, 18.51, 28A.305, 70.41, 70.62, 70.75, 70.108, 71.12, 74.15, 70.94, 76.04, 90.76 RCW, or RCW 28A.195.010, or grants rights to duplicate the authorities provided under chapters 70.94 or 76.04 RCW. [1990 c 33 § 555; 1989 c 346 § 19; 1975 1st ex.s. c 282 § 1; 1974 ex.s. c 96 § 8.]

**Purpose—Statutory references—Severability—1990 c 33:** See RCW 28A.900.100 through 28A.900.102.

**Captions—Severability—Effective date—1989 c 346:** See RCW 90.76.900 through 90.76.902.

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

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

(3) There is imposed a fee of four dollars and fifty cents on each building permit issued by a county or a city, plus an additional surcharge of two dollars for each residential unit, but not including the first unit, on each building containing more than one residential unit. Quarterly each county and city shall remit moneys collected under this section to the state treasury; however, no remittance is required until a minimum of fifty dollars has accumulated pursuant to this subsection. [1989 c 256 § 1; 1985 c 360 § 4.]

**19.27.090 Local jurisdictions reserved.** Local land use and zoning requirements, building setbacks, side and rear-yard requirements, site development, property line requirements, requirements adopted by counties or cities pursuant to chapter 58.17 RCW, snow load requirements, wind load requirements, and local fire zones are specifically reserved to local jurisdictions notwithstanding any other provision of this chapter. [1989 c 266 § 5; 1974 ex.s. c 96 § 9.]

**19.27.095 Building permit application—Consideration—Requirements.** (1) A valid and fully complete building permit application for a structure, that is permitted under the zoning or other land use control ordinances in effect on the date of the application shall be considered under the building permit ordinance in effect at the time of application, and the zoning or other land use control ordinances in effect on the date of application.

(2) The requirements for a fully completed application shall be defined by local ordinance but for any construction project costing more than five thousand dollars the application shall include, at a minimum:

(a) The legal description, or the tax parcel number assigned pursuant to RCW 84.40.160, and the street address if available, and may include any other identification of the construction site by the prime contractor;

(b) The property owner's name, address, and phone number;

(c) The prime contractor's business name, address, phone number, current state contractor registration number; and

(d) Either:

(i) The name, address, and phone number of the office of the lender administering the interim construction financing, if any; or

(ii) The name and address of the firm that has issued a payment bond, if any, on behalf of the prime contractor for the protection of the owner, if the bond is for an amount not less than fifty percent of the total amount of the construction project.

(3) The information required on the building permit application by subsection (2)(a) through (d) of this section shall be set forth on the building permit document which is issued to the owner, and on the inspection record card which shall be posted at the construction site.

(4) The information required by subsection (2) of this section and information supplied by the applicant after the permit is issued under subsection (5) of this section shall be kept on record in the office where building permits are issued and made available to any person on request. If a copy is requested, a reasonable charge may be made.

(5) If any of the information required by subsection (2)(d) of this section is not available at the time the application is submitted, the applicant shall so state and the application shall be processed forthwith and the permit issued as if the information had been supplied, and the lack of the information shall not cause the application to be deemed incomplete for the purposes of vesting under subsection (1) of this section. However, the applicant shall provide the remaining information as soon as the applicant can reasonably obtain such information.

(6) The limitations imposed by this section shall not restrict conditions imposed under chapter 43.21C RCW. [1991 c 281 § 27; 1987 c 104 § 1.]

**Liberal construction—Effective date, application—1991 c 281:** See RCW 60.04.900 and 60.04.902.

**19.27.097 Building permit application—Evidence of adequate water supply—Applicability—Exemption.** (1) Each applicant for a building permit of a building necessitating potable water shall provide evidence of an adequate water supply for the intended use of the building. Evidence may be in the form of a water right permit from the department of ecology, a letter from an approved water purveyor stating the ability to provide water, or another form sufficient to verify the existence of an adequate water supply. In addition to other authorities, the county or city may impose conditions on building permits requiring connection to an existing public water system where the existing system is willing and able to provide safe and reliable potable water to

the applicant with reasonable economy and efficiency. An application for a water right shall not be sufficient proof of an adequate water supply.

(2) Within counties not required or not choosing to plan pursuant to RCW 36.70A.040, the county and the state may mutually determine those areas in the county in which the requirements of subsection (1) of this section shall not apply. The departments of health and ecology shall coordinate on the implementation of this section. Should the county and the state fail to mutually determine those areas to be designated pursuant to this subsection, the county may petition the department of community, trade, and economic development to mediate or, if necessary, make the determination.

(3) Buildings that do not need potable water facilities are exempt from the provisions of this section. The department of ecology, after consultation with local governments, may adopt rules to implement this section, which may recognize differences between high-growth and low-growth counties. [1995 c 399 § 9; 1991 sp.s. c 32 § 28; 1990 1st ex.s. c 17 § 63.]

**Section headings not law—1991 sp.s. c 32:** See RCW 36.70A.902.

**Severability—Part, section headings not law—1990 1st ex.s. c 17:** See RCW 36.70A.900 and 36.70A.901.

**19.27.100 Cities, towns, counties may impose fees different from state building code.** Nothing in this chapter shall prohibit a city, town, or county of the state from imposing fees different from those set forth in the state building code. [1975 1st ex.s. c 8 § 1.]

**19.27.110 Uniform fire code—Administration and enforcement by counties, other political subdivisions and municipal corporations—Fees.** Each county government shall administer and enforce the uniform fire code in the unincorporated areas of the county: PROVIDED, That any political subdivision or municipal corporation providing fire protection pursuant to RCW 14.08.120 shall, at its sole option, be responsible for administration and enforcement of the uniform fire code on its facility. Any fire protection district or political subdivision may, pursuant to chapter 39.34 RCW, the interlocal cooperation act, assume all or a portion of the administering responsibility and coordinate and cooperate with the county government in the enforcement of the uniform fire code.

It is not the intent of RCW 19.27.110 and 19.27.111 to preclude or limit the authority of any city, town, county, fire protection district, state agency, or political subdivision from engaging in those fire prevention activities with which they are charged.

It is not the intent of the legislature by adopting the state building code or RCW 19.27.110 and 19.27.111 to grant counties any more power to suppress or extinguish fires than counties currently possess under the Constitution or other statutes.

Each county is authorized to impose fees sufficient to pay the cost of inspections, administration, and enforcement pursuant to RCW 19.27.110 and 19.27.111. [1975-'76 2nd ex.s. c 37 § 1.]

**19.27.111 RCW 19.27.080 not affected.** Nothing in RCW 19.27.110 shall affect the provisions of RCW 19.27.080. [1975-'76 2nd ex.s. c 37 § 2.]

**19.27.113 Fire extinguishers for certain school buildings.** The building code council shall adopt rules by December 1, 1991, requiring that all buildings classed as E-1 occupancies, as defined in the state building code, except portable school classrooms, constructed after July 28, 1991, be provided with an automatic fire-extinguishing system. Rules adopted by the council shall consider applicable nationally recognized fire and building code standards and local conditions.

By December 15, 1991, the council shall transmit to the superintendent of public instruction, the state board of education, and the fire protection policy board copies of the rules as adopted. The superintendent of public instruction, the state board of education, and the fire protection policy board shall respond to the council by February 15, 1992, with any recommended changes to the rule. If changes are recommended the council shall immediately consider those changes to the rules through its rule-making procedures. The rules shall be effective on July 1, 1992. [1991 c 170 § 1.]

*Schools—Standards for fire prevention and safety: RCW 48.48.045.*

**19.27.120 Buildings or structures having special historical or architectural significance—Exception.** (1) Repairs, alterations, and additions necessary for the preservation, restoration, rehabilitation, strengthening, or continued use of a building or structure may be made without conformance to all of the requirements of the codes adopted under RCW 19.27.031, when authorized by the appropriate building official under the rules adopted under subsection (2) of this section, provided:

(a) The building or structure: (i) Has been designated by official action of a legislative body as having special historical or architectural significance, or (ii) is an unreinforced masonry building or structure on the state or the national register of historic places, or is potentially eligible for placement on such registers; and

(b) The restored building or structure will be less hazardous, based on life and fire risk, than the existing building.

(2) The state building code council shall adopt rules, where appropriate, to provide alternative methods to those otherwise required under this chapter for repairs, alterations, and additions necessary for preservation, restoration, rehabilitation, strengthening, or continued use of buildings and structures identified under subsection (1) of this section. [1985 c 360 § 13; 1975-'76 2nd ex.s. c 11 § 1.]

**19.27.140 Copy of permit to county assessor.** A copy of any permit obtained under the state building code for construction or alteration work of a total cost or fair market value in excess of five hundred dollars, shall be transmitted by the issuing authority to the county assessor of the county where the property on which the construction or alteration work is located. The building permit shall contain the county assessor's parcel number. [1989 c 246 § 5.]

**19.27.150 Report to department of community, trade, and economic development.** Every month a copy of the United States department of commerce, bureau of the census' "report of building or zoning permits issued and local public construction" or equivalent report shall be transmitted by the governing bodies of counties and cities to the department of community, trade, and economic development. [1995 c 399 § 10; 1989 c 246 § 6.]

**19.27.160 Counties with populations of from five thousand to less than ten thousand—Ordinance reenactment.** Any county with a population of from five thousand to less than ten thousand that had in effect on July 1, 1985, an ordinance or resolution authorizing and regulating the construction of owner-built residences may reenact such an ordinance or resolution if the ordinance or resolution is reenacted before September 30, 1989. After reenactment, the county shall transmit a copy of the ordinance or resolution to the state building code council. [1991 c 363 § 16; 1989 c 246 § 7.]

**Purpose—Captions not law—1991 c 363:** See notes following RCW 2.32.180.

**19.27.170 Water conservation performance standards—Testing and identifying fixtures that meet standards—Marking and labeling fixtures.** (1) The state building code council shall adopt rules under chapter 34.05 RCW that implement and incorporate the water conservation performance standards in subsections (4) and (5) of this section. These standards shall apply to all new construction and all remodeling involving replacement of plumbing fixtures in all residential, hotel, motel, school, industrial, commercial use, or other occupancies determined by the council to use significant quantities of water.

(2) The legislature recognizes that a phasing-in approach to these new standards is appropriate. Therefore, standards in subsection (4) of this section shall take effect on July 1, 1990. The standards in subsection (5) of this section shall take effect July 1, 1993.

(3) No individual, public or private corporation, firm, political subdivision, government agency, or other legal entity may, for purposes of use in this state, distribute, sell, offer for sale, import, install, or approve for installation any plumbing fixtures unless the fixtures meet the standards as provided for in this section.

(4) Standards for water use efficiency effective July 1, 1990.

(a) Standards for waterclosets. The guideline for maximum water use allowed in gallons per flush (gpf) for any of the following waterclosets is the following:

- Tank-type toilets . . . . . 3.5 gpf.
- Flushometer-valve toilets . . . . . 3.5 gpf.
- Flushometer-tank toilets . . . . . 3.5 gpf.
- Electromechanical hydraulic toilets . . . . . 3.5 gpf.

(b) Standard for urinals. The guideline for maximum water use allowed for any urinal is 3.0 gallons per flush.

(c) Standard for showerheads. The guideline for maximum water use allowed for any showerhead is 3.0 gallons per minute.

(d) Standard for faucets. The guideline for maximum water use allowed in gallons per minute (gpm) for any of the following faucets and replacement aerators is the following:

- Bathroom faucets . . . . . 3.0 gpm.
- Lavatory faucets . . . . . 3.0 gpm.
- Kitchen faucets . . . . . 3.0 gpm.
- Replacement aerators . . . . . 3.0 gpm.

(e) Except where designed and installed for use by the physically handicapped, lavatory faucets located in restrooms intended for use by the general public must be equipped with a metering valve designed to close by spring or water pressure when left unattended (self-closing).

(f) No urinal or watercloset that operates on a continuous flow or continuous flush basis shall be permitted.

(5) Standards for water use efficiency effective July 1, 1993.

(a) Standards for waterclosets. The guideline for maximum water use allowed in gallons per flush (gpf) for any of the following waterclosets is the following:

- Tank-type toilets . . . . . 1.6 gpf.
- Flushometer-tank toilets . . . . . 1.6 gpf.
- Electromechanical hydraulic toilets . . . . . 1.6 gpf.

(b) Standards for urinals. The guideline for maximum water use allowed for any urinal is 1.0 gallons per flush.

(c) Standards for showerheads. The guideline for maximum water use allowed for any showerhead is 2.5 gallons per minute.

(d) Standards for faucets. The guideline for maximum water use allowed in gallons per minute for any of the following faucets and replacement aerators is the following:

- Bathroom faucets . . . . . 2.5 gpm.
- Lavatory faucets . . . . . 2.5 gpm.
- Kitchen faucets . . . . . 2.5 gpm.
- Replacement aerators . . . . . 2.5 gpm.

(e) Except where designed and installed for use by the physically handicapped, lavatory faucets located in restrooms intended for use by the general public must be equipped with a metering valve designed to close by water pressure when unattended (self-closing).

(f) No urinal or watercloset that operates on a continuous flow or continuous basis shall be permitted.

(6) The building code council shall establish methods and procedures for testing and identifying fixtures that meet the standards established in subsection (5) of this section. The council shall use the testing standards designated as American national standards, written under American national standards institute procedures or other widely recognized national testing standards. The council shall either review test results from independent testing laboratories that are submitted by manufacturers of plumbing fixtures or accept data submitted to and evaluated by the international association of plumbing and mechanical officials. The council shall publish and widely distribute a current list of fixtures that meet the standards established in subsection (5) of this section.

(7) The building code council shall adopt rules for marking and labeling fixtures meeting the standards established in subsection (5) of this section.

(8) This section shall not apply to fixtures installed before July 28, 1991, that are removed and relocated to another room or area of the same building after July 28, 1991, nor shall it apply to fixtures, as determined by the

council, that in order to perform a specialized function, cannot meet the standards specified in this section.

(9) The water conservation performance standards shall supersede all local government codes. After July 1, 1990, cities, towns, and counties shall not amend the code revisions and standards established under subsection (4) or (5) of this section. [1991 c 347 § 16; 1989 c 348 § 8.]

**Purposes—1991 c 347:** See note following RCW 90.42.005.

**Severability—1991 c 347:** See RCW 90.42.900.

**Severability—1989 c 348:** See note following RCW 90.54.020

**Rights not impaired—1989 c 348:** See RCW 90.54.920.

**19.27.175 Recycled materials—Study code and adopt changes.** The state building code council, in consultation with the department of ecology and local governments, shall conduct a study of the state building code, and adopt changes as necessary to encourage greater use of recycled building materials from construction and building demolition debris, mixed waste paper, waste paint, waste plastics, and other waste materials. [1991 c 297 § 15.]

**Captions not law—1991 c 297:** See RCW 43.19A.900.

**19.27.180 Residential buildings moved into a city or county—Applicability of building codes and electrical installation requirements.** (1) Residential buildings or structures moved into or within a county or city are not required to comply with all of the requirements of the codes enumerated in chapters 19.27 and 19.27A RCW, as amended and maintained by the state building code council and chapter 19.28 RCW, if the original occupancy classification of the building or structure is not changed as a result of the move.

(2) This section shall not apply to residential structures or buildings that are substantially remodeled or rehabilitated, nor to any work performed on a new or existing foundation.

(3) For the purposes of determining whether a moved building or structure has been substantially remodeled or rebuilt, any cost relating to preparation, construction, or renovation of the foundation shall not be considered. [1992 c 79 § 1; 1989 c 313 § 2.]

**Finding—1989 c 313:** "The legislature finds that moved buildings or structures can provide affordable housing for many persons of lower income; that many of the moved structures or buildings were legally built to the construction standards of their day; and that requiring the moved building or structure to meet all new construction codes may limit their use as an affordable housing option for persons of lower income.

The legislature further finds that application of the new construction code standards to moved structures and buildings present unique difficulties and that it is the intent of the legislature that any moved structure or building that meets the codes at the time it was constructed does not need to comply with any updated state building code unless the structure is substantially remodeled or rebuilt." [1989 c 313 § 1.]

**19.27.190 Indoor air quality—Interim and final requirements for maintenance.** (1)(a) Not later than January 1, 1991, the state building code council, in consultation with the department of community, trade, and economic development, shall establish interim requirements for the maintenance of indoor air quality in newly constructed residential buildings. In establishing the interim requirements, the council shall take into consideration differences in heating fuels and heating system types. These requirements shall be in effect July 1, 1991, through June 30, 1993.

(1998 Ed.)

(b) The interim requirements for new electrically space heated residential buildings shall include ventilation standards which provide for mechanical ventilation in areas of the residence where water vapor or cooking odors are produced. The ventilation shall be exhausted to the outside of the structure. The ventilation standards shall further provide for the capacity to supply outside air to each bedroom and the main living area through dedicated supply air inlet locations in walls, or in an equivalent manner. At least one exhaust fan in the home shall be controlled by a dehumidistat or clock timer to ensure that sufficient whole house ventilation is regularly provided as needed.

(c)(i) For new single family residences with electric space heating systems, zero lot line homes, each unit in a duplex, and each attached housing unit in a planned unit development, the ventilation standards shall include fifty cubic feet per minute of effective installed ventilation capacity in each bathroom and one hundred cubic feet per minute of effective installed ventilation capacity in each kitchen.

(ii) For other new residential units with electric space heating systems the ventilation standards may be satisfied by the installation of two exhaust fans with a combined effective installed ventilation capacity of two hundred cubic feet per minute.

(iii) Effective installed ventilation capacity means the capability to deliver the specified ventilation rates for the actual design of the ventilation system. Natural ventilation and infiltration shall not be considered acceptable substitutes for mechanical ventilation.

(d) For new residential buildings that are space heated with other than electric space heating systems, the interim standards shall be designed to result in indoor air quality equivalent to that achieved with the interim ventilation standards for electric space heated homes.

(e) The interim requirements for all newly constructed residential buildings shall include standards for indoor air quality pollutant source control, including the following requirements: All structural panel components of the residence shall comply with appropriate standards for the emission of formaldehyde; the back-drafting of combustion by-products from combustion appliances shall be minimized through the use of dampers, vents, outside combustion air sources, or other appropriate technologies; and, in areas of the state where monitored data indicate action is necessary to inhibit indoor radon gas concentrations from exceeding appropriate health standards, entry of radon gas into homes shall be minimized through appropriate foundation construction measures.

(2) No later than January 1, 1993, the state building code council, in consultation with the department of community, trade, and economic development, shall establish final requirements for the maintenance of indoor air quality in newly constructed residences to be in effect beginning July 1, 1993. For new electrically space heated residential buildings, these requirements shall maintain indoor air quality equivalent to that provided by the mechanical ventilation and indoor air pollutant source control requirements included in the February 7, 1989, Bonneville power administration record of decision for the environmental impact statement on new energy efficient homes programs (DOE/EIS-0127F) built with electric space heating. In

residential units other than single family, zero lot line, duplexes, and attached housing units in planned unit developments, ventilation requirements may be satisfied by the installation of two exhaust fans with a combined effective installed ventilation capacity of two hundred cubic feet per minute. For new residential buildings that are space heated with other than electric space heating systems, the standards shall be designed to result in indoor air quality equivalent to that achieved with the ventilation and source control standards for electric space heated homes. In establishing the final requirements, the council shall take into consideration differences in heating fuels and heating system types. [1996 c 186 § 501; 1990 c 2 § 7.]

**Findings—Intent—Part headings not law—Effective date—1996 c 186:** See notes following RCW 43.330.904.

**Effective dates—1990 c 2:** See note following RCW 19.27.040.

**Findings—Severability—1990 c 2:** See notes following RCW 19.27A.015.

**19.27.470 Recyclable materials and solid waste—Multifamily residences.** By July 1, 1992, the state building code council shall adopt rules to ensure that new multifamily residences have adequate and conveniently located space to store and dispose of recyclable materials and solid waste. [1991 c 298 § 5.]

**Finding—1991 c 298:** See note following RCW 70.95.030.

**19.27.480 Recyclable materials and solid waste—Commercial facilities.** By July 1, 1992, the state building code council shall adopt rules to ensure that new commercial facilities have adequate and conveniently located space to store and dispose of recyclable materials and solid waste. [1991 c 298 § 6.]

**Finding—1991 c 298:** See note following RCW 70.95.030.

**19.27.490 Fish habitat enhancement project.** A fish habitat enhancement project meeting the criteria of RCW 75.20.350(1) is not subject to grading permits, inspections, or fees and shall be reviewed according to the provisions of RCW 75.20.350. [1998 c 249 § 14.]

**Findings—Purpose—Report—Effective date—1998 c 249:** See notes following RCW 75.20.350.

## Chapter 19.27A

### ENERGY-RELATED BUILDING STANDARDS

#### Sections

- 19.27A.015 State energy code—Minimum and maximum energy code
- 19.27A.020 State energy code—Adoption by state building code council—Standards—Preemption of local residential energy codes.
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19.27A.120 Violations—Penalty.

*State building code: Chapter 19.27 RCW.*

**19.27A.015 State energy code—Minimum and maximum energy code.** Except as provided in RCW 19.27A.020(7), the Washington state energy code for residential buildings shall be the maximum and minimum energy code for residential buildings in each city, town, and county and shall be enforced by each city, town, and county no later than July 1, 1991. The Washington state energy code for nonresidential buildings shall be the minimum energy code for nonresidential buildings enforced by each city, town, and county. [1990 c 2 § 2.]

**Findings—1990 c 2:** "The legislature finds that using energy efficiently in housing is one of the lowest cost ways to meet consumer demand for energy; that using energy efficiently helps protect citizens of the state from negative impacts due to changes in energy supply and cost; that using energy efficiently will help mitigate negative environmental impacts of energy use and resource development; and that using energy efficiently will help stretch our present energy resources into the future. The legislature further finds that the electricity surplus in the Northwest is dwindling as the population increases and the economy expands, and that the region will eventually need new sources of electricity generation.

It is declared policy of the state of Washington that energy be used efficiently. It is the intent of this act to establish residential building standards that bring about the common use of energy efficient building methods, and to assure that such methods remain economically feasible and affordable to purchasers of newly constructed housing." [1990 c 2 § 1.]

**Severability—1990 c 2:** "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." [1990 c 2 § 13.]

**Effective dates—1990 c 2:** See note following RCW 19.27.040.

**19.27A.020 State energy code—Adoption by state building code council—Standards—Preemption of local residential energy codes.** (1) No later than January 1, 1991, the state building code council shall adopt rules to be known as the Washington state energy code as part of the state building code.

(2) The council shall follow the legislature's standards set forth in this section to adopt rules to be known as the Washington state energy code. The Washington state energy code shall be designed to require new buildings to meet a certain level of energy efficiency, but allow flexibility in building design, construction, and heating equipment efficiencies within that framework. The Washington state energy code shall be designed to allow space heating equipment efficiency to offset or substitute for building envelope thermal performance.

(3) The Washington state energy code shall take into account regional climatic conditions. Climate zone 1 shall include all counties not included in climate zone 2. Climate zone 2 includes: Adams, Chelan, Douglas, Ferry, Grant, Kittitas, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens, and Whitman counties.

(4) The Washington state energy code for residential buildings shall require:

(a) New residential buildings that are space heated with electric resistance heating systems to achieve energy use equivalent to that used in typical buildings constructed with:

(i) Ceilings insulated to a level of R-38. The code shall contain an exception which permits single rafter or joist vaulted ceilings insulated to a level of R-30 (R value includes insulation only);

(ii) In zone 1, walls insulated to a level of R-19 (R value includes insulation only), or constructed with two by four members, R-13 insulation batts, R-3.2 insulated sheathing, and other normal assembly components; in zone 2 walls insulated to a level of R-24 (R value includes insulation only), or constructed with two by six members, R-22 insulation batts, R-3.2 insulated sheathing, and other normal construction assembly components; for the purpose of determining equivalent thermal performance, the wall U-value shall be 0.058 in zone 1 and 0.044 in zone 2;

(iii) Below grade walls, insulated on the interior side, to a level of R-19 or, if insulated on the exterior side, to a level of R-10 in zone 1 and R-12 in zone 2 (R value includes insulation only);

(iv) Floors over unheated spaces insulated to a level of R-30 (R value includes insulation only);

(v) Slab on grade floors insulated to a level of R-10 at the perimeter;

(vi) Double glazed windows with values not more than U-0.4;

(vii) In zone 1 the glazing area may be up to twenty-one percent of floor area and in zone 2 the glazing area may be up to seventeen percent of floor area where consideration of the thermal resistance values for other building components and solar heat gains through the glazing result in thermal performance equivalent to that achieved with thermal resistance values for other components determined in accordance with the equivalent thermal performance criteria of (a) of this subsection and glazing area equal to fifteen percent of the floor area. Throughout the state for the purposes of determining equivalent thermal performance, the maximum glazing area shall be fifteen percent of the floor area; and

(viii) Exterior doors insulated to a level of R-5; or an exterior wood door with a thermal resistance value of less than R-5 and values for other components determined in accordance with the equivalent thermal performance criteria of (a) of this subsection.

(b) New residential buildings which are space-heated with all other forms of space heating to achieve energy use equivalent to that used in typical buildings constructed with:

(i) Ceilings insulated to a level of R-30 in zone 1 and R-38 in zone 2 the code shall contain an exception which permits single rafter or joist vaulted ceilings insulated to a level of R-30 (R value includes insulation only);

(ii) Walls insulated to a level of R-19 (R value includes insulation only), or constructed with two by four members, R-13 insulation batts, R-3.2 insulated sheathing, and other normal assembly components;

(iii) Below grade walls, insulated on the interior side, to a level of R-19 or, if insulated on the exterior side, to a level of R-10 in zone 1 and R-12 in zone 2 (R value includes insulation only);

(iv) Floors over unheated spaces insulated to a level of R-19 in zone 1 and R-30 in zone 2 (R value includes insulation only);

(v) Slab on grade floors insulated to a level of R-10 at the perimeter;

(vi) Heat pumps with a minimum heating season performance factor (HSPF) of 6.8 or with all other energy sources with a minimum annual fuel utilization efficiency (AFUE) of seventy-eight percent;

(vii) Double glazed windows with values not more than U-0.65 in zone 1 and U-0.60 in zone 2. The state building code council, in consultation with the department of community, trade, and economic development, shall review these U-values, and, if economically justified for consumers, shall amend the Washington state energy code to improve the U-values by December 1, 1993. The amendment shall not take effect until July 1, 1994; and

(viii) In zone 1, the maximum glazing area shall be twenty-one percent of the floor area. In zone 2 the maximum glazing area shall be seventeen percent of the floor area. Throughout the state for the purposes of determining equivalent thermal performance, the maximum glazing area shall be fifteen percent of the floor area.

(c) The requirements of (b)(ii) of this subsection do not apply to residences with log or solid timber walls with a minimum average thickness of three and one-half inches and with space heat other than electric resistance.

(d) The state building code council may approve an energy code for pilot projects of residential construction that use innovative energy efficiency technologies intended to result in savings that are greater than those realized in the levels specified in this section.

(5) U-values for glazing shall be determined using the area weighted average of all glazing in the building. U-values for vertical glazing shall be determined, certified, and labeled in accordance with the appropriate national fenestration rating council (NFRC) standard, as determined and adopted by the state building code council. Certification of U-values shall be conducted by a certified, independent agency licensed by the NFRC. The state building code council may develop and adopt alternative methods of determining, certifying, and labeling U-values for vertical glazing that may be used by fenestration manufacturers if determined to be appropriate by the council. The state building code council shall review and consider the adoption of the NFRC standards for determining, certifying, and labeling U-values for doors and skylights when developed and published by the NFRC. The state building code council may develop and adopt appropriate alternative methods for determining, certifying, and labeling U-values for doors and skylights. U-values for doors and skylights determined, certified, and labeled in accordance with the appropriate NFRC standard shall be acceptable for compliance with the state energy code. Sealed insulation glass, where used, shall conform to, or be in the process of being tested for, ASTM E-774-81 class A or better.

(6) The minimum state energy code for new nonresidential buildings shall be the Washington state energy code, 1986 edition, as amended.

(7)(a) Except as provided in (b) of this subsection, the Washington state energy code for residential structures shall

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

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

(8) The state building code council shall consult with the department of community, trade, and economic development as provided in RCW 34.05.310 prior to publication of proposed rules. The department of community, trade, and economic development shall review the proposed rules for consistency with the guidelines adopted in subsection (4) of this section. The director of the department of community, trade, and economic development shall recommend to the state building code council any changes necessary to conform the proposed rules to the requirements of this section. [1998 c 245 § 8; 1996 c 186 § 502; 1994 c 226 § 1; 1990 c 2 § 3; 1985 c 144 § 2; 1979 ex.s. c 76 § 3. Formerly RCW 19.27.075.]

**Findings—Intent—Part headings not law—Effective date—1996 c 186:** See notes following RCW 43.330.904.

**Effective date—1994 c 226:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [April 1, 1994]." [1994 c 226 § 2.]

**Effective dates—1990 c 2:** See note following RCW 19.27.040.

**Findings—Severability—1990 c 2:** See notes following RCW 19.27A.015.

**Severability—1985 c 144:** "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." [1985 c 144 § 7.]

**19.27A.025 Nonresidential buildings—Minimum standards—Amendments.** (1) The minimum state energy code for new nonresidential buildings shall be the Washington state energy code, 1986 edition, as amended. The state building code council may, by rule adopted pursuant to chapter 34.05 RCW, amend that code's requirements for new nonresidential buildings provided that:

(a) Such amendments increase the energy efficiency of typical newly constructed nonresidential buildings; and

(b) Any new measures, standards, or requirements adopted must be technically feasible, commercially available, and cost-effective to building owners and tenants.

(2) In considering amendments to the state energy code for nonresidential buildings, the state building code council shall establish and consult with a technical advisory committee including representatives of appropriate state agencies, local governments, general contractors, building owners and managers, design professionals, utilities, and other interested and affected parties.

(3) Decisions to amend the Washington state energy code for new nonresidential buildings shall be made prior to December 15th of any year and shall not take effect before the end of the regular legislative session in the next year. Any disputed provisions within an amendment presented to the legislature shall be approved by the legislature before going into effect. A disputed provision is one which was

adopted by the state building code council with less than a two-thirds majority vote. Substantial amendments to the code shall be adopted no more frequently than every three years. [1991 c 122 § 3.]

**Findings—Severability—1991 c 122:** See notes following RCW 80.04.250.

**19.27A.027 Personal wireless service facilities exempt from building envelope insulation requirements.**

(1) The state building code council shall exempt equipment shelters of personal wireless service facilities from building envelope insulation requirements.

(2) For the purposes of this section, "personal wireless service facilities" means facilities for the provision of personal wireless services. [1996 c 323 § 4.]

**Findings—1996 c 323:** See note following RCW 43.70.600

**19.27A.035 Payments by electric utilities to owners of residential buildings—Recovery of expenses—Effect of Pacific Northwest electric power planning and conservation act—Expiration of subsections.** (1) Electric utilities shall make payments to the owner at the time of construction of a newly constructed residential building with electric resistance space heat built in compliance with the requirements of the Washington state energy code adopted pursuant to RCW 19.27A.020 or a residential energy code in effect pursuant to RCW 19.27A.020(7). Payments made under this section are only required for residences in which the primary heat source is electric resistance space heat. All or a portion of the funds for payments may be accepted from federal agencies or other sources. Payments are required for residential buildings on which construction has begun on or after July 1, 1991, and prior to July 1, 1995. Payments in an amount equal to a fixed sum of at least nine hundred dollars per single family residence are required for such buildings so constructed which are single family residences having two thousand square feet or less of finished floor area. Payments in an amount equal to a fixed sum of at least three hundred ninety dollars per multifamily residential unit, are required for such buildings so constructed which are multifamily residential units. For purposes of this section, a zero lot line home and each unit in a duplex and each attached housing unit in a planned unit development shall each be considered a single family residence.

(2) Electric utilities which provide electrical service in jurisdictions in which the local government has adopted an energy code not preempted by RCW 19.27A.020(7)(b) shall make payments as provided in subsection (1) of this section for residential buildings on which construction has begun on or after March 1, 1990, and prior to July 1, 1991.

(3) Nothing in this section shall prohibit an electric utility from providing incentives in excess of the payments required by this section or from providing additional incentives for energy efficiency measures in excess of those required under RCW 19.27A.020.

(4) This section is null and void if any electric utility providing electric service to its customers in the state of Washington purchases at least one percent of its firm energy load from a federal agency, pursuant to section 5.(b)(1) of the Pacific Northwest electric power planning and conservation act (P.L. 96-501), and if such electric utility is unable

to obtain from the agency at least fifty percent of the funds to make the payments required by this section. This subsection shall expire June 30, 1995.

(5) The utilities and transportation commission shall provide an appropriate regulatory mechanism which allows a utility regulated by the commission to recover expenses incurred by the utility in making payments under this section.

(6) Subsections (1) through (3) of this section shall expire July 1, 1996. [1993 c 64 § 2; 1990 c 2 § 4.]

**Findings—1993 c 64:** "The legislature finds that when new energy-efficient residential building codes were enacted in 1990, payments to certain building owners were required in an effort to offset the higher costs of more stringent component levels of residences heated with electricity. The legislature further finds that through the code enacted by the state building code council it is possible for owners of residences with other primary heat sources to qualify for these payments even though the costs of these payments are borne by electricity ratepayers, and that this situation should be corrected." [1993 c 64 § 1.]

**Effective date—1993 c 64:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [April 19, 1993]." [1993 c 64 § 3.]

**Effective dates—1990 c 2:** See note following RCW 19.27.040.

**Findings—Severability—1990 c 2:** See notes following RCW 19.27A.015.

**19.27A.045 Maintaining energy code for residential structures.** The state building code council shall maintain the state energy code for residential structures in a status which is consistent with the state's interest as set forth in section 1, chapter 2, Laws of 1990. In maintaining the Washington state energy code for residential structures, beginning in 1996 the council shall review the Washington state energy code every three years. After January 1, 1996, by rule adopted pursuant to chapter 34.05 RCW, the council may amend any provisions of the Washington state energy code to increase the energy efficiency of newly constructed residential buildings. Decisions to amend the Washington state energy code for residential structures shall be made prior to December 1 of any year and shall not take effect before the end of the regular legislative session in the next year. [1990 c 2 § 5.]

**Findings—Severability—1990 c 2:** See notes following RCW 19.27A.015.

**19.27A.050 State building code advisory council—Construction—Inclusion of successor agency.** As used in this chapter, references to the state building code advisory council shall be construed to include any successor agency. [1985 c 144 § 5.]

**Reviser's note:** The "state building code advisory council" was redesignated as the "state building code council" by 1985 c 360 § 11. See RCW 19.27.070.

**Severability—1985 c 144:** See note following RCW 19.27A.020.

**19.27A.060 Hot water heaters—Temperature regulation.** (1) "Hot water heater" means the primary source of hot water for a residence.

(2) The thermostat of a new water heater offered for sale or lease in this state for use in a residential unit, shall be preset by the manufacturer no higher than one hundred twenty degrees Fahrenheit (or forty-nine degrees Celsius) or

the minimum setting on any water heater which cannot be set as low as that temperature. Water heating systems may utilize higher reservoir temperature if mixing valves are set or systems are designed to restrict the temperature of water to one hundred twenty degrees Fahrenheit.

(3) Upon occupancy of a new tenant in a residential unit leased or rented in this state, if hot water is supplied from an accessible, individual water heater, the water heater shall be set by the owner or agent at a temperature not higher than one hundred twenty degrees Fahrenheit (forty-nine degrees Celsius) or the minimum setting on any water heater which cannot be set as low as that temperature. Water heating systems may utilize higher reservoir temperature if mixing valves are set or systems are designed to restrict the temperature of water to one hundred twenty degrees Fahrenheit.

(4) Nothing in this section shall prohibit an owner of an owner-occupied residential unit or resident of a leased or rented residential unit from readjusting the temperature setting after occupancy. Any readjustment of the temperature setting by the resident relieves the owner or agent of an individual residential unit and the manufacturer of water heaters from liability for damages attributed to the readjustment by the resident.

(5) The utility providing energy for any water heater under this section shall at least annually, include in its billing a statement:

(a) Recommending that water heaters be set no higher than one hundred twenty degrees Fahrenheit or the minimum setting on a water heater which cannot be set as low as that temperature to prevent severe burns and reduce excessive energy consumption; and

(b) That the thermostat of an individual water heater furnished in a residential unit leased or rented in this state to new tenants shall be set no higher than one hundred twenty degrees Fahrenheit or the minimum setting on a water heater which cannot be set as low as that temperature pursuant to chapter 19.27 RCW.

(6) The manufacturer of a water heater under this section which is offered for sale or installed after July 24, 1983, shall have a tag attached to the thermostat access plate or immediately adjacent to exposed thermostats. The tag shall state that the thermostat settings above the preset temperature may cause severe burns and consume excessive energy.

(7) Nothing in this section requires or permits any inspections other than those otherwise required or permitted by law.

(8) This section does not apply to multiple-unit residences supplied by central water heater systems. [1985 c 119 § 1; 1983 c 178 § 2. Formerly RCW 19.27.130.]

**Findings—1983 c 178:** "The legislature recognizes that unnecessarily hot tap or bath water creates an extreme risk of severe burns, especially among the elderly, children, and retarded persons. Annually, numerous persons suffer severe scald burns, some resulting in death, from tap or bath water which is inordinately hot. Excessive tap and bath water temperatures in residential usage is unnecessary for sanitary purposes. Regulation of the setting of water temperatures upon installation can virtually eliminate incidences of dangerous scalding. Further, the legislature finds that projected future shortages of energy in our state could be reduced or prevented by the efficient utilization of existing energy resources. Reducing the temperature settings on thermostats to one hundred twenty degrees Fahrenheit (or forty-nine degrees Celsius) would save energy that is now unnecessarily consumed, reduce homeowners' average utility costs, and

promote home safety without any loss of comfort or health." [1983 c 178 § 1.]

**19.27A.065 Study of state building code relating to energy by legislative committees on energy and utilities.** See RCW 44.39.038.

**19.27A.070 Intent.** It is hereby declared that modern, efficient, safety-tested portable oil-fueled heaters may be offered for sale, sold, and used in this state. However, fire hazards and other dangers to the health, safety, and welfare of the inhabitants of this state may exist absent legislation to provide reasonable assurances that portable oil-fueled heaters offered for sale to, sold to, and used by the inhabitants of this state are modern, efficient, and safety-tested. It is the intent of the legislature to set forth standards for the sale and use of approved portable oil-fueled heaters. [1983 c 134 § 1. Formerly RCW 19.27.410.]

**19.27A.080 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 19.27A.080 through 19.27A.120.

(1) "Portable oil-fueled heater" means any nonflue-connected, self-contained, self-supporting, oil-fueled, heating appliance equipped with an integral reservoir, designed to be carried from one location to another.

(2) "Oil" means any liquid fuel with a flash point of greater than one hundred degrees Fahrenheit, including but not limited to kerosene.

(3) "Listed" means any portable oil-fueled heater which has been evaluated in accordance with the Underwriters Laboratories, Inc. standard for portable oil-fueled heaters or an equivalent standard and with respect to reasonably foreseeable hazards to life and property by a nationally recognized testing or inspection agency, such as Underwriters Laboratories, Inc., and which has been authorized as being reasonably safe for its specific purpose and shown in a list published by such agency and/or bears the mark, name, and/or symbol of such agency as indication that it has been so authorized. Such evaluation shall include but not be limited to evaluation of the requirements hereinafter set forth.

(4) "Approved" means any listed portable oil-fueled heater which is deemed approved if it satisfies the requirements set forth herein or adopted under RCW 19.27A.080 through 19.27A.120 and if the supplier certifies to the authority having jurisdiction over the sale and use of the heater that it is listed and in compliance with RCW 19.27A.080 through 19.27A.120.

(5) "Structure" means any building or completed construction of any kind included in state building code groups M, R-1, R-3, B, F, S-1, S-2, and U occupancies, except sleeping rooms and bathrooms: PROVIDED, HOWEVER, That in B, M, and S-1 occupancies, approved portable oil-fueled heaters shall only be used under permit of the fire chief.

(6) "Supplier" means any party offering to sell to retailers or to the general public approved portable oil-fueled heaters. [1995 c 343 § 2; 1985 c 360 § 15; 1983 c 134 § 2. Formerly RCW 19.27.420.]

**19.27A.090 Portable oil-fueled heaters—Sales and use—Approval required.** Notwithstanding any other section of the state building code, chapter 19.27 RCW, or any other code adopted by reference in chapter 19.27 RCW, approved portable oil-fueled heaters may be offered for sale, sold, and used as a supplemental heat source in structures in the state. Portable oil-fueled heaters which are not approved may not be offered for sale, sold, or used in this state. Any approved portable oil-fueled heater may be offered for sale, sold, and used in locations other than structures unless specifically prohibited by laws of this state. [1983 c 134 § 3. Formerly RCW 19.27.430.]

**19.27A.100 Portable oil-fueled heaters—Requirements for approval.** Approved portable oil-fueled heaters must adhere to the following requirements:

(1) Labeling must be affixed to the heater to caution and inform the user concerning:

(a) The necessity for an adequate source of ventilation when the heater is operating;

(b) The use of suitable fuel;

(c) The proper manner of refueling;

(d) The proper placement and handling of the heater when in operation; and

(e) The proper procedures for lighting, flame regulation, and extinguishing the heater.

(2) Packaging must include instructions that will inform the purchaser of proper maintenance and operation.

(3) Approved portable oil-fueled heaters must be constructed with a low center of gravity and minimum tipping angle of thirty-three degrees from the vertical with an empty reservoir.

(4) Approved portable oil-fueled heaters must have an automatic safety shut-off device or inherent design feature which eliminates fire hazards in the event of tipover and must otherwise conform with the standards set forth in National Fire Protection Association (NFPA) No. 31.

(5) Approved portable oil-fueled heaters must not produce carbon monoxide at rates creating a hazard when operated as intended and instructed. [1983 c 134 § 4. Formerly RCW 19.27.440.]

**19.27A.110 Portable oil-fueled heaters—Jurisdiction over approval—Sale and use governed exclusively.** The chief of the Washington state patrol, through the director of fire protection, is the only authority having jurisdiction over the approval of portable oil-fueled heaters. The sale and use of portable oil-fueled heaters is governed exclusively by RCW 19.27A.080 through 19.27A.120: PROVIDED, That cities and counties may adopt local standards as provided in RCW 19.27.040. [1995 c 369 § 8; 1986 c 266 § 85; 1985 c 360 § 16; 1983 c 134 § 5. Formerly RCW 19.27.450.]

**Effective date—1995 c 369:** See note following RCW 43.43.930.

**Severability—1986 c 266:** See note following RCW 38.52.005.

**19.27A.120 Violations—Penalty.** The penalty for failure to comply with RCW 19.27A.080 through 19.27A.120 is a misdemeanor. [1985 c 360 § 17; 1983 c 134 § 6. Formerly RCW 19.27.460.]

**Chapter 19.28**  
**ELECTRICIANS AND ELECTRICAL**  
**INSTALLATIONS**

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*Electrical construction: Chapter 19.29 RCW.*

*State building code: Chapter 19.27 RCW.*

**19.28.005 Definitions.** The definitions in this section apply throughout this chapter.

(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" means chapter 19.28 RCW.

(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. [1993 c 275 § 1; 1988 c 81 § 1; 1986 c 156 § 1; 1983 c 206 § 1.]

**19.28.010 Electrical wiring requirements—General—Exceptions.** (1) All wires and equipment, and installations thereof, that convey electric current and installations of equipment to be operated by electric current, in, on, or about buildings or structures, except for telephone, telegraph, radio, and television wires and equipment, and television antenna installations, signal strength amplifiers, and coaxial installations pertaining thereto shall be in strict conformity with this chapter, the statutes of the state of Washington, and the rules issued by the department, and shall be in conformity with approved methods of construction for safety to life and property. All wires and equipment that fall within section 90.2(b)(5) of the National Electrical Code, 1981 edition, are exempt from the requirements of this chapter. The regulations and articles in the National Electrical Code, the national electrical safety code, and other installation and safety regulations approved by the national fire protection association, as modified or supplemented by rules issued by the department in furtherance of safety to life and property under authority hereby granted, shall be prima facie evidence of the approved methods of construction. All materials, devices, appliances, and equipment used in such installations shall be of a type that conforms to applicable

standards or be indicated as acceptable by the established standards of any electrical product testing laboratory which is accredited by the department. Industrial control panels, utilization equipment, and their components do not need to be listed, labeled, or otherwise indicated as acceptable by an accredited electrical product testing laboratory unless specifically required by the National Electrical Code, 1993 edition.

(2) Residential buildings or structures moved into or within a county, city, or town are not required to comply with all of the requirements of this chapter, if the original occupancy classification of the building or structure is not changed as a result of the move. This subsection shall not apply to residential buildings or structures that are substantially remodeled or rehabilitated.

(3) This chapter shall not limit the authority or power of any city or town to enact and enforce under authority given by law, any ordinance, rule, or regulation 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. A city or town shall require that its electrical inspectors meet the qualifications provided for state electrical inspectors in accordance with RCW 19.28.070. In a city or town having an equal, higher, or better standard the installations, materials, devices, appliances, and equipment shall be in accordance with the ordinance, rule, or regulation of the city or town. Electrical equipment associated with spas, hot tubs, swimming pools, and hydromassage bathtubs shall not be offered for sale or exchange unless the electrical equipment is certified as being in compliance with the applicable product safety standard by bearing the certification mark of an approved electrical products testing laboratory.

(4) Nothing in this chapter may be construed as permitting the connection of any conductor of any electric circuit with a pipe that is connected with or designed to be connected with a waterworks piping system, without the consent of the person or persons legally responsible for the operation and maintenance of the waterworks piping system. [1993 c 275 § 2; 1992 c 79 § 2. Prior: 1986 c 263 § 1; 1986 c 156 § 2; 1983 c 206 § 2; 1965 ex.s. c 117 § 1; 1963 c 207 § 1; 1935 c 169 § 1; RRS § 8307-1. Formerly RCW 19.28.010 through 19.28.050.]

**19.28.015 Disputes regarding local regulations—Arbitration—Appeal.** Disputes arising under \*RCW 19.28.010(2) regarding whether the city or town's electrical 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. [1988 c 81 § 2; 1983 c 206 § 3.]

\*Reviser's note: RCW 19.28.010 was reenacted and amended by 1992 c 79 § 2, changing subsection (2) to subsection (3).

**19.28.060 Rules, regulations, and standards.** (1) Prior to January 1st of each year, the director shall obtain an authentic copy of the national electrical code, latest revision. The department, after consulting with the board and receiving the board's recommendations, shall adopt reasonable rules in furtherance of safety to life and property. All rules shall be kept on file by the department. Compliance with the rules shall be prima facie evidence of compliance with this chapter. The department upon request shall deliver to all persons, firms, partnerships, corporations, or other entities licensed under this chapter a copy of the rules.

(2) The department shall also obtain and keep on file an authentic copy of any applicable regulations and standards of any electrical product testing laboratory which is accredited by the department prescribing rules, regulations, and standards for electrical materials, devices, appliances, and equipment, including any modifications and changes that have been made during the previous year. [1993 c 275 § 3; 1988 c 81 § 3; 1986 c 156 § 3; 1983 c 206 § 4; 1965 ex.s. c 117 § 2; 1935 c 169 § 10; RRS § 8307-10.]

**19.28.065 Electrical board.** There is hereby created an electrical board, consisting of ten 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 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; 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 an employee, or officer, or representative of a corporation or firm engaged in the business of manufacturing or distributing electrical 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 licensed professional electrical engineer qualified to do business in the state of Washington. 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. 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 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. [1988 c 81 § 4; 1984 c 287 § 56; 1975-'76 2nd ex.s. c 34 § 60; 1969 ex.s. c 71 § 1; 1963 c 207 § 5.]

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**Effective date—Severability—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

**19.28.070 Enforcement—State electrical inspectors—Qualifications—Salaries and expenses.** The director of labor and industries of the state of Washington and the officials of all incorporated cities and towns where electrical inspections are required by local ordinances shall have power and it shall be their duty to enforce the provisions of this chapter in their respective jurisdictions. The director of labor and industries shall appoint a chief electrical inspector and may appoint other electrical inspectors as the director deems necessary to assist the director in the performance of the director's duties. The chief electrical inspector, subject to the review of the director, shall be responsible for providing the final interpretation of adopted state electrical standards, rules, and policies for the department and its inspectors, assistant inspectors, electrical plan examiners, and other individuals supervising electrical program personnel. If a dispute arises within the department regarding the interpretation of adopted state electrical standards, rules, or policies, the chief electrical inspector, subject to the review of the director, shall provide the final interpretation of the disputed standard, rule, or policy. All electrical inspectors appointed by the director of labor and industries shall have not less than: Four years experience as journeyman electricians in the electrical construction trade installing and maintaining electrical wiring and equipment, or two years electrical training in a college of electrical engineering of recognized standing and four years continuous practical electrical experience in installation work, or four years of electrical training in a college of electrical engineering of recognized standing and two years continuous practical

electrical experience in electrical installation work; or four years experience as a journeyman electrician performing the duties of an electrical inspector employed by the department or a city or town with an approved inspection program under RCW 19.28.360, except that for work performed in accordance with the national electrical safety code and covered by this chapter, such inspections may be performed by a person certified as an outside journeyman lineman, under RCW 19.28.610(2), with four years experience or a person with four years experience as a certified outside journeyman lineman performing the duties of an electrical inspector employed by an electrical utility. Such state inspectors shall be paid such salary as the director of labor and industries shall determine, together with their travel expenses in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended. As a condition of employment, inspectors hired exclusively to perform inspections in accordance with the national electrical safety code must possess and maintain certification as an outside journeyman lineman. The expenses of the director of labor and industries 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, upon vouchers approved by the director of labor and industries. [1997 c 309 § 4; 1986 c 156 § 4; 1975-'76 2nd ex.s. c 34 § 61; 1967 c 88 § 1; 1935 c 169 § 3; RRS § 8307-3. Formerly RCW 19.28.070 through 19.28.110.]

**Effective date—Severability—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

**19.28.120 License required—General or specialty licenses—Fees—Application—Bond or cash deposit.** (1) It is unlawful for any person, firm, partnership, corporation, or other entity to engage in, conduct, or carry on the business of installing or maintaining wires or equipment to convey electric current, or installing or maintaining equipment to be operated by electric current as it pertains to the electrical industry, without having an unrevoked, unsuspended, and unexpired electrical contractor license, issued by the department in accordance with this chapter. All electrical contractor licenses expire twenty-four calendar months following the day of their issue. The department may issue an electrical contractors license for a period of less than twenty-four months only for the purpose of equalizing the number of electrical contractor licenses that expire each month. Application for an electrical contractor license shall be made in writing to the department, accompanied by the required fee. The application shall state:

(a) The name and address of the applicant; in case of firms or partnerships, the names of the individuals composing the firm or partnership; in case of corporations, the names of the managing officials thereof;

(b) The location of the place of business of the applicant and the name under which the business is conducted;

(c) Employer social security 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) Employment security department number;

(f) State excise tax registration number;

(g) Unified business identifier (UBI) account number may be substituted for the information required by (d) of this subsection if the applicant will not employ employees in Washington, and by (e) and (f) of this subsection; and

(h) Whether a general or specialty electrical contractor license is sought and, if the latter, the type of specialty. Electrical contractor specialties include, but are not limited to: Residential, domestic appliances, pump and irrigation, limited energy system, signs, nonresidential maintenance, and a combination specialty. A general electrical contractor license shall grant to the holder the right to engage in, conduct, or carry on the business of installing or maintaining wires or equipment to carry electric current, and installing or maintaining equipment, or installing or maintaining material to fasten or insulate such wires or equipment to be operated by electric current, in the state of Washington. A specialty electrical contractor license shall grant to the holder a limited right to engage in, conduct, or carry on the business of installing or maintaining wires or equipment to carry electrical current, and installing or maintaining equipment; or installing or maintaining material to fasten or insulate such wires or equipment to be operated by electric current in the state of Washington as expressly allowed by the license.

(2) The department may verify the workers' compensation coverage information provided by the applicant under subsection (1)(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.

(3) 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 in any installation or maintenance of wires or equipment to convey electrical current, and equipment to be operated by electrical current, the principal will comply with the provisions of this chapter and with any electrical ordinance, building code, or

regulation of a city or town adopted pursuant to RCW 19.28.010(3) that is in effect at the time of entering into a contract. The bond shall be conditioned further 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 or any applicable ordinance, building code, or regulation of a city or town adopted pursuant to RCW 19.28.010(3). In lieu of the surety bond required by this section the license applicant may file with the department a cash deposit or other negotiable security acceptable to the department. If the license 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.

(4) The department shall issue general or specialty electrical contractor licenses to applicants meeting all of the requirements of this chapter. 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 therein and the collection of a fee therefor, 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. No person, firm, partnership, corporation, or other entity holding more than one specialty contractor license under this chapter may be required to pay an annual fee for more than one such license or to post more than one four thousand dollar bond, equivalent cash deposit, or other negotiable security.

(5) To obtain a general or specialty electrical contractor license the applicant must designate an individual who currently possesses an administrator's certificate as a general electrical contractor administrator or as a specialty electrical contractor administrator in the specialty for which application has been made. Administrator certificate specialties include but are not limited to: Residential, domestic, appliance, pump and irrigation, limited energy system, signs, nonresidential maintenance, and combination specialty. To obtain an administrator's certificate an individual must pass an examination as set forth in RCW 19.28.123 unless the applicant was a licensed electrical contractor at any time during 1974. Applicants who were electrical contractors licensed by the state of Washington at any time during 1974 are entitled to receive a general electrical contractor administrator's certificate without examination if the applicants apply prior to January 1, 1984. The board of electrical examiners shall certify to the department the names of all persons who are entitled to either a general or specialty electrical contractor administrator's certificate. [1998 c 279 § 4; 1992 c 217 § 2; 1986 c 156 § 5; 1983 c 206 § 5; 1975 1st ex.s. c 195 § 1; 1975 1st ex.s. c 92 § 1; 1974 ex.s. c 188 § 1; 1971 ex.s. c 129 § 1; 1969 ex.s. c 71 § 2; 1969 c 30 § 1. Prior: 1967 ex.s. c 15 § 1; 1967 c 88 § 2; 1965 ex.s. c 117 § 3; 1963 c 207 § 2; 1959 c 325 § 1; 1935 c 169 § 4; RRS § 8307-4; prior: 1919 c 204 §§ 1, 2. Formerly RCW 19.28.120 through 19.28.170.]

**Finding—Intent—1998 c 279:** See note following RCW 51.12.120.

**Severability—1975 1st ex.s. c 195; 1975 1st ex.s. c 92:** "If any provision of this 1975 amendatory 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." [1975 1st ex.s. c 195 § 4; 1975 1st ex.s. c 92 § 4.]

**Effective date—1974 ex.s. c 188:** "The effective date of this 1974 amendatory act is July 1, 1974." [1974 ex.s. c 188 § 6.]

**Severability—1974 ex.s. c 188:** "If any provision of this 1974 amendatory 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." [1974 ex.s. c 188 § 5.]

**Effective date—1971 ex.s. c 129:** "The effective date of this 1971 amendatory act shall be December 1, 1971." [1971 ex.s. c 129 § 3.]

**19.28.123 Examinations—Fees.** It shall be the purpose and function of the board to establish, in addition to a general electrical contractors' license, such classifications of specialty electrical contractors' licenses as it deems appropriate with regard to individual sections pertaining to state adopted codes in this chapter. In addition, it shall be the purpose and function of the board to establish and administer written examinations for general electrical administrators' certificates and the various specialty electrical administrators' certificates. Examinations shall be designed to reasonably insure that general and specialty electrical administrators' certificate holders are competent to engage in and supervise the work covered by this statute and their respective licenses. The examinations shall include questions from the following categories to assure proper safety and protection for the general public: (1) Safety, (2) state electrical code, and (3) electrical theory. The department with the consent of the board shall be 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. It shall be the further purpose and function of this board to advise the director as to the need of additional electrical inspectors and compliance officers to be utilized by the director on either a full-time or part-time employment basis and to carry out the duties enumerated in RCW 19.28.510 through 19.28.620 as well as generally advise the department on all matters relative to RCW 19.28.510 through 19.28.620. [1996 c 147 § 6; 1988 c 81 § 5; 1986 c 156 § 6; 1984 c 287 § 57; 1977 ex.s. c 79 § 1; 1975-'76 2nd ex.s. c 34 § 62; 1975 1st ex.s. c 195 § 2; 1975 1st ex.s. c 92 § 2; 1974 ex.s. c 188 § 2.]

**Legislative findings—Severability—Effective date—1984 c 287:** See notes following RCW 43.03.220.

**Effective date—Severability—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

**Severability—1975 1st ex.s. c 195; 1975 1st ex.s. c 92:** See note following RCW 19.28.120.

**Effective date—Severability—1974 ex.s. c 188:** See notes following RCW 19.28.120.

**19.28.125 Electrical contractors—Designee of firm to take administrator's examination—Certificate duration, denial, renewal, nontransferable—Administrator's duties.** (1) Each applicant for an electrical contractor's license, other than an individual, shall designate a superviso-

ry employee or member of the firm to take the required administrator's examination. Effective July 1, 1987, a supervisory employee designated as the administrator shall be a full-time supervisory employee. This person shall be designated as administrator under the license. No person may qualify as administrator for more than one contractor. If the relationship of the administrator with the electrical 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. A certificate issued under this section is valid for two years from the nearest birthdate of the administrator, unless revoked or suspended, and further is nontransferable. The department may deny an application for an administrator's certificate for up to two years if the applicant's previous administrator's certificate has been revoked for a serious violation and all appeals concerning the revocation have been exhausted. For the purposes of this section only, a serious violation is a violation that presents imminent danger to the public. 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. An individual holding more than one administrator's certificate under this chapter shall not be required to pay annual fees for more than one certificate. A person may take the administrator's test as many times as necessary without limit.

(2) 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 electrical work complies with the electrical installation laws and rules of the state;

(c) Ensure that the proper electrical safety procedures are used;

(d) Ensure that all electrical labels, permits, and licenses required to perform electrical work are used;

(e) See that corrective notices issued by an inspecting authority are complied with; and

(f) Notify the department in writing within ten days if the administrator terminates the relationship with the electrical contractor.

(3) The department shall not by rule change the administrator's duties under subsection (2) of this section. [1996 c 241 § 3; 1988 c 81 § 6; 1986 c 156 § 7; 1983 c 206 § 6; 1975 1st ex.s. c 195 § 3; 1975 1st ex.s. c 92 § 3; 1974 ex.s. c 188 § 4.]

**Severability—1975 1st ex.s. c 195; 1975 1st ex.s. c 92:** See note following RCW 19.28.120.

**Effective date—Severability—1974 ex.s. c 188:** See notes following RCW 19.28.120.

**19.28.180 Licensee's bond—Action on—Priorities—Cash deposit, payment from.** 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 RCW 19.28.120 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: (1) Labor, including employee benefits, (2) materials and equipment used upon such work, (3) taxes and contributions due to the state, (4) damages sustained by any person, firm or corporation due to the failure of the principal to make the installation in accordance with the provisions of chapter 19.28 RCW, or any ordinance, building code, or regulation applicable thereto: PROVIDED, That the total liability of the surety on any bond shall not exceed the sum of four thousand dollars and the surety on the bond shall not be liable for monetary penalties; and 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 such depositor and deposit, the director shall upon receipt of a certified copy of a final judgment, pay said judgment from such deposit. [1986 c 156 § 8; 1969 ex.s. c 71 § 3; 1965 ex.s. c 117 § 4; 1935 c 169 § 5; RRS § 8307-5. Prior: 1919 c 204 § 4.]

**19.28.190 Actions—Local permits—Proof of licensure.** No person, firm or corporation engaging in, conducting or carrying on the business of installing wires or equipment to convey electric current, or installing apparatus to be operated by said current, 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 the provisions of this chapter; and no city or town requiring by ordinance or regulation a permit for inspection or installation of such electrical work, shall issue such permit to any person, firm or corporation not holding such license. [1986 c 156 § 9; 1935 c 169 § 6; RRS § 8307-6.]

**19.28.200 Licensing—Exemptions.** (1) No license under the provision of this chapter shall be required from any utility or any person, firm, partnership, corporation, or other entity employed by a utility because of work in connection with the installation, repair, or maintenance of lines, wires, apparatus, or equipment owned by or under the control of a utility and used for transmission or distribution of electricity from the source of supply to the point of contact at the premises and/or property to be supplied and service connections and meters and other apparatus or appliances used in the measurement of the consumption of electricity by the customer.

(2) No license under the provisions of this chapter shall be required from any utility because of work in connection with the installation, repair, or maintenance of the following:

(a) Lines, wires, apparatus, or equipment used in the lighting of streets, alleys, ways, or public areas or squares;

(b) Lines, wires, apparatus, or equipment owned by a commercial, industrial, or public institution customer that are an integral part of a transmission or distribution system, either overhead or underground, providing service to such customer and located outside the building or structure: PROVIDED, That a utility does not initiate the sale of services to perform such work;

(c) Lines and wires, together with ancillary apparatus, and equipment, owned by a customer that is an independent power producer who has entered into an agreement for the sale of electricity to a utility and that are used in transmitting electricity from an electrical generating unit located on premises used by such customer to the point of interconnection with the utility's system.

(3) Any person, firm, partnership, corporation, or other entity licensed under RCW 19.28.120 may enter into a contract with a utility for the performance of work under subsection (2) of this section.

(4) No license under the provisions of this chapter shall be required from any person, firm, partnership, corporation, or other entity because of the work of installing and repairing ignition or lighting systems for motor vehicles.

(5) No license under the provisions of this chapter shall be required from any person, firm, partnership, corporation, or other entity because of work in connection with the installation, repair, or maintenance of wires and equipment, and installations thereof, exempted in RCW 19.28.010.

(6) The department may by rule exempt from licensing requirements under this chapter work performed on premanufactured electric power generation equipment assemblies and control gear involving the testing, repair, modification, maintenance, or installation of components internal to the power generation equipment, the control gear, or the transfer switch. [1998 c 98 § 1; 1992 c 240 § 1; 1980 c 30 § 15; 1935 c 169 § 11; RRS § 8307-11.]

**19.28.210 Inspections—Notice to repair and change—Disconnection—Entry—Concealment—Accessibility—Connection to utility—Permits, fees—Limitation.** (1) The director shall cause an inspector to inspect all wiring, appliances, devices, and equipment to which this chapter applies. Nothing contained in this chapter may be construed as providing any authority for any subdivision of government to adopt by ordinance any provisions contained or provided for in this chapter except those pertaining to cities and towns pursuant to RCW 19.28.010(3).

(2) Upon request, electrical inspections will be made by the department within forty-eight hours, excluding holidays, Saturdays, and Sundays. If, upon written request, the electrical inspector fails to make an electrical inspection within twenty-four hours, the serving utility may immediately connect electrical power to the installation if the necessary electrical work permit is displayed: PROVIDED, That if the request is for an electrical inspection that relates to a mobile home installation, the applicant shall provide proof of a current building permit issued by the local government agency authorized to issue such permits as a prerequisite for

inspection approval or connection of electrical power to the mobile home.

(3) Whenever the installation of any wiring, device, appliance, or equipment 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 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 hereby empowered to disconnect or order the discontinuance of 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, and in a condition that complies with this chapter.

(4) 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 for the purpose of making any inspection or test of the installation of new construction or altered electrical wiring, electrical devices, equipment, or material contained in or on the buildings or premises. No electrical wiring or equipment subject to this chapter may be concealed until it has been approved by the inspector making the inspection. At the time of the inspection, electrical wiring or equipment subject to this chapter must be sufficiently accessible to permit the inspector to employ any testing methods that will verify conformance with the national electrical code and any other requirements of this chapter.

(5) Persons, firms, partnerships, corporations, or other entities making electrical installations shall obtain inspection and approval from an authorized representative of the department as required by this chapter before requesting the electric utility to connect to the installations. Electric utilities may connect to the installations if approval is clearly indicated by certification of the electrical work permit required to be affixed to each installation or by equivalent means, except that increased or relocated services may be reconnected immediately at the discretion of the utility before approval if an electrical work permit is displayed. The permits shall be furnished upon payment of the fee to the department.

(6) The director, subject to the recommendations and approval of the board, shall set by rule a schedule of license and electrical work permit fees that will cover the costs of administration and enforcement of this chapter. The rules shall be adopted in accordance with the administrative procedure act, chapter 34.05 RCW. No fee may be charged for plug-in mobile homes, recreational vehicles, or portable appliances.

(7) Nothing in this chapter shall authorize the inspection of any wiring, appliance, device, or equipment, or installations thereof, by any utility or by any person, firm, partnership, corporation, or other entity employed by a utility in

connection with the installation, repair, or maintenance of lines, wires, apparatus, or equipment owned by or under the control of the utility. All work covered by the national electric code not exempted by the 1981 edition of the national electric code 90-2(B)(5) shall be inspected by the department. [1996 c 241 § 4; 1992 c 240 § 2; 1989 c 344 § 1; 1988 c 81 § 7; 1983 c 206 § 7; 1971 ex.s. c 129 § 2; 1969 ex.s. c 71 § 4; 1967 c 88 § 3; 1965 ex.s. c 117 § 5; 1963 c 207 § 3; 1959 c 325 § 2; 1935 c 169 § 8; RRS § 8307-8. Formerly RCW 19.28.210 through 19.28.240.]

**Effective date—1971 ex.s. c 129:** See note following RCW 19.28.120.

*Adoption of certain regulations proscribed:* RCW 36.32.125.

*RCW 19.28.210 inapplicable in certain cities, towns, electricity supply agency service areas, and rights of way of state highways:* RCW 19.28.360.

**19.28.250 Inspection reports.** If any inspection made under this chapter requires any correction or change in the work inspected, a written report of the inspection shall be made by the inspector, in which report the corrections or changes required shall be plainly stated. A copy of the report shall be furnished to the person, firm, partnership, corporation, or other entity doing the installation work, and a copy shall be filed with the department. [1983 c 206 § 8; 1935 c 169 § 9; RRS § 8307-9.]

**19.28.260 Nonconforming installations—Disputes—Reference to board.** It is unlawful for any person, firm, partnership, corporation, or other entity to install or maintain any electrical wiring, appliances, devices, or equipment not in accordance with this chapter. In cases where the interpretation and application of the installation or maintenance standards prescribed in this chapter is 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. [1988 c 81 § 8; 1983 c 206 § 9; 1935 c 169 § 2; RRS § 8307-2.]

**19.28.300 Board—Request for ruling—Fee—Costs.** Any person, firm, partnership, corporation, or other entity desiring a decision of the board pursuant to RCW 19.28.260 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. [1988 c 81 § 9; 1983 c 206 § 10; 1935 c 169 § 13; RRS § 8307-13.]

**19.28.310 Revocation or suspension of license—Grounds—Appeal to board—Fee—Costs.** (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 contractor license or electrical 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. [1997 c 58 § 844; 1996 c 241 § 5; 1988 c 81 § 10; 1986 c 156 § 10; 1983 c 206 § 11; 1935 c 169 § 7; RRS § 8307-7. Formerly RCW 19.28.310 and 19.28.320.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**19.28.330 Electrical license fund.** All sums received from licenses, permit fees, or other sources, herein shall be paid to the state treasurer and placed in a special fund designated as the "electrical license fund," and by him paid out upon vouchers duly and regularly issued therefor and approved by the director of labor and industries or the director's designee following determination by the board that the sums are necessary to accomplish the intent of chapter 19.28 RCW. The treasurer shall keep an accurate record of

payments into, or receipts of, said fund, and of all disbursements therefrom. [1988 c 81 § 11; 1979 ex.s. c 67 § 1; 1935 c 169 § 18; RRS § 8307-18.]

**Severability—1979 ex.s. c 67:** "If any provision of this 1979 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." [1979 ex.s. c 67 § 22.]

**19.28.340 Liability for injury or damage.** 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 work performed by said person or in any electrical equipment owned, controlled, installed, operated or used by him; 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. [1935 c 169 § 16; RRS § 8307-16.]

**19.28.350 Violations of RCW 19.28.010 through 19.28.360—Schedule of penalties—Appeal.** Any person, firm, partnership, corporation, or other entity violating any of the provisions of RCW 19.28.010 through 19.28.360 shall be assessed a penalty of not less than fifty dollars or more than ten thousand dollars. The department shall set by rule a schedule of penalties for violating RCW 19.28.010 through 19.28.360. The department shall notify the person, firm, partnership, corporation, or other entity violating any of the provisions of RCW 19.28.010 through 19.28.360 of the amount of the penalty and of the specific violation by certified mail, return receipt requested, sent to the last known address of the assessed party. Any penalty is 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 by certified mail, return receipt requested, sent to the last known address of 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, which 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. [1996 c 147 § 7; 1988 c 81 § 12; 1986 c 156 § 11; 1983 c 206 § 12; 1980 c 30 § 16; 1935 c 169 § 14; RRS § 8307-14.]

**19.28.360 RCW 19.28.210 inapplicable in certain cities and towns, electricity supply agency service areas, and rights of way of state highways.** The provisions of RCW 19.28.210 shall not apply:

(1) Within the corporate limits of any incorporated city or town which has heretofore adopted and enforced or subsequently adopts and enforces an ordinance requiring an equal, higher or better standard of construction and of materials, devices, appliances and equipment than is required by this chapter.

(2) Within the service area of an electricity supply agency owned and operated by a city or town which is supplying electricity and enforcing a standard of construction and materials outside its corporate limits at the time this act takes effect: PROVIDED, That such city, town or agency shall henceforth enforce by inspection within its service area outside its corporate limits the same standards of construction and of materials, devices, appliances and equipment as is enforced by the department of labor and industries under the authority of this chapter: PROVIDED FURTHER, That fees charged henceforth in connection with such enforcement shall not exceed those established in RCW 19.28.210.

(3) Within the rights of way of state highways, provided the state department of transportation maintains and enforces an equal, higher or better standard of construction and of materials, devices, appliances and equipment than is required by RCW 19.28.010 through 19.28.360. [1986 c 156 § 12; 1967 ex.s. c 97 § 1; 1963 c 207 § 4; 1959 c 325 § 3.]

Effective date—1963 c 207: See RCW 19.28.910.

**19.28.370 RCW 19.28.010 through \*19.28.380 inapplicable to telegraph or telephone companies exercising certain functions.** The provisions of RCW 19.28.010 through \*19.28.380 shall not apply to the work of installing, maintaining or repairing any and all electrical wires, apparatus, installations or equipment used or to be used by a telegraph company or a telephone company in the exercise of its functions and located outdoors or in a building or buildings used exclusively for that purpose. [1980 c 30 § 17; 1959 c 325 § 4.]

\*Reviser's note: RCW 19.28.380 was repealed by 1986 c 156 § 18. See RCW 19.28.360.

**19.28.390 Devices for diagnosis or treatment of disease or injury—Compliance with chapter.** Any device used or useful in the diagnosis or treatment of disease or injury which is not in violation of the Medical Device Amendments of 1976, Public Law No. 94-295, 90 Stat. 539, as amended from time to time, and as interpreted by the Food and Drug Administration of the United States Department of Health and Human Services or its successor, shall be deemed to be in compliance with all requirements imposed by this chapter. [1981 c 57 § 1.]

**19.28.510 Certificate of competency required—Electrical training certificate—Fee—Verification and attestation of training hours.** (1) No person may engage in the electrical construction trade without having a current journeyman electrician certificate of competency or a current specialty electrician certificate of competency issued by the department in accordance with this chapter. Electrician

certificate of competency specialties include, but are not limited to: Residential, domestic appliances, pump and irrigation, limited energy system, signs, and nonresidential maintenance.

(2) A person who is indentured in an apprenticeship program approved under chapter 49.04 RCW for the electrical construction trade or who is learning the electrical construction trade may work in the electrical construction trade if supervised by a certified journeyman electrician or a certified specialty electrician in that electrician's specialty. All apprentices and individuals learning the electrical construction trade shall obtain an electrical training certificate from the department. The certificate shall authorize the holder to learn the electrical construction trade while under the direct supervision of a journeyman electrician or a specialty electrician working in his or her specialty. The holder of the electrical training certificate shall renew the certificate annually. At the time of renewal, the holder shall provide the department with an accurate list of the holder's employers in the electrical construction industry for the previous year and the number of hours worked for each employer. An annual fee shall be charged for the issuance or renewal of the certificate. The department shall set the fee by rule. The fee shall cover but not exceed the cost of administering and enforcing the trainee certification and supervision requirements of this chapter. Apprentices and individuals learning the electrical construction trade shall have their electrical training certificates in their possession at all times that they are performing electrical work. They shall show their certificates to an authorized representative of the department at the representative's request.

(3) Any person who has been issued an electrical training certificate under this chapter may work if that person is under supervision. Supervision shall consist of a person being on the same job site and under the control of either a journeyman electrician or an appropriate specialty electrician who has an applicable certificate of competency issued under this chapter. Either a journeyman electrician or an appropriate specialty electrician shall be on the same job site as the noncertified individual for a minimum of seventy-five percent of each working day unless otherwise provided in this chapter.

(4) The ratio of noncertified individuals to certified journeymen or specialty electricians working on a job site shall be:

(a) Not more than two noncertified individuals working on any one job site for every specialty electrician or journeyman electrician working as a specialty electrician; and

(b) Not more than one noncertified individual working on any one job site for every certified journeyman electrician, except that the ratio requirements shall be one certified journeyman electrician to no more than four students enrolled in and working as part of an electrical construction program at public community or technical colleges, or not-for-profit nationally accredited trade or technical schools licensed by the work force training and education coordinating board under chapter 28C.10 RCW. In meeting the ratio requirements for students enrolled in an electrical construction program at a trade school, a trade school may receive input and advice from the electrical board.

An individual who has a current training certificate and who has successfully completed or is currently enrolled in an

approved apprenticeship program or in an electrical construction program at public community or technical colleges, or not-for-profit nationally accredited technical or trade schools licensed by the work force training and education coordinating board under chapter 28C.10 RCW, may work without direct on-site supervision during the last six months of meeting the practical experience requirements of this chapter.

(5) The electrical contractor shall accurately verify and attest to the electrical trainee hours worked by electrical trainees on behalf of the electrical contractor. [1997 c 309 § 1; 1996 c 241 § 6; 1983 c 206 § 13; 1980 c 30 § 2.]

**19.28.515 Electrical trainee hours—Audit—Rules—Confidentiality.** The department may audit the records of an electrical contractor that has verified the hours of experience submitted by an electrical trainee to the department under RCW 19.28.510(2) in the following circumstances: Excessive hours were reported; hours reported outside the normal course of the contractor's business; the type of hours reported do not reasonably match the type of permits purchased; or for other similar circumstances in which the department demonstrates a likelihood of excessive hours being reported. The department shall limit the audit to records necessary to verify hours. The department shall adopt rules implementing audit procedures. Information obtained from an electrical contractor under the provisions of this section is confidential and is not open to public inspection under chapter 42.17 RCW. [1996 c 241 § 2.]

**19.28.520 Application for certificate of competency.** Any person desiring to be issued a certificate of competency as provided in this chapter shall deliver evidence in a form prescribed by the department affirming that said person has met the qualifications required under RCW 19.28.530. An electrician from another jurisdiction applying for a certificate of competency must provide evidence in a form prescribed by the department affirming that the person has the equivalent qualifications to those required under RCW 19.28.530. [1997 c 309 § 2; 1980 c 30 § 3.]

**19.28.530 Certificate of competency—Eligibility for examination—Rules.** (1) Upon receipt of the application, the department shall review the application and determine whether the applicant is eligible to take an examination for the journeyman or specialty certificate of competency.

(a) To be eligible to take the examination for a journeyman certificate the applicant must have:

(i) Worked in the electrical construction trade for a minimum of four years employed full time, of which two years shall be in industrial or commercial electrical installation under the supervision of a journeyman electrician and not more than a total of two years in all specialties under the supervision of a journeyman electrician or an appropriate specialty electrician; or

(ii) Successfully completed an apprenticeship program approved under chapter 49.04 RCW for the electrical construction trade.

(b) To be eligible to take the examination to become a specialty electrician the applicant shall have:

(i) Worked in that specialty of the electrical construction trade, under the supervision of a journeyman electrician or

an appropriate specialty electrician, for a minimum of two years employed full time; or

(ii) Successfully completed an approved apprenticeship program under chapter 49.04 RCW for the applicant's specialty in the electrical construction trade.

(c) Any applicant who has successfully completed a two-year program in the electrical construction trade at public community or technical colleges, or not-for-profit nationally accredited technical or trade schools licensed by the work force training and education coordinating board under chapter 28C.10 RCW may substitute up to two years of the technical or trade school program for two years of work experience under a journeyman electrician. The applicant shall obtain the additional two years of work experience required in industrial or commercial electrical installation prior to the beginning, or after the completion, of the technical school program. Any applicant who has received training in the electrical construction trade in the armed service of the United States may be eligible to take the examination for the certificate of competency.

(d) No other requirement for eligibility may be imposed.

(2) The department shall establish reasonable rules for the examinations to be given applicants for certificates of competency. In establishing the rules, the department shall consult with the board. Upon determination that the applicant is eligible to take the examination, the department shall so notify the applicant, indicating the time and place for taking the examination. [1997 c 309 § 3; 1988 c 81 § 13; 1983 c 206 § 14; 1980 c 30 § 4.]

**19.28.540 Examination—Contents—Times—Fees—Certification of results.** The department, in coordination with the board, shall prepare an examination to be administered to applicants for journeyman and specialty certificates of competency. The examination shall be constructed to determine:

(1) Whether the applicant possesses varied general knowledge of the technical information and practical procedures that are identified with the status of journeyman electrician or specialty electrician; and

(2) Whether the applicant is sufficiently familiar with the applicable electrical codes and the rules of the department pertaining to electrical installations and electricians.

The department shall, at least four times annually, administer the examination to persons eligible to take it under RCW 19.28.530. A person may take the journeyman or specialty test as many times as necessary without limit. All applicants shall, before taking the examination, pay the required examination fee to the agency administering the examination. The fee shall cover but not exceed the costs of preparing and administering the examination.

The department shall certify the results of the examination upon such terms and after such a period of time as the department, in cooperation with the board, deems necessary and proper.

(3) The department upon the consent of the board may enter into a contract with a professional testing agency to develop, administer, and score journeyman and/or specialty electrician certification examinations. The department may set the examination fee by contract with the professional

testing agency. [1996 c 147 § 8; 1988 c 81 § 14; 1986 c 156 § 13; 1983 c 206 § 15; 1980 c 30 § 5.]

**19.28.550 Certificate of competency—Issuance—Renewal—Continuing education—Fees—Effect.** (1) The department shall issue a certificate of competency to all applicants who have passed the examination provided in RCW 19.28.540, and who have complied with RCW 19.28.510 through 19.28.620 and the rules adopted under this chapter. The certificate shall bear the date of issuance, and shall expire on the holder's birthday. The certificate shall be renewed every three years, upon application, on or before the holder's birthdate. A fee shall be assessed for each certificate and for each annual renewal.

(2) If the certificate holder demonstrates to the department that he or she has satisfactorily completed an annual eight-hour continuing education course, the certificate may be renewed without examination by appropriate application unless the certificate has been revoked, suspended, or not renewed within ninety days after the expiration date.

(a) The contents and requirements for satisfactory completion of the continuing education course shall be determined by the director and approved by the board.

(b) The department shall accept proof of a certificate holder's satisfactory completion of a continuing education course offered in another state as meeting the requirements for maintaining a current Washington state certificate of competency if the department is satisfied the course is comparable in nature to that required in Washington state for maintaining a current certificate of competency.

(3) If the certificate is not renewed before the expiration date, the individual shall pay twice the usual fee. The department shall set the fees by rule for issuance and renewal of a certificate of competency. The fees shall cover but not exceed the costs of issuing the certificates and of administering and enforcing the electrician certification requirements of this chapter.

(4) The certificates of competency and temporary permits provided for in this chapter grant the holder the right to work in the electrical construction trade as a journeyman electrician or specialty electrician in accordance with their provisions throughout the state and within any of its political subdivisions without additional proof of competency or any other license, permit, or fee to engage in such work. [1996 c 241 § 7; 1993 c 192 § 1; 1986 c 156 § 14; 1983 c 206 § 16; 1980 c 30 § 6.]

**19.28.560 Persons engaged in trade or business on July 16, 1973.** No examination shall be required of any applicant for a certificate of competency who, on July 16, 1973, was engaged in a bona fide business or trade as a journeyman electrician in the state of Washington. Applicants qualifying under this section shall be issued a certificate by the department upon making an application as provided in RCW 19.28.520 and paying the fee required under RCW 19.28.540: PROVIDED, That no applicant under this section shall be required to furnish such evidence as required by RCW 19.28.520. [1980 c 30 § 7.]

**19.28.570 Temporary permits.** The department is authorized to grant and issue temporary permits in lieu of

certificates of competency whenever an electrician coming into the state of Washington from another state requests the department for a temporary permit to engage in the electrical construction trade as an electrician during the period of time between filing of an application for a certificate as provided in RCW 19.28.520 and the date the results of taking the examination provided for in RCW 19.28.540 are furnished to the applicant. The department is authorized to enter into reciprocal agreements with other states providing for the acceptance of such states' journeyman and specialty electrician certificate of competency or its equivalent when such states requirements are equal to the standards set by this chapter. No temporary permit shall be issued to:

(1) Any person who has failed to pass the examination for a certificate of competency, except that any person who has failed the examination for competency under this section shall be entitled to continue to work under a temporary permit for ninety days if the person is enrolled in a journeyman electrician refresher course and shows evidence to the department that he or she has not missed any classes. The person, after completing the journeyman electrician refresher course, shall be eligible to retake the examination for competency at the next scheduled time.

(2) Any applicant under this section who has not furnished the department with such evidence required under RCW 19.28.520.

(3) To any apprentice electrician. [1986 c 156 § 15; 1983 c 206 § 17; 1980 c 30 § 8.]

**19.28.580 Revocation of certificate of competency—Grounds—Procedure.** (1) The department may revoke any certificate of competency upon the following grounds:

(a) The certificate was obtained through error or fraud;

(b) The holder thereof is judged to be incompetent to work in the electrical construction trade as a journeyman electrician or specialty electrician;

(c) The holder thereof has violated any of the provisions of RCW 19.28.510 through 19.28.620 or any rule adopted under this chapter.

(2) Before any certificate of competency shall be revoked, the holder shall be given written notice of the department's intention to do so, mailed by registered mail, return receipt requested, to the holder's last known address. The notice shall enumerate the allegations against the holder, and shall give the holder the opportunity to request a hearing before the board. At the hearing, the department and the holder may produce witnesses and give testimony. The hearing shall be conducted in accordance with chapter 34.05 RCW. The board shall render its decision based upon the testimony and evidence presented, and shall notify the parties immediately upon reaching its decision. A majority of the board shall be necessary to render a decision.

(3) 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. [1997 c 58 § 845; 1988 c 81 § 15; 1983 c 206 § 18; 1980 c 30 § 9.]

**\* Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**19.28.600 Powers and duties of director—Administration of RCW 19.28.510 through 19.28.620 by the department.** The director may promulgate rules, make specific decisions, orders, and rulings, including demands and findings, and take other necessary action for the implementation and enforcement of RCW 19.28.510 through 19.28.620. In the administration of RCW 19.28.510 through 19.28.620 the department shall not enter any controversy arising over work assignments with respect to the trades involved in the construction industry. [1983 c 206 § 20; 1980 c 30 § 11.]

**19.28.610 Exemptions from RCW 19.28.510 through 19.28.620.** Nothing in RCW 19.28.510 through 19.28.620 shall be construed to require that a person obtain a license or a certified electrician in order to do electrical work at his or her residence or farm or place of business or on other property owned by him or her unless the electrical work is on the construction of a new building intended for rent, sale, or lease. However, if the construction is of a new residential building with up to four units intended for rent, sale, or lease, the owner may receive an exemption from the requirement to obtain a license or use a certified electrician if he or she provides a signed affidavit to the department stating that he or she will be performing the work and will occupy one of the units as his or her principal residence. The owner shall apply to the department for this exemption and may only receive an exemption once every twenty-four months. It is intended that the owner receiving this exemption shall occupy the unit as his or her principal residence for twenty-four months after completion of the units. Nothing in RCW 19.28.510 through 19.28.620 shall be intended to derogate from or dispense with the requirements of any valid electrical code enacted by a city or town pursuant to RCW 19.28.010(3), except that no code shall require the holder of a certificate of competency to demonstrate any additional proof of competency or obtain any other license or pay any fee in order to engage in the electrical construction trade. RCW 19.28.510 through 19.28.620 shall not apply to common carriers subject to Part I of the Interstate Commerce Act, nor to their officers and employees. Nothing in RCW 19.28.510 through 19.28.620 shall be deemed to apply to the installation or maintenance of telephone, telegraph, radio, or television wires and equipment; nor to any electrical utility or its employees in the installation, repair, and maintenance of electrical wiring, circuits, and equipment by or for the utility, or comprising a part of its plants, lines or systems.

The licensing provisions of RCW 19.28.510 through 19.28.620 shall not apply to:

(1) Persons making electrical installations on their own property or to regularly employed employees working on the premises of their employer, unless the electrical work is on the construction of a new building intended for rent, sale, or lease;

(2) Employees of an employer while the employer is performing utility type work of the nature described in RCW 19.28.200 so long as such employees have registered in the state of Washington with or graduated from a state-approved outside lineman apprenticeship course that is recognized by the department and that qualifies a person to perform such work; or

(3) Any work exempted under RCW 19.28.200(6).

Nothing in RCW 19.28.510 through 19.28.620 shall be construed to restrict the right of any householder to assist or receive assistance from a friend, neighbor, relative or other person when none of the individuals doing the electrical installation hold themselves out as engaged in the trade or business of electrical installations. Nothing precludes any person who is exempt from the licensing requirements of this chapter under this section from obtaining a journeyman or specialty certificate of competency if they otherwise meet the requirements of this chapter. [1998 c 98 § 2; 1994 c 157 § 1; 1992 c 240 § 3; 1986 c 156 § 16; 1983 c 206 § 21; 1980 c 30 § 12.]

**19.28.620 Violations of RCW 19.28.510 through 19.28.620—Schedule of penalties—Appeal.** (1) It is unlawful for any person, firm, partnership, corporation, or other entity to employ an individual for purposes of RCW 19.28.510 through 19.28.620 who has not been issued a certificate of competency or a training certificate. It is unlawful for any individual to engage in the electrical construction trade or to maintain or install any electrical equipment or conductors without having in his or her possession a certificate of competency or a training certificate under RCW 19.28.510 through 19.28.620. Any person, firm, partnership, corporation, or other entity found in violation of RCW 19.28.510 through 19.28.620 shall be assessed a penalty of not less than fifty dollars or more than five hundred dollars. The department shall set by rule a schedule of penalties for violating RCW 19.28.510 through 19.28.620. An appeal may be made to the board as is provided in RCW 19.28.350. The appeal shall be filed within twenty days after the notice of the penalty is given to the assessed party by certified mail, return receipt requested, sent to the last known address of the assessed party and shall be made by filing a written notice of appeal with the department. Any equipment maintained or installed by any person who does not possess a certificate of competency under RCW 19.28.510 through 19.28.620 shall not receive an electrical work permit and electrical service shall not be connected or maintained to operate the equipment. Each day that a person, firm, partnership, corporation, or other entity violates RCW 19.28.510 through 19.28.620 is a separate violation.

(2) A civil penalty shall be collected in a civil action brought by the attorney general in the county wherein the alleged violation arose at the request of the department if

any of RCW 19.28.510 through 19.28.620 or any rules adopted under RCW 19.28.510 through 19.28.620 are violated. [1996 c 147 § 9; 1988 c 81 § 16; 1986 c 156 § 17; 1983 c 206 § 22; 1980 c 30 § 13.]

**19.28.630 Denial of renewal of certificate or license for outstanding penalties—Notice—Appeal—Hearing.**

The department may deny renewal of a certificate or license issued under this chapter, if the applicant for renewal owes outstanding penalties for a final judgment under this chapter. The department shall notify the applicant of the denial by registered mail, return receipt requested, to the address on the application. The applicant may appeal the denial within twenty days by filing a notice of appeal with the department accompanied by a certified check for two hundred dollars which shall be returned to the applicant if the decision of the department is not upheld by the board. The office of administrative hearings shall conduct the hearing under chapter 34.05 RCW. The electrical board shall review the proposed decision at the next regularly scheduled board meeting. If the board sustains the decision of the department, the two hundred dollars must be applied to the cost of the hearing. [1996 c 241 § 1.]

**19.28.900 Severability—1935 c 169.** If any section or part of this chapter shall be held and adjudged to be void or unconstitutional such adjudication shall not affect any other section or part of this chapter not adjudged to be void or unconstitutional. [1935 c 169 § 17.]

**19.28.910 Effective date—1963 c 207.** This act shall take effect on July 1, 1963. [1963 c 207 § 6.]

**19.28.911 Severability—1983 c 206.** 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. [1983 c 206 § 24.]

## Chapter 19.29

### ELECTRICAL CONSTRUCTION

#### Sections

19.29.010	Rules for use of electrical apparatus or construction.
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19.29.060	Violation of rules by agent, employee or officer—Penalty.

*Electricians, licensing, etc.: Chapter 19.28 RCW.*

**19.29.010 Rules for use of electrical apparatus or construction.** It shall be unlawful from and after the passage of this chapter for any officer, agent, or employee of the state of Washington, or of any county, city or other political subdivision thereof, or for any other person, firm or corporation, or its officers, agents or employees, to run, place, erect, maintain, or use any electrical apparatus or construction, except as provided in the rules of this chapter.

Rule 1. No wire or cable, except the neutral, carrying a current of less than seven hundred fifty volts of electricity within the corporate limits of any city or town shall be run, placed, erected, maintained or used on any insulator the center of which is less than thirteen inches from the center line of any pole. And no such wire, except the neutral, shall be run past any pole to which it is not attached at a distance of less than thirteen inches from the center line thereof. This rule shall not apply to any wire or cable where the same is run from under ground and placed vertically on the pole; nor to any wire or cable where the same is attached to the top of the pole; nor to a pole top fixture as between it and the same pole; nor to any wire or cable between the points where the same is made to leave any pole or fixture thereon for the purpose of entering any building or other structure and the point of attachment to such building or structure; nor to any jumper wire or cable carrying a current or connected with a transformer or other appliance on the same pole; nor to bridle or jumper wires on any pole which are attached to or connected with signal wires on the same pole; nor to any aerial cable as between such cable and any pole upon which it originates or terminates; nor to exclusive telephone or telegraph toll lines; nor to aerial cables containing telephone, telegraph, or signal wires, or wires continuing from same, where the cable is attached to poles on which no wires or cables other than the wires continuing from said cable are maintained, provided, that electric light or power wires or cables are in no case maintained on the same side of the street or highway on which said aerial cable is placed.

Rule 2. No wire or cable used to carry a current of over seven hundred fifty volts of electricity within the incorporate limits of any city or town shall be run, placed, erected, maintained or used on any insulator the center of which is nearer than twenty-four inches to the center line of any pole. And no such wire or cable shall be run past any pole to which it is not attached at a distance of less than twenty-four inches from the center line thereof: PROVIDED, That this shall not apply to any wire or cable where the same is run from under ground and placed vertically on the pole; nor to any wire or cable where the same is attached to the top of the pole; nor to a pole top fixture, as between it and the same pole; nor to any wire or cable between the points where the same is made to leave any pole or fixture thereon for the purpose of entering any building or other structure, and the point of attachment to said building or structure; nor to any jumper wire or cable carrying a current or connected with transformers or other appliances on the same pole: PROVIDED FURTHER, That where said wire or cable is run vertically, it shall be rigidly supported and where possible run on the ends of the cross-arms.

Rule 3. No wire or cable carrying a current of more than seven hundred fifty volts, and less than seventy-five hundred volts of electricity, shall be run, placed, erected, maintained or used within three feet of any wire or cable carrying a current of seven hundred fifty volts or less of electricity; and no wire or cable carrying a current of more than seventy-five hundred volts of electricity shall be run, placed, erected, maintained, or used within seven feet of any wire or cable carrying less than seventy-five hundred volts: PROVIDED, That the foregoing provisions of this paragraph shall not apply to any wire or cable within buildings or other structures; nor where the same are run from under ground

and placed vertically upon the pole; nor to any service wire or cable where the same is made to leave any pole or fixture thereon for the purpose of entering any building or other structure, and the point of attachment to said building or structure; nor to any jumper wire or cable carrying a current or connected with a transformer or other appliance on the same pole: PROVIDED, That where run vertically, wires or cables shall be rigidly supported, and where possible run on the ends of the cross-arms: PROVIDED FURTHER, That as between any two wires or cables mentioned in Rules 1, 2 and 3 of this section, only the wires or cables last in point of time so run, placed, erected or maintained, shall be held to be in violation of the provisions thereof.

Rule 4. No wire or cable used for telephone, telegraph, district messenger, or call bell circuit, fire or burglar alarm, or any other similar system, shall be run, placed, erected, maintained or used on any pole at a distance of less than three feet from any wire or cable carrying a current of over three hundred volts of electricity; and in all cases (except those mentioned in exceptions to Rules 1, 2 and 3) where such wires or cables are run, above or below, or cross over or under electric light or power wires, or a trolley wire, a suitable method of construction, or insulation or protection to prevent contact shall be maintained as between such wire or cable and such electric light, power or trolley wire; and said methods of construction, insulation or protection shall be installed by, or at the expense of the person owning the wire last placed in point of time: PROVIDED, That telephone, telegraph or signal wires or cables operated for private use and not furnishing service to the public, may be placed less than three feet from any line carrying a voltage of less than seven hundred and fifty volts.

Rule 5. Transformers, either single or in bank, that exceed a total capacity of over ten K.W. shall be supported by a double cross-arm, or some fixture equally as strong. No transformer shall be placed, erected, maintained or used on any cross-arm or other appliance on a pole upon which is placed a series electric arc lamp or arc light: PROVIDED, This shall not apply to a span wire supporting a lamp only. All aerial and underground transformers used for low potential distribution shall be subjected to an insulation test in accordance with the standardized rules of the American Institute of Electrical Engineers. In addition to this each transformer shall be tested at rated line voltage prior to each installation and shall have attached to it a tag showing the date on which the test was made, and the name of the person making the test.

Rule 6. No wire or cable, other than ground wires, used to conduct or carry electricity, shall be placed, run, erected, maintained or used vertically on any pole without causing such wire or cable to be at all times sufficiently insulated the full length thereof to insure the protection of anyone coming in contact with said wire or cable.

Rule 7. The neutral point or wire of all transformer secondaries strung or erected for use in low potential distributing systems shall be grounded in all cases where the normal maximum difference of potential between the ground and any point in the secondary circuit will not exceed one hundred and fifty volts. When no neutral point or wire is accessible one side of the secondary circuit shall be grounded in the case of single phase transformers, and any one common point in the case of interconnected polyphase bank

or banks of transformers. Where the maximum difference of potential between the ground and any point in the secondary circuit will, when grounded, exceed one hundred fifty volts, grounding shall be permitted. Such grounding shall be done in the manner provided in Rule 30.

Rule 8. In all cases where a wire or cable larger than No. 14 B.W.G. originates or terminates on insulators attached to any pin or other appliance, said wire or cable shall be attached to at least two insulators: PROVIDED HOWEVER, That this section shall not apply to service wires to buildings; nor to wires run vertically on a pole; nor to wires originating or terminating on strain insulators or circuit breakers; nor to telephone, telegraph or signal wires outside the limits of any incorporated city or town.

Rule 9. Fixtures placed or erected for the support of wires on the roofs of buildings shall be of sufficient strength to withstand all strains to which they may be subjected, due to the breaking of all wires on one side thereof, and except where insulated wires or cables are held close to fire walls by straps or rings, shall be of such height and so placed that all of the wires supported by such fixtures shall be at least seven feet above any point of roofs less than one-quarter pitch over which they pass or may be attached, and no roof fixtures or wire shall be so placed that they will interfere with the free passage of persons upon, over, to or from the roofs.

Rule 10. No guy wire or cable shall be placed, run, erected, maintained or used within the incorporate limits of any city or town on any pole or appliance to which is attached any wire or cable used to conduct electricity without causing said guy wire or cable to be efficiently insulated with circuit breakers at all times at a distance of not less than eight feet nor more than ten feet measured along the line of said guy wire or cable from each end thereof: PROVIDED, No circuit breaker shall be required at the lower end of the guy wire or cable where the same is attached to a ground anchor, nor shall any circuit breaker be required where said guy wire or cable runs direct from a grounded messenger wire to a grounded anchor rod.

Rule 11. In all span wires used for the purpose of supporting trolley wires or series arc lamps there shall be at least two circuit breakers, one of which shall at all times be maintained no less than four feet nor more than six feet distant from the trolley wire or series arc lamp, and in cases where the same is supported by a building or metallic pole, the other circuit breaker shall be maintained at the building or at the pole: PROVIDED, That in span wires which support two or more trolley wires no circuit breaker shall be required in the span wire between any two of the trolley wires: PROVIDED FURTHER, That in span wires supporting trolley wires attached to wooden poles only the circuit breaker adjacent to the trolley wire shall be required.

Rule 12. At all points where in case of a breakdown of trolley span wires, the trolley wire would be liable to drop within seven feet of the ground, there shall be double span wires and hangers placed at such points.

Rule 13. All energized wires or appliances installed inside of any building or vault, for the distribution of electrical energy, shall be sufficiently insulated, or so guarded, located, or arranged as to protect any person from injury.

Rule 14. The secondary circuit of current transformers, the casings of all potential regulators and arc light transformers, all metal frames of all switch boards, metal oil tanks used on oil switches except where the tank is part of the conducting system, all motor and generator frames, the entire frame of the crane and the tracks of all traveling cranes and hoisting devices, shall be thoroughly grounded, as provided in Rule 30.

Rule 15. All generators and motors having a potential of more than three hundred volts shall be provided with a suitable insulated platform or mat so arranged as to permit the attendant to stand upon such platform or mat when working upon the live parts of such generators or motors.

Rule 16. Suitable insulated platforms or mats shall be provided for the use of all persons while working on any live part of switchboards on which any wire or appliance carries a potential in excess of three hundred volts.

Rule 17. Every generator, motor, transformer, switch or other similar piece of apparatus and device used in the generation, transmission or distribution of electrical energy in stations or substations, shall be either provided with a name plate giving the capacity in volts and amperes, or have this information stamped thereon in such a manner as to be clearly legible.

Rule 18. When lines of seven hundred fifty volts or over are cut out at the station or substation to allow employees to work upon them, they shall be short-circuited and grounded at the station, and shall in addition, if the line wires are bare, be short-circuited, and where possible grounded at the place where the work is being done.

Rule 19. All switches installed with overload protection devices, and all automatic overload circuit breakers must have the trip coils so adjusted as to afford complete protection against overloads and short circuits, and the same must be so arranged that no pole can be opened manually without opening all the poles, and the trip coils shall be instantly operative upon closing.

Rule 20. All feeders for electric railways must, before leaving the plant or substation, be protected by an approved circuit breaker which will cut off the circuit in case of an accidental ground or short circuit.

Rule 21. There shall be provided in all distributing stations a ground detecting device.

Rule 22. There shall be provided in all stations, plants, and buildings herein specified warning cards printed on red cardboard not less than two and one-quarter by four and one-half inches in size, which shall be attached to all switches opened for the purpose of linemen or other employees working on the wires. The person opening any line switch shall enter upon said card the name of the person ordering the switch opened, the time opened, the time line was reported clear and by whom, and shall sign his own name.

Rule 23. No manhole containing any wire carrying a current of over three hundred volts shall be less than six feet from floor to inside of roof; if circular in shape it shall not be less than six feet in diameter; if square it shall be six feet from wall to wall: PROVIDED HOWEVER, That this paragraph shall not apply to any manhole in which it shall not be required that any person enter to perform work: PROVIDED FURTHER, That the foregoing provisions of this paragraph shall not apply where satisfactory proof shall be submitted to the proper authorities that it is impracticable

or physically impossible to comply with this law within the space or location designated by the proper authorities.

Rule 24. All manholes containing any wires or appliances carrying electrical current shall be kept in a sanitary condition, free from stagnant water or seepage or other drainage which is offensive or dangerous to health, either by sewer connection or otherwise, while any person is working in the same.

Rule 25. No manhole shall have an opening to the outer air of less than twenty-six inches in diameter, and the cover of same shall be provided with vent hole or holes equivalent to three square inches in area.

Rule 26. No manhole shall have an opening which is, at the surface of the ground, within a distance of three feet at any point from any rail of any railway or street car track: PROVIDED, That this shall not apply where satisfactory proof shall be submitted to the proper authorities that it is impracticable or physically impossible to comply with the provisions of this paragraph: PROVIDED, That in complying with the provisions of this rule only the construction last in point of time performed, placed or erected shall be held to be in violation thereof.

Rule 27. Whenever persons are working in any manhole whose opening to the outer air is less than three feet from the rail of any railway or street car track, a watchman or attendant shall be stationed on the surface at the entrance of such manhole at all times while work is being performed therein.

Rule 28. All persons employed in manholes shall be furnished with insulated platforms so as to protect the workers while at work in the manholes: PROVIDED, That this paragraph shall not apply to manholes containing only telephone, telegraph or signal wires or cables.

Rule 29. No work shall be permitted to be done on any live wire, cable or appliance carrying more than seven hundred fifty volts of electricity by less than two competent and experienced persons, who, at all times while performing such work shall be in the same room, chamber, manhole or other place in which, or on the same pole on which, such work is being done: PROVIDED, That in districts where only one competent and experienced person is regularly employed, and a second competent and experienced person cannot be obtained without delay at prevailing rate of pay in said district, such work shall be permitted to be done by one competent and experienced person and a helper who need not be on the same pole on which said work is being done.

No work shall be permitted to be done in any manhole or subway on any live wire, cable or appliance carrying more than three hundred volts of electricity by less than two competent and experienced persons, who at all times while performing such work shall be in the same manhole or subway in which such work is being done.

Rule 30. The grounding provided for in these rules shall be done in the following manner: By connecting a wire or wires not less than No. 6 B.&S. gauge to a water pipe of a metallic system outside of the meter, if there is one, or to a copper plate one-sixteenth inch thick and not less than three feet by six feet area buried in coke below the permanent moisture level, or to other device equally as efficient. The ground wire or wires of a direct current system of three or more wires shall not be smaller than the neutral wire at the central station, and not smaller than a No.

6 B.&S. gauge elsewhere: PROVIDED, That the maximum cross section area of any ground wire or wires at the central station need not exceed one million circular mils. The ground wires shall be carried in as nearly a straight line as possible, and kinks, coils and short bends shall be avoided: PROVIDED, That the provisions of this rule shall not apply as to size to ground wires run from instrument transformers or meters. [1989 c 12 § 3; 1987 c 79 § 1; 1965 ex.s. c 65 § 1; 1913 c 130 § 1; RRS § 5435.] [1954 SLC-RO 29.]

**19.29.020 Copy of chapter to be posted.** A copy of this chapter printed in a legible manner shall be kept posted in a conspicuous place in all electric plants, stations and storerooms. [1913 c 130 § 2; RRS § 5436.] [1954 SLC-RO-29.]

**19.29.030 Time for compliance.** All wires, cables, poles, electric fixtures and appliances of every kind being used or operated at the time of the passage of this chapter, shall be changed, and made to conform to the provisions of this chapter, on or before the 1st day of July, 1940: PROVIDED HOWEVER, That the director of labor and industries of Washington shall have power, upon reasonable notice, to order and require the erection of all guards, protective devices, and methods of protection which in the judgment of the director are necessary and should be constructed previous to the expiration of the time fixed in this section: PROVIDED FURTHER, That nothing in this chapter shall apply to manholes already constructed, except the provisions for guards, sanitary conditions, drainage and safety appliances specified in rules 20, 24, 26, 29, 30, 31 and 32. [1937 c 105 § 1; 1931 c 24 § 1; 1921 c 20 § 1; 1917 c 41 § 1; 1913 c 130 § 3; RRS § 5437.] [1954 SLC-RO-29.]

**19.29.040 Enforcement by director of labor and industries—Change of rules—Violation.** It shall be the duty of the director of labor and industries of Washington to enforce all the provisions and rules of this chapter and the director is hereby empowered upon hearing to amend, alter and change any and all rules herein contained, or any part thereof, and to supplement the same by additional rules and requirements, after first giving reasonable public notice and a reasonable opportunity to be heard to all affected thereby: PROVIDED, That no rule amending, altering or changing any rule supplementary to the rules herein contained shall provide a less measure of safety than that provided by the rule amended, altered or changed.

A violation of any rule herein contained or of any rule or requirement made by the director of labor and industries which it is hereby permitted to make shall be deemed a violation of this chapter. [1983 c 4 § 2; 1913 c 130 § 4; RRS § 5438.] [1954 SLC-RO-29.]

**19.29.050 Violation of rules by public service company or political subdivision—Penalty.** Every public service company, county, city, or other political subdivision of the state of Washington, and all officers, agents and employees of any public service company, county, city, or other political subdivision of the state of Washington, shall obey, observe and comply with every order, rule, direction or

requirement made by the commission [director of labor and industries] under authority of this chapter, so long as the same shall be and remain in force. Any public service company, county, city, or other political subdivision of the state of Washington, which shall violate or fail to comply with any provision of this chapter, or which fails, omits or neglects to obey, observe or comply with any order, rule, or any direction, demand or requirement of the commission [director of labor and industries], pursuant to this chapter, shall be subject to a penalty of not to exceed the sum of one thousand dollars for each and every offense. Every violation of any such order, direction or requirement of this chapter shall be a separate and distinct offense, and in case of a continued violation every day's continuance thereof shall be and be deemed to be a separate and distinct offense. [1913 c 130 § 5; RRS § 5439.] [1954 SLC-RO-29.]

**Reviser's note:** (1) Duties of the public service commission devolved on director of labor and industries. 1921 c 7 § 80(5) relating to powers and duties of the director of labor and industries reads: "(5) To exercise all the powers and perform all the duties in relation to the enforcement, amendment, alteration, change, and making additions to rules and regulations concerning the operation, placing, erection, maintenance, and use of electrical apparatus, and the construction thereof, now vested in, and required to be performed by, the public service commission:" See also RCW 43.22.050(3).

(2) Name of "public service commission" changed to "utilities and transportation commission" by 1961 c 290 § 1.

**19.29.060 Violation of rules by agent, employee or officer—Penalty.** Every officer, agent or employee of any public service company, the state of Washington, or any county, city, or other political subdivision of the state of Washington, who shall violate or fail to comply with, or who procures, aids or abets any violation by any public service company, the state of Washington, or any county, city or other political subdivision of the state of Washington, of any provision of this chapter, or who shall fail to obey, observe or comply with any order of the commission [director of labor and industries], pursuant to this chapter, or any provision of any order of the commission [director of labor and industries], or who procures, aids or abets any such public service company, the state of Washington, or any county, city, or other political subdivision of the state of Washington, in its failure to obey, observe and comply with any such order or provision, shall be guilty of a gross misdemeanor. [1913 c 130 § 6; RRS § 5440.] [1954 SLC-RO-29.]

**Reviser's note:** See note following RCW 19.29.050.

## Chapter 19.29A

### CONSUMERS OF ELECTRICITY

#### Sections

19.29A.005	Findings—Intent.
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19.29A.901	Severability—1998 c 300.

**19.29A.005 Findings—Intent.** (1) The legislature finds that:

(a) Electricity is a basic and fundamental need of all residents; and

(b) Currently Washington's consumer-owned and investor-owned utilities offer consumers a high degree of reliability and service quality while providing some of the lowest rates in the country.

(2) The legislature intends to:

(a) Preserve the benefits of consumer and environmental protection, system reliability, high service quality, and low-cost rates;

(b) Ensure that all retail electrical customers have the same level of rights and protections; and

(c) Require the adequate disclosure of the rights afforded to retail electric customers. [1998 c 300 § 1.]

**19.29A.010 Definitions.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

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

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

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

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

(8) "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) "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) "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) "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.

(12) "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.

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

(14) "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.

(15) "State" means the state of Washington. [1998 c 300 § 2.]

**19.29A.020 Disclosures to retail electric customers.** Except as otherwise provided in RCW 19.29A.040, each electric utility must provide its retail electric customers with the following disclosures in accordance with RCW 19.29A.030:

(1) An explanation of any applicable credit and deposit requirements, including the means by which credit may be established, the conditions under which a deposit may be required, the amount of any deposit, interest paid on the deposit, and the circumstances under which the deposit will be returned or forfeited.

(2) A complete, itemized listing of all rates and charges for which the customer is responsible, including charges, if any, to terminate service, the identity of the entity responsible for setting rates, and an explanation of how to receive notice of public hearings where changes in rates will be considered or approved.

(3) An explanation of the metering or measurement policies and procedures, including the process for verifying the reliability of the meters or measurements and adjusting bills upon discovery of errors in the meters or measurements.

(4) An explanation of bill payment policies and procedures, including due dates, applicable late fees, and the interest rate charged, if any, on unpaid balances.

(5) An explanation of the payment arrangement options available to customers, including budget payment plans and the availability of home heating assistance from government and private sector organizations.

(6) An explanation of the method by which customers must give notice of their intent to discontinue service, the circumstances under which service may be discontinued by the utility, the conditions that must be met by the utility prior to discontinuing service, and how to avoid disconnection.

(7) An explanation of the utility's policies governing the confidentiality of proprietary customer information, including the circumstances under which the information may be disclosed and ways in which customers can control access to the information.

(8) An explanation of the methods by which customers may make inquiries to and file complaints with the utility, and the utility's procedures for responding to and resolving complaints and disputes, including a customer's right to complain about an investor-owned utility to the commission and appeal a decision by a consumer-owned utility to the governing body of the consumer-owned utility.

(9) An annual report containing the following information for the previous calendar year:

(a) A general description of the electric utility's customers, including the number of residential, commercial, and industrial customers served by the electric utility, and the amount of electricity consumed by each customer class in which there are at least three customers, stated as a percentage of the total utility load;

(b) A summary of the average electricity rates for each customer class in which there are at least three customers, stated in cents per kilowatt hour, the date of the electric utility's last general rate increase or decrease, the identity of the entity responsible for setting rates, and an explanation of how to receive notice of public hearings where changes in rates will be considered or approved;

(c) An explanation of the amount invested by the electric utility in conservation, nonhydrorenewable resources, and low-income energy assistance programs, and the source of funding for the investments; and

(d) An explanation of the amount of federal, state, and local taxes collected and paid by the electric utility, including the amounts collected by the electric utility but paid directly by retail electric customers. [1998 c 300 § 3.]

**19.29A.030 Notice of disclosures to retail electric customers.** Except as otherwise provided in RCW 19.29A.040, an electric utility shall:

(1) Provide notice to all of its retail electric customers that the disclosures required in RCW 19.29A.020 are available without charge upon request. Such notice shall be provided at the time service is established and either included as a prominent part of each customer's bill or in a written notice mailed to each customer at least once a year thereafter. Required disclosures shall be provided without charge, in writing using plain language that is understandable to an ordinary customer, and presented in a form that is clear and conspicuous.

(2) Disclose the following information in a prominent manner on all billing statements sent to retail electric customers, or by a separate written notice mailed to all retail electric customers at least quarterly and at the same time as a billing statement: "YOUR BILL INCLUDES CHARGES FOR ELECTRICITY, DELIVERY SERVICES, GENERAL ADMINISTRATION AND OVERHEAD, METERING, TAXES, CONSERVATION EXPENSES, AND OTHER ITEMS." [1998 c 300 § 4.]

**19.29A.040 Exceptions for small utility—Voluntary compliance.** The provisions of RCW 19.29A.020, 19.29A.030, and section 5, chapter 300, Laws of 1998 do not apply to a small utility. However, nothing in this section prohibits the governing body of a small utility from determining the utility should comply with any or all of the provisions of RCW 19.29A.020, 19.29A.030, and section 5,

chapter 300, Laws of 1998, which governing bodies are encouraged to do. [1998 c 300 § 6.]

**19.29A.900 Construction—1998 c 300.** Nothing in chapter 300, Laws of 1998 shall be construed as conferring on any state agency jurisdiction, supervision, or control over any consumer-owned utility. [1998 c 300 § 7.]

**19.29A.901 Severability—1998 c 300.** 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. [1998 c 300 § 11.]

## Chapter 19.30

### FARM LABOR CONTRACTORS

#### Sections

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19.30.902	Effective date—1985 c 280.

**19.30.010 Definitions.** As used in this chapter:

(1) "Person" includes any individual, firm, partnership, association, corporation, or unit or agency of state or local government.

(2) "Farm labor contractor" means any person, or his or her agent or subcontractor, who, for a fee, performs any farm labor contracting activity.

(3) "Farm labor contracting activity" means recruiting, soliciting, employing, supplying, transporting, or hiring agricultural employees.

(4) "Agricultural employer" means any person engaged in agricultural activity, including the growing, producing, or harvesting of farm or nursery products, or engaged in the forestation or reforestation of lands, which includes but is not limited to the planting, transplanting, tubing, precommercial thinning, and thinning of trees and seedlings, the clearing, piling, and disposal of brush and slash, the harvest of Christmas trees, and other related activities.

(5) "Agricultural employee" means any person who renders personal services to, or under the direction of, an agricultural employer in connection with the employer's agricultural activity.

(6) This chapter shall not apply to employees of the employment security department acting in their official capacity or their agents, nor to any common carrier or full time regular employees thereof while transporting agricultural employees, nor to any person who performs any of the services enumerated in subsection (3) of this section only within the scope of his or her regular employment for one agricultural employer on whose behalf he or she is so acting, unless he or she is receiving a commission or fee, which commission or fee is determined by the number of workers recruited, or to a nonprofit corporation or organization which performs the same functions for its members. Such nonprofit corporation or organization shall be one in which:

(a) None of its directors, officers, or employees are deriving any profit beyond a reasonable salary for services performed in its behalf.

(b) Membership dues and fees are used solely for the maintenance of the association or corporation.

(7) "Fee" means:

(a) Any money or other valuable consideration paid or promised to be paid for services rendered or to be rendered by a farm labor contractor.

(b) Any valuable consideration received or to be received by a farm labor contractor for or in connection with any of the services described in subsection (3) of this section, and shall include the difference between any amount received or to be received by him, and the amount paid out by him for or in connection with the rendering of such services.

(8) "Director" as used in this chapter means the director of the department of labor and industries of the state of Washington. [1985 c 280 § 1; 1955 c 392 § 1.]

**19.30.020 License required—Duplicates.** No person shall act as a farm labor contractor until a license to do so has been issued to him or her by the director, and unless such license is in full force and effect and is in the contractor's possession. The director shall, by regulation, provide a means of issuing duplicate licenses in case of loss of the original license or any other appropriate instances. The director shall issue, on a monthly basis, a list of currently licensed farm labor contractors. [1985 c 280 § 2; 1955 c 392 § 2.]

**19.30.030 Applicants—Qualifications—Fee—Liability insurance.** The director shall not issue to any person a license to act as a farm labor contractor until:

(1) Such person has executed a written application on a form prescribed by the director, subscribed and sworn to by the applicant, and containing (a) a statement by the applicant of all facts required by the director concerning the applicant's character, competency, responsibility, and the manner and method by which he or she proposes to conduct operations as a farm labor contractor if such license is issued, and (b) the names and addresses of all persons financially interested, either as partners, stockholders, associates, profit sharers, or providers of board or lodging to agricultural employees in the proposed operation as a labor contractor, together with the amount of their respective interests;

(2) The director, after investigation, is satisfied as to the character, competency, and responsibility of the applicant;

(3) The applicant has paid to the director a license fee of: (1) Thirty-five dollars in the case of a farm labor contractor not engaged in forestation or reforestation, or (2) one hundred dollars in the case of a farm labor contractor engaged in forestation or reforestation or such other sum as the director finds necessary, and adopts by rule, for the administrative costs of evaluating applications;

(4) The applicant has filed proof satisfactory to the director of the existence of a policy of insurance with any insurance carrier authorized to do business in the state of Washington in an amount satisfactory to the director, which insures the contractor against liability for damage to persons or property arising out of the contractor's operation of, or ownership of, any vehicle or vehicles for the transportation of individuals in connection with the contractor's business, activities, or operations as a farm labor contractor;

(5) The applicant has filed a surety bond or other security which meets the requirements set forth in RCW 19.30.040;

(6) The applicant executes a written statement which shall be subscribed and sworn to and shall contain the following declaration:

"With regards to any action filed against me concerning my activities as a farm labor contractor, I appoint the director of the Washington department of labor and industries as my lawful agent to accept service of summons when I am not present in the jurisdiction in which the action is commenced or have in any other way become unavailable to accept service"; and

(7) The applicant has stated on his or her application whether or not his or her contractor's license or the license of any of his or her agents, partners, associates, stockholders, or profit sharers has ever been suspended, revoked, or denied by any state or federal agency, and whether or not there are any outstanding judgments against him or her or any of his or her agents, partners, associates, stockholders, or profit sharers in any state or federal court arising out of activities as a farm labor contractor. [1985 c 280 § 3; 1955 c 392 § 3.]

**19.30.040 Surety bond—Security.** (1) The director shall require the deposit of a surety bond by any person acting as a farm labor contractor under this chapter to insure compliance with the provisions of this chapter. Such bond shall be in an amount specified by the director in accordance with such criteria as the director adopts by rule but shall not be less than five thousand dollars. The bond shall be payable to the state of Washington and be conditioned on payment of sums legally owing under contract to an agricultural employee. The aggregate liability of the surety upon such bond for all claims which may arise thereunder shall not exceed the face amount of the bond.

(2) The amount of the bond may be raised or additional security required by the director, upon his or her own motion or upon petition to the director by any person, when it is shown that the security or bond is insufficient to satisfy the contractor's potential liability for the licensed period.

(3) No surety insurer may provide any bond, undertaking, recognizance, or other obligation for the purpose of

securing or guaranteeing any act, duty, or obligation, or the refraining from any act with respect to a contract using the services of a farm labor contractor unless the farm labor contractor has made application for or has a valid license issued under RCW 19.30.030 at the time of issuance of the bond, undertaking, recognizance, or other obligation.

(4) Surety bonds may not be canceled or terminated during the period in which the bond is executed unless thirty days' notice is provided by the surety to the department. The bond is written for a one-year term and may be renewed or extended by continuation certification at the option of the surety.

(5) In lieu of the surety bond required by this section, the contractor may file with the director a deposit consisting of cash or other security acceptable to the director. The deposit shall not be less than five thousand dollars in value. The security deposited with the director in lieu of the surety bond shall be returned to the contractor at the expiration of three years after the farm labor contractor's license has expired or been revoked if no legal action has been instituted against the contractor or on the security deposit at the expiration of the three years.

(6) If a contractor has deposited a bond with the director and has failed to comply with the conditions of the bond as provided by this section, and has departed from this state, service may be made upon the surety as prescribed in RCW 4.28.090. [1987 c 216 § 1; 1986 c 197 § 15; 1985 c 280 § 4; 1955 c 392 § 4.]

**19.30.045 Claim for wages—Action upon surety bond or security.** (1) Any person, having a claim for wages pursuant to this chapter may bring suit upon the surety bond or security deposit filed by the contractor pursuant to RCW 19.30.040, in any court of competent jurisdiction of the county in which the claim arose, or in which either the claimant or contractor resides.

(2) The right of action is assignable in the name of the director or any other person. [1987 c 216 § 2; 1986 c 197 § 19.]

**19.30.050 License—Grounds for denying.** A license to operate as a farm labor contractor shall be denied:

(1) To any person who sells or proposes to sell intoxicating liquors in a building or on premises where he or she operates or proposes to operate as a farm labor contractor, or

(2) To a person whose license has been revoked within three years from the date of application. [1985 c 280 § 5; 1955 c 392 § 5.]

**19.30.060 License—Revocation, suspension, refusal to issue or renew.** Any person may protest the grant or renewal of a license under this section. The director may revoke, suspend, or refuse to issue or renew any license when it is shown that:

(1) The farm labor contractor or any agent of the contractor has violated or failed to comply with any of the provisions of this chapter;

(2) The farm labor contractor has made any misrepresentations or false statements in his or her application for a license;

(3) The conditions under which the license was issued have changed or no longer exist;

(4) The farm labor contractor, or any agent of the contractor, has violated or wilfully aided or abetted any person in the violation of, or failed to comply with, any law of the state of Washington regulating employment in agriculture, the payment of wages to farm employees, or the conditions, terms, or places of employment affecting the health and safety of farm employees, which is applicable to the business activities, or operations of the contractor in his or her capacity as a farm labor contractor;

(5) The farm labor contractor or any agent of the contractor has in recruiting farm labor solicited or induced the violation of any then existing contract of employment of such laborers; or

(6) The farm labor contractor or any agent of the contractor has an unsatisfied judgment against him or her in any state or federal court, arising out of his or her farm labor contracting activities.

The director 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 director's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order. [1997 c 58 § 846; 1985 c 280 § 6; 1955 c 392 § 6.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**19.30.070 License—Contents.** Each license shall contain, on the face thereof:

(1) The name and address of the licensee and the fact that he or she is licensed to act as a farm labor contractor for the period upon the face of the license only;

(2) The number, date of issuance, and date of expiration of the license;

(3) The amount of the surety bond deposited by the licensee;

(4) The fact that the license may not be transferred or assigned; and

(5) A statement that the licensee is or is not licensed to transport workers. [1985 c 280 § 7; 1955 c 392 § 7.]

**19.30.081 License—Duration—Renewal.** Farm labor contractors may hold either a one-year license or a two-year license, at the director's discretion.

The one-year license shall run to and include the 31st day of December next following the date thereof unless sooner revoked by the director. A license may be renewed

each year upon the payment of the annual license fee, but the director shall require that evidence of a renewed bond be submitted and that the contractor have a bond in full force and effect.

The two-year license shall run to and include the 31st day of December of the year following the year of issuance unless sooner revoked by the director. This license may be renewed every two years under the same terms as the one-year license, except that a farm labor contractor possessing a two-year license shall have evidence of a bond in full force and effect, and file an application on which he or she shall disclose all information required by RCW 19.30.030 (1)(b), (4), and (7). [1987 c 216 § 3; 1986 c 197 § 16; 1985 c 280 § 8.]

**19.30.090 License—Application for renewal.** All applications for renewal shall state the names and addresses of all persons financially interested either as partners, associates or profit sharers in the operation as a farm labor contractor. [1955 c 392 § 9.]

**19.30.110 Farm labor contractor—Duties.** Every person acting as a farm labor contractor shall:

(1) Carry a current farm labor contractor's license at all times and exhibit it to all persons with whom the contractor intends to deal in the capacity of a farm labor contractor prior to so dealing.

(2) Disclose to every person with whom he or she deals in the capacity of a farm labor contractor the amount of his or her bond and the existence and amount of any claims against the bond.

(3) File at the United States post office serving the address of the contractor, as noted on the face of the farm labor contractor's license, a correct change of address immediately upon each occasion the contractor permanently moves his or her address, and notify the director within ten days after an address change is made.

(4) Promptly when due, pay or distribute to the individuals entitled thereto all moneys or other things of value entrusted to the contractor by any third person for such purpose.

(5) Comply with the terms and provisions of all legal and valid agreements and contracts entered into between the contractor in the capacity of a farm labor contractor and third persons.

(6) File information regarding work offers with the nearest employment service office, such information to include wages and work to be performed and any other information prescribed by the director.

(7) On a form prescribed by the director, furnish to each worker, at the time of hiring, recruiting, soliciting, or supplying, whichever occurs first, a written statement in English and any other language common to workers who are not fluent or literate in English that contains a description of:

(a) The compensation to be paid and the method of computing the rate of compensation;

(b) The terms and conditions of any bonus offered, including the manner of determining when the bonus is earned;

(c) The terms and conditions of any loan made to the worker;

(d) The conditions of any transportation, housing, board, health, and day care services or any other employee benefit to be provided by the farm labor contractor or by his or her agents, and the costs to be charged for each of them;

(e) The terms and conditions of employment, including the approximate length of season or period of employment and the approximate starting and ending dates thereof, and the crops on which and kinds of activities in which the worker may be employed;

(f) The terms and conditions under which the worker is furnished clothing or equipment;

(g) The place of employment;

(h) The name and address of the owner of all operations, or the owner's agent, where the worker will be working as a result of being recruited, solicited, supplied, or employed by the farm labor contractor;

(i) The existence of a labor dispute at the worksite;

(j) The name and address of the farm labor contractor;

(k) The existence of any arrangements with any owner or agent of any establishment at the place of employment under which the farm labor contractor is to receive a fee or any other benefit resulting from any sales by such establishment to the workers; and

(1) The name and address of the surety on the contractor's bond and the workers' right to claim against the bond.

(8) Furnish to the worker each time the worker receives a compensation payment from the farm labor contractor, a written statement itemizing the total payment and the amount and purpose of each deduction therefrom, hours worked, rate of pay, and pieces done if the work is done on a piece rate basis, and if the work is done under the Service Contract Act (41 U.S.C. Secs. 351 through 401) or related federal or state law, a written statement of any applicable prevailing wage.

(9) With respect to each worker recruited, solicited, employed, supplied, or hired by the farm labor contractor:

(a) Make, keep, and preserve for three years a record of the following information:

(i) The basis on which wages are paid;

(ii) The number of piecework units earned, if paid on a piecework basis;

(iii) The number of hours worked;

(iv) The total pay period earnings;

(v) The specific sums withheld and the purpose of each sum withheld; and

(vi) The net pay; and

(b) Provide to any other farm labor contractor and to any user of farm labor for whom he or she recruits, solicits, supplies, hires, or employs workers copies of all records, with respect to each such worker, which the contractor is required by this chapter to make, keep, and preserve. The recipient of such records shall keep them for a period of three years from the end of the period of employment. When necessary to administer this chapter, the director may require that any farm labor contractor provide the director with certified copies of his or her payroll records for any payment period.

The record-keeping requirements of this chapter shall be met if either the farm labor contractor or any user of the contractor's services makes, keeps, and preserves for the requisite time period the records required under this section, and so long as each worker receives the written statements

specified in subsection (8) of this section. [1985 c 280 § 9; 1955 c 392 § 11.]

**19.30.120 Farm labor contractor—Prohibited acts.**

No person acting as a farm labor contractor shall:

(1) Make any misrepresentation or false statement in an application for a license.

(2) Make or cause to be made, to any person, any false, fraudulent, or misleading representation, or publish or circulate or cause to be published or circulated any false, fraudulent, or misleading information concerning the terms or conditions or existence of employment at any place or places, or by any person or persons, or of any individual or individuals.

(3) Send or transport any worker to any place where the farm labor contractor knows a strike or lockout exists.

(4) Do any act in the capacity of a farm labor contractor, or cause any act to be done, which constitutes a crime involving moral turpitude under any law of the state of Washington. [1985 c 280 § 10; 1955 c 392 § 12.]

**19.30.130 Rules—Adjustment of controversies.** (1)

The director shall adopt rules not inconsistent with this chapter for the purpose of enforcing and administering this chapter.

(2) The director shall investigate and attempt to adjust equitably controversies between farm labor contractors and their workers with respect to claims arising under this chapter. [1985 c 280 § 11; 1955 c 392 § 14.]

**19.30.150 Penalties.** Any person who violates any provisions of this chapter, or who causes or induces another to violate any provisions of this chapter, shall be guilty of a misdemeanor punishable by a fine of not more than five thousand dollars, or imprisonment in the county jail for not more than six months, or both. [1955 c 392 § 13.]

**19.30.160 Civil penalty—Hearing—Court action.**

(1) In addition to any criminal penalty imposed under RCW 19.30.150, the director may assess against any person who violates this chapter, or any rule adopted under this chapter, a civil penalty of not more than one thousand dollars for each violation.

(2) The person shall be afforded the opportunity for a hearing, upon request to the director made within thirty days after the date of issuance of the notice of assessment. The hearing shall be conducted in accordance with chapter 34.05 RCW.

(3) If any person fails to pay an assessment after it has become a final and unappealable order, or after the court has entered final judgment in favor of the agency, the director shall refer the matter to the state attorney general, who shall recover the amount assessed by action in the appropriate superior court. In such action, the validity and appropriateness of the final order imposing the penalty shall not be subject to review.

(4) Without regard to other remedies provided in this chapter, the department may bring suit upon the surety bond filed by the farm labor contractor on behalf of a worker whose rights under this chapter have been violated by the contractor. The action may be commenced in any court of

competent jurisdiction. In any such action, there shall be compliance with the notice and service requirements set forth in RCW 19.30.170. [1987 c 216 § 4; 1986 c 197 § 17; 1985 c 280 § 15.]

**19.30.170 Civil actions—Damages, costs, attorney's fees—Actions upon bond or security deposit.** (1)

After filing a notice of a claim with the director, in addition to any other penalty provided by law, any person aggrieved by a violation of this chapter or any rule adopted under this chapter may bring suit in any court of competent jurisdiction of the county in which the claim arose, or in which either the plaintiff or respondent resides, without regard to the amount in controversy and without regard to exhaustion of any alternative administrative remedies provided in this chapter. No such action may be commenced later than three years after the date of the violation giving rise to the right of action. In any such action the court may award to the prevailing party, in addition to costs and disbursements, reasonable attorney fees at trial and appeal.

(2) In any action under subsection (1) of this section, if the court finds that the respondent has violated this chapter or any rule adopted under this chapter, it may award damages up to and including an amount equal to the amount of actual damages, or statutory damages of five hundred dollars per plaintiff per violation, whichever is greater, or other equitable relief.

(3) Without regard to other remedies provided in this chapter, a person having a claim against the farm labor contractor for any violation of this chapter may bring suit against the farm labor contractor and the surety bond or security deposit filed by the contractor pursuant to RCW 19.30.040, in any court of competent jurisdiction of the county in which the claim arose, or in which either the claimant or contractor resides.

(4) An action upon the bond or security deposit shall be commenced by serving and filing the summons and complaint within three years from the date of expiration or cancellation of the bond or expiration or cancellation of the license, whichever is sooner, or in the case of a security deposit, within three years of the date of expiration or revocation of the license.

(5) A copy of the summons and complaint in any such action shall be served upon the director at the time of commencement of the action and the director shall maintain a record, available for public inspection, of all suits so commenced. Such service shall constitute service on the farm labor contractor and the surety for suit upon the bond and the director shall transmit the complaint or a copy thereof to the contractor at the address listed in his or her application and to the surety within forty-eight hours after it has been received.

(6) The surety upon the bond may, upon notice to the director and the parties, tender to the clerk of the court having jurisdiction of the action an amount equal to the claims or the amount of the bond less the amount of judgments, if any, previously satisfied therefrom and to the extent of such tender the surety upon the bond shall be exonerated.

(7) If the actions commenced and pending at any one time exceed the amount of the bond then unimpaired, the

claims shall be satisfied from the bond in the following order:

- (a) Wages, including employee benefits;
- (b) Other contractual damage owed to the employee;
- (c) Any costs and attorneys' fees the claimant may be

entitled to recover by contract or statute.

(8) If any final judgment impairs the bond so furnished so that there is not in effect a bond undertaking in the full amount prescribed by the director, the director shall suspend the license of the contractor until the bond liability in the required amount unimpaired by unsatisfied judgment claims has been furnished. If such bond becomes fully impaired, a new bond must be furnished.

(9) A claimant against a security deposit shall be entitled to damages under subsection (2) of this section. If the farm labor contractor has filed other security with the director in lieu of a surety bond, any person having an unsatisfied final judgment against the contractor for any violation of this chapter may execute upon the security deposit held by the director by serving a certified copy of the unsatisfied final judgment by registered or certified mail upon the director. Upon the receipt of service of such certified copy, the director shall pay or order paid from the deposit, through the registry of the court which rendered judgment, towards the amount of the unsatisfied judgment. The priority of payment by the director shall be the order of receipt by the director, but the director shall have no liability for payment in excess of the amount of the deposit. [1987 c 216 § 5; 1986 c 197 § 18; 1985 c 280 § 16.]

**19.30.180 Injunctions—Costs—Attorney fee.** The director or any other person may bring suit in any court of competent jurisdiction to enjoin any person from using the services of an unlicensed farm labor contractor or to enjoin any person acting as a farm labor contractor in violation of this chapter, or any rule adopted under this chapter, from committing future violations. The court may award to the prevailing party costs and disbursements and a reasonable attorney fee. [1985 c 280 § 12.]

**19.30.190 Retaliation against employee prohibited.** No farm labor contractor or agricultural employer may discharge or in any other manner discriminate against any employee because:

(1) The employee has made a claim against the farm labor contractor or agricultural employer for compensation for the employee's personal services.

(2) The employee has caused to be instituted any proceedings under or related to RCW 19.30.180.

(3) The employee has testified or is about to testify in any such proceedings.

(4) The employee has discussed or consulted with anyone concerning the employee's rights under this chapter. [1985 c 280 § 13.]

**19.30.200 Unlicensed farm labor contractors—Liability for services.** Any person who knowingly uses the services of an unlicensed farm labor contractor shall be personally, jointly, and severally liable with the person acting as a farm labor contractor to the same extent and in the same manner as provided in this chapter. In making

determinations under this subsection [section], any user may rely upon either the license issued by the director to the farm labor contractor under RCW 19.30.030 or the director's representation that such contractor is licensed as required by this chapter. [1985 c 280 § 14.]

**19.30.900 Severability—1955 c 392.** If any section, sentence, clause or word of this chapter shall be held unconstitutional, the invalidity of such section, sentence, clause or word shall not affect the validity of any other portion of this chapter, it being the intent of this legislative assembly to enact the remainder of this chapter notwithstanding such part so declared unconstitutional should or may be so declared. [1955 c 392 § 17.]

**19.30.901 Severability—1985 c 280.** 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. [1985 c 280 § 18.]

**19.30.902 Effective date—1985 c 280.** This 1985 act shall take effect January 1, 1986. [1985 c 280 § 19.]

## Chapter 19.31

### EMPLOYMENT AGENCIES

#### Sections

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**19.31.010 Short title.** This chapter shall be known and cited as "The Employment Agency Act". [1969 ex.s. c 228 § 1.]

**19.31.020 Definitions.** Unless a different meaning is clearly required by the context, the following words and phrases, as hereinafter used in this chapter, shall have the following meanings:

(1) "Employment agency" is synonymous with "agency" and shall mean any business in which any part of the business gross or net income is derived from a fee received from applicants, and in which any of the following activities are engaged in:

(a) The offering, promising, procuring, or attempting to procure employment for applicants;

(b) The giving of information regarding where and from whom employment may be obtained; or

(c) The sale of a list of jobs or a list of names of persons or companies accepting applications for specific positions, in any form.

In addition the term "employment agency" shall mean and include any person, bureau, employment listing service, employment directory, organization, or school which for profit, by advertisement or otherwise, offers, as one of its main objects or purposes, to procure employment for any person who pays for its services, or which collects tuition, or charges for service of any nature, where the main object of the person paying the same is to secure employment. It also includes any business that provides a resume to an individual and provides that person with a list of names to whom the resume may be sent or provides that person with preaddressed envelopes to be mailed by the individual or by the business itself, if the list of names or the preaddressed envelopes have been compiled and are represented by the business as having job openings. The term "employment agency" shall not include labor union organizations, temporary service contractors, proprietary schools operating within the scope of activities for which the school is licensed under chapter 28C.10 RCW, nonprofit schools and colleges, career guidance and counseling services, employment directories that are sold in a manner that allows the applicant to examine the directory before purchase, theatrical agencies, farm labor contractors, or the Washington state employment agency.

(2) "Temporary service contractors" shall mean any person, firm, association, or corporation conducting a business which consists of employing individuals directly for the purpose of furnishing such individuals on a part time or temporary help basis to others.

(3) "Theatrical agency" means any person who, for a fee or commission, procures on behalf of an individual or individuals, employment or engagements for circus, vaudeville, the variety field, the legitimate theater, motion pictures, radio, television, phonograph recordings, transcriptions, opera, concert, ballet, modeling, or other entertainments, exhibitions, or performances. The term "theatrical agency" does not include any person charging an applicant a fee prior to or in advance of:

(a) Procuring employment for the applicant;

(b) Giving or providing the applicant information regarding where or from whom employment may be obtained;

(c) Allowing or requiring the applicant to participate in any instructional class, audition, or career guidance or counseling; or

(d) Allowing the applicant to be eligible for employment through the person.

(4) "Farm labor contractor" means any person, or his agent, who, for a fee, employs workers to render personal services in connection with the production of any farm products, to, for, or under the direction of an employer engaged in the growing, producing, or harvesting of farm products, or who recruits, solicits, supplies, or hires workers on behalf of an employer engaged in the growing, producing, or harvesting of farm products or who provides in connection with recruiting, soliciting, supplying, or hiring workers engaged in the growing, producing, or harvesting of farm products, one or more of the following services: Furnishes board, lodging, or transportation for such workers, supervises, times, checks, counts, sizes, or otherwise directs or measures their work; or disburses wage payments to such persons.

(5) "Employer" means any person, firm, corporation, partnership, or association employing or seeking to enter into an arrangement to employ a person through the medium or service of an employment agency.

(6) "Applicant", except when used to describe an applicant for an employment agency license, means any person, whether employed or unemployed, seeking or entering into any arrangement for his employment or change of his employment through the medium or service of an employment agency.

(7) "Person" includes any individual, firm, corporation, partnership, association, company, society, manager, contractor, subcontractor, bureau, agency, service, office, or an agent or employee of any of the foregoing.

(8) "Director" shall mean the director of licensing.

(9) "Resume" means a document of the applicant's employment history that is approved, received, and paid for by the applicant.

(10) "Fee" means anything of value. The term includes money or other valuable consideration or services or the promise of money or other valuable consideration or services, received directly or indirectly by an employment agency from a person seeking employment, in payment for the service.

(11) "Employment listing service" means any business operated by any person that provides in any form, including written or verbal, lists of specified positions of employment available with any employer other than itself or that holds itself out to applicants as able to provide information about specific positions of employment available with any employer other than itself, and that charges a fee to the applicant for its services and does not set up interviews or otherwise intercede between employer and applicant.

(12) "Employment directory" means any business operated by any person that provides in any form, including written or verbal, lists of employers, does not provide lists of specified positions of employment, that holds itself out to applicants as able to provide information on employment in

specific industries or geographical areas, and that charges a fee to the applicant for its services.

(13) "Career guidance and counseling service" means any person, firm, association, or corporation conducting a business that engages in any of the following activities:

(a) Career assessment, planning, or testing through individual counseling or group seminars, classes, or workshops;

(b) Skills analysis, resume writing, and preparation through individual counseling or group seminars, classes, or workshops;

(c) Training in job search or interviewing skills through individual counseling or group seminars, classes, or workshops: PROVIDED, That the career guidance and counseling service does not engage in any of the following activities:

(i) Contacts employers on behalf of an applicant or in any way intercedes between employer and applicant;

(ii) Provides information on specific job openings;

(iii) Holds itself out as able to provide referrals to specific companies or individuals who have specific job openings. [1998 c 228 § 1; 1993 c 499 § 1; 1990 c 70 § 1; 1979 c 158 § 82; 1977 ex.s. c 51 § 1; 1969 ex.s. c 228 § 2.]

**19.31.030 Records.** Each employment agency shall keep records of all services rendered employers and applicants. These records shall contain the name and address of the employer by whom the services were solicited; the name and address of the applicant; kind of position ordered by the employer; dates job orders or job listings are obtained; subsequent dates job orders or job listings are verified as still being current; kind of position accepted by the applicant; probable duration of the employment, if known; rate of wage or salary to be paid the applicant; amount of the employment agency's fee; dates and amounts of refund if any, and reason for such refund; and the contract agreed to between the agency and applicant. An employment listing service need not keep records pertaining to the kind of position accepted by applicant and probable duration of employment.

An employment directory shall keep records of all services rendered to applicants. These records shall contain: The name and address of the applicant; amount of the employment directory's fee; dates and amounts of refund if any, and reason for the refund; the contract agreed to between the employment directory and applicant; and the dates of contact with employers made pursuant to RCW 19.31.190(11).

The director shall have authority to demand and to examine, at the employment agency's regular place of business, all books, documents, and records in its possession for inspection. Unless otherwise provided by rules or regulation adopted by the director, such records shall be maintained for a period of three years from the date in which they are made. [1993 c 499 § 2; 1969 ex.s. c 228 § 3.]

**19.31.040 Contract between agency and applicant—Contents—Notice.** An employment agency shall provide each applicant with a copy of the contract between the applicant and employment agency which shall have printed on it or attached to it a copy of RCW 19.31.170 as now or

hereafter amended. Such contract shall contain the following:

(1) The name, address, and telephone number of the employment agency;

(2) Trade name if any;

(3) The date of the contract;

(4) The name of the applicant;

(5) The amount of the fee to be charged the applicant, or the method of computation of the fee, and the time and method of payments: PROVIDED, HOWEVER, That if the provisions of the contract come within the definition of a "retail installment transaction", as defined in RCW 63.14.010, the contract shall conform to the requirements of chapter 63.14 RCW, as now or hereafter amended;

(6) A notice in eight-point bold face type or larger directly above the space reserved in the contract for the signature of the buyer. The caption, "NOTICE TO APPLICANT—READ BEFORE SIGNING" shall precede the body of the notice and shall be in ten-point bold face type or larger. The notice shall read as follows:

"This is a contract. If you accept employment with any employer through [name of employment agency] you will be liable for the payment of the fee as set out above. Do not sign this contract before you read it or if any spaces intended for the agreed terms are left blank. You must be given a copy of this contract at the time you sign it."

The notice for an employment listing service shall read as follows:

"This is a contract. You understand [the employment listing service] provides information on bona fide job listings but does not guarantee you will be offered a job. You also understand you are liable for the payment of the fee when you receive the list or referral. Do not sign this contract before you read it or if any spaces intended for the agreed terms are left blank. You must be given a copy of this contract at the time you sign it."

The notice for an employment directory shall read as follows if the directory is sold in person:

"This is a contract. You understand [the employment directory] provides information on possible employers along with general employment, industry, and geographical information to assist you, but does not list actual job openings or guarantee you will obtain employment through its services. You also understand you are liable for the payment of the fee when you receive the directory. Do not sign this contract before you read it or if any spaces intended for the agreed terms are left blank. You must be given a copy of this contract at the time you sign it."

A verbal notice for an employment directory shall be as follows before accepting a fee if the directory is sold over the telephone:

"You understand [the employment directory] provides information on possible employers along with general employment, industry, and geographical information to assist you, but does not list actual job openings or guarantee you will obtain employment through its services. You also understand you are liable for the payment of the fee when you order the directory."

A copy of the contract must be sent to all applicants ordering by telephone and must specify the following information:

(a) Name, address, and phone number of employment directory;

(b) Name, address, and phone number of applicant;

(c) Date of order;

(d) Date verbal notice was read to applicant along with a printed statement to read as follows:

"On [date verbal notice was read] and prior to placing this order the following statement was read to you: "You understand [the employment directory] provides information on possible employers along with general employment, industry, and geographical information to assist you, but does not list actual job openings or guarantee you will be offered a job. You also understand you are liable for the payment of the fee when you order the directory."; and

(e) Signature of employment directory representative. [1993 c 499 § 3; 1985 c 7 § 83; 1977 ex.s. c 51 § 2; 1969 ex.s. c 228 § 4.]

**19.31.050 Approval of contract, fee schedule.** Prior to using any contract or fee schedule in the transaction of its business with applicants, each employment agency shall obtain the director's approval for the use of such contract or fee schedule. [1969 ex.s. c 228 § 5.]

**19.31.060 Request from employer for interview required—Information to be furnished applicant.** No employment agency shall send any applicant on an interview with a prospective employer without having first obtained, either orally or in writing, a bona fide request from such employer for the interview: PROVIDED, HOWEVER, That, it shall be the duty of every employment agency to give to each applicant for employment, orally or in writing, before being sent on an interview, information as to the name and address of the person to whom the applicant is to apply for such employment, the kind of service to be performed, the anticipated rate of wages or compensation, the agency's fee based on such anticipated wages or compensation, whether such employment is permanent or temporary, and the name and address of the natural person authorizing the interviewing of such applicant. [1977 ex.s. c 51 § 3; 1969 ex.s. c 228 § 6.]

**19.31.070 Administration of chapter—Rules—Subpoenas—Investigations—Inspections.** (1) The director shall administer the provisions of this chapter and shall issue from time to time reasonable rules and regulations for enforcing and carrying out the provisions and purposes of this chapter.

(2) The director shall have power to compel the attendance of witnesses by the issuance of subpoenas, to administer oaths, and to take testimony and proofs concerning all matters pertaining to the administration of this chapter.

(3) The director shall have supervisory and investigative authority over all employment agencies. Upon receiving a complaint against any employment agency, the director shall have the right to examine all books, documents, or records in its possession. In addition, the director may examine the office or offices where business is or shall be conducted by such agency. [1969 ex.s. c 228 § 7.]

**19.31.080 License required—Penalty.** It shall be a misdemeanor for any person to conduct an employment agency business in this state unless he has an employment agency license issued pursuant to the provisions of this chapter. [1969 ex.s. c 228 § 8.]

**19.31.090 Bond—Cash deposit—Action on bond or deposit—Procedure—Judgment.** (1) Before conducting any business as an employment agency each licensee shall file with the director a surety bond in the sum of two thousand dollars running to the state of Washington, for the benefit of any person injured or damaged as a result of any violation by the licensee or his agent of any of the provisions of this chapter or of any rule or regulation adopted by the director pursuant to RCW 19.31.070(1).

(2) In lieu of the surety bond required by this section the license applicant may file with the director a cash deposit or other negotiable security acceptable to the director: PROVIDED, HOWEVER, If the license applicant has filed a cash deposit, the director shall deposit such funds with the state treasurer. If the license applicant has deposited cash or other negotiable security with the director, the same shall be returned to the licensee at the expiration of one year after the employment agency's license has expired or been revoked, if no legal action has been instituted against the licensee or the surety deposit at the expiration of the year.

(3) Any person having a claim against an employment agency for any violation of the provisions of this chapter or any rule or regulation promulgated thereunder may bring suit upon such bond or deposit in an appropriate court of the county where the office of the employment agency is located or of any county in which jurisdiction of the employment agency may be had. Action upon such bond or deposit shall be commenced by serving and filing of the complaint within one year from the date of expiration of the employment agency license in force at the time the act for which the suit is brought occurred. A copy of the complaint shall be served by registered or certified mail upon the director at the time the suit is started, and the director shall maintain a record, available for public inspection, of all suits so commenced. Such service on the director shall constitute service on the surety and the director shall transmit the complaint or a copy thereof to the surety within five business days after it shall have been received. The surety upon the bond shall not be liable in an aggregate amount in excess of the amount named in the bond, but in case claims pending at any one time exceed the amount of the bond, claims shall be satisfied in the order of judgment rendered. In the event that any final judgment shall impair the liability of the surety upon bond so furnished or the amount of the deposit so that there shall not be in effect a bond undertaking or deposit in the full amount prescribed in this section, the director shall suspend the license of such employment agency until the bond undertaking or deposit in the required amount, unimpaired by unsatisfied judgment claims, shall have been furnished.

(4) In the event of a final judgment being entered against the deposit or security referred to in subsection (2) of this section, the director shall, upon receipt of a certified copy of the final judgment, order said judgment to be paid

from the amount of the deposit or security. [1977 ex.s. c 51 § 4; 1969 ex.s. c 228 § 9.]

**19.31.100 Application—Contents—Filing—Qualifications of applicants and licensees—Waiver—Exceptions.** (1) Every applicant for an employment agency's license or a renewal thereof shall file with the director a written application stating the name and address of the applicant; the street and number of the building in which the business of the employment agency is to be conducted; the name of the person who is to have the general management of the office; the name under which the business of the office is to be carried on; whether or not the applicant is pecuniarily interested in the business to be carried on under the license; shall be signed by the applicant and sworn to before a notary public; and shall identify anyone holding over twenty percent interest in the agency. If the applicant is a corporation, the application shall state the names and addresses of the officers and directors of the corporation, and shall be signed and sworn to by the president and secretary thereof. If the applicant is a partnership, the application shall also state the names and addresses of all partners therein, and shall be signed and sworn to by all of them. The application shall also state whether or not the applicant is, at the time of making the application, or has at any previous time been engaged in or interested in or employed by anyone engaged in the business of an employment agency.

(2) The application shall require a certification that no officer or holder of more than twenty percent interest in the business has been convicted of a felony within ten years of the application which directly relates to the business for which the license is sought, or had any judgment entered against such person in any civil action involving fraud, misrepresentation, or conversion.

(3) All applications for employment agency licenses shall be accompanied by a copy of the form of contract and fee schedule to be used between the employment agency and the applicant.

(4) No license to operate an employment agency in this state shall be issued, transferred, renewed, or remain in effect, unless the person who has or is to have the general management of the office has qualified pursuant to this section. The director may, for good cause shown, waive the requirement imposed by this section for a period not to exceed one hundred and twenty days. Persons who have been previously licensed or who have operated to the satisfaction of the director for at least one year prior to September 21, 1977 as a general manager shall be entitled to operate for up to one year from such date before being required to qualify under this section. In order to qualify, such person shall, through testing procedures developed by the director, show that such person has a knowledge of this law, pertinent labor laws, and laws against discrimination in employment in this state and of the United States. Said examination shall be given at least once each quarter and a fee for such examination shall be established by the director. Nothing in this chapter shall be construed to preclude any one natural person from being designated as the person who is to have the general management of up to three offices operated by any one licensee.

While employment directories may at the director's discretion be required to show that the person has a knowledge of this chapter, employment directories are exempt from testing on pertinent labor laws, and laws against discrimination in employment in this state and of the United States.

(5) Employment directories shall register with the department and meet all applicable requirements of this chapter but shall not be required to be licensed by the department or pay a licensing fee. [1993 c 499 § 4; 1982 c 227 § 14; 1977 ex.s. c 51 § 5; 1969 ex.s. c 228 § 10.]

**Effective date—1982 c 227:** See note following RCW 19.09.100.

**19.31.110 Expiration date of license—Reinstatement.** An employment agency license shall expire June 30th. Any such license not renewed may be reinstated if the employment agency can show good cause to the director for renewal of the license and present proof of intent to continue to act as an employment agency: **PROVIDED,** That no license shall be issued upon such application for reinstatement until all fees and penalties previously accrued under this chapter have been paid. [1977 ex.s. c 51 § 6; 1969 ex.s. c 228 § 11.]

**19.31.120 Transfer of license.** No license granted pursuant to this chapter shall be transferable without the consent of the director. No employment agency shall permit any person not mentioned in the license application to become connected with the business as an owner, member, officer, or director without the consent of the director. Consent may be withheld for any reason for which an original application for a license might have been rejected, if the person in question had been mentioned therein. [1969 ex.s. c 228 § 12.]

**19.31.130 Denial, suspension or revocation of license—Grounds.** (1) In accordance with the provisions of chapter 34.05 RCW as now or as hereafter amended, the director may by order deny, suspend or revoke the license of any employment agency if he finds that the applicant or licensee:

(a) Was previously the holder of a license issued under this chapter, which was revoked for cause and never reissued by the director, or which license was suspended for cause and the terms of the suspension have not been fulfilled;

(b) Has been found guilty of any felony within the past five years involving moral turpitude, or for any misdemeanor concerning fraud or conversion, or suffering any judgment in any civil action involving wilful fraud, misrepresentation or conversion;

(c) Has made a false statement of a material fact in his application or in any data attached thereto;

(d) Has violated any provisions of this chapter, or failed to comply with any rule or regulation issued by the director pursuant to this chapter.

(2) The director 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 director's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order. [1997 c 58 § 848; 1969 ex.s. c 228 § 13.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**19.31.140 Fees for licensees.** The director shall determine the fees, as provided in RCW 43.24.086, charged to those parties licensed as employment agencies for original applications, renewal per year, branch license, both original and renewal, transfer of license, and approval of amended or new contracts and/or fee schedules. [1985 c 7 § 84; 1975 1st ex.s. c 30 § 92; 1969 ex.s. c 228 § 14.]

**19.31.150 Employment condition precedent to charging fee—Exceptions.** (1) Except as otherwise provided in subsections (2) and (3) of this section, no employment agency shall charge or accept a fee or other consideration from an applicant without complying with the terms of a written contract as specified in RCW 19.31.040, and then only after such agency has been responsible for referring such job applicant to an employer or such employer to a job applicant and where as a result thereof such job applicant has been employed by such employer.

(2) Employment listing services may charge or accept a fee when they provide the applicant with the job listing or the referral.

(3) An employment directory may charge or accept a fee when it provides the applicant with the directory. [1993 c 499 § 5; 1969 ex.s. c 228 § 15.]

**19.31.160 Charging fee or payment contrary to chapter—Return of excess.** Any employment agency which collects, receives, or retains a fee or other payment contrary to the provisions of this chapter or to the rules and regulations adopted pursuant to this chapter shall return the excessive portion of the fee within seven days after receiving a demand therefor from the director. [1969 ex.s. c 228 § 16.]

**19.31.170 Limitations on fee amounts—Refunds—Exceptions.** (1) If an applicant accepts employment by agreement with an employer and thereafter never reports for work, the gross fee charged to the applicant shall not exceed: (a) Ten percent of what the first month's gross salary or wages would be, if known; or (b) ten percent of the first month's drawing account. If the employment was to have been on a commission basis without any drawing account, then no fee may be charged in the event that the applicant never reports for work.

(2) If an applicant accepts employment on a commission basis without any drawing account, then the gross fee charged such applicant shall be a percentage of commissions actually earned.

(3) If an applicant accepts employment and if within sixty days of his reporting for work the employment is terminated, then the gross fee charged such applicant shall not exceed twenty percent of the gross salary, wages or commission received by him.

(4) If an applicant accepts temporary employment as a domestic, household employee, baby sitter, agricultural worker, or day laborer, then the gross fee charged such applicant shall not be in excess of twenty-five percent of the first full month's gross salary or wages: PROVIDED, That where an applicant accepts employment as a domestic or household employee for a period of less than one month, then the gross fee charged such applicant shall not exceed twenty-five percent of the gross salary or wages paid.

(5) Any applicant requesting a refund of a fee paid to an employment agency in accordance with the terms of the approved fee schedule of the employment agency pursuant to this section shall file with the employment agency a form requesting such refund on which shall be set forth information reasonably needed and requested by the employment agency, including but not limited to the following: Circumstances under which employment was terminated, dates of employment, and gross earnings of the applicant.

(6) Refund requests which are not in dispute shall be made by the employment agency within thirty days of receipt.

(7) Subsections (1) through (6) of this section do not apply to employment listing services or employment directories. [1993 c 499 § 6; 1977 ex.s. c 51 § 7; 1969 ex.s. c 228 § 17.]

**19.31.180 Posting of fee limitation and remedy provisions.** Each licensee shall post the following in a conspicuous place in each office in which it conducts business: (1) The substance of RCW 19.31.150 through 19.31.170; and (2) a name and address provided by the director, in a form prescribed by him, of a person to whom complaints concerning possible violation of this chapter may be made. All words required to be posted pursuant to this section shall be printed in ten point bold face type. [1969 ex.s. c 228 § 18.]

**19.31.190 Rules of conduct—Complaints.** In addition to the other provisions of this chapter the following rules shall govern each and every employment agency:

(1) Every license or a verified copy thereof shall be displayed in a conspicuous place in each office of the employment agency;

(2) No fee shall be solicited or accepted as an application or registration fee by any employment agency solely for the purpose of being registered as an applicant for employment;

(3) No licensee or agent of the licensee shall solicit, persuade, or induce an employee to leave any employment in which the licensee or agent of the licensee has placed the employee; nor shall any licensee or agent of the licensee

persuade or induce or solicit any employer to discharge any employee;

(4) No employment agency shall knowingly cause to be printed or published a false or fraudulent notice or advertisement for obtaining work or employment. All advertising by a licensee shall signify that it is an employment agency solicitation except an employment listing service shall advertise it is an employment listing service;

(5) An employment directory shall include the following on all advertisements:

"Directory provides information on possible employers and general employment information but does not list actual job openings.";

(6) No licensee shall fail to state in any advertisement, proposal or contract for employment that there is a strike or lockout at the place of proposed employment, if he has knowledge that such condition exists;

(7) No licensee or agent of a licensee shall directly or indirectly split, divide, or share with an employer any fee, charge, or compensation received from any applicant who has obtained employment with such employer or with any other person connected with the business of such employer;

(8) When an applicant is referred to the same employer by two licensees, the fee shall be paid to the licensee who first contacted the applicant concerning the position for that applicant: PROVIDED, That the licensee has given the name of the employer to the applicant and has within five working days arranged an interview with the employer and the applicant was hired as the result of that interview;

(9) No licensee shall require in any manner that a potential employee or an employee of an employer make any contract with any lending agency for the purpose of fulfilling a financial obligation to the licensee;

(10) All job listings must be bona fide job listings. To qualify as a bona fide job listing the following conditions must be met:

(a) A bona fide job listing must be obtained from a representative of the employer that reflects an actual current job opening;

(b) A representative of the employer must be aware of the fact that the job listing will be made available to applicants by the employment listing service and that applicants will be applying for the job listing;

(c) All job listings and referrals must be current. To qualify as a current job listing the employment listing service shall contact the employer and verify the availability of the job listing no less than once per week;

(11) All listings for employers listed in employment directories shall be current. To qualify as a current employer, the employment directory must contact the employer at least once per month and verify that the employer is currently hiring;

(12) Any aggrieved person, firm, corporation, or public officer may submit a written complaint to the director charging the holder of an employment agency license with violation of this chapter and/or the rules and regulations adopted pursuant to this chapter. [1993 c 499 § 7; 1977 ex.s. c 51 § 8; 1969 ex.s. c 228 § 19.]

**19.31.210 Enforcement.** The director may refer such evidence as may be available to him concerning violations

of this chapter or of any rule or regulation adopted hereunder to the attorney general or the prosecuting attorney of the county wherein the alleged violation arose, who may, in their discretion, with or without such a reference, in addition to any other action they might commence, bring an action in the name of the state against any person to restrain and prevent the doing of any act or practice prohibited by this chapter: PROVIDED, That this chapter shall be considered in conjunction with chapters 9.04 and 19.86 RCW, as now or hereafter amended, and the powers and duties of the attorney general and the prosecuting attorney as they may appear in the aforementioned chapters, shall apply against all persons subject to this chapter. [1969 ex.s. c 228 § 21.]

**19.31.220 Assurance of discontinuance of violation.** In the enforcement of this chapter, the attorney general and/or any said prosecuting attorney may accept an assurance of discontinuance from any person deemed in violation of any provisions of this chapter. Any such assurance shall be in writing and shall be filed with and subject to the approval of the superior court of the county in which the alleged violator resides or has his principal place of business, or in Thurston county. [1969 ex.s. c 228 § 22.]

**19.31.230 Civil penalty.** Any person who violates the terms of any court order or temporary or permanent injunction issued pursuant to this chapter, shall forfeit and pay a civil penalty of not more than five thousand dollars. For the purpose of this section the superior court issuing any injunction shall retain continuing jurisdiction and in such cases the attorney general and/or the prosecuting attorney acting in the name of the state may petition for the recovery of civil penalties. [1969 ex.s. c 228 § 23.]

**19.31.240 Service of process outside state.** Personal service of any process in an action under this chapter may be made upon any person outside the state if such person has engaged in conduct in violation of this chapter which conduct has had impact in this state which this chapter reprehends. Such person shall be deemed to have thereby submitted himself to the jurisdiction of the courts of this state within the meaning of RCW 4.28.180 and 4.28.185, as now or hereafter amended. [1969 ex.s. c 228 § 24.]

**19.31.245 Registration or licensing prerequisite to suit by employment agency—Action against unregistered or unlicensed employment agency.** (1) No employment agency may bring or maintain a cause of action in any court of this state for compensation for, or seeking equitable relief in regard to, services rendered employers and applicants, unless such agency shall allege and prove that at the time of rendering the services in question, or making the contract therefor, it was registered with the department or the holder of a valid license issued under this chapter.

(2) Any person who shall give consideration of any kind to any employment agency for the performance of employment services in this state when said employment agency shall not be registered with the department or be the holder of a valid license issued under this chapter shall have a cause of action against the employment agency. Any court having jurisdiction may enter judgment therein for treble the

amount of such consideration so paid, plus reasonable attorney's fees and costs.

(3) A person performing the services of an employment agency, employment listing service, or employment directory without being registered with the department or holding a valid license shall cease operations or immediately apply for a valid license or register with the department. If the person continues to operate in violation of this chapter the director or the attorney general has a cause of action in any court having jurisdiction for the return of any consideration paid by any person to the agency. The court may enter judgment in the action for treble the amount of the consideration so paid, plus reasonable attorney's fees and costs. [1993 c 499 § 8; 1990 c 70 § 2; 1977 ex.s. c 51 § 10.]

**19.31.250 Chapter provisions exclusive—Authority of political subdivisions not affected.** (1) The provisions of this chapter relating to the regulation of private employment agencies shall be exclusive.

(2) This chapter shall not be construed to affect or reduce the authority of any political subdivision of the state of Washington to provide for the licensing of private employment agencies solely for revenue purposes. [1969 ex.s. c 228 § 25.]

**19.31.260 Administrative procedure act to govern administration.** The administration of this chapter shall be governed by the provisions of the administrative procedure act, chapter 34.05 RCW, as now or hereafter amended. [1969 ex.s. c 228 § 26.]

**19.31.900 Severability—1969 ex.s. c 228.** If any provision of this act is declared unconstitutional, or the applicability thereof to any person or circumstances is held invalid, the constitutionality of the remainder of the act and the applicability thereof to other persons and circumstances shall not be affected thereby. [1969 ex.s. c 228 § 27.]

**19.31.910 Effective date—1969 ex.s. c 228.** This act shall become effective July 1, 1969. [1969 ex.s. c 228 § 28.]

## Chapter 19.32 FOOD LOCKERS

### Sections

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**19.32.005 Transfer of duties to the department of health.** The powers and duties of the department of social and health services under this chapter shall be performed by the department of health. [1989 1st ex.s. c 9 § 238.]

**Effective date—Severability—1989 1st ex.s. c 9:** See RCW 43.70.910 and 43.70.920.

**19.32.010 Declaration of police power.** This chapter is in exercise of the police powers of the state for the protection of the safety, health and welfare of the people of the state. It hereby is found and declared that the public welfare requires control and regulation of the operation of refrigerated lockers and of the sale, handling and processing of articles of human food in connection therewith, and the control, inspection and regulation of persons engaged therein, in order to prevent or eliminate unsanitary, unhealthful, fraudulent, and unfair or uneconomic practices and conditions in connection with the refrigerated locker business, which practices and conditions endanger public health, defraud customers, jeopardize the public source of supply and storage facilities of essential food products, and adversely affect an important and growing industry. It is further found and declared that the regulation of the refrigerated locker business, as above outlined, is in the interest of the economic and social well-being and the health and safety of the state and all of its people. [1943 c 117 § 1; Rem. Supp. 1943 § 6294-125.]

**19.32.020 Definitions.** Except where the context indicates a different meaning, terms used in this chapter shall be defined as follows:

(1) "Refrigerated locker" or "locker" means any place, premises or establishment where facilities for the cold storage and preservation of human food in separate and individual compartments are offered to the public upon a rental or other basis providing compensation to the person offering such services.

(2) "Person" includes any individual, partnership, corporation, association, county, municipality, cooperative group, or other entity engaging in the business of operating or owning or offering the services of refrigerated lockers as above defined.

(3) "Master license system" means the mechanism established by chapter 19.02 RCW by which master licenses, endorsed for individual state-issued licenses, are issued and renewed utilizing a master application and a master license expiration date common to each renewable license endorsement. [1982 c 182 § 31; 1943 c 117 § 2; Rem. Supp. 1943 § 6294-126.]

**Severability—1982 c 182:** See RCW 19.02.901.

**19.32.030 Director—Duties.** The director of agriculture is hereby empowered to prescribe and to enforce such rules and regulations and to make such definitions, and to prescribe such procedure with regard to hearings, as he may deem necessary to carry into effect the full intent and meaning of this chapter. [1943 c 117 § 7; Rem. Supp. 1943 § 6294-131.]

**19.32.040 Licensing required—Application.** No person hereafter shall engage within this state in the business of owning, operating or offering the services of any refrigerated locker or lockers without having obtained a license for each such place of business. Application for such license shall be made through the master license system. Such licenses shall be granted as a matter of right unless conditions exist which are grounds for a cancellation or revocation of a license as hereinafter set forth. [1982 c 182 § 32; 1943 c 117 § 3; Rem. Supp. 1943 § 6294-127.]

**Severability—1982 c 182:** See RCW 19.02.901.

*Master license system*

*defined: RCW 19.32.020(3).*

*existing licenses or permits registered under, when: RCW 19.02.810.*

*to include additional licenses: RCW 19.02.110.*

**19.32.050 License fees—Expiration—Annual renewal fees.** (1) An annual fee of ten dollars shall accompany each application for a refrigerated locker license or renewal of the license. All such license and renewal fees shall be deposited in the state's general fund.

(2) Each such license shall expire on the master license expiration date unless sooner revoked for cause. Renewal may be obtained annually by paying the required annual license fee. Such license fee shall not be transferable to any person nor be applicable to any location other than that for which originally issued. [1982 c 182 § 33; 1967 c 240 § 39; 1943 c 117 § 4; Rem. Supp. 1943 § 6294-128.]

**Severability—1982 c 182:** See RCW 19.02.901.

**Severability—1967 c 240:** See note following RCW 43.23.010.

*Master license system*

*existing licenses or permits registered under, when: RCW 19.02.810.*

*license expiration date: RCW 19.02.090.*

**19.32.055 Stipulated license fee to replace existent charges.** Payment of the license fee stipulated herein shall be accepted in lieu of any and all existing fees and charges for like purposes or intent which may be existent prior to the adoption of this chapter. [1943 c 117 § 15; Rem. Supp. 1943 § 6294-139.]

**19.32.060 Revocation or suspension of licenses—Grounds—Notice—Review.** (1) The director of agriculture may cancel or suspend any such license if he finds after proper investigation that (a) the licensee has violated any provision of this chapter or of any other law of this state relating to the operation of refrigerated lockers or of the sale of any human food in connection therewith, or any regulation effective under any act the administration of which is in the charge of the department of agriculture, or (b) the licensed refrigerated locker premises or any equipment used therein or in connection therewith is in an unsanitary condition and the licensee has failed or refused to remedy the same within ten days after receipt from the director of agriculture of written notice to do so.

(2) No license shall be revoked or suspended by the director without delivery to the licensee of a written statement of the charge involved and an opportunity to answer such charge within ten days from the date of such notice.

(3) Any order made by the director suspending or revoking any license may be reviewed by certiorari in the superior court of the county in which the licensed premises

are located, within ten days from the date notice in writing of the director's order revoking or suspending such license has been served upon him.

(4) The director 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 director's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order. [1997 c 58 § 849; 1943 c 117 § 5; Rem. Supp. 1943 § 6294-129. Formerly RCW 19.32.060 through 19.32.080.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**19.32.090 Revocation or suspension of licenses—Witnesses—Evidence.** In any proceeding under this chapter the director of agriculture may administer oaths and issue subpoenas, summon witnesses and take testimony of any person within the state of Washington. [1943 c 117 § 10; Rem. Supp. 1943 § 6294-134.]

**19.32.100 Equipment—Operation—Controls—Temperatures.** Every operator of a refrigerated locker plant shall provide a complete refrigeration system with adequate capacity and accurate and reliable controls for the maintenance of the following uniform temperatures of the various refrigerated rooms if provided, under extreme conditions of outside temperatures and under peak load conditions in the normal operation of the plant. The temperatures of the following rooms shall not exceed:

(1) Chill room, temperatures within two degrees (Fahrenheit) plus or minus of thirty-five degrees (Fahrenheit) with a tolerance of ten degrees (Fahrenheit) after fresh food is put in for chilling;

(2) Sharp freeze room, sharp freeze compartments, temperatures of minus ten degrees (Fahrenheit) or lower, or temperatures of zero degrees (Fahrenheit) or lower when forced air circulation is employed, with a tolerance of ten degrees (Fahrenheit) for either type of installation after fresh food is put in for freezing;

(3) Locker room temperatures of zero degrees (Fahrenheit) with a tolerance of twelve degrees (Fahrenheit) plus. [1943 c 117 § 9; Rem. Supp. 1943 § 6294-133.]

**19.32.110 Diseased persons not to be employed—Health certificates.** (1) No person afflicted with any contagious or infectious disease shall work or be permitted to work in or about any refrigerated locker, nor in the

handling, dealing nor processing of any human food in connection therewith.

(2) No person shall work or be permitted to work in or about any refrigerated locker in the handling, processing or dealing in any human food or any ingredient thereof without holding a certificate from a physician, duly accredited for that purpose by the department of health, certifying that such person has been examined and found free from any contagious or infectious disease. The department of health may fix a maximum fee, not exceeding two dollars which may be charged by a physician for such examination. Such certificate shall be effective for a period of six months and thereafter must be renewed following proper physical examination as aforesaid. Where such certificate is required and provided under municipal ordinance upon examination deemed adequate by the department, certificates issued thereunder shall be sufficient under this chapter.

(3) Any such certificate shall be revoked by the department of health at any time the holder thereof is found, after proper physical examination, to be afflicted with any communicable or infectious disease. Refusal of any person employed in such premises to submit to proper and reasonable physical examination upon written demand by the department of health or of the director of agriculture shall be cause for revocation of that person's health certificate. [1991 c 3 § 287; 1985 c 213 § 11; 1943 c 117 § 6; Rem. Supp. 1943 § 6294-130. Formerly RCW 19.32.110 through 19.32.140.]

**Savings—Effective date—1985 c 213:** See notes following RCW 43.20.050.

**19.32.150 Inspection of lockers and vehicles.** The director of agriculture shall cause to be made periodically a thorough inspection of each establishment licensed under this chapter to determine whether or not the premises are constructed, equipped and operated in accordance with the requirements of this chapter and of all other laws of this state applicable to the operation either of refrigerated lockers or of the handling of human food in connection therewith, and of all regulations effective under this chapter relative to such operation. Such inspection shall also be made of each vehicle used by [an] operator of refrigerated lockers or of an establishment handling human food in connection therewith, when such vehicle is used in transporting or distributing human food products to or from refrigerated lockers within this state. [1943 c 117 § 8; Rem. Supp. 1943 § 6294-132.]

**19.32.160 Liability for loss of goods.** The liability of the owner or operator of refrigerated lockers for loss of goods in lockers or in operator's care shall be limited to negligence of operation or of employees. [1943 c 117 § 12; Rem. Supp. 1943 § 6294-136. **FORMER PARTS OF SECTION:** (i) 1943 c 117 § 14; Rem. Supp. 1943 § 6294-138, now codified as RCW 19.32.165. (ii) 1943 c 117 § 13, part; Rem. Supp. 1943 § 6294-137, part, now codified in RCW 19.32.170.]

**19.32.165 Owners or operators not warehousemen.** Persons who own or operate refrigerated locker plants shall not be construed to be warehousemen, nor shall receipts or other instruments issued by such persons in the ordinary

conduct of their business be construed to be negotiable warehouse receipts. [1943 c 117 § 14; Rem. Supp. 1943 § 6294-138. Formerly RCW 19.32.160, part.]

**19.32.170 Operator's lien—Liability for game law violations.** Every operator of a locker shall have a lien upon all the property of every kind in his possession for all lockers' rentals, processing, handling or other charges due. Such lien may be foreclosed under the procedures as provided in chapter 60.10 RCW.

Locker owners and operators shall not be responsible for liability for violations of game or other laws by renters unless the contents of the locker are under the control of the locker plant operator. [1995 c 62 § 3; 1969 c 82 § 10; 1943 c 117 § 13; Rem. Supp. 1943 § 6294-137. Formerly RCW 19.32.160, part.]

**19.32.180 Violations—Penalty.** Any person violating any provision of this chapter shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not less than one hundred dollars for the first offense, and not less than two hundred dollars for the second and for each and every subsequent offense, and each day that any violation continues shall constitute a separate offense. [1943 c 117 § 11; Rem. Supp. 1943 § 6294-135.]

**19.32.900 Severability—1943 c 117.** If any clause, sentence, paragraph, section or part of this chapter shall, for any reason, be adjudged or decreed to be invalid by any court of competent jurisdiction, such judgment or decree shall not affect, impair nor invalidate the remainder of this chapter, but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which said judgment or decree shall have been rendered. [1943 c 117 § 16.]

## Chapter 19.34

### WASHINGTON ELECTRONIC AUTHENTICATION ACT

#### Sections

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- 19.34.503 Jurisdiction, venue, choice of laws.
- 19.34.900 Short title.
- 19.34.901 Effective date—1996 c 250.
- 19.34.902 Severability—1996 c 250.
- 19.34.903 Part headings and section captions not law—1996 c 250.

**19.34.010 Purpose and construction.** This chapter shall be construed consistently with what is commercially reasonable under the circumstances and to effectuate the following purposes:

- (1) To facilitate commerce by means of reliable electronic messages;
- (2) To minimize the incidence of forged digital signatures and fraud in electronic commerce;
- (3) To implement legally the general import of relevant standards, such as X.509 of the international telecommunication union, formerly known as the international telegraph and telephone consultative committee; and
- (4) To establish, in coordination with multiple states, uniform rules regarding the authentication and reliability of electronic messages. [1996 c 250 § 102.]

**19.34.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter:

- (1) "Accept a certificate" means either:
  - (a) To manifest approval of a certificate, while knowing or having notice of its contents; or
  - (b) To apply to a licensed certification authority for a certificate, without canceling or revoking the application by delivering notice of the cancellation or revocation to the certification authority and obtaining a signed, written receipt from the certification authority, if the certification authority subsequently issues a certificate based on the application.
- (2) "Accept a digital signature" means to verify a digital signature or take an action in reliance on a digital signature.
- (3) "Asymmetric cryptosystem" means an algorithm or series of algorithms that provide a secure key pair.
- (4) "Certificate" means a computer-based record that:
  - (a) Identifies the certification authority issuing it;
  - (b) Names or identifies its subscriber;
  - (c) Contains the subscriber's public key; and
  - (d) Is digitally signed by the certification authority issuing it.
- (5) "Certification authority" means a person who issues a certificate.
- (6) "Certification authority disclosure record" means an on-line, publicly accessible record that concerns a licensed certification authority and is kept by the secretary. A certification authority disclosure record has the contents specified by rule by the secretary under RCW 19.34.030.
- (7) "Certification practice statement" means a declaration of the practices that a certification authority employs in issuing certificates generally, or employed in issuing a material certificate.
- (8) "Certify" means to declare with reference to a certificate, with ample opportunity to reflect, and with a duty to apprise oneself of all material facts.
- (9) "Confirm" means to ascertain through appropriate inquiry and investigation.
- (10) "Correspond," with reference to keys, means to belong to the same key pair.
- (11) "Digital signature" means a transformation of a message using an asymmetric cryptosystem such that a person having the initial message and the signer's public key can accurately determine:
  - (a) Whether the transformation was created using the private key that corresponds to the signer's public key; and
  - (b) Whether the initial message has been altered since the transformation was made.
- (12) "Financial institution" means a national or state-chartered commercial bank or trust company, savings bank, savings association, or credit union authorized to do business in the state of Washington and the deposits of which are federally insured.
- (13) "Forge a digital signature" means either:
  - (a) To create a digital signature without the authorization of the rightful holder of the private key; or
  - (b) To create a digital signature verifiable by a certificate listing as subscriber a person who either:
    - (i) Does not exist; or
    - (ii) Does not hold the private key corresponding to the public key listed in the certificate.

(14) "Hold a private key" means to be authorized to utilize a private key.

(15) "Incorporate by reference" means to make one message a part of another message by identifying the message to be incorporated and expressing the intention that it be incorporated.

(16) "Issue a certificate" means the acts of a certification authority in creating a certificate and notifying the subscriber listed in the certificate of the contents of the certificate.

(17) "Key pair" means a private key and its corresponding public key in an asymmetric cryptosystem, keys which have the property that the public key can verify a digital signature that the private key creates.

(18) "Licensed certification authority" means a certification authority to whom a license has been issued by the secretary and whose license is in effect.

(19) "Message" means a digital representation of information.

(20) "Notify" means to communicate a fact to another person in a manner reasonably likely under the circumstances to impart knowledge of the information to the other person.

(21) "Operative personnel" means one or more natural persons acting as a certification authority or its agent, or in the employment of, or under contract with, a certification authority, and who have:

(a) Managerial or policymaking responsibilities for the certification authority; or

(b) Duties directly involving the issuance of certificates, creation of private keys, or administration of a certification authority's computing facilities.

(22) "Person" means a human being or an organization capable of signing a document, either legally or as a matter of fact.

(23) "Private key" means the key of a key pair used to create a digital signature.

(24) "Public key" means the key of a key pair used to verify a digital signature.

(25) "Publish" means to record or file in a repository.

(26) "Qualified right to payment" means an award of damages against a licensed certification authority by a court having jurisdiction over the certification authority in a civil action for violation of this chapter.

(27) "Recipient" means a person who has received a certificate and a digital signature verifiable with reference to a public key listed in the certificate and is in a position to rely on it.

(28) "Recognized repository" means a repository recognized by the secretary under RCW 19.34.400.

(29) "Recommended reliance limit" means the monetary amount recommended for reliance on a certificate under RCW 19.34.280(1).

(30) "Repository" means a system for storing and retrieving certificates and other information relevant to digital signatures.

(31) "Revoke a certificate" means to make a certificate ineffective permanently from a specified time forward. Revocation is effected by notation or inclusion in a set of revoked certificates, and does not imply that a revoked certificate is destroyed or made illegible.

(32) "Rightfully hold a private key" means the authority to utilize a private key:

(a) That the holder or the holder's agents have not disclosed to a person in violation of RCW 19.34.240(1); and

(b) That the holder has not obtained through theft, deceit, eavesdropping, or other unlawful means.

(33) "Secretary" means the secretary of state.

(34) "Subscriber" means a person who:

(a) Is the subject listed in a certificate;

(b) Accepts the certificate; and

(c) Holds a private key that corresponds to a public key listed in that certificate.

(35) "Suitable guaranty" means either a surety bond executed by a surety authorized by the insurance commissioner to do business in this state, or an irrevocable letter of credit issued by a financial institution authorized to do business in this state, which, in either event, satisfies all of the following requirements:

(a) It is issued payable to the secretary for the benefit of persons holding qualified rights of payment against the licensed certification authority named as the principal of the bond or customer of the letter of credit;

(b) It is in an amount specified by rule by the secretary under RCW 19.34.030;

(c) It states that it is issued for filing under this chapter;

(d) It specifies a term of effectiveness extending at least as long as the term of the license to be issued to the certification authority; and

(e) It is in a form prescribed or approved by rule by the secretary.

A suitable guaranty may also provide that the total annual liability on the guaranty to all persons making claims based on it may not exceed the face amount of the guaranty.

(36) "Suspend a certificate" means to make a certificate ineffective temporarily for a specified time forward.

(37) "Time stamp" means either:

(a) To append or attach to a message, digital signature, or certificate a digitally signed notation indicating at least the date, time, and identity of the person appending or attaching the notation; or

(b) The notation thus appended or attached.

(38) "Transactional certificate" means a valid certificate incorporating by reference one or more digital signatures.

(39) "Trustworthy system" means computer hardware and software that:

(a) Are reasonably secure from intrusion and misuse;

(b) Provide a reasonable level of availability, reliability, and correct operation; and

(c) Are reasonably suited to performing their intended functions.

(40) "Valid certificate" means a certificate that:

(a) A licensed certification authority has issued;

(b) The subscriber listed in it has accepted;

(c) Has not been revoked or suspended; and

(d) Has not expired.

However, a transactional certificate is a valid certificate only in relation to the digital signature incorporated in it by reference.

(41) "Verify a digital signature" means, in relation to a given digital signature, message, and public key, to determine accurately that:

(a) The digital signature was created by the private key corresponding to the public key; and

(b) The message has not been altered since its digital signature was created. [1997 c 27 § 30; 1996 c 250 § 103.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.030 Secretary—Duties.** (1) The secretary must maintain a publicly accessible data base containing a certification authority disclosure record for each licensed certification authority, and a list of all judgments filed with the secretary, within the previous five years, under RCW 19.34.290. The secretary must publish the contents of the data base in at least one recognized repository.

(2) The secretary may adopt rules consistent with this chapter and in furtherance of its purposes:

(a) To govern licensed certification authorities and recognized repositories, their practice, and the termination of a licensed certification authority's or recognized repository's practice;

(b) To determine an amount reasonably appropriate for a suitable guaranty, in light of the burden a suitable guaranty places upon licensed certification authorities and the assurance of quality and financial responsibility it provides to persons who rely on certificates issued by licensed certification authorities;

(c) To specify reasonable requirements for the form of certificates issued by licensed certification authorities, in accordance with generally accepted standards for digital signature certificates;

(d) To specify reasonable requirements for recordkeeping by licensed certification authorities;

(e) To specify reasonable requirements for the content, form, and sources of information in certification authority disclosure records, the updating and timeliness of the information, and other practices and policies relating to certification authority disclosure records;

(f) To specify the form of certification practice statements;

(g) To specify the procedure and manner in which a certificate may be suspended or revoked, as consistent with this chapter; and

(h) Otherwise to give effect to and implement this chapter. [1997 c 27 § 1; 1996 c 250 § 104.]

**Effective date—1997 c 27:** "Sections 1 through 23, 25 through 27, and 29 through 34 of this act take effect January 1, 1998." [1997 c 27 § 35.]

**Severability—1997 c 27:** "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." [1997 c 27 § 36.]

**19.34.040 Secretary—Fees—Disposition.** The secretary may adopt rules establishing reasonable fees for all services rendered by the secretary under this chapter, in amounts that are reasonably calculated to be sufficient to compensate for the costs of all services under this chapter, but that are not estimated to exceed those costs in the aggregate. All fees recovered by the secretary must be deposited in the state general fund. [1997 c 27 § 2; 1996 c 250 § 105.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.100 Certification authorities—Licensure—Qualifications—Revocation and suspension.** (1) To obtain or retain a license, a certification authority must:

(a) Be the subscriber of a certificate published in a recognized repository, which may include any repository maintained by the secretary;

(b) Knowingly employ as operative personnel only persons who have not been convicted within the past seven years of a felony and have never been convicted of a crime involving fraud, false statement, or deception. The secretary may provide by rule for the manner in which criminal background information is provided as part of the licensing process. For purposes of this provision, a certification authority knowingly employs such a person if the certification authority knew of a conviction, or should have known based upon the background information required by rule of the secretary;

(c) Employ as operative personnel only persons who have demonstrated knowledge and proficiency in following the requirements of this chapter;

(d) File with the secretary a suitable guaranty, unless the certification authority is a city or county that is self-insured or the department of information services;

(e) Use a trustworthy system, including a secure means for limiting access to its private key;

(f) Maintain an office in this state or have established a registered agent for service of process in this state; and

(g) Comply with all further licensing requirements established by rule by the secretary.

(2) The secretary must issue a license to a certification authority that:

(a) Is qualified under subsection (1) of this section;

(b) Applies in writing to the secretary for a license; and

(c) Pays a filing fee adopted by rule by the secretary.

(3) The secretary may by rule classify licenses according to specified limitations, such as a maximum number of outstanding certificates, cumulative maximum of recommended reliance limits in certificates issued by the certification authority, or issuance only within a single firm or organization, and the secretary may issue licenses restricted according to the limits of each classification. The liability limits of RCW 19.34.280 do not apply to a certificate issued by a certification authority that exceeds the restrictions of the certification authority's license.

(4) The secretary may revoke or suspend a certification authority's license, in accordance with the administrative procedure act, chapter 34.05 RCW, for failure to comply with this chapter or for failure to remain qualified under subsection (1) of this section. The secretary may order the summary suspension of a license pending proceedings for revocation or other action, which must be promptly instituted and determined, if the secretary includes within a written order a finding that the certification authority has either:

(a) Utilized its license in the commission of a violation of a state or federal criminal statute or of chapter 19.86 RCW; or

(b) Engaged in conduct giving rise to a serious risk of loss to public or private parties if the license is not immediately suspended.

(5) The secretary may recognize by rule the licensing or authorization of certification authorities by other governmental entities, provided that those licensing or authorization requirements are substantially similar to those of this state. If licensing by another government is so recognized:

(a) RCW 19.34.300 through 19.34.350 apply to certificates issued by the certification authorities licensed or authorized by that government in the same manner as it applies to licensed certification authorities of this state; and

(b) The liability limits of RCW 19.34.280 apply to the certification authorities licensed or authorized by that government in the same manner as they apply to licensed certification authorities of this state.

(6) Unless the parties provide otherwise by contract between themselves, the licensing requirements in this section do not affect the effectiveness, enforceability, or validity of any digital signature, except that RCW 19.34.300 through 19.34.350 do not apply to a certificate, and associated digital signature, issued by an unlicensed certification authority.

(7) A certification authority that has not obtained a license is not subject to the provisions of this chapter, except as specifically provided. [1998 c 33 § 1; 1997 c 27 § 3; 1996 c 250 § 201.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

#### **19.34.101 Expiration of licenses—Renewal—Rules.**

Licenses issued under this chapter expire one year after issuance, except that the secretary may provide by rule for a longer duration. The secretary shall provide, by rule, for a system of license renewal, which may include requirements for continuing education. [1997 c 27 § 4.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.110 Compliance audits.** (1) A licensed certification authority shall obtain a compliance audit, as may be more fully defined by rule of the secretary, at least once every year. The auditor shall issue an opinion evaluating the degree to which the certification authority conforms to the requirements of this chapter and the administrative rules adopted by the secretary. If the certification authority is also a recognized repository, the audit must include the repository.

(2) The certification authority shall file a copy of the audit report with the secretary. The secretary may provide by rule for filing of the report in an electronic format. The secretary shall publish the report in the certification authority disclosure record it maintains for the certification authority. [1997 c 27 § 5; 1996 c 250 § 202.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.111 Qualifications of auditor signing report of opinion—Compliance audits under state auditor's authority.** (1)(a) An auditor signing a report of opinion as to a compliance audit required by RCW 19.34.110 must:

(i) Be a certified public accountant, licensed under chapter 18.04 RCW or equivalent licensing statute of another jurisdiction; or

(ii) Meet such other qualifications as the secretary may establish by rule.

(b) Auditors must either possess such computer security qualifications as are necessary to conduct the audit or employ, contract, or associate with firms or individuals who do. The secretary may adopt rules establishing qualifications as to expertise or experience in computer security.

(2) The compliance audits of state agencies and local governments who are licensed certification authorities, and the secretary, must be performed under the authority of the state auditor. The state auditor may contract with private entities as needed to comply with this chapter. [1997 c 27 § 6.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.120 Licensed certification authorities—Enforcement—Suspension or revocation—Penalties—Rules—Costs—Procedure—Injunctions.** (1) The secretary may investigate the activities of a licensed certification authority material to its compliance with this chapter and issue orders to a certification authority to further its investigation and secure compliance with this chapter.

(2) The secretary may suspend or revoke the license of a certification authority for its failure to comply with an order of the secretary.

(3) The secretary may by order impose and collect a civil monetary penalty against a licensed certification authority for a violation of this chapter in an amount not to exceed ten thousand dollars per incident, or ninety percent of the recommended reliance limit of a material certificate, whichever is less. In case of a violation continuing for more than one day, each day is considered a separate incident. The secretary may adopt rules setting forth the standards governing the exercise of the secretary's discretion as to penalty amounts.

(4) The secretary may order a certification authority, which it has found to be in violation of this chapter, to pay the costs incurred by the secretary in prosecuting and adjudicating proceedings relative to the order, and enforcing it.

(5) The secretary must exercise authority under this section in accordance with the administrative procedure act, chapter 34.05 RCW, and a licensed certification authority may obtain judicial review of the secretary's actions as prescribed by chapter 34.05 RCW. The secretary may also seek injunctive relief to compel compliance with an order. [1997 c 27 § 7; 1996 c 250 § 203.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.130 Certification authorities—Prohibited activities—Statement by secretary advising of certification authorities creating prohibited risks—Protest—Hearing—Disposition—Notice—Procedure.** (1) No certification authority, whether licensed or not, may conduct its business in a manner that creates an unreasonable risk of loss to subscribers of the certification authority, to persons relying on certificates issued by the certification authority, or to a repository.

(2) The secretary may publish in the repository it provides, or elsewhere, brief statements advising subscribers, persons relying on digital signatures, or other repositories about activities of a certification authority, whether licensed or not, that create a risk prohibited by subsection (1) of this section. The certification authority named in a statement as creating or causing such a risk may protest the publication of the statement by filing a written defense of ten thousand bytes or less. Upon receipt of such a protest, the secretary must publish the protest along with the secretary's statement, and must promptly give the protesting certification authority notice and an opportunity to be heard. Following the hearing, the secretary must rescind the advisory statement if its publication was unwarranted under this section, cancel it if its publication is no longer warranted, continue or amend it if it remains warranted, or take further legal action to eliminate or reduce a risk prohibited by subsection (1) of this section. The secretary must publish its decision in the repository it provides.

(3) In the manner provided by the administrative procedure act, chapter 34.05 RCW, the secretary may issue orders and obtain injunctions or other civil relief to prevent or restrain a certification authority from violating this section, regardless of whether the certification authority is licensed. This section does not create a right of action in a person other than the secretary. [1996 c 250 § 204.]

**19.34.200 Licensed certification authorities—Requirements—Disclosure—Inquiry and compensation.**

(1) A licensed certification authority or subscriber shall use only a trustworthy system:

- (a) To issue, suspend, or revoke a certificate;
- (b) To publish or give notice of the issuance, suspension, or revocation of a certificate; or
- (c) To create a private key.

(2) A licensed certification authority must disclose any material certification practice statement, and any fact material to either the reliability of a certificate that it has issued or its ability to perform its services. A certification authority may require a signed, written, and reasonably specific inquiry from an identified person, and payment of reasonable compensation, as conditions precedent to effecting a disclosure required in this subsection. [1997 c 27 § 8; 1996 c 250 § 301.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.210 Certificate—Issuance—Confirmation of information—Publishing—Standards, statements, plans, requirements more rigorous than chapter—Revocation, suspension—Investigation—Notice—Procedure.** (1) A licensed certification authority may issue a certificate to a subscriber only after all of the following conditions are satisfied:

- (a) The certification authority has received a request for issuance signed by the prospective subscriber; and
- (b) The certification authority has confirmed that:
  - (i) The prospective subscriber is the person to be listed in the certificate to be issued;
  - (ii) If the prospective subscriber is acting through one or more agents, the subscriber duly authorized the agent or

agents to have custody of the subscriber's private key and to request issuance of a certificate listing the corresponding public key;

(iii) The information in the certificate to be issued is accurate;

(iv) The prospective subscriber rightfully holds the private key corresponding to the public key to be listed in the certificate;

(v) The prospective subscriber holds a private key capable of creating a digital signature;

(vi) The public key to be listed in the certificate can be used to verify a digital signature affixed by the private key held by the prospective subscriber; and

(vii) The certificate provides information sufficient to locate or identify one or more repositories in which notification of the revocation or suspension of the certificate will be listed if the certificate is suspended or revoked.

(c) The requirements of this subsection may not be waived or disclaimed by either the licensed certification authority, the subscriber, or both.

(2) If the subscriber accepts the issued certificate, the certification authority must publish a signed copy of the certificate in a recognized repository, as the certification authority and the subscriber named in the certificate may agree, unless a contract between the certification authority and the subscriber provides otherwise. If the subscriber does not accept the certificate, a licensed certification authority must not publish it, or must cancel its publication if the certificate has already been published.

(3) Nothing in this section precludes a licensed certification authority from conforming to standards, certification practice statements, security plans, or contractual requirements more rigorous than, but nevertheless consistent with, this chapter.

(4) After issuing a certificate, a licensed certification authority must revoke it immediately upon confirming that it was not issued as required by this section. A licensed certification authority may also suspend a certificate that it has issued for a reasonable period not exceeding ninety-six hours as needed for an investigation to confirm grounds for revocation under this subsection. The certification authority must give notice to the subscriber as soon as practicable after a decision to revoke or suspend under this subsection.

(5) The secretary may order the licensed certification authority to suspend or revoke a certificate that the certification authority issued, if, after giving any required notice and opportunity for the certification authority and subscriber to be heard in accordance with the administrative procedure act, chapter 34.05 RCW, the secretary determines that:

(a) The certificate was issued without substantial compliance with this section; and

(b) The noncompliance poses a significant risk to persons reasonably relying on the certificate.

Upon determining that an emergency requires an immediate remedy, and in accordance with the administrative procedure act, chapter 34.05 RCW, the secretary may issue an order suspending a certificate for a period not to exceed ninety-six hours. [1997 c 27 § 9; 1996 c 250 § 302.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.220 Licensed certification authorities—Warranties, obligations upon issuance of certificate—**

**Notice.** (1) By issuing a certificate, a licensed certification authority warrants to the subscriber named in the certificate that:

(a) The certificate contains no information known to the certification authority to be false;

(b) The certificate satisfies all material requirements of this chapter; and

(c) The certification authority has not exceeded any limits of its license in issuing the certificate.

The certification authority may not disclaim or limit the warranties of this subsection.

(2) Unless the subscriber and certification authority otherwise agree, a certification authority, by issuing a certificate, promises to the subscriber:

(a) To act promptly to suspend or revoke a certificate in accordance with RCW 19.34.250 or 19.34.260; and

(b) To notify the subscriber within a reasonable time of any facts known to the certification authority that significantly affect the validity or reliability of the certificate once it is issued.

(3) By issuing a certificate, a licensed certification authority certifies to all who reasonably rely on the information contained in the certificate, or on a digital signature verifiable by the public key listed in the certificate, that:

(a) The information in the certificate and listed as confirmed by the certification authority is accurate;

(b) All information foreseeably material to the reliability of the certificate is stated or incorporated by reference within the certificate;

(c) The subscriber has accepted the certificate; and

(d) The licensed certification authority has complied with all applicable laws of this state governing issuance of the certificate.

(4) By publishing a certificate, a licensed certification authority certifies to the repository in which the certificate is published and to all who reasonably rely on the information contained in the certificate that the certification authority has issued the certificate to the subscriber. [1997 c 27 § 32; 1996 c 250 § 303.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.230 Subscribers—Representations and duties upon acceptance of certificate.**

(1) By accepting a certificate issued by a licensed certification authority, the subscriber listed in the certificate certifies to all who reasonably rely on the information contained in the certificate that:

(a) The subscriber rightfully holds the private key corresponding to the public key listed in the certificate;

(b) All representations made by the subscriber to the certification authority and material to the information listed in the certificate are true; and

(c) All material representations made by the subscriber to a certification authority or made in the certificate and not confirmed by the certification authority in issuing the certificate are true.

(2) By requesting on behalf of a principal the issuance of a certificate naming the principal as subscriber, the requesting person certifies in that person's own right to all

who reasonably rely on the information contained in the certificate that the requesting person:

(a) Holds all authority legally required to apply for issuance of a certificate naming the principal as subscriber; and

(b) Has authority to sign digitally on behalf of the principal, and, if that authority is limited in any way, adequate safeguards exist to prevent a digital signature exceeding the bounds of the person's authority.

(3) No person may disclaim or contractually limit the application of this section, nor obtain indemnity for its effects, if the disclaimer, limitation, or indemnity restricts liability for misrepresentation as against persons reasonably relying on the certificate.

(4) By accepting a certificate, a subscriber undertakes to indemnify the issuing certification authority for loss or damage caused by issuance or publication of a certificate in reliance on:

(a) A false and material representation of fact by the subscriber; or

(b) The failure by the subscriber to disclose a material fact;

if the representation or failure to disclose was made either with intent to deceive the certification authority or a person relying on the certificate, or with negligence. If the certification authority issued the certificate at the request of one or more agents of the subscriber, the agent or agents personally undertake to indemnify the certification authority under this subsection, as if they were accepting subscribers in their own right. The indemnity provided in this section may not be disclaimed or contractually limited in scope. However, a contract may provide consistent, additional terms regarding the indemnification.

(5) In obtaining information of the subscriber material to issuance of a certificate, the certification authority may require the subscriber to certify the accuracy of relevant information under oath or affirmation of truthfulness and under penalty of perjury. [1996 c 250 § 304.]

**19.34.231 Unit of government as subscriber—Unit of state government prohibited from being certification authority—Exceptions—City or county as certification authority.**

(1) A unit of state or local government, including its appropriate officers or employees, may become a subscriber to a certificate for purposes of conducting official business, but only if the certificate is issued by a licensed certification authority. A unit of state government, except the secretary and the department of information services, may not act as a certification authority.

(2) A city or county may become a licensed certification authority under RCW 19.34.100 for purposes of providing services to local government, if authorized by ordinance adopted by the city or county legislative authority.

(3) The limitation to licensed certification authorities in subsection (1) of this section does not apply to uses of digital signatures or key pairs limited to internal agency procedures, as to which the signature is not required by statute, administrative rule, court rule, or requirement of the office of financial management. [1997 c 27 § 10.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.240 Private key—Control—Public disclosure exemption.** (1) By accepting a certificate issued by a licensed certification authority, the subscriber identified in the certificate assumes a duty to exercise reasonable care to retain control of the private key and prevent its disclosure to a person not authorized to create the subscriber's digital signature. The subscriber is released from this duty if the certificate expires or is revoked.

(2) A private key is the personal property of the subscriber who rightfully holds it.

(3) A private key in the possession of a state agency or local agency, as those terms are defined by RCW 42.17.020, is exempt from public inspection and copying under chapter 42.17 RCW. [1997 c 27 § 11; 1996 c 250 § 305.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.250 Suspension of certificate—Evidence—Investigation—Notice—Termination—Limitation or preclusion by contract—Misrepresentation—Penalty—Contracts for regional enforcement by agencies—Rules.** (1) Unless the certification authority and the subscriber agree otherwise, the licensed certification authority that issued a certificate that is not a transactional certificate must suspend the certificate for a period not to exceed ninety-six hours:

(a) Upon request by a person whom the certification authority reasonably believes to be: (i) The subscriber named in the certificate; (ii) a person duly authorized to act for that subscriber; or (iii) a person acting on behalf of the unavailable subscriber; or

(b) By order of the secretary under RCW 19.34.210(5).

The certification authority need not confirm the identity or agency of the person requesting suspension. The certification authority may require the person requesting suspension to provide evidence, including a statement under oath or affirmation, regarding the requestor's identity, authorization, or the unavailability of the subscriber. Law enforcement agencies may investigate suspensions for possible wrongdoing by persons requesting suspension.

(2) Unless the certificate provides otherwise or the certificate is a transactional certificate, the secretary may suspend a certificate issued by a licensed certification authority for a period not to exceed ninety-six hours, if:

(a) A person identifying himself or herself as the subscriber named in the certificate, a person authorized to act for that subscriber, or a person acting on behalf of that unavailable subscriber [requests suspension]; and

(b) The requester represents that the certification authority that issued the certificate is unavailable.

The secretary may require the person requesting suspension to provide evidence, including a statement under oath or affirmation, regarding his or her identity, authorization, or the unavailability of the issuing certification authority, and may decline to suspend the certificate in its discretion. Law enforcement agencies may investigate suspensions by the secretary for possible wrongdoing by persons requesting suspension.

(3) Immediately upon suspension of a certificate by a licensed certification authority, the licensed certification authority must give notice of the suspension according to the specification in the certificate. If one or more repositories are specified, then the licensed certification authority must

publish a signed notice of the suspension in all the repositories. If a repository no longer exists or refuses to accept publication, or if no repository is recognized under RCW 19.34.400, the licensed certification authority must also publish the notice in a recognized repository. If a certificate is suspended by the secretary, the secretary must give notice as required in this subsection for a licensed certification authority, provided that the person requesting suspension pays in advance any fee required by a repository for publication of the notice of suspension.

(4) A certification authority must terminate a suspension initiated by request only:

(a) If the subscriber named in the suspended certificate requests termination of the suspension, the certification authority has confirmed that the person requesting suspension is the subscriber or an agent of the subscriber authorized to terminate the suspension; or

(b) When the certification authority discovers and confirms that the request for the suspension was made without authorization by the subscriber. However, this subsection (4)(b) does not require the certification authority to confirm a request for suspension.

(5) The contract between a subscriber and a licensed certification authority may limit or preclude requested suspension by the certification authority, or may provide otherwise for termination of a requested suspension. However, if the contract limits or precludes suspension by the secretary when the issuing certification authority is unavailable, the limitation or preclusion is effective only if notice of it is published in the certificate.

(6) No person may knowingly or intentionally misrepresent to a certification authority his or her identity or authorization in requesting suspension of a certificate. Violation of this subsection is a gross misdemeanor.

(7) The secretary may authorize other state or local governmental agencies to perform any of the functions of the secretary under this section upon a regional basis. The authorization must be formalized by an agreement under chapter 39.34 RCW. The secretary may provide by rule the terms and conditions of the regional services.

(8) A suspension under this section must be completed within twenty-four hours of receipt of all information required in this section. [1997 c 27 § 12; 1996 c 250 § 306.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.260 Revocation of certificate—Confirmation—Notice—Release from security duty—Discharge of warranties.** (1) A licensed certification authority must revoke a certificate that it issued but which is not a transactional certificate, after:

(a) Receiving a request for revocation by the subscriber named in the certificate; and

(b) Confirming that the person requesting revocation is the subscriber, or is an agent of the subscriber with authority to request the revocation.

(2) A licensed certification authority must confirm a request for revocation and revoke a certificate within one business day after receiving both a subscriber's written request and evidence reasonably sufficient to confirm the

identity and any agency of the person requesting the revocation.

(3) A licensed certification authority must revoke a certificate that it issued:

(a) Upon receiving a certified copy of the subscriber's death certificate, or upon confirming by other evidence that the subscriber is dead; or

(b) Upon presentation of documents effecting a dissolution of the subscriber, or upon confirming by other evidence that the subscriber has been dissolved or has ceased to exist, except that if the subscriber is dissolved and is reinstated or restored before revocation is completed, the certification authority is not required to revoke the certificate.

(4) A licensed certification authority may revoke one or more certificates that it issued if the certificates are or become unreliable, regardless of whether the subscriber consents to the revocation and notwithstanding a provision to the contrary in a contract between the subscriber and certification authority.

(5) Immediately upon revocation of a certificate by a licensed certification authority, the licensed certification authority must give notice of the revocation according to the specification in the certificate. If one or more repositories are specified, then the licensed certification authority must publish a signed notice of the revocation in all repositories. If a repository no longer exists or refuses to accept publication, or if no repository is recognized under RCW 19.34.400, then the licensed certification authority must also publish the notice in a recognized repository.

(6) A subscriber ceases to certify, as provided in RCW 19.34.230, and has no further duty to keep the private key secure, as required by RCW 19.34.240, in relation to the certificate whose revocation the subscriber has requested, beginning at the earlier of either:

(a) When notice of the revocation is published as required in subsection (5) of this section; or

(b) One business day after the subscriber requests revocation in writing, supplies to the issuing certification authority information reasonably sufficient to confirm the request, and pays any contractually required fee.

(7) Upon notification as required by subsection (5) of this section, a licensed certification authority is discharged of its warranties based on issuance of the revoked certificate, as to transactions occurring after the notification, and ceases to certify as provided in RCW 19.34.220 (2) and (3) in relation to the revoked certificate. [1997 c 27 § 13; 1996 c 250 § 307.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.270 Certificate—Expiration.** (1) A certificate must indicate the date on which it expires.

(2) When a certificate expires, the subscriber and certification authority cease to certify as provided in this chapter and the certification authority is discharged of its duties based on issuance, in relation to the expired certificate. [1996 c 250 § 308.]

**19.34.280 Recommended reliance limit—Liability—Damages.** (1) By specifying a recommended reliance limit in a certificate, the issuing certification authority recom-

mends that persons rely on the certificate only to the extent that the total amount at risk does not exceed the recommended reliance limit.

(2) Subject to subsection (3) of this section, unless a licensed certification authority waives application of this subsection, a licensed certification authority is:

(a) Not liable for a loss caused by reliance on a false or forged digital signature of a subscriber, if, with respect to the false or forged digital signature, the certification authority complied with all material requirements of this chapter;

(b) Not liable in excess of the amount specified in the certificate as its recommended reliance limit for either:

(i) A loss caused by reliance on a misrepresentation in the certificate of a fact that the licensed certification authority is required to confirm; or

(ii) Failure to comply with RCW 19.34.210 in issuing the certificate;

(c) Not liable for:

(i) Punitive or exemplary damages. Nothing in this chapter may be interpreted to permit punitive or exemplary damages that would not otherwise be permitted by the law of this state; or

(ii) Damages for pain or suffering.

(3) Nothing in subsection (2)(a) of this section relieves a licensed certification authority of its liability for breach of any of the warranties or certifications it gives under RCW 19.34.220 or for its lack of good faith, which warranties and obligation of good faith may not be disclaimed. However, the standards by which the performance of a licensed certification authority's obligation of good faith is to be measured may be determined by agreement or notification complying with subsection (4) of this section if the standards are not manifestly unreasonable. The liability of a licensed certification authority under this subsection is subject to the limitations in subsection (2)(b) and (c) of this section unless the limits are waived by the licensed certification authority.

(4) Consequential or incidental damages may be liquidated, or may otherwise be limited, altered, or excluded unless the limitation, alteration, or exclusion is unconscionable. A licensed certification authority may liquidate, limit, alter, or exclude consequential or incidental damages as provided in this subsection by agreement or by notifying any person who will rely on a certificate of the liquidation, limitation, alteration, or exclusion before the person relies on the certificate. [1997 c 27 § 14; 1996 c 250 § 309.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.290 Collection based on suitable guaranty—Proceeds—Attorneys' fees—Costs—Notice—Recovery of qualified right of payment.** (1)(a) If the suitable guaranty is a surety bond, a person may recover from the surety the full amount of a qualified right to payment against the principal named in the bond, or, if there is more than one such qualified right to payment during the term of the bond, a ratable share, up to a maximum total liability of the surety equal to the amount of the bond.

(b) If the suitable guaranty is a letter of credit, a person may recover from the issuing financial institution only in accordance with the terms of the letter of credit.

Claimants may recover successively on the same suitable guaranty, provided that the total liability on the

suitable guaranty to all persons making qualified rights of payment during its term must not exceed the amount of the suitable guaranty.

(2) In addition to recovering the amount of a qualified right to payment, a claimant may recover from the proceeds of the guaranty, until depleted, the attorneys' fees, reasonable in amount, and court costs incurred by the claimant in collecting the claim, provided that the total liability on the suitable guaranty to all persons making qualified rights of payment or recovering attorneys' fees during its term must not exceed the amount of the suitable guaranty.

(3) To recover a qualified right to payment against a surety or issuer of a suitable guaranty, the claimant must:

(a) File written notice of the claim with the secretary stating the name and address of the claimant, the amount claimed, and the grounds for the qualified right to payment, and any other information required by rule by the secretary; and

(b) Append to the notice a certified copy of the judgment on which the qualified right to payment is based.

Recovery of a qualified right to payment from the proceeds of the suitable guaranty is barred unless the claimant substantially complies with this subsection (3).

(4) Recovery of a qualified right to payment from the proceeds of a suitable guaranty are forever barred unless notice of the claim is filed as required in subsection (3)(a) of this section within three years after the occurrence of the violation of this chapter that is the basis for the claim. Notice under this subsection need not include the requirement imposed by subsection (3)(b) of this section. [1996 c 250 § 310.]

**19.34.291 Discontinuation of certification authority services—Duties of authority—Continuation of guaranty—Process to maintain and update records—Rules—Costs.** (1) A licensed certification authority that discontinues providing certification authority services shall:

(a) Notify all subscribers listed in valid certificates issued by the certification authority, before discontinuing services;

(b) Minimize, to the extent commercially reasonable, disruption to the subscribers of valid certificates and relying parties; and

(c) Make reasonable arrangements for preservation of the certification authority's records.

(2) A suitable guaranty of a licensed certification authority may not be released until the expiration of the term specified in the guaranty.

(3) The secretary may provide by rule for a process by which the secretary may, in any combination, receive, administer, or disburse the records of a licensed certification authority or a recognized repository that discontinues providing services, for the purpose of maintaining access to the records and revoking any previously issued valid certificates in a manner that minimizes disruption to subscribers and relying parties. The secretary's rules may include provisions by which the secretary may recover costs incurred in doing so. [1997 c 27 § 15.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.300 Satisfaction of signature requirements.**

(1) Where a rule of law requires a signature, or provides for certain consequences in the absence of a signature, that rule is satisfied by a digital signature, if:

(a) The digital signature is verified by reference to the public key listed in a valid certificate issued by a licensed certification authority;

(b) The digital signature was affixed by the signer with the intention of signing the message; and

(c) The recipient has no knowledge or notice that the signer either:

(i) Breached a duty as a subscriber; or

(ii) Does not rightfully hold the private key used to affix the digital signature.

(2) Nothing in this chapter:

(a) Precludes a mark from being valid as a signature under other applicable law;

(b) May be construed to obligate a recipient or any other person asked to rely on a digital signature to accept a digital signature or to respond to an electronic message containing a digital signature except as provided in RCW 19.34.321; or

(c) Precludes the recipient of a digital signature or an electronic message containing a digital signature from establishing the conditions under which the recipient will accept a digital signature. [1997 c 27 § 16; 1996 c 250 § 401.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.305 Acceptance of digital signature in reasonable manner.** Acceptance of a digital signature may be made in any manner reasonable in the circumstances. [1997 c 27 § 31.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.310 Unreliable digital signatures—Risk.** Unless otherwise provided by law or contract, the recipient of a digital signature assumes the risk that a digital signature is forged, if reliance on the digital signature is not reasonable under the circumstances. [1997 c 27 § 17; 1996 c 250 § 402.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.311 Reasonableness of reliance—Factors.** The following factors, among others, are significant in evaluating the reasonableness of a recipient's reliance upon a certificate and upon the digital signatures verifiable with reference to the public key listed in the certificate:

(1) Facts which the relying party knows or of which the relying party has notice, including all facts listed in the certificate or incorporated in it by reference;

(2) The value or importance of the digitally signed message, if known;

(3) The course of dealing between the relying person and subscriber and the available indicia of reliability or unreliability apart from the digital signature; and

(4) Usage of trade, particularly trade conducted by trustworthy systems or other computer-based means. [1997 c 27 § 18.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.320 Digital message as written on paper—Requirements—Other requirements not affected—Exception from uniform commercial code.** A message is as valid, enforceable, and effective as if it had been written on paper, if it:

(1) Bears in its entirety a digital signature; and  
(2) That digital signature is verified by the public key listed in a certificate that:

(a) Was issued by a licensed certification authority; and  
(b) Was valid at the time the digital signature was created.

Nothing in this chapter shall be construed to eliminate, modify, or condition any other requirements for a contract to be valid, enforceable, and effective. No digital message shall be deemed to be an instrument under Title 62A RCW unless all parties to the transaction agree, including financial institutions affected. [1997 c 27 § 19; 1996 c 250 § 403.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.321 Acceptance of certified court documents in electronic form—Requirements—Rules of court on use in proceedings.** (1) A person may not refuse to honor, accept, or act upon a court order, writ, or warrant upon the basis that it is electronic in form and signed with a digital signature, if the digital signature was certified by a licensed certification authority or otherwise issued under court rule. This section applies to a paper printout of a digitally signed document, if the printout reveals that the digital signature was electronically verified before the printout, and in the absence of a finding that the document has been altered.

(2) Nothing in this chapter shall be construed to limit the authority of the supreme court to adopt rules of pleading, practice, or procedure, or of the court of appeals or superior courts to adopt supplementary local rules, governing the use of electronic messages or documents, including rules governing the use of digital signatures, in judicial proceedings. [1997 c 27 § 20.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.330 Copies as originals—Exception.** A copy of a digitally signed message is as effective, valid, and enforceable as the original of the message, unless it is evident that the signer designated an instance of the digitally signed message to be a unique original, in which case only that instance constitutes the valid, effective, and enforceable message. [1996 c 250 § 404.]

**19.34.340 Certificate as acknowledgment—Requirements—Exception—Responsibility of certification authority.** (1) Unless otherwise provided by law or contract, if so provided in the certificate issued by a licensed certification authority, a digital signature verified by reference to the public key listed in a valid certificate issued by

a licensed certification authority satisfies the requirements for an acknowledgment under RCW 42.44.010(4) and for acknowledgment of deeds and other real property conveyances under RCW 64.04.020 if words of an express acknowledgment appear with the digital signature regardless of whether the signer personally appeared before either the certification authority or some other person authorized to take acknowledgments of deeds, mortgages, or other conveyance instruments under RCW 64.08.010 when the digital signature was created, if that digital signature is:

(a) Verifiable by that certificate; and  
(b) Affixed when that certificate was valid.

(2) If the digital signature is used as an acknowledgment, then the certification authority is responsible to the same extent as a notary up to the recommended reliance limit for failure to satisfy the requirements for an acknowledgment. The certification authority may not disclaim or limit, other than as provided in RCW 19.34.280, the effect of this section. [1997 c 27 § 21; 1996 c 250 § 405.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.350 Adjudicating disputes—Presumptions.** In adjudicating a dispute involving a digital signature, it is rebuttably presumed that:

(1) A certificate digitally signed by a licensed certification authority and either published in a recognized repository, or made available by the issuing certification authority or by the subscriber listed in the certificate is issued by the certification authority that digitally signed it and is accepted by the subscriber listed in it.

(2) The information listed in a valid certificate and confirmed by a licensed certification authority issuing the certificate is accurate.

(3) If a digital signature is verified by the public key listed in a valid certificate issued by a licensed certification authority:

(a) That digital signature is the digital signature of the subscriber listed in that certificate;

(b) That digital signature was affixed by that subscriber with the intention of signing the message;

(c) The message associated with the digital signature has not been altered since the signature was affixed; and

(d) The recipient of that digital signature has no knowledge or notice that the signer:

(i) Breached a duty as a subscriber; or

(ii) Does not rightfully hold the private key used to affix the digital signature.

(4) A digital signature was created before it was time stamped by a disinterested person utilizing a trustworthy system. [1997 c 27 § 22; 1996 c 250 § 406.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.351 Alteration of chapter by agreement—Exceptions.** The effect of this chapter may be varied by agreement, except:

(1) A person may not disclaim responsibility for lack of good faith, but parties may by agreement determine the standards by which the duty of good faith is to be measured if the standards are not manifestly unreasonable; and

(2) As otherwise provided in this chapter. [1997 c 27 § 34.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.400 Recognition of repositories—Application—Discontinuance—Procedure.** (1) The secretary must recognize one or more repositories, after finding that a repository to be recognized:

- (a) Is a licensed certification authority;
- (b) Includes, or will include, a data base containing:
  - (i) Certificates published in the repository;
  - (ii) Notices of suspended or revoked certificates published by licensed certification authorities or other persons suspending or revoking certificates;
  - (iii) Certification authority disclosure records for licensed certification authorities;
  - (iv) All orders or advisory statements published by the secretary in regulating certification authorities; and
  - (v) Other information adopted by rule by the secretary;
- (c) Operates by means of a trustworthy system, that may, under administrative rule of the secretary, include additional or different attributes than those applicable to a certification authority that does not operate as a recognized repository;
- (d) Contains no significant amount of information that is known or likely to be untrue, inaccurate, or not reasonably reliable;
- (e) Contains certificates published by certification authorities that conform to legally binding requirements that the secretary finds to be substantially similar to, or more stringent toward the certification authorities, than those of this state;
- (f) Keeps an archive of certificates that have been suspended or revoked, or that have expired, within at least the past three years; and
- (g) Complies with other reasonable requirements adopted by rule by the secretary.

(2) A repository may apply to the secretary for recognition by filing a written request and providing evidence to the secretary sufficient for the secretary to find that the conditions for recognition are satisfied.

(3) A repository may discontinue its recognition by filing thirty days' written notice with the secretary. In addition the secretary may discontinue recognition of a repository in accordance with the administrative procedure act, chapter 34.05 RCW, if the secretary concludes that the repository no longer satisfies the conditions for recognition listed in this section or in rules adopted by the secretary. [1997 c 27 § 23; 1996 c 250 § 501.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.410 Repositories—Liability—Exemptions—Liquidation, limitation, alteration, or exclusion of damages.** (1) Notwithstanding a disclaimer by the repository or a contract to the contrary between the repository, a certification authority, or a subscriber, a repository is liable for a loss incurred by a person reasonably relying on a digital signature verified by the public key listed in a suspended or revoked certificate, if loss was incurred more than one business day

after receipt by the repository of a request to publish notice of the suspension or revocation, and the repository had failed to publish the notice when the person relied on the digital signature.

(2) Unless waived, a recognized repository or the owner or operator of a recognized repository is:

(a) Not liable for failure to record publication of a suspension or revocation, unless the repository has received notice of publication and one business day has elapsed since the notice was received;

(b) Not liable under subsection (1) of this section in excess of the amount specified in the certificate as the recommended reliance limit;

(c) Not liable under subsection (1) of this section for:

(i) Punitive or exemplary damages; or

(ii) Damages for pain or suffering;

(d) Not liable for misrepresentation in a certificate published by a licensed certification authority;

(e) Not liable for accurately recording or reporting information that a licensed certification authority, or court clerk, or the secretary has published as required or permitted in this chapter, including information about suspension or revocation of a certificate;

(f) Not liable for reporting information about a certification authority, a certificate, or a subscriber, if the information is published as required or permitted in this chapter or a rule adopted by the secretary, or is published by order of the secretary in the performance of the licensing and regulatory duties of that office under this chapter.

(3) Consequential or incidental damages may be liquidated, or may otherwise be limited, altered, or excluded unless the limitation, alteration, or exclusion is unconscionable. A recognized repository may liquidate, limit, alter, or exclude damages as provided in this subsection by agreement, or by notifying any person who will rely on a digital signature verified by the public key listed in a suspended or revoked certificate of the liquidation, limitation, alteration, or exclusion before the person relies on the certificate. [1997 c 27 § 33; 1996 c 250 § 502.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.420 Confidentiality of certain records—**

**Limited access to state auditor.** (1) The following information, when in the possession of the secretary, the department of information services, or the state auditor for purposes of this chapter, shall not be made available for public disclosure, inspection, or copying, unless the request is made under an order of a court of competent jurisdiction based upon an express written finding that the need for the information outweighs any reason for maintaining the privacy and confidentiality of the information or records:

(a) A trade secret, as defined by RCW 19.108.010; and

(b) Information regarding design, security, or programming of a computer system used for purposes of licensing or operating a certification authority or repository under this chapter.

(2) The state auditor, or an authorized agent, must be given access to all information referred to in subsection (1) of this section for the purpose of conducting audits under this chapter or under other law, but shall not make that information available for public inspection or copying except

as provided in subsection (1) of this section. [1998 c 33 § 2.]

**19.34.500 Rule making.** The secretary of state may adopt rules to implement this chapter beginning July 27, 1997, but the rules may not take effect until January 1, 1998. [1997 c 27 § 24; 1996 c 250 § 603.]

**Severability—1997 c 27:** See note following RCW 19.34.030.

**19.34.501 Chapter supersedes and preempts local actions.** This chapter supersedes and preempts all local laws or ordinances regarding the same subject matter. [1997 c 27 § 25.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.502 Criminal prosecution not precluded—Remedies not exclusive—Injunctive relief availability.** This chapter does not preclude criminal prosecution under other laws of this state, nor may any provision of this chapter be regarded as an exclusive remedy for a violation. Injunctive relief may not be denied to a party regarding conduct governed by this chapter on the basis that the conduct is also subject to potential criminal prosecution. [1997 c 27 § 26.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.503 Jurisdiction, venue, choice of laws.** Issues regarding jurisdiction, venue, and choice of laws for all actions involving digital signatures must be determined according to the same principles as if all transactions had been performed through paper documents. [1997 c 27 § 27.]

**Effective date—Severability—1997 c 27:** See notes following RCW 19.34.030.

**19.34.900 Short title.** This chapter shall be known and may be cited as the Washington electronic authentication act. [1996 c 250 § 101.]

**19.34.901 Effective date—1996 c 250.** (1) Sections 1 [101] through 601, 604, and 605, chapter 250, Laws of 1996 take effect January 1, 1998.

(2) Sections 602 and 603, chapter 250, Laws of 1996 take effect July 27, 1997. [1997 c 27 § 28; 1996 c 250 § 602.]

**Severability—1997 c 27:** See note following RCW 19.34.030.

**19.34.902 Severability—1996 c 250.** 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. [1996 c 250 § 604.]

**19.34.903 Part headings and section captions not law—1996 c 250.** Part headings and section captions as used in this act do not constitute any part of the law. [1996 c 250 § 605.]

## Chapter 19.36

### CONTRACTS AND CREDIT AGREEMENTS REQUIRING WRITINGS

#### Sections

- 19.36.010 Contracts, etc., void unless in writing.
- 19.36.020 Deeds, etc., in trust for grantor void as to creditors.
- 19.36.100 "Credit agreement" defined.
- 19.36.110 Enforceability of credit agreements—Effect of oral agreements and partial performance.
- 19.36.120 Exempt agreements.
- 19.36.130 Notice required.
- 19.36.140 Notice—Form and contents.
- 19.36.900 Effective date—Application—1990 c 211.

*Assignment for benefit of creditors: Chapter 7.08 RCW.*

#### Contracts

*by telegraph: RCW 5.52.010.*

*of minors: Chapters 26.28 and 26.30 RCW.*

*Conveyances of real property: Chapter 64.04 RCW.*

*Fraudulent conveyances: Chapter 19.40 RCW.*

*Leases of real property: RCW 59.04.010.*

**19.36.010 Contracts, etc., void unless in writing.** In the following cases, specified in this section, any agreement, contract and promise shall be void, unless such agreement, contract or promise, or some note or memorandum thereof, be in writing, and signed by the party to be charged therewith, or by some person thereunto by him lawfully authorized, that is to say: (1) Every agreement that by its terms is not to be performed in one year from the making thereof; (2) every special promise to answer for the debt, default, or misdoings of another person; (3) every agreement, promise or undertaking made upon consideration of marriage, except mutual promises to marry; (4) every special promise made by an executor or administrator to answer damages out of his own estate; (5) an agreement authorizing or employing an agent or broker to sell or purchase real estate for compensation or a commission. [1905 c 58 § 1; RRS § 5825. Prior: Code 1881 § 2325; 1863 p 412 § 2; 1860 p 298 § 2; 1854 p 403 § 2.]

**19.36.020 Deeds, etc., in trust for grantor void as to creditors.** That all deeds of gift, all conveyances, and all transfers or assignments, verbal or written, of goods, chattels or things in action, made in trust for the use of the person making the same, shall be void as against the existing or subsequent creditors of such person. [Code 1881 § 2324; RRS § 5824. Prior: 1863 p 412 § 1; 1860 p 298 § 1; 1854 p 403 § 1.]

**19.36.100 "Credit agreement" defined.** "Credit agreement" means an agreement, promise, or commitment to lend money, to otherwise extend credit, to forbear with respect to the repayment of any debt or the exercise of any remedy, to modify or amend the terms under which the creditor has lent money or otherwise extended credit, to release any guarantor or consigner [cosigner], or to make any other financial accommodation pertaining to a debt or other extension of credit. [1990 c 211 § 1.]

**19.36.110 Enforceability of credit agreements—Effect of oral agreements and partial performance.** A

credit agreement is not enforceable against the creditor unless the agreement is in writing and signed by the creditor. The rights and obligations of the parties to a credit agreement shall be determined solely from the written agreement, and any prior or contemporaneous oral agreements between the parties are superseded by, merged into, and may not vary the credit agreement. Partial performance of a credit agreement does not remove the agreement from the operation of this section. [1990 c 211 § 3.]

**19.36.120 Exempt agreements.** RCW 19.36.100 through 19.36.140 and 19.36.900 shall not apply to: (1) A promise, agreement, undertaking, document, or commitment relating to a credit card or charge card; or (2) a loan of money or extension of credit to a natural person that is primarily for personal, family, or household purposes and not primarily for investment, business, agricultural, or commercial purposes. [1990 c 211 § 2.]

**19.36.130 Notice required.** If a notice complying with RCW 19.36.140, is not given simultaneously with or before a credit agreement is made, RCW 19.36.100 through 19.36.140 and 19.36.900 shall not apply to the credit agreement. Notice, once given to a debtor, shall be effective as to all subsequent credit agreements and effective against the debtor, and its guarantors, successors, and assigns. [1990 c 211 § 4.]

**19.36.140 Notice—Form and contents.** The creditor shall give notice to the other party on a separate document or incorporated into one or more of the documents relating to a credit agreement. The notice shall be in type that is bold face, capitalized, underlined, or otherwise set out from surrounding written materials so it is conspicuous. The notice shall state substantially the following:

Oral agreements or oral commitments to loan money, extend credit, or to forbear from enforcing repayment of a debt are not enforceable under Washington law.

[1990 c 211 § 5.]

**19.36.900 Effective date—Application—1990 c 211.** RCW 19.36.100 through 19.36.140 shall take effect July 1, 1990, and shall apply only to credit agreements entered into on or after July 1, 1990. [1990 c 211 § 6.]

**Chapter 19.40**

**UNIFORM FRAUDULENT TRANSFER ACT**

Sections

- 19.40.011 Definitions.
- 19.40.021 Insolvency.
- 19.40.031 Value.
- 19.40.041 Transfers fraudulent as to present and future creditors.
- 19.40.051 Transfers fraudulent as to present creditors.
- 19.40.061 When transfer is made or obligation is incurred.
- 19.40.071 Remedies of creditors.
- 19.40.081 Defenses, liability, and protection of transferee.
- 19.40.091 Extinguishment of cause of action.
- 19.40.900 Short title.
- 19.40.901 Captions not law.

(1998 Ed.)

- 19.40.902 Supplementary provisions.
- 19.40.903 Uniformity of application and construction.

*Assignment for benefit of creditors:* Chapter 7.08 RCW.

*Conveyances of property to qualify for public assistance:* RCW 74.08.331 through 74.08.338.

*Disposal of property to defraud creditors, etc.:* RCW 9.45.080 through 9.45.100

**19.40.011 Definitions.** As used in this chapter:

(1) "Affiliate" means:

(i) A person who directly or indirectly owns, controls, or holds with power to vote, twenty percent or more of the outstanding voting securities of the debtor, other than a person who holds the securities;

(A) As a fiduciary or agent without sole discretionary power to vote the securities; or

(B) Solely to secure a debt, if the person has not exercised the power to vote;

(ii) A corporation twenty percent or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the debtor or a person who directly or indirectly owns, controls, or holds with power to vote, twenty percent or more of the outstanding voting securities of the debtor, other than a person who holds the securities:

(A) As a fiduciary or agent without sole power to vote the securities; or

(B) Solely to secure a debt, if the person has not in fact exercised the power to vote;

(iii) A person whose business is operated by the debtor under a lease or other agreement, or a person substantially all of whose assets are controlled by the debtor; or

(iv) A person who operates the debtor's business under a lease or other agreement or controls substantially all of the debtor's assets.

(2) "Asset" means property of a debtor, but the term does not include:

(i) Property to the extent it is encumbered by a valid lien; or

(ii) Property to the extent it is generally exempt under nonbankruptcy law.

(3) "Claim" means a right to payment, whether or not the right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured.

(4) "Creditor" means a person who has a claim.

(5) "Debt" means liability on a claim.

(6) "Debtor" means a person who is liable on a claim.

(7) "Insider" includes:

(i) If the debtor is an individual:

(A) A relative of the debtor or of a general partner of the debtor;

(B) A partnership in which the debtor is a general partner;

(C) A general partner in a partnership described in subsection (7)(i)(B) of this section; or

(D) A corporation of which the debtor is a director, officer, or person in control;

(ii) If the debtor is a corporation:

(A) A director of the debtor;

(B) An officer of the debtor;

(C) A person in control of the debtor;

(D) A partnership in which the debtor is a general partner;

(E) A general partner in a partnership described in subsection (7)(ii)(D) of this section; or

(F) A relative of a general partner, director, officer, or person in control of the debtor;

(iii) If the debtor is a partnership:

(A) A general partner in the debtor;

(B) A relative of a general partner in, or a general partner of, or a person in control of the debtor;

(C) Another partnership in which the debtor is a general partner;

(D) A general partner in a partnership described in subsection (7)(iii)(C) of this section; or

(E) A person in control of the debtor;

(iv) An affiliate, or an insider of an affiliate as if the affiliate were the debtor; and

(v) A managing agent of the debtor.

(8) "Lien" means a charge against or an interest in property to secure payment of a debt or performance of an obligation, and includes a security interest created by agreement, a judicial lien obtained by legal or equitable process or proceedings, a common-law lien, or a statutory lien.

(9) "Person" means an individual, partnership, corporation, association, organization, government or governmental subdivision or agency, business trust, estate, trust, or any other legal or commercial entity.

(10) "Property" means anything that may be the subject of ownership.

(11) "Relative" means an individual related by consanguinity within the third degree as determined by the common law, a spouse, or an individual related to a spouse within the third degree as so determined, and includes an individual in an adoptive relationship within the third degree.

(12) "Transfer" means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with an asset or an interest in an asset, and includes payment of money, release, lease, and creation of a lien or other encumbrance.

(13) "Valid lien" means a lien that is effective against the holder of a judicial lien subsequently obtained by legal or equitable process or proceedings. [1987 c 444 § 1.]

**Effective date—1987 c 444:** "This act shall take effect July 1, 1988." [1987 c 444 § 16.]

**19.40.021 Insolvency.** (a) A debtor is insolvent if the sum of the debtor's debts is greater than all of the debtor's assets, at a fair valuation.

(b) A debtor who is generally not paying his or her debts as they become due is presumed to be insolvent.

(c) A partnership is insolvent under subsection (a) of this section if the sum of the partnership's debts is greater than the aggregate of all of the partnership's assets, at a fair valuation, and the sum of the excess of the value of each general partner's nonpartnership assets over the partner's nonpartnership debts.

(d) Assets under this section do not include property that has been transferred, concealed, or removed with intent to hinder, delay, or defraud creditors or that has been transferred in a manner making the transfer voidable under this chapter.

(e) Debts under this section do not include an obligation to the extent it is secured by a valid lien on property of the debtor not included as an asset. [1987 c 444 § 2.]

**Effective date—1987 c 444:** See note following RCW 19.40.011.

**19.40.031 Value.** (a) Value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or an antecedent debt is secured or satisfied, but value does not include an unperformed promise made otherwise than in the ordinary course of the promisor's business to furnish support to the debtor or another person.

(b) For the purposes of RCW 19.40.041(a)(2) and 19.40.051, a person gives a reasonably equivalent value if the person acquires an interest of the debtor in an asset pursuant to a regularly conducted, noncollusive foreclosure sale or execution of a power of sale for the acquisition or disposition of the interest of the debtor upon default under a mortgage, deed of trust, or security agreement.

(c) A transfer is made for present value if the exchange between the debtor and the transferee is intended by them to be contemporaneous and is in fact substantially contemporaneous. [1987 c 444 § 3.]

**Effective date—1987 c 444:** See note following RCW 19.40.011.

**19.40.041 Transfers fraudulent as to present and future creditors.** (a) A transfer made or obligation incurred by a debtor is fraudulent as to a creditor, whether the creditor's claim arose before or after the transfer was made or the obligation was incurred, if the debtor made the transfer or incurred the obligation:

(1) With actual intent to hinder, delay, or defraud any creditor of the debtor; or

(2) Without receiving a reasonably equivalent value in exchange for the transfer or obligation, and the debtor:

(i) Was engaged or was about to engage in a business or a transaction for which the remaining assets of the debtor were unreasonably small in relation to the business or transaction; or

(ii) Intended to incur, or believed or reasonably should have believed that he or she would incur, debts beyond his or her ability to pay as they became due.

(b) In determining actual intent under subsection (a)(1) of this section, consideration may be given, among other factors, to whether:

(1) The transfer or obligation was to an insider;

(2) The debtor retained possession or control of the property transferred after the transfer;

(3) The transfer or obligation was disclosed or concealed;

(4) Before the transfer was made or obligation was incurred, the debtor had been sued or threatened with suit;

(5) The transfer was of substantially all the debtor's assets;

(6) The debtor absconded;

(7) The debtor removed or concealed assets;

(8) The value of the consideration received by the debtor was reasonably equivalent to the value of the asset transferred or the amount of the obligation incurred;

(9) The debtor was insolvent or became insolvent shortly after the transfer was made or the obligation was incurred;

(10) The transfer occurred shortly before or shortly after a substantial debt was incurred; and

(11) The debtor transferred the essential assets of the business to a lienor who transferred the assets to an insider of the debtor. [1987 c 444 § 4.]

**Effective date—1987 c 444:** See note following RCW 19.40.011.

**19.40.051 Transfers fraudulent as to present creditors.** (a) A transfer made or obligation incurred by a debtor is fraudulent as to a creditor whose claim arose before the transfer was made or the obligation was incurred if the debtor made the transfer or incurred the obligation without receiving a reasonably equivalent value in exchange for the transfer or obligation and the debtor was insolvent at that time or the debtor became insolvent as a result of the transfer or obligation.

(b) A transfer made by a debtor is fraudulent as to a creditor whose claim arose before the transfer was made if the transfer was made to an insider for an antecedent debt, the debtor was insolvent at that time, and the insider had reasonable cause to believe that the debtor was insolvent. [1987 c 444 § 5.]

**Effective date—1987 c 444:** See note following RCW 19.40.011.

**19.40.061 When transfer is made or obligation is incurred.** For the purposes of this chapter:

(1) A transfer is made:

(i) With respect to an asset that is real property other than a fixture, but including the interest of a seller or purchaser under a contract for the sale of the asset, when the transfer is so far perfected that a good-faith purchaser of the asset from the debtor against whom applicable law permits the transfer to be perfected cannot acquire an interest in the asset that is superior to the interest of the transferee; and

(ii) With respect to an asset that is not real property or that is a fixture, when the transfer is so far perfected that a creditor on a simple contract cannot acquire a judicial lien otherwise than under this chapter that is superior to the interest of the transferee;

(2) If applicable law permits the transfer to be perfected as provided in subsection (1) of this section and the transfer is not so perfected before the commencement of an action for relief under this chapter, the transfer is deemed made immediately before the commencement of the action;

(3) If applicable law does not permit the transfer to be perfected as provided in subsection (1) of this section, the transfer is made when it becomes effective between the debtor and the transferee;

(4) A transfer is not made until the debtor has acquired rights in the asset transferred;

(5) An obligation is incurred:

(i) If oral, when it becomes effective between the parties; or

(ii) If evidenced by a writing, when the writing executed by the obligor is delivered to or for the benefit of the obligee. [1987 c 444 § 6.]

**Effective date—1987 c 444:** See note following RCW 19.40.011.

**19.40.071 Remedies of creditors.** (a) In an action for relief against a transfer or obligation under this chapter, a

creditor, subject to the limitations in RCW 19.40.081, may obtain:

(1) Avoidance of the transfer or obligation to the extent necessary to satisfy the creditor's claim;

(2) An attachment or other provisional remedy against the asset transferred or other property of the transferee in accordance with the procedure prescribed by \*chapter 7.12 RCW;

(3) Subject to applicable principles of equity and in accordance with applicable rules of civil procedure:

(i) An injunction against further disposition by the debtor or a transferee, or both, of the asset transferred or of other property;

(ii) Appointment of a receiver to take charge of the asset transferred or of other property of the transferee; or

(iii) Any other relief the circumstances may require.

(b) If a creditor has obtained a judgment on a claim against the debtor, the creditor, if the court so orders, may levy execution on the asset transferred or its proceeds. [1987 c 444 § 7.]

**\*Reviser's note:** Chapter 7.12 RCW was recodified by 1987 c 442 § 1121. See Comparative Table for that chapter in the Table of Disposition of Former RCW Sections, Volume 0.

**Effective date—1987 c 444:** See note following RCW 19.40.011.

**19.40.081 Defenses, liability, and protection of transferee.** (a) A transfer or obligation is not voidable under RCW 19.40.041(a)(1) against a person who took in good faith and for a reasonably equivalent value or against any subsequent transferee or obligee.

(b) Except as otherwise provided in this section, to the extent a transfer is voidable in an action by a creditor under RCW 19.40.071(a)(1), the creditor may recover judgment for the value of the asset transferred, as adjusted under subsection (c) of this section, or the amount necessary to satisfy the creditor's claim, whichever is less. The judgment may be entered against:

(1) The first transferee of the asset or the person for whose benefit the transfer was made; or

(2) Any subsequent transferee other than a good-faith transferee or obligee who took for value or from any subsequent transferee or obligee.

(c) If the judgment under subsection (b) of this section is based upon the value of the asset transferred, the judgment must be for an amount equal to the value of the asset at the time of the transfer, subject to adjustment as the equities may require.

(d) Notwithstanding voidability of a transfer or an obligation under this chapter, a good-faith transferee or obligee is entitled, to the extent of the value given the debtor for the transfer or obligation, to:

(1) A lien on or a right to retain any interest in the asset transferred;

(2) Enforcement of any obligation incurred; or

(3) A reduction in the amount of the liability on the judgment.

(e) A transfer is not voidable under RCW 19.40.041(a)(2) or 19.40.051 if the transfer results from:

(1) Termination of a lease upon default by the debtor when the termination is pursuant to the lease and applicable law; or

(2) Enforcement of a security interest in compliance with Article 9 of Title 62A RCW.

(f) A transfer is not voidable under RCW 19.40.051(b):

(1) To the extent the insider gave new value to or for the benefit of the debtor after the transfer was made unless the new value was secured by a valid lien;

(2) If made in the ordinary course of business or financial affairs of the debtor and the insider; or

(3) If made pursuant to a good-faith effort to rehabilitate the debtor and the transfer secured present value given for that purpose as well as an antecedent debt of the debtor. [1987 c 444 § 8.]

**Effective date—1987 c 444:** See note following RCW 19.40.011.

**19.40.091 Extinguishment of cause of action.** A cause of action with respect to a fraudulent transfer or obligation under this chapter is extinguished unless action is brought:

(a) Under RCW 19.40.041(a)(1), within four years after the transfer was made or the obligation was incurred or, if later, within one year after the transfer or obligation was or could reasonably have been discovered by the claimant;

(b) Under RCW 19.40.041(a)(2) or 19.40.051(a), within four years after the transfer was made or the obligation was incurred; or

(c) Under RCW 19.40.051(b), within one year after the transfer was made or the obligation was incurred. [1987 c 444 § 9.]

**Effective date—1987 c 444:** See note following RCW 19.40.011.

**19.40.900 Short title.** This chapter may be cited as the uniform fraudulent transfer act. [1987 c 444 § 12.]

**Effective date—1987 c 444:** See note following RCW 19.40.011.

**19.40.901 Captions not law.** Section headings as used in this chapter do not constitute any part of the law. [1987 c 444 § 13.]

**Effective date—1987 c 444:** See note following RCW 19.40.011.

**19.40.902 Supplementary provisions.** Unless displaced by the provisions of this chapter, the principles of law and equity, including the law merchant and the law relating to principal and agent, estoppel, laches, fraud, misrepresentation, duress, coercion, mistake, insolvency, or other validating or invalidating cause, supplement its provisions. [1987 c 444 § 10.]

**Effective date—1987 c 444:** See note following RCW 19.40.011.

**19.40.903 Uniformity of application and construction.** This chapter shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this chapter among states enacting it. [1987 c 444 § 11.]

**Effective date—1987 c 444:** See note following RCW 19.40.011.

## Chapter 19.48 HOTELS, LODGING HOUSES, ETC.— RESTAURANTS

### Sections

- 19.48.010 Definitions.
- 19.48.020 Record of guests—Hotels and trailer camps.
- 19.48.030 Liability for loss of valuables when safe or vault furnished—Limitation.
- 19.48.070 Liability for loss of baggage and other property—Limitation—Storage—Disposal.
- 19.48.110 Obtaining hotel, restaurant, lodging house, ski area, etc., accommodations by fraud—Penalty.
- 19.48.900 Severability—1929 c 216.

*Alcoholic beverage control: Title 66 RCW.*

*Discrimination: Chapter 49.60 RCW, RCW 9.91.010.*

*Hotel and restaurant safety regulations: Chapter 70.62 RCW.*

*Lien of hotels and lodging and boarding houses: Chapter 60.64 RCW.*

**19.48.010 Definitions.** Any building held out to the public to be an inn, hotel or public lodging house or place where sleeping accommodations, whether with or without meals, or the facilities for preparing the same, are furnished for hire to transient guests, in which fifteen or more rooms are used for the accommodation of such guests, shall for the purposes of this chapter and chapter 60.64 RCW, or any amendment thereof, only, be defined to be a hotel, and whenever the word hotel shall occur in this chapter and chapter 60.64 RCW, or any amendment thereof, it shall be construed to mean a hotel as herein described. [1929 c 216 § 1; 1915 c 190 § 1; 1909 c 29 § 1; RRS § 6860. FORMER PART OF SECTION: 1933 c 114 § 1, part; 1929 c 216 § 2, part; 1915 c 190 § 3, part; 1890 p 95 § 1, part; RRS § 6862, part, now codified in RCW 19.48.030.]

*Guest defined: RCW 60.64.010.*

**19.48.020 Record of guests—Hotels and trailer camps.** Every hotel and trailer camp shall keep a record of the arrival and departure of its guests in such a manner that the record will be a permanent one for at least one year from the date of departure: PROVIDED, That this requirement shall not apply with respect to guests of tenants in mobile home parks, as defined in RCW 59.20.030. [1979 ex.s. c 186 § 14; 1955 c 138 § 1; 1915 c 190 § 2; RRS § 6861.]

**Severability—1979 ex.s. c 186:** See note following RCW 59.20.030.

**19.48.030 Liability for loss of valuables when safe or vault furnished—Limitation.** Whenever the proprietor, keeper, owner, operator, lessee, or manager of any hotel, lodging house or inn shall provide a safe or vault for the safekeeping of any money, bank notes, jewelry, precious stones, ornaments, railroad mileage books or tickets, negotiable securities or other valuable papers, bullion, or other valuable property of small compass belonging to the guests, boarders or lodgers of such hotel, lodging house or inn, and shall notify the guests, boarders or lodgers thereof by posting a notice in three or more public and conspicuous places in the office, elevators, public rooms, elevator lobbies, public corridors, halls or entrances, or in the public parlors of such hotel, lodging house or inn, stating the fact that such safe or vault is provided in which such property may be deposited; and if such guests, boarders or lodgers shall neglect to

deliver such property to the person in charge of such office, for deposit in the safe or vault, the proprietor, keeper, owner, operator, lessee or manager, whether individual, partnership or corporation, of such hotel, lodging house or inn shall not be liable for any loss or destruction of any such property, or any damage thereto, sustained by such guests, boarders or lodgers, by negligence of such proprietor, keeper, owner, operator, lessee or manager, or his, her, their or its employees, or by fire, theft, burglary, or any other cause whatsoever; but no proprietor, keeper, owner, operator, lessee or manager of any hotel, lodging house or inn, shall be obliged to receive property on deposit for safekeeping exceeding one thousand dollars in value; and if such guests, boarders or lodgers shall deliver such property to the person in charge of said office for deposit in such safe or vault, said proprietor, keeper, owner, operator, lessee, or manager, shall not be liable for the loss or destruction thereof, or damage thereto, sustained by such guests, boarders or lodgers in any such hotel, lodging house, or inn, exceeding the sum of one thousand dollars, notwithstanding said property may be of greater value, unless by special arrangement in writing with such proprietor, keeper, owner, operator, lessee or manager: PROVIDED, HOWEVER, That in case of such deposit of such property, the proprietor, keeper, owner, operator, lessee or manager of such hotel, lodging house, or inn, shall in no event be liable for loss or destruction thereof, or damage thereto, unless caused by the theft or gross negligence of such proprietor, keeper, owner, operator, lessee, or manager, of his, her, their, or its agents, servants or employees. [1933 c 114 § 1; 1929 c 216 § 2; 1915 c 190 § 3; 1890 p 95 § 1; RRS § 6862. Formerly RCW 19.48.010, part, 19.48.030 through 19.48.060.]

**19.48.070 Liability for loss of baggage and other property—Limitation—Storage—Disposal.** Except as provided for in RCW 19.48.030, the proprietor, keeper, owner, operator, lessee or manager, whether individual, partnership or corporation, of a hotel, lodging house, or inn, shall not be liable for the loss or destruction of, or damage to any personal property brought or sent into such hotel, lodging house, or inn, by or for any of the guests, boarders or lodgers thereof, unless such loss, destruction or damage is occasioned by the gross negligence of such proprietor, keeper, owner, operator, lessee or manager, or his, her, their, or its agents, servants or employees; but in no event shall such liability exceed the sum of two hundred dollars, unless such proprietor, keeper, owner, operator, lessee, or manager, shall have contracted in writing with such guest, boarder, or lodger to assume a greater liability: PROVIDED, HOWEVER, That in no event shall liability of the proprietor, keeper, owner, operator, lessee or manager, or his, her, their, or its agents, servants or employees, of a hotel, lodging house, or inn exceed the following: For a guest, boarder or lodger, paying twenty-five cents per day, for lodging, or for any person who is not a guest, boarder or lodger, the liability for loss, destruction or damage, shall not exceed the sum of fifty dollars for a trunk and contents, ten dollars for a suitcase or valise and contents, five dollars for a box, bundle or package, and ten dollars for wearing apparel or miscellaneous effects. For a guest, boarder or lodger, paying fifty cents a day for lodging, the liability for loss, destruction or damage

shall not exceed seventy-five dollars for a trunk and contents, twenty dollars for a suitcase or valise and contents, ten dollars for a box, bundle or package and contents, and twenty dollars for wearing apparel and miscellaneous effects. For a guest, boarder or lodger paying more than fifty cents per day for lodging, the liability for loss, destruction or damage shall not exceed one hundred fifty dollars for a trunk and contents, fifty dollars for a suitcase or valise and contents, ten dollars for a box, bundle or package and contents, and fifty dollars for wearing apparel and miscellaneous effects, unless in such case such proprietor, keeper, owner, operator, lessee, or manager of such hotel, lodging house, or inn, shall have consented in writing to assume a greater liability: AND PROVIDED FURTHER, Whenever any person shall suffer his baggage or property to remain in any hotel, lodging house, or inn, after leaving the same as a guest, boarder or lodger, and after the relation of guest, boarder or lodger between such person and the proprietor, keeper, owner, operator, lessee, or manager of such hotel, lodging house, or inn, has ceased, or shall forward or deliver the same to such hotel, lodging house, or inn, before, or without, becoming a guest, boarder, or lodger thereof, and the same shall be received into such hotel, lodging house, or inn, the liability of such proprietor, keeper, owner, operator, lessee, or manager thereof shall in no event exceed the sum of one hundred dollars, and such proprietor, keeper, owner, operator, lessee, or manager, may at his, her, their or its option, hold such baggage or property at the risk of such owner thereof; and when any baggage or property has been kept or stored by such hotel, lodging house, or inn, for six months after such relation of guest, boarder or lodger has ceased, or when such relation does not exist, after six months from the receipt of such baggage or property in such hotel, lodging house, or inn, such proprietor, keeper, owner, operator, lessee, or manager, may, if he, she, they or it so desires, sell the same at public auction in the manner now or hereinafter provided by law for the sale of property to satisfy a hotel keeper's lien, and from the proceeds of such sale pay or reimburse himself the expenses incurred for advertisement and sale, as well as any storage that may have accrued, and any other amounts owing by such person to said hotel, lodging house, or inn: PROVIDED, That when any such baggage or property is received, kept or stored therein after such relation does not exist, such proprietor, keeper, owner, operator, lessee, or manager, may, if he, she, or it, so desires, deliver the same at any time to a storage or warehouse company for storage, and in such event all responsibility or liability of such hotel, lodging house, or inn, for such baggage or property, or for storage charges thereon, shall thereupon cease and terminate. [1929 c 216 § 3; 1917 c 57 § 1; 1915 c 190 § 4; RRS § 6863. Formerly RCW 19.48.070 through 19.48.100.]

**19.48.110 Obtaining hotel, restaurant, lodging house, ski area, etc., accommodations by fraud—Penalty.** Any person who shall wilfully obtain food, money, credit, use of ski area facilities, lodging or accommodation at any hotel, inn, restaurant, commercial ski area, boarding house or lodging house, without paying therefor, with intent to defraud the proprietor, owner, operator or keeper thereof; or who obtains food, money, credit, use of ski area facilities,

lodging or accommodation at such hotel, inn, restaurant, commercial ski area, boarding house or lodging house, by the use of any false pretense; or who, after obtaining food, money, credit, use of ski area facilities, lodging, or accommodation at such hotel, inn, restaurant, commercial ski area, boarding house, or lodging house, removes or causes to be removed from such hotel, inn, restaurant, commercial ski area, boarding house or lodging house, his or her baggage, without the permission or consent of the proprietor, manager or authorized employee thereof, before paying for such food, money, credit, use of ski area facilities, lodging or accommodation, shall be guilty of a gross misdemeanor: PROVIDED, That if the aggregate amount of food, money, use of ski area facilities, lodging or accommodation, or credit so obtained is seventy-five dollars or more such person shall be guilty of a felony. Proof that food, money, credit, use of ski area facilities, lodging or accommodation were obtained by false pretense or by false or fictitious show or pretense of any baggage or other property, or that the person refused or neglected to pay for such food, money, credit, use of ski area facilities, lodging or accommodation on demand, or that he or she gave in payment for such food, money, credit, use of ski area facilities, lodging or accommodation, negotiable paper on which payment was refused, or that he or she absconded, or departed from, or left, the premises without paying for such food, money, credit, use of ski area facilities, lodging or accommodation, or that he or she removed, or attempted to remove, or caused to be removed, or caused to be attempted to be removed his or her property or baggage, shall be prima facie evidence of the fraudulent intent hereinbefore mentioned. [1985 c 129 § 2; 1974 ex.s. c 21 § 1; 1929 c 216 § 6; 1915 c 190 § 7; 1890 p 96 § 2; RRS § 6866. Formerly RCW 19.48.110, 19.48.120.]

**Legislative findings—1985 c 129:** "The legislature finds that commercial ski areas, which contribute significantly to the economic well-being of the state, suffer substantial financial losses from the fraudulent use of their facilities by persons who obtain services without paying for them. It is therefore the intent of the legislature that the law that protects hotels, inns, and restaurants from such fraud be extended to also protect commercial ski areas." [1985 c 129 § 1.]

*Leaving restaurant or hotel or motel without paying.* RCW 4.24.230.

**19.48.900 Severability—1929 c 216.** In the event that any section or any part of any section of this act, or this act as it applies to any persons or under any circumstances, should be adjudged invalid, such adjudication shall not affect or impair the validity of the remainder of this act, or the act as it applies to other persons, and under other circumstances. [1929 c 216 § 7.]

## Chapter 19.52 INTEREST—USURY

### Sections

19.52.005	Declaration of policy.
19.52.010	Rate in absence of agreement—Application to consumer leases.
19.52.020	Highest rate permissible—Setup charges.
19.52.025	Highest rate permissible—Computation—Publication in the Washington State Register.
19.52.030	Usury—Penalty upon suit on contract—Costs and attorneys' fees.

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19.52.034	Application of chapter 19.52 RCW to loan or forbearance made outside state.
19.52.036	Application of consumer protection act.
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19.52.080	Defense of usury or maintaining action thereon prohibited if transaction primarily agricultural, commercial, investment, or business—Exception.
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19.52.100	Chapter not applicable to retail installment transactions.
19.52.110	Limitations in chapter not applicable to interest charged by broker-dealers—When.
19.52.115	Lender credit card agreements subject to provisions of chapter 19.52 RCW.
19.52.120	Sales contract providing for deferred payment of purchase price not subject to chapter.
19.52.130	Charge made by assignee of retail installment contract or charge agreement to seller-assignor not limited by chapter—No agreement between credit card issuing bank and retailer shall prohibit discounts for cash payment.
19.52.140	Chapter not applicable to interest, penalties, or costs on delinquent property taxes.
19.52.150	Defense or action of usury not applicable to consumer leases.
19.52.160	Chapter not applicable to mobile homes.
19.52.170	Chapter not applicable to certain loans from tax-qualified retirement plan.
19.52.900	Application—Construction—1981 c 78.

### Interest

*rates on pledged property:* RCW 19.60.060.

*rates on warrants:* Chapter 39.56 RCW.

*Retail installment sales of goods and services:* Chapter 63.14 RCW.

**19.52.005 Declaration of policy.** RCW 19.52.005, 19.52.020, 19.52.030, 19.52.032, 19.52.034, and 19.52.036 are enacted in order to protect the residents of this state from debts bearing burdensome interest rates; and in order to better effect the policy of this state to use this state's policies and courts to govern the affairs of our residents and the state; and in recognition of the duty to protect our citizens from oppression generally. [1967 ex.s. c 23 § 2.]

**Severability—1967 ex.s. c 23:** "If any provision of this chapter is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the constitutionality of the remainder of the chapter and the applicability thereof to other persons and circumstances shall not be affected thereby." [1967 ex.s. c 23 § 8.]

**Savings—1967 ex.s. c 23:** "The provisions of this 1967 amendatory act shall not apply to transactions entered into prior to the effective date hereof." [1967 ex.s. c 23 § 9.]

**19.52.010 Rate in absence of agreement—Application to consumer leases.** (1) Every loan or forbearance of money, goods, or thing in action shall bear interest at the rate of twelve percent per annum where no different rate is agreed to in writing between the parties: PROVIDED, That with regard to any transaction heretofore or hereafter entered into subject to this section, if an agreement in writing between the parties evidencing such transaction provides for the payment of money at the end of an agreed period of time or in installments over an agreed period of time, then such agreement shall constitute a writing for purposes of this section and satisfy the requirements thereof. The discounting of commercial paper, where the borrower makes himself liable as maker, guarantor, or indorser, shall be considered as a loan for the purposes of this chapter.

(2) A lease shall not be considered a loan or forbearance for the purposes of this chapter if:

(a) It constitutes a "consumer lease" as defined in RCW 63.10.020;

(b) It constitutes a lease-purchase agreement under chapter 63.19 RCW; or

(c) It would constitute such "consumer lease" but for the fact that:

(i) The lessee was not a natural person;

(ii) The lease was not primarily for personal, family, or household purposes; or

(iii) The total contractual obligation exceeded twenty-five thousand dollars. [1992 c 134 § 13. Prior: 1983 c 309 § 1; 1983 c 158 § 6; 1981 c 80 § 1; 1899 c 80 § 1; RRS § 7299; prior: 1895 c 136 § 1; 1893 c 20 § 1; Code 1881 § 2368; 1863 p 433 § 1; 1854 p 380 § 1.]

**Short title—Severability—1992 c 134:** See RCW 63.19.900 and 63.19.901.

**Severability—1983 c 158:** See RCW 63.10.900.

#### **19.52.020 Highest rate permissible—Setup charges.**

(1) Any rate of interest shall be legal so long as the rate of interest does not exceed the higher of: (a) Twelve percent per annum; or (b) four percentage points above the equivalent coupon issue yield (as published by the Board of Governors of the Federal Reserve System) of the average bill rate for twenty-six week treasury bills as determined at the first bill market auction conducted during the calendar month immediately preceding the later of (i) the establishment of the interest rate by written agreement of the parties to the contract, or (ii) any adjustment in the interest rate in the case of a written agreement permitting an adjustment in the interest rate. No person shall directly or indirectly take or receive in money, goods, or things in action, or in any other way, any greater interest for the loan or forbearance of any money, goods, or things in action.

(2)(a) In any loan of money in which the funds advanced do not exceed the sum of five hundred dollars, a setup charge may be charged and collected by the lender, and such setup charge shall not be considered interest hereunder.

(b) The setup charge shall not exceed four percent of the amount of funds advanced, or fifteen dollars, whichever is the lesser, except that on loans of under one hundred dollars a minimum not exceeding four dollars may be so charged.

(3) Any loan made pursuant to a commitment to lend at an interest rate permitted at the time the commitment is made shall not be usurious. Credit extended pursuant to an open-end credit agreement upon which interest is computed on the basis of a balance or balances outstanding during a billing cycle shall not be usurious if on any one day during the billing cycle the rate at which interest is charged for the billing cycle is not usurious. [1989 c 14 § 3; 1985 c 224 § 1; 1981 c 78 § 1; 1967 ex.s. c 23 § 4; 1899 c 80 § 2; RRS § 7300. Prior: 1895 c 136 § 2; 1893 c 20 § 3; Code 1881 § 2369; 1863 p 433 § 2; 1854 p 380 § 2.]

**Effective date—1985 c 224:** "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1985." [1985 c 224 § 2.]

**Severability—1981 c 78:** "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." [1981 c 78 § 7.]

**Severability—Savings—1967 ex.s. c 23:** See notes following RCW 19.52.005.

*Interest on judgments:* RCW 4.56.110.

**19.52.025 Highest rate permissible—Computation—Publication in the Washington State Register.** Each month the state treasurer shall compute the highest rate of interest permissible under RCW 19.52.020(1) for the succeeding calendar month. The treasurer shall file this rate with the state code reviser for publication in the next available issue of the Washington State Register in compliance with RCW 34.08.020(8). [1986 c 60 § 1.]

#### **19.52.030 Usury—Penalty upon suit on contract—**

**Costs and attorneys' fees.** (1) If a greater rate of interest than is allowed by statute shall be contracted for or received or reserved, the contract shall be usurious, but shall not, therefore, be void. If in any action on such contract proof be made that greater rate of interest has been directly or indirectly contracted for or taken or reserved, the creditor shall only be entitled to the principal, less the amount of interest accruing thereon at the rate contracted for; and if interest shall have been paid, the creditor shall only be entitled to the principal less twice the amount of the interest paid, and less the amount of all accrued and unpaid interest; and the debtor shall be entitled to costs and reasonable attorneys' fees plus the amount by which the amount the debtor has paid under the contract exceeds the amount to which the creditor is entitled: PROVIDED, That the debtor may not commence an action on the contract to apply the provisions of this section if a loan or forbearance is made to a corporation engaged in a trade or business for the purposes of carrying on said trade or business unless there is also, in connection with such loan or forbearance, the creation of liability on the part of a natural person or that person's property for an amount in excess of the principal plus interest allowed pursuant to RCW 19.52.020. The reduction in principal shall be applied to diminish pro rata each future installment of principal payable under the terms of the contract.

(2) The acts and dealings of an agent in loaning money shall bind the principal, and in all cases where there is usurious interest contracted for by the transaction of any agent the principal shall be held thereby to the same extent as though the principal had acted in person. Where the same person acts as agent of the borrower and lender, that person shall be deemed the agent of the lender for the purposes of this chapter. If the agent of both the borrower and lender, or of the lender only, transacts a usurious loan for a commission or fee, such agent shall be liable to the principal for the amount of the commission or fee received or reserved by the agent, and liable to the lender for the loss suffered by the lender as a result of the application of this chapter. [1989 c 14 § 7; 1967 ex.s. c 23 § 5; 1899 c 80 § 7; RRS § 7304. Prior: 1895 c 136 § 5; 1893 c 20 § 3. Formerly RCW 19.52.030 through 19.52.050.]

**Severability—Savings—1967 ex.s. c 23:** See notes following RCW 19.52.005.

**19.52.032 Declaratory judgment action to establish usury—Time limitations for commencing.** The debtor, if a natural person, or the creditor may bring an action for declaratory judgment to establish whether a loan or forbearance contract is or was usurious, and such an action shall be considered an action on the contract for the purposes of applying the provisions of RCW 19.52.030. Such an action shall be brought against the current creditor or debtor on the contract or, if the loan or debt has been fully repaid, by the debtor against the creditor to whom the debtor was last indebted on the contract. No such an action shall be commenced after six months following the date the final payment becomes due, whether by acceleration or otherwise, nor after six months following the date the principal is fully paid, whichever first occurs. If the debtor commences such an action and fails to establish usury, and if the court finds the action was frivolously commenced, the defendant or defendants may, in the court's discretion, recover reasonable attorney's fees from the debtor. [1967 ex.s. c 23 § 6.]

**Severability—Savings—1967 ex.s. c 23:** See notes following RCW 19.52.005.

**19.52.034 Application of chapter 19.52 RCW to loan or forbearance made outside state.** Whenever a loan or forbearance is made outside Washington state to a person then residing in this state the usury laws found in chapter 19.52 RCW, as now or hereafter amended, shall be applicable in all courts of this state to the same extent such usury laws would be applicable if the loan or forbearance was made in this state. [1967 ex.s. c 23 § 3.]

**Severability—Savings—1967 ex.s. c 23:** See notes following RCW 19.52.005.

**19.52.036 Application of consumer protection act.** Entering into or transacting a usurious contract is hereby declared to be an unfair act or practice in the conduct of commerce for the purpose of the application of the consumer protection act found in chapter 19.86 RCW. [1967 ex.s. c 23 § 7.]

**Severability—Savings—1967 ex.s. c 23:** See notes following RCW 19.52.005.

**19.52.060 Interest on charges in excess of published rates.** Any corporation, partnership or individual who furnishes the public any goods, wares, merchandise, pledge, security, insurance or transportation of which the price, rate or tariff is by law required to be published, shall, when any price, rate or tariff is charged in excess of the existing and established price, rate or tariff, refund to the person, partnership or corporation so overcharge, or to the assignee of such claim, the amount of such overcharge, and on failure so to do, the claim for such overcharge shall bear interest at the rate of eight percent per annum until paid. [1907 c 187 § 1; RRS § 5841.]

**19.52.080 Defense of usury or maintaining action thereon prohibited if transaction primarily agricultural, commercial, investment, or business—Exception.** Profit and nonprofit corporations, Massachusetts trusts, associations, trusts, general partnerships, joint ventures, limited partnerships, and governments and governmental subdi-

visions, agencies, or instrumentalities may not plead the defense of usury nor maintain any action thereon or therefor, and persons may not plead the defense of usury nor maintain any action thereon or therefor if the transaction was primarily for agricultural, commercial, investment, or business purposes: PROVIDED, HOWEVER, That this section shall not apply to a consumer transaction of any amount.

Consumer transactions, as used in this section, shall mean transactions primarily for personal, family, or household purposes. [1981 c 78 § 2; 1975 1st ex.s. c 180 § 1; 1970 ex.s. c 97 § 2; 1969 ex.s. c 142 § 1.]

**Severability—1981 c 78:** See note following RCW 19.52.020.

**19.52.090 Defense of usury or maintaining action thereon prohibited for certain types of transactions after May 1, 1980, and prior to March 1, 1981.** No person may plead the defense of usury or maintain any action thereon or therefor for the interest charged on the unpaid balance of a contract for the sale and purchase of personal property which was not purchased primarily for personal, family or household use or real property if the purchase was made after May 1, 1980 and prior to March 1, 1981. [1981 c 78 § 9.]

**Severability—1981 c 78:** See note following RCW 19.52.020.

**19.52.100 Chapter not applicable to retail installment transactions.** This chapter shall not apply to a retail installment transaction, as defined by RCW 63.14.010, whether or not it is construed to be a loan or forbearance of any money, goods, or things in action. [1981 c 78 § 3.]

**Severability—1981 c 78:** See note following RCW 19.52.020.

**19.52.110 Limitations in chapter not applicable to interest charged by broker-dealers—When.** The interest charged by any broker-dealer registered under chapter 21.20 RCW and under the federal securities and exchange act of 1934, as amended, shall not be subject to the limitations imposed by this chapter if the underlying loans (1) may be paid in full at the option of the borrower and (2) are subject to the credit regulations of the board of governors of the federal reserve system, or its successor. [1981 c 79 § 1.]

**19.52.115 Lender credit card agreements subject to provisions of chapter 19.52 RCW.** See RCW 63.14.165.

**19.52.120 Sales contract providing for deferred payment of purchase price not subject to chapter.** A sales contract for goods or services providing for the deferred payment of the purchase price shall not be subject to this chapter, regardless of who seeks to enforce the contract, notwithstanding the existence or occurrence of any one or more of the following events:

(1) That the seller may have arranged to sell, pledge, indorse, negotiate, assign, or transfer the obligations thereof to any person, including a financing organization, prior to or subsequent to or concurrently with the making of the sales transaction;

(2) That the amount of the finance charge, however denominated, is determined by reference to charts, computations or information supplied by such person;

(3) That the form or forms of instruments used to evidence the sales transaction have been supplied or prepared by such person;

(4) That the credit standing of the purchaser is or may have been evaluated by such person;

(5) That the sales transaction and the execution of any instrument evidencing the same is negotiated in the presence or with the assistance of a representative of such person;

(6) That the instrument or instruments used to evidence the sales transaction are pledged, indorsed, negotiated, assigned, or transferred by the seller to such person;

(7) That there is an underlying agreement between the seller and such person concerning the pledging, indorsing, negotiation, assigning, or transferring of sales contracts; or

(8) That the financing organization or its affiliates also provide franchising, financing, or other services to the seller-assignor. [1981 c 77 § 7.]

**Application, saving—Severability—1981 c 77:** See RCW 63.14.902 and 63.14.903.

**19.52.130 Charge made by assignee of retail installment contract or charge agreement to seller-assignor not limited by chapter—No agreement between credit card issuing bank and retailer shall prohibit discounts for cash payment.** (1) Nothing contained in this chapter shall be deemed to limit any charge made by an assignee of a retail installment contract or charge agreement to the seller-assignor upon the sale, transfer, assignment, or discount of the contract or agreement, notwithstanding retention by the assignee of recourse rights and notwithstanding duties retained by the assignee to service delinquencies, perform service or warranty agreements regarding the property which is the subject matter of the assigned or discounted contracts or charge agreements, or to do or perform any other duty with respect to the account or contract assigned or the subject matter of such account or contract.

(2) No agreement between a credit card issuing bank and retailer shall prohibit the retailer from granting general discounts for the payment of cash, not in excess of the percentage allowed by Regulation Z, the Federal Truth in Lending Act. [1981 c 77 § 8.]

**Application, saving—Severability—1981 c 77:** See RCW 63.14.902 and 63.14.903.

**19.52.140 Chapter not applicable to interest, penalties, or costs on delinquent property taxes.** This chapter does not apply in respect to interest, penalties, or costs imposed on delinquent property taxes under chapter 84.64 RCW. [1981 c 322 § 8.]

**19.52.150 Defense or action of usury not applicable to consumer leases.** See RCW 63.10.060.

**19.52.160 Chapter not applicable to mobile homes.** This chapter shall not apply to the financing of mobile homes which meets the definition of real property contained in RCW 84.04.090, and which financing is insured by a federal instrumentality. [1985 c 395 § 6.]

**19.52.170 Chapter not applicable to certain loans from tax-qualified retirement plan.** This chapter does not apply to any loan permitted under applicable federal law and regulations from a tax-qualified retirement plan to a person then a participant or a beneficiary under the plan.

This section affects loans being made, negotiated, renegotiated, extended, renewed, or revised on or after April 20, 1989. [1989 c 138 § 1.]

**19.52.900 Application—Construction—1981 c 78.** Chapter 78, Laws of 1981 shall apply only to loans or forbearances or transactions which are entered into after May 8, 1981, or to existing loans or forbearances, contracts or agreements which were not primarily for personal, family, or household use to which there is an addition to the principal amount of the credit outstanding after May 8, 1981: PROVIDED, HOWEVER, That nothing in chapter 78, Laws of 1981 shall be construed as implying that agricultural or investment purposes are not already included within the meaning of "commercial or business purposes" as used in RCW 19.52.080 as in effect prior to May 8, 1981. [1989 c 8 § 2; 1981 c 78 § 10.]

**Severability—1981 c 78:** See note following RCW 19.52.020.

## Chapter 19.56 UNSOLICITED GOODS

### Sections

- 19.56.010 Newspaper mailed without authority is gift.
- 19.56.020 Unsolicited goods or services as gifts.
- 19.56.030 Violation—Application of consumer protection act.

*Advertising, crimes relating to: Chapter 9.04 RCW.*

*Libel and slander: Chapter 9.58 RCW.*

**19.56.010 Newspaper mailed without authority is gift.** Whenever any person, company or corporation owning or controlling any newspaper or periodical of any kind, or whenever any editor or proprietor of any such newspaper or periodical shall mail or send any such newspaper or periodical to any person or persons in this state without first receiving an order for said newspaper or periodical from such person or persons to whom said newspaper or periodical is mailed or sent, [it] shall be deemed to be a gift, and no debt or obligation shall accrue against such person or persons, whether said newspaper or periodical is received by the person or persons to whom it is sent or not. [1890 p 460 § 1; RRS § 5842.]

**19.56.020 Unsolicited goods or services as gifts.** If unsolicited goods or services are provided to a person, the person has a right to accept the goods or services as a gift only, and is not bound to return the goods or services. Goods or services are not considered to have been solicited unless the recipient specifically requested, in an affirmative manner, the receipt of the goods or services according to the terms under which they are being offered. Goods or services are not considered to have been requested if a person fails to respond to an invitation to purchase the goods or services and the goods or services are provided notwithstanding. If the unsolicited goods or services are either addressed to or intended for the recipient, the recipient may use them or

dispose of them in any manner without any obligation to the provider, and in any action for goods or services sold and delivered, or in any action for the return of the goods, it is a complete defense that the goods or services were provided voluntarily and that the defendant did not affirmatively order or request the goods or services, either orally or in writing. [1992 c 43 § 1; 1967 c 57 § 1.]

**19.56.030 Violation—Application of consumer protection act.** Violation of RCW 19.56.020 is a matter affecting the public interest for the purpose of applying chapter 19.86 RCW. Failure to comply with this chapter is not reasonable in relation to the development and preservation of business. A violation of RCW 19.56.020 constitutes an unfair or deceptive act or practice in trade or commerce for the purposes of applying chapter 19.86 RCW. [1992 c 43 § 2.]

## Chapter 19.58

### MOTION PICTURE FAIR COMPETITION ACT

#### Sections

19.58.010	Purpose.
19.58.020	Definitions.
19.58.030	Blind bidding or blind selling prohibited—Trade screening required—Notice.
19.58.040	Solicitation of bids.
19.58.050	Violation—Civil suit—Attorneys' fees.
19.58.900	Short title.
19.58.905	Severability—1979 ex.s. c 29.

**19.58.010 Purpose.** The purpose of this chapter is to establish fair and open procedures for bidding and negotiation for the right to exhibit motion pictures in the state in order to prevent unfair and deceptive acts or practices and unreasonable restraints of trade in the business of motion picture distribution and exhibition within the state; to promote fair and effective competition in that business; and to insure that exhibitors have the opportunity to view a motion picture and know its contents before committing themselves to exhibiting the motion picture in their communities. [1979 ex.s. c 29 § 1.]

**19.58.020 Definitions.** The definitions contained in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Bid" means a written or oral offer or proposal to buy made by an exhibitor to a distributor in response to an invitation to bid for the license or right to exhibit a motion picture, the license stating the terms under which the exhibitor agrees to exhibit the motion picture.

(2) "Blind bidding" means the exhibitor's bidding or negotiating for, or the exhibitor's offering or agreeing to, terms for the license or right to exhibit a feature motion picture at any time either before the feature motion picture has been trade screened within the state or before the feature motion picture has been otherwise made available for viewing within the state by all exhibitors.

(3) "Blind selling" means the practice whereby a distributor licenses a feature motion picture before the exhibitor is afforded an opportunity to view the feature motion picture by trade screening.

(4) "Buying" or "selling" of the right to exhibit a feature motion picture means the licensing of a theater to show the feature motion picture for a certain number of days for a certain price.

(5) "Distributor" means a person engaged in the business of distributing or supplying more than one feature motion picture per year to exhibitors by rental, sale, licensing, or other agreement.

(6) "Exhibit" or "exhibition" means playing or showing a feature motion picture to the public for an admission charge.

(7) "Exhibitor" means a person in the business of operating one or more theaters in which motion pictures are exhibited to the public.

(8) "Feature motion picture" means a motion picture exceeding sixty minutes in duration.

(9) "Invitation to bid" means a written or oral solicitation or invitation by a distributor to one or more exhibitors to bid or negotiate for the license or right to exhibit a feature motion picture.

(10) "Licensing agreement" means a contract, agreement, understanding, or condition between a distributor and an exhibitor relating to the licensing or exhibition of a feature motion picture by the exhibitor.

(11) "Person" means one or more individuals, firms, partnerships, associations, societies, trusts, organizations, or corporations.

(12) "Run" means the continuous exhibition of a feature motion picture in a defined geographic area for a specified period of time. A "first run" is the first exhibition of the feature motion picture in the defined area; a "second run" is the second exhibition; and "subsequent runs" are subsequent exhibitions after the second run. "Exclusive run" is a run limited to a single theater in a defined geographic area and a "nonexclusive run" is a run in more than one theater in a defined geographic area.

(13) "Theater" means an establishment in which feature motion pictures are regularly exhibited to the public for an admission charge.

(14) "Trade screening" means the exhibition of a feature motion picture, prior to its release for public exhibition by a distributor, in the largest city within the state, which is open to all exhibitors from whom the distributor intends to solicit bids or with whom the distributor intends to negotiate for the license or right to exhibit the feature motion picture. [1979 ex.s. c 29 § 2.]

**19.58.030 Blind bidding or blind selling prohibited—Trade screening required—Notice.** (1) The buying or selling of the right to exhibit a feature motion picture by blind bidding or blind selling is prohibited within the state.

(2) No bids may be returned, no negotiations for the exhibition or licensing of a motion picture may take place, and no license agreement or any of its terms may be agreed upon, for the exhibition of a feature motion picture within the state before the feature motion picture has either been trade screened or otherwise made available for viewing by all exhibitors within the state.

(3) A distributor shall provide reasonable and uniform notice of the trade screening of feature motion pictures to those exhibitors within the state from whom bids will be

solicited or with whom negotiations will be conducted for the license or right to exhibit the feature motion picture.

(4) A purported waiver of the prohibition in this chapter against blind bidding or blind selling is void and unenforceable. [1979 ex.s. c 29 § 3.]

**19.58.040 Solicitation of bids.** If bids are solicited from exhibitors for the licensing of a feature motion picture within the state, then:

(1) The invitation to bid shall specify: (a) Whether the run for which the bid is being solicited is a first, second, or subsequent run; whether the run is an exclusive or nonexclusive run; and, the geographic area for the run; (b) the names of all exhibitors who are being solicited; (c) the date and hour the invitation to bid expires; and (d) the time, date, and location, including the address, where the bids will be opened, which shall be within the state.

(2) All bids shall be submitted in writing and shall be opened at the same time and in the presence of those exhibitors, or their agents, who submitted bids and who attend the bid opening.

(3) Immediately upon being opened, the bids shall be subject to examination by the exhibitors, or their agents, who submitted bids, and who are present at the opening. Within ten business days after the bids are opened, the distributor shall notify each exhibitor who submitted a bid either the name of the winning bidder or the fact that none of the bids were acceptable.

(4) Once bids are solicited, the distributor shall license the feature motion picture only by bidding and may solicit rebids if none of the submitted bids are acceptable. [1979 ex.s. c 29 § 4.]

**19.58.050 Violation—Civil suit—Attorneys' fees.** Any person aggrieved by a violation of this chapter may bring a civil action in superior court to enjoin further violations or to recover the actual damages sustained, or both, together with the costs of the suit. In any such action, the court shall award reasonable attorneys' fees to the prevailing party. [1979 ex.s. c 29 § 5.]

**19.58.900 Short title.** This chapter may be known and cited as the Washington motion picture fair competition act. [1979 ex.s. c 29 § 6.]

**19.58.905 Severability—1979 ex.s. c 29.** 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. [1979 ex.s. c 29 § 8.]

**Chapter 19.60**

**PAWNBROKERS AND SECOND-HAND DEALERS**

Sections

- 19.60.010 Definitions.
- 19.60.014 Fixed place of business required.
- 19.60.020 Duty to record information.
- 19.60.040 Report to chief law enforcement officer.
- 19.60.045 Duties upon notification that property is reported stolen.
- 19.60.050 Retention of property by pawnbrokers—Inspection.

- 19.60.055 Retention of property by second-hand dealers—Inspection.
- 19.60.060 Rates of interest and other fees—Sale of pledged property.
- 19.60.061 Pawnbrokers—Sale of pledged property limited—Written document required for transactions.
- 19.60.062 Attorney fees and costs in action to recover possession or determine title or ownership.
- 19.60.066 Prohibited acts—Penalty.
- 19.60.068 Resale agreement to avoid interest and fee restrictions prohibited.
- 19.60.075 Regulation by political subdivisions.
- 19.60.085 Exemptions.
- 19.60.900 Severability—1984 c 10.
- 19.60.901 Effective date—1984 c 10.

*Larceny—Receiving stolen property: RCW 9A.56.140 through 9A.56.170.*

**19.60.010 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) Melted metals means metals derived from metal junk or precious metals that have been reduced to a melted state from other than ore or ingots which are produced from ore that has not previously been processed.

(2) Metal junk means any metal that has previously been milled, shaped, stamped, or forged and that is no longer useful in its original form, except precious metals.

(3) Nonmetal junk means any nonmetal, commonly discarded item that is worn out, or has outlasted its usefulness as intended in its original form except nonmetal junk does not include an item made in a former period which has enhanced value because of its age.

(4) Pawnbroker means every person engaged, in whole or in part, in the business of loaning money on the security of pledges of personal property, or deposits or conditional sales of personal property, or the purchase or sale of personal property.

(5) Precious metals means gold, silver, and platinum.

(6) Second-hand dealer means every person engaged in whole or in part in the business of purchasing, selling, trading, consignment selling, or otherwise transferring for value, second-hand property including metal junk, melted metals, precious metals, whether or not the person maintains a fixed place of business within the state. Second-hand dealer also includes persons or entities conducting business at flea markets or swap meets, more than three times per year.

(7) Second-hand property means any item of personal property offered for sale which is not new, including metals in any form, except postage stamps, coins that are legal tender, bullion in the form of fabricated hallmarked bars, used books, and clothing of a resale value of seventy-five dollars or less, except furs.

(8) Transaction means a pledge, or the purchase of, or consignment of, or the trade of any item of personal property by a pawnbroker or a second-hand dealer from a member of the general public.

(9) "Loan period" means the period of time from the date the loan is made until the date the loan is paid off, the loan is in default, or the loan is refinanced and new loan documents are issued, including all grace or extension periods. [1995 c 133 § 1; 1991 c 323 § 1; 1985 c 70 § 1; 1984 c 10 § 1; 1981 c 279 § 3; 1909 c 249 § 235; RRS § 2487. FORMER PARTS OF SECTION: (i) 1909 c 249 § 236; RRS § 2488, now codified as RCW 19.60.015. (ii)

1939 c 89 § 1; RRS § 2488-1, now codified as RCW 19.60.065.]

**19.60.014 Fixed place of business required.** No person may operate as a pawnbroker unless the person maintains a fixed place of business within the state. [1984 c 10 § 4.]

**19.60.020 Duty to record information.** (1) Every pawnbroker and second-hand dealer doing business in this state shall maintain wherever that business is conducted a record in which shall be legibly written in the English language, at the time of each transaction the following information:

(a) The signature of the person with whom the transaction is made;

(b) The date of the transaction;

(c) The name of the person or employee or the identification number of the person or employee conducting the transaction, as required by the applicable chief of police or the county's chief law enforcement officer;

(d) The name, date of birth, sex, height, weight, race, and address and telephone number of the person with whom the transaction is made;

(e) A complete description of the property pledged, bought, or consigned, including the brand name, serial number, model number or name, any initials or engraving, size, pattern, and color or stone or stones, and in the case of firearms, the caliber, barrel length, type of action, and whether it is a pistol, rifle, or shotgun;

(f) The price paid or the amount loaned;

(g) The type and identifying number of identification used by the person with whom the transaction was made, which shall consist of a valid drivers license or identification card issued by any state or two pieces of identification issued by a governmental agency, one of which shall be descriptive of the person identified. At all times, one piece of current government issued picture identification will be required; and

(h) The nature of the transaction, a number identifying the transaction, the store identification as designated by the applicable law enforcement agency, or the name and address of the business and the name of the person or employee, conducting the transaction, and the location of the property.

(2) This record shall at all times during the ordinary hours of business, or at reasonable times if ordinary hours of business are not kept, be open to the inspection of any commissioned law enforcement officer of the state or any of its political subdivisions, and shall be maintained wherever that business is conducted for three years following the date of the transaction. [1991 c 323 § 2; 1984 c 10 § 3; 1909 c 249 § 229; RRS § 2481.]

**19.60.040 Report to chief law enforcement officer.**

(1) Upon request, every pawnbroker and second-hand dealer doing business in the state shall furnish a full, true, and correct transcript of the record of all transactions conducted on the preceding day. These transactions shall be recorded on such forms as may be provided and in such format as may be required by the chief of police or the county's chief law enforcement officer within a specified time not less than

twenty-four hours. This information may be transmitted to the applicable law enforcement agency electronically, by facsimile transmission, or by modem or similar device, or by delivery of computer disk subject to the requirements of, and approval by, the chief of police or the county's chief law enforcement officer.

(2) If a pawnbroker or second-hand dealer has good cause to believe that any property in his or her possession has been previously lost or stolen, the pawnbroker or second-hand dealer shall promptly report that fact to the applicable chief of police or the county's chief law enforcement officer, together with the name of the owner, if known, and the date when, and the name of the person from whom it was received. [1991 c 323 § 3; 1984 c 10 § 6; 1909 c 249 § 231; RRS § 2483.]

**19.60.045 Duties upon notification that property is reported stolen.**

Following notification from a law enforcement agency that an item of property has been reported as stolen, the pawnbroker or second-hand dealer shall hold that property intact and safe from alteration, damage, or commingling. The pawnbroker or second-hand dealer shall place an identifying tag or other suitable identification upon the property so held. Property held shall not be released for one hundred twenty days from the date of police notification unless released by written consent of the applicable law enforcement agency or by order of a court of competent jurisdiction. In cases where the applicable law enforcement agency has placed a verbal hold on an item, that agency must then give written notice within ten business days. If such written notice is not received within that period of time, then the hold order will cease. The pawnbroker or second-hand dealer shall give a twenty-day written notice before the expiration of the one hundred twenty-day holding period to the applicable law enforcement agency about the stolen property. If notice is not given within twenty days, then the hold on the property shall continue for an additional one hundred twenty days. The applicable law enforcement agency may renew the holding period for additional one hundred twenty-day periods as necessary. After the receipt of notification from a pawnbroker or second-hand dealer, if an additional holding period is required, the applicable law enforcement agency shall give the pawnbroker or second-hand dealer written notice, prior to the expiration of the existing hold order. A law enforcement agency shall not place on hold any item of personal property unless that agency reasonably suspects that the item of personal property is a lost or stolen item. Any hold that is placed on an item will be removed as soon as practicable after the item on hold is determined not to be stolen or lost. [1991 c 323 § 4; 1984 c 10 § 5.]

*Receiving stolen property: RCW 9A.56.140 through 9A.56.170.*

**19.60.050 Retention of property by pawnbrokers—**

**Inspection.** Property bought or received in pledge by any pawnbroker shall not be removed from that place of business, except when redeemed by, or returned to the owner, within thirty days after the receipt of the property. Property shall at all times during the ordinary hours of business be open to inspection to any commissioned law enforcement

officer of the state or any of its political subdivisions. [1991 c 323 § 5; 1984 c 10 § 8; 1909 c 249 § 232; RRS § 2484.]

*Auction of second-hand property, exemption by rule of department of licensing: RCW 18.11.075.*

*Restoration of stolen property: RCW 9.54.130.*

**19.60.055 Retention of property by second-hand dealers—Inspection.** (1) Property bought or received on consignment by any second-hand dealer with a permanent place of business in the state shall not be removed from that place of business except consigned property returned to the owner, within thirty days after the receipt of the property. Property shall at all times during the ordinary hours of business be open to inspection to any commissioned law enforcement officer of the state or any of its political subdivisions.

(2) Property bought or received on consignment by any second-hand dealer without a permanent place of business in the state, shall be held within the city or county in which the property was received, except consigned property returned to the owner, within thirty days after receipt of the property. The property shall be available within the appropriate jurisdiction for inspection at reasonable times by any commissioned law enforcement officer of the state or any of its political subdivisions. [1991 c 323 § 6; 1984 c 10 § 7.]

*Auction of second-hand property, exemption by rule of department of licensing: RCW 18.11.075.*

**19.60.060 Rates of interest and other fees—Sale of pledged property.** All pawnbrokers are authorized to charge and receive interest and other fees at the following rates for money on the security of personal property actually received in pledge:

(1) The interest for the loan period shall not exceed:

(a) For an amount loaned up to \$9.99 - interest at \$1.00 for each thirty-day period to include the loan date.

(b) For an amount loaned from \$10.00 to \$19.99 interest at the rate of \$1.25 for each thirty-day period to include the loan date.

(c) For an amount loaned from \$20.00 to \$24.99 interest at the rate of \$1.50 for each thirty-day period to include the loan date.

(d) For an amount loaned from \$25.00 to \$34.99 interest at the rate of \$1.75 for each thirty-day period to include the loan date.

(e) For an amount loaned from \$35.00 to \$39.99 interest at the rate of \$2.00 for each thirty-day period to include the loan date.

(f) For an amount loaned from \$40.00 to \$49.99 interest at the rate of \$2.25 for each thirty-day period to include the loan date.

(g) For the amount loaned from \$50.00 to \$59.99 interest at the rate of \$2.50 for each thirty-day period to include the loan date.

(h) For the amount loaned from \$60.00 to \$69.99 interest at the rate of \$2.75 for each thirty-day period to include the loan date.

(i) For the amount loaned from \$70.00 to \$79.99 interest at the rate of \$3.00 for each thirty-day period to include the loan date.

(j) For the amount loaned from \$80.00 to \$89.99 interest at the rate of \$3.25 for each thirty-day period to include the loan date.

(k) For the amount loaned from \$90.00 to \$99.99 interest at the rate of \$3.50 for each thirty-day period to include the loan date.

(1) For the amount loaned from \$100.00 or more interest at the rate of three percent for each thirty-day period to include the loan date.

(2) The fee for the preparation of loan documents, pledges, or reports required under the laws of the United States of America, the state of Washington, or the counties, cities, towns, or other political subdivisions thereof, shall not exceed:

(a) For the amount loaned up to \$4.99 the sum of \$.50;

(b) For the amount loaned from \$5.00 to \$9.99 the sum of \$2.00;

(c) For the amount loaned from \$10.00 to \$14.99 - the sum of \$3.00;

(d) For the amount loaned from \$15.00 to \$19.99 - the sum of \$3.50.

(e) For the amount loaned from \$20.00 to \$24.99 - the sum of \$4.00.

(f) For the amount loaned from \$25.00 to \$29.99 - the sum of \$4.50.

(g) For the amount loaned from \$30.00 to \$34.99 the sum of \$5.00.

(h) For the amount loaned from \$35.00 to \$39.99 - the sum of \$5.50.

(i) For the amount loaned from \$40.00 to \$44.99 - the sum of \$6.00.

(j) For the amount loaned from \$45.00 to \$49.99 the sum of \$6.50.

(k) For the amount loaned from \$50.00 to \$54.99 the sum of \$7.00.

(l) For the amount loaned from \$55.00 to \$59.99 the sum of \$7.50.

(m) For the amount loaned from \$60.00 to \$64.99 the sum of \$8.00.

(n) For the amount loaned from \$65.00 to \$69.99 - the sum of \$8.50.

(o) For the amount loaned from \$70.00 to \$74.99 - the sum of \$9.00.

(p) For the amount loaned from \$75.00 to \$79.99 - the sum of \$9.50.

(q) For the amount loaned from \$80.00 to \$84.99 - the sum of \$10.00.

(r) For the amount loaned from \$85.00 to \$89.99 the sum of \$10.50.

(s) For the amount loaned from \$90.00 to \$94.99 - the sum of \$11.00.

(t) For the amount loaned from \$95.00 to \$99.99 the sum of \$11.50.

(u) For the amount loaned from \$100.00 to \$104.99 the sum of \$12.00.

(v) For the amount loaned from \$105.00 to \$109.99 the sum of \$12.25.

(w) For the amount loaned from \$110.00 to \$114.99 the sum of \$12.75.

(x) For the amount loaned from \$115.00 to \$119.99 the sum of \$13.25.

- (y) For the amount loaned from \$120.00 to \$124.99 the sum of \$13.50.
- (z) For the amount loaned from \$125.00 to \$129.99 the sum of \$13.75.
- (aa) For the amount loaned from \$130.00 to \$149.99 the sum of \$14.50.
- (bb) For the amount loaned from \$150.00 to \$174.99 - the sum of \$14.75.
- (cc) For the amount loaned from \$175.00 to \$199.99 the sum of \$15.00.
- (dd) For the amount loaned from \$200.00 to \$224.99 - the sum of \$16.00.
- (ee) For the amount loaned from \$225.00 to \$249.99 the sum of \$17.00.
- (ff) For the amount loaned from \$250.00 to \$274.99 the sum of \$18.00.
- (gg) For the amount loaned from \$275.00 to \$299.99 - the sum of \$19.00.
- (hh) For the amount loaned from \$300.00 to \$324.99 - the sum of \$20.00.
- (ii) For the amount loaned from \$325.00 to \$349.99 the sum of \$21.00.
- (jj) For the amount loaned from \$350.00 to \$374.99 the sum of \$22.00.
- (kk) For the amount loaned from \$375.00 to \$399.99 - the sum of \$23.00.
- (ll) For the amount loaned from \$400.00 to \$424.99 the sum of \$24.00.
- (mm) For the amount loaned from \$425.00 to \$449.99 the sum of \$25.00.
- (nn) For the amount loaned from \$450.00 to \$474.99 the sum of \$26.00.
- (oo) For the amount loaned from \$475.00 to \$499.99 the sum of \$27.00.
- (pp) For the amount loaned from \$500.00 to \$524.99 the sum of \$28.00.
- (qq) For the amount loaned from \$525.00 to \$549.99 the sum of \$29.00.
- (rr) For the amount loaned from \$550.00 to \$599.99 the sum of \$30.00.
- (ss) For the amount loaned from \$600.00 to \$699.99 the sum of \$35.00.
- (tt) For the amount loaned from \$700.00 to \$799.99 the sum of \$40.00.
- (uu) For the amount loaned from \$800.00 to \$899.99 the sum of \$40.00.
- (vv) For the amount loaned from \$900.00 to \$999.99 the sum of \$50.00.
- (ww) For the amount loaned from \$1000.00 to \$1499.99 the sum of \$55.00.
- (xx) For the amount loaned from \$1500.00 to \$1999.99 - the sum of \$60.00.
- (yy) For the amount loaned from \$2000.00 to \$2499.99 the sum of \$65.00.
- (zz) For the amount loaned from \$2500.00 to \$2999.99 the sum of \$70.00.
- (aaa) For the amount loaned from \$3000.00 to \$3499.99 the sum of \$75.00.
- (bbb) For the amount loaned from \$3500.00 to \$3999.99 the sum of \$80.00.
- (ccc) For the amount loaned from \$4000.00 to \$4499.99 the sum of \$85.00.

(ddd) For the amount loaned from \$4500.00 or more the sum of \$90.00.

(3) Fees under subsection (2) of this section may be charged one time only for each loan period; no additional fees, other than interest allowed under subsection (1) of this section, shall be charged for making the loan.

A copy of this section, set in twelve point type or larger, shall be posted prominently in each premises subject to this chapter. [1995 c 133 § 2; 1991 c 323 § 7; 1984 c 10 § 9; 1973 1st ex.s. c 91 § 1; 1909 c 249 § 234; RRS § 2486.]

*Interest—Usury: Chapter 19.52 RCW.*

**19.60.061 Pawnbrokers—Sale of pledged property limited—Written document required for transactions.**

(1) The term of the loan shall be for a period of thirty days to include the date of the loan.

(2) A pawnbroker shall not sell any property received in pledge, until both the term of the loan and a grace period of a minimum of sixty days has expired. However, if a pledged article is not redeemed within the ninety-day period of the term of the loan and the grace period, the pawnbroker shall have all rights, title, and interest of that item of personal property. The pawnbroker shall not be required to account to the pledgor for the proceeds received from the disposition of that item. Any provision of law relating to the foreclosures and the subsequent sale of forfeited pledged items, shall not be applicable to any pledge as defined under this chapter, the title to which is transferred in accordance with this section.

(3) Every loan transaction entered into by a pawnbroker shall be evidenced by a written document, a copy of which shall be furnished to the pledgor. The document shall set forth the term of the loan; the final date on which the loan is due and payable; the loan preparation fee; the amount of interest charged every thirty days; the total amount due including the principal amount, the preparation fee, and all interest charges due if the loan is outstanding for the full ninety days allowed by the term and minimum grace period; and the annual percentage rate, and shall inform the pledgor of the pledgor's right to redeem the pledge at any time within the term of the loan or the minimum sixty-day grace period.

(4) If a person who has entered into a loan transaction with a pawnbroker in this state is unable to redeem and repay the loan on or before the expiration of the term of the loan plus the minimum sixty-day grace period, and that person wishes to retain his or her rights to use that item by rewriting the loan, and if both parties mutually agree, an existing loan transaction may be rewritten into a new loan, either in person or by mail. All applicable provisions of this chapter shall be followed in rewriting a loan, except that where an existing loan is rewritten by mail RCW 19.60.020(1) (a) and (g) shall not apply. [1995 c 133 § 3; 1991 c 323 § 8; 1984 c 10 § 10.]

**19.60.062 Attorney fees and costs in action to recover possession or determine title or ownership.** By either party, in an action brought by an owner to recover goods in the possession of a pawnbroker or second-hand dealer, or an action brought by a pawnbroker or second-hand

dealer against an owner, or a person claiming ownership, to determine title or ownership of any item, the prevailing party is entitled to reasonable attorney's fees and costs. [1991 c 323 § 9; 1984 c 10 § 11; 1979 ex.s. c 41 § 1.]

**19.60.066 Prohibited acts—Penalty.** It is a gross misdemeanor under chapter 9A.20 RCW for:

(1) Any person to remove, alter, or obliterate any manufacturer's make, model, or serial number, personal identification number, or identifying marks engraved or etched upon an item of personal property that was purchased, consigned, or received in pledge. In addition an item shall not be accepted for pledge or a second-hand purchase where the manufacturer's make, model, or serial number, personal identification number, or identifying marks engraved or etched upon an item of personal property has been removed, altered, or obliterated;

(2) Any person to knowingly make, cause, or allow to be made any false entry or misstatement of any material matter in any book, record, or writing required to be kept under this chapter;

(3) Any pawnbroker or second-hand dealer to receive any property from any person under the age of eighteen years, any person under the influence of intoxicating liquor or drugs, or any person known to the pawnbroker or second-hand dealer as having been convicted of burglary, robbery, theft, or possession of or receiving stolen property within the past ten years whether the person is acting in his or her own behalf or as the agent of another;

(4) Any pawnbroker to engage in the business of cashing or selling checks, drafts, money orders, or other commercial paper serving the same purpose unless the pawnbroker complies with the provisions of chapter 31.45 RCW; or

(5) Any person to violate knowingly any other provision of this chapter. [1991 c 355 § 21; 1991 c 323 § 10; 1984 c 10 § 12.]

**Reviser's note:** This section was amended by 1991 c 323 § 10 and by 1991 c 355 § 21, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Effective date, implementation—1991 c 355:** See RCW 31.45.900.

**19.60.068 Resale agreement to avoid interest and fee restrictions prohibited.** A purchase of personal property shall not be made on the condition of selling it back at a stipulated time and price greater than the purchase price, for the purpose of avoiding the interest and fee restrictions of this chapter. [1991 c 323 § 11.]

**19.60.075 Regulation by political subdivisions.** The regulation of pawnbrokers and second-hand dealers under this chapter is not intended to restrict political subdivisions from enacting ordinances or codes requiring the licensing of pawnbrokers and second-hand dealers or from enacting ordinances or codes which are more restrictive than the provisions of this chapter. [1984 c 10 § 13.]

**19.60.085 Exemptions.** The provisions of this chapter do not apply to transactions conducted by the following:

(1) Motor vehicle dealers licensed under chapter 46.70 RCW;

(2) \*Motor vehicle wreckers or hulk haulers licensed under chapter 46.79 or 46.80 RCW;

(3) Persons giving an allowance for the trade-in or exchange of second-hand property on the purchase of other merchandise of the same kind of greater value; and

(4) Persons in the business of buying or selling empty food and beverage containers or metal or nonmetal junk. [1985 c 70 § 2; 1984 c 10 § 2.]

**\*Reviser's note:** "Motor vehicle wrecker" redesignated "vehicle wrecker" by 1995 c 256.

**19.60.900 Severability—1984 c 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. [1984 c 10 § 15.]

**19.60.901 Effective date—1984 c 10.** This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect thirty days after it is signed by the governor and filed with the secretary of state. [1984 c 10 § 16.]

**Reviser's note:** The effective date of this act [1984 c 10] was March 22, 1984.

## Chapter 19.64

### RADIO BROADCASTING

#### Sections

- 19.64.010 Liability of owner or operator limited.
- 19.64.020 Speaker or sponsor liability not limited.
- 19.64.900 Saving—1943 c 229.

*Libel and slander:* Chapter 9.58 RCW.

*Radio broadcasting rights as to horse races:* RCW 67.16.110.

**19.64.010 Liability of owner or operator limited.** Where the owner, licensee, or operator of a radio or television broadcasting station, or the agents or employees thereof, has required a person speaking over said station to submit a written copy of his script prior to such broadcast and has cut such speaker off the air as soon as reasonably possible in the event such speaker deviates from such written script, said owner, licensee, or operator, or the agents or employees thereof, shall not be liable for any damages, for any defamatory statement published or uttered by such person in or as a part of such radio or television broadcast unless such defamatory statements are contained in said written script. [1943 c 229 § 1; Rem. Supp. 1943 § 998-1.]

**19.64.020 Speaker or sponsor liability not limited.** Nothing contained shall be construed as limiting the liability of any speaker or his sponsor or sponsors for defamatory statements made by such speaker in or as a part of any such broadcast. [1943 c 229 § 2; Rem. Supp. 1943 § 998-2.]

**19.64.900 Saving—1943 c 229.** This chapter shall not be applicable to or affect any cause of action existing at the time this chapter becomes effective. [1943 c 229 § 3.]

### Chapter 19.68

#### REBATING BY PRACTITIONERS OF HEALING PROFESSIONS

##### Sections

- 19.68.010 Rebating prohibited—Disclosure—List of alternative facilities.  
 19.68.020 Deemed unprofessional conduct.  
 19.68.030 License may be revoked or suspended.  
 19.68.040 Declaration of intent.

*Hearing instrument fitter/dispensers: RCW 18.35.110.*

*Physicians, surgeons, dentists, oculists, optometrists, osteopaths, chiropractors, drugless healers, etc.: Title 18 RCW.*

**19.68.010 Rebating prohibited—Disclosure—List of alternative facilities.** It shall be unlawful for any person, firm, corporation or association, whether organized as a cooperative, or for profit or nonprofit, to pay, or offer to pay or allow, directly or indirectly, to any person licensed by the state of Washington to engage in the practice of medicine and surgery, drugless treatment in any form, dentistry, or pharmacy and it shall be unlawful for such person to request, receive or allow, directly or indirectly, a rebate, refund, commission, unearned discount or profit by means of a credit or other valuable consideration in connection with the referral of patients to any person, firm, corporation or association, or in connection with the furnishings of medical, surgical or dental care, diagnosis, treatment or service, on the sale, rental, furnishing or supplying of clinical laboratory supplies or services of any kind, drugs, medication, or medical supplies, or any other goods, services or supplies prescribed for medical diagnosis, care or treatment. Ownership of a financial interest in any firm, corporation or association which furnishes any kind of clinical laboratory or other services prescribed for medical, surgical, or dental diagnosis shall not be prohibited under this section where (1) the referring practitioner affirmatively discloses to the patient in writing, the fact that such practitioner has a financial interest in such firm, corporation, or association; and (2) the referring practitioner provides the patient with a list of effective alternative facilities, informs the patient that he or she has the option to use one of the alternative facilities, and assures the patient that he or she will not be treated differently by the referring practitioner if the patient chooses one of the alternative facilities.

Any person violating the provisions of this section is guilty of a misdemeanor. [1993 c 492 § 233; 1973 1st ex.s. c 26 § 1; 1965 ex.s. c 58 § 1. Prior: 1949 c 204 § 1; Rem. Supp. 1949 § 10185-14.]

**Findings—Intent—1993 c 492:** See notes following RCW 43.20.050.

**Short title—Severability—Savings—Captions not law—Reservation of legislative power—Effective dates—1993 c 492:** See RCW 43.72.910 through 43.72.915.

**19.68.020 Deemed unprofessional conduct.** The acceptance directly or indirectly by any person so licensed of any rebate, refund, commission, unearned discount, or profit by means of a credit or other valuable consideration

whether in the form of money or otherwise, as compensation for referring patients to any person, firm, corporation or association as set forth in RCW 19.68.030, constitutes unprofessional conduct. [1965 ex.s. c 58 § 2; 1949 c 204 § 2; Rem. Supp. 1949 § 10185-15.]

#### **19.68.030 License may be revoked or suspended.**

The license of any person so licensed may be revoked or suspended if he has directly or indirectly requested, received or participated in the division, transference, assignment, rebate, splitting or refunding of a fee for, or has directly or indirectly requested, received or profited by means of a credit or other valuable consideration as a commission, discount or gratuity in connection with the furnishing of medical, surgical or dental care, diagnosis or treatment or service, including x-ray examination and treatment, or for or in connection with the sale, rental, supplying or furnishing of clinical laboratory service or supplies, x-ray services or supplies, inhalation therapy service or equipment, ambulance service, hospital or medical supplies, physiotherapy or other therapeutic service or equipment, artificial limbs, teeth or eyes, orthopedic or surgical appliances or supplies, optical appliances, supplies or equipment, devices for aid of hearing, drugs, medication or medical supplies or any other goods, services or supplies prescribed for medical diagnosis, care or treatment, except payment, not to exceed thirty-three and one-third percent of any fee received for x-ray examination, diagnosis or treatment, to any hospital furnishing facilities for such examination, diagnosis or treatment. [1965 ex.s. c 58 § 3. Prior: 1949 c 204 § 3; Rem. Supp. 1949 § 10185-16.]

**19.68.040 Declaration of intent.** It is the intent of this article [chapter], and this article [chapter] shall be so construed, that persons so licensed shall only be authorized by law to charge or receive compensation for professional services rendered if such services are actually rendered by the licensee and not otherwise: PROVIDED, HOWEVER, That it is not intended to prohibit two or more licensees who practice their profession as copartners to charge or collect compensation for any professional services by any member of the firm, or to prohibit a licensee who employs another licensee to charge or collect compensation for professional services rendered by the employee licensee. [1949 c 204 § 4; Rem. Supp. 1949 § 10185-17.]

### Chapter 19.72

#### SURETYSHIP

##### Sections

- 19.72.001 Definitions.  
 19.72.020 Individual sureties—Eligibility.  
 19.72.030 Individual sureties—Number—Qualification.  
 19.72.040 Individual sureties—Examination—Approval.  
 19.72.060 Corporate surety.  
 19.72.070 Subrogation of surety.  
 19.72.080 Contribution among sureties.  
 19.72.090 Default by surety—Indemnity.  
 19.72.100 Notice to creditor to institute action.  
 19.72.101 Failure of creditor to proceed—Discharge of surety.  
 19.72.107 Surety bond—Liability limited.  
 19.72.109 Release from official's, executor's, licensee's, etc., bond—Definitions.

- 19.72.110 Release from official's, executor's, licensee's, etc., bond—  
Notice, service, proof.
- 19.72.130 Release from official's, executor's, licensee's, etc., bond—  
Effective date—Failure to give new bond, effect.
- 19.72.140 Suretyship—Raising issue as defendant.
- 19.72.141 Suretyship—Order to exhaust principal's property.
- 19.72.150 Heirs, etc., bound—Exception.
- 19.72.160 Assets—Safekeeping agreements—Joint control of deposits.
- 19.72.170 Bonds not to fail for want of form or substance.
- 19.72.180 Successive recoveries on bond—Limitation.
- 19.72.900 Application.

*Bail and appearance bonds:* Chapter 10.19 RCW.

*Bond of executor or administrator:* Chapter 11.28 RCW

*Corporate*

*seals, effect of absence from instrument:* RCW 64.04.105.

*surety:* Chapter 48.28 RCW.

*Official bonds, in general:* Chapter 42.08 RCW.

**19.72.001 Definitions.** See RCW 19.72.109.

**19.72.020 Individual sureties—Eligibility.** Whenever any bond or recognizance is required, or permitted, by law to be made, given or filed, conditioned upon the doing or not doing of anything specified therein and to be signed by one or more persons as sureties, each of such sureties shall be a resident of this state; but no attorney at law, sheriff, clerk of any court of record, or other officer of such court, shall be permitted to become such surety. [1927 c 162 § 1; RRS § 958-1.]

**19.72.030 Individual sureties—Number—Qualification.** Each of such sureties shall have separate property worth the amount specified in the bond or recognizance, over and above all debts and liabilities, and exclusive of property exempt from execution, unless the other spouse joins in the execution of the bond, in which case they must have community property of such required value; but in case such bond or recognizance is given in any action or proceeding commenced or pending in any court the judge, on justification, may allow more than two sureties to justify, severally, in amounts less than the amount specified, if the whole justification is equivalent to that of two sufficient sureties. [1987 c 202 § 185; 1973 1st ex.s. c 154 § 22; 1927 c 162 § 2; RRS § 958-2.]

*Intent—1987 c 202:* See note following RCW 2.04.190.

*Severability—1973 1st ex.s. c 154:* See note following RCW 2.12.030.

**19.72.040 Individual sureties—Examination—Approval.** In case such bond or recognizance is given in any action or proceeding commenced or pending in any court, the judge or clerk of any court of record or district court, or any party to the action or proceeding for the security or protection of which such bond or recognizance is made may, upon notice, require any of such sureties to attend before the judge at a time and place specified and to be examined under oath touching the surety's qualifications both as to residence and property as such surety, in such manner as the judge, in the judge's discretion, may think proper. If the party demanding the examination require it, the examination shall be reduced to writing and subscribed by the surety. If the judge find[s] the surety possesses the requisite qualifications and property, the judge shall endorse

the allowance thereof on the bond or recognizance, and cause it to be filed as provided by law, otherwise it shall be of no effect. [1987 c 202 § 186; 1927 c 162 § 3; RRS § 958-3. Formerly RCW 19.72.040, 19.72.050.]

*Intent—1987 c 202:* See note following RCW 2.04.190.

**19.72.060 Corporate surety.** See surety insurance: Chapter 48.28 RCW.

**19.72.070 Subrogation of surety.** When any defendant, surety in a judgment or special bail or replevin or surety in a delivery bond or replevin bond, or any person being surety in any bond whatever, has been or shall be compelled to pay any judgment or any part thereof, or shall make any payment which is applied upon such judgment by reason of such suretyship, or when any sheriff or other officer or other surety upon his official bond shall be compelled to pay any judgment or any part thereof by reason of any default of such officer, except for failing to pay over money collected, or for wasting property levied upon, the judgment shall not be discharged by such payment, but shall remain in force for the use of the bail, surety, officer or other person making such payment, and after the plaintiff is paid, so much of the judgment as remains unsatisfied may be prosecuted to execution for his use. [Code 1881 § 648; RRS § 978. Prior: 1877 p 134 § 651; 1869 p 151 § 588; 1854 p 211 § 430.]

**19.72.080 Contribution among sureties.** Any one of several judgment defendants, and any one of several replevin bail having paid and satisfied the plaintiff, shall have the remedy provided in RCW 19.72.070 against the codefendants and cosureties to collect of them the ratable proportion each is equitably bound to pay. [Code 1881 § 649; RRS § 979. Prior: 1877 p 135 § 652; 1869 p 151 § 589; 1854 p 211 § 431.]

**19.72.090 Default by surety—Indemnity.** No surety or his representative shall confess judgment or suffer judgment by default in any case where he is notified that there is a valid defense, if the principal will enter himself defendant to the action and tender to the surety or his representatives good security to indemnify him, to be approved by the court. [Code 1881 § 650; RRS § 980. Prior: 1877 p 135 § 653; 1869 p 151 § 590; 1854 p 211 § 432.]

**19.72.100 Notice to creditor to institute action.** Any person bound as surety upon any contract in writing for the payment of money or the performance of any act, when the right of action has accrued, may require by notice in writing the creditor or obligee forthwith to institute an action upon the contract. [Code 1881 § 644; RRS § 974. Prior: 1877 p 134 § 647; 1869 p 150 § 584; 1854 p 210 § 426. FORMER PART OF SECTION: Code 1881 § 645; RRS § 975, now codified as RCW 19.72.101.]

**19.72.101 Failure of creditor to proceed—Discharge of surety.** If the creditor or obligee shall not proceed within a reasonable time to bring his action upon such contract, and

prosecute the same to judgment and execution, the surety shall be discharged from all liability thereon. [Code 1881 § 645; RRS § 975. Prior: 1877 p 134 § 648; 1869 p 150 § 585; 1854 p 210 § 427. Formerly RCW 19.72.100, part.]

**19.72.107 Surety bond—Liability limited.** (1) Except under RCW 19.72.109, surety bond means any form of surety insurance as defined in RCW 48.11.080. A surety bond may not provide any other type of insurance coverage defined in chapter 48.11 RCW. Language in any statute, ordinance, contract, or surety bond to the contrary is void.

(2) A surety bond shall not be liable for damages based upon or arising out of any:

(a) Tortious injury, including death, to:

(i) Any person; or

(ii) Any real or personal property; or

(b) Failure to have any or adequate insurance coverage, even if liability under (a) or (b) of this subsection is imposed on the surety's principal or the surety by contract, surety bond, strict liability, ordinance, statute, or common law. [1992 c 115 § 1.]

**19.72.109 Release from official's, executor's, licensee's, etc., bond—Definitions.** Unless otherwise required by the context, words as used in RCW 19.72.110, and 19.72.130 shall mean:

(1) "Bond" shall mean and include any bond, undertaking or writing executed by a principal and surety, required by law from the principal as an official or employee of the state, or any county, municipal corporation or taxing district, or as guardian, executor, administrator, receiver or trustee, or as a licensee or permittee as a condition to the right to receive, hold or exercise any license, permit or franchise;

(2) "Surety" shall mean and include any person, firm or corporation that has executed as surety any bond. [1937 c 145 § 1; RRS § 9942. Formerly RCW 19.72.010.] [SLC-RO-17.]

**19.72.110 Release from official's, executor's, licensee's, etc., bond—Notice, service, proof.** Any surety upon any bond described in RCW 19.72.109 desiring to be released from subsequent liability and responsibility on any such bond shall serve upon the principal of such bond a written notice that on and after a certain date to be fixed in the notice, which shall be not less than ten days from the date of the service of the notice, the surety will withdraw as surety from such bond and shall serve a copy of such notice upon the official with whom such bond is filed not less than ten days prior to the date fixed in the notice as the date of termination of liability. If such principal is an individual and resides within the state of Washington, or is a corporation doing business in the state of Washington, such notice shall be personally served upon such individual, or if the principal is a firm or a corporation, such notice shall be served personally upon any person upon whom personal service of summons may be made under the existing laws of the state of Washington. If the principal is an individual and is not a resident of the state of Washington, or cannot be found therein, or if the principal is a foreign corporation, such notice shall be mailed by registered mail to the last known address of such principal, if any, which fact shall be shown

by affidavit filed with the notice of withdrawal as hereinafter provided, and a copy of such notice shall be published once a week for two consecutive weeks in a newspaper of general circulation in the county of the residence of the official with whom such bond is filed. The date of the last publication of notice shall be not less than twenty days from the date stated therein as the date upon which the surety will withdraw from the bond. Proof of such service or publication shall be made by affidavit and filed with the official with whom the bond is filed at least ten days before the date fixed in the notice of withdrawal. [1937 c 145 § 2; RRS § 9943. Formerly RCW 19.72.110 and 19.72.120.] [SLC-RO-17.]

**19.72.130 Release from official's, executor's, licensee's, etc., bond—Effective date—Failure to give new bond, effect.** On and after the date fixed in the notice as the termination date the surety shall be released from subsequent liability on such bond; and, unless before the date fixed in such notice as the termination date by the surety, a new bond shall be filed with sufficient and satisfactory surety as required by law under which the bond was originally furnished and filed, the office, position or trust in the case of a public office, guardian, executor, administrator, receiver or trustee shall become vacant and a successor shall be appointed as provided by law; and in case of a license, certificate, permit or franchise, the same shall become null and void: PROVIDED, HOWEVER, That no surety shall be released on the bond of any guardian, executor, administrator, receiver, or trustee until such fiduciary shall have furnished a new bond with surety approved by the court, or until his successor has been appointed and has qualified and taken over the fiduciary assets. Said notice of withdrawal shall be final and not subject to cancellation by said surety and said license, certificate, permit or franchise can only be continued upon filing a new bond as above provided. [1937 c 145 § 3; RRS § 9944.] [SLC-RO-17.]

**19.72.140 Suretyship—Raising issue as defendant.** When any action is brought against two or more defendants upon a contract, any one or more of the defendants being surety for the others, the surety may, upon a written complaint to the court, cause the question of suretyship to be tried and determined upon the issues made by the parties at the trial of the cause, or at any time before or after the trial, or at a subsequent term, but such proceedings shall not affect the proceedings of the plaintiff. [Code 1881 § 646; RRS § 976. Prior: 1877 p 134 § 649; 1869 p 150 § 586; 1854 p 210 § 428. FORMER PART OF SECTION: Code 1881 § 647; RRS § 977, now codified as RCW 19.72.141.]

**19.72.141 Suretyship—Order to exhaust principal's property.** If the finding upon such issue be in favor of the surety, the court shall make an order directing the sheriff to levy the execution upon, and first exhaust the property of the principal before a levy shall be made upon the property of the surety, and the clerk shall indorse a memorandum of the order upon the execution. [Code 1881 § 647; RRS § 977. Prior: 1877 p 134 § 650; 1869 p 151 § 587; 1854 p 211 § 429. Formerly RCW 19.72.140, part.]

**19.72.150 Heirs, etc., bound—Exception.** The provisions of RCW 19.72.070 through 19.72.101, 19.72.140, 19.72.141 shall extend to heirs, executors, and administrators of deceased persons, but the provisions of RCW 19.72.101 shall not operate against persons under legal disabilities. [Code 1881 § 651; RRS § 981. Prior: 1877 p 135 § 654; 1869 p 151 § 591; 1854 p 211 § 433.]

**19.72.160 Assets—Safekeeping agreements—Joint control of deposits.** It shall be lawful for any party of whom a bond, undertaking or other obligation is required, to agree with his surety or sureties for the deposit of any or all moneys and assets for which he and his surety or sureties are or may be held responsible, with a bank, savings bank, savings and loan association, safe deposit or trust company, authorized by law to do business as such, or with other depository approved by the court or a judge thereof, if such deposit is otherwise proper, for the safekeeping thereof, and in such manner as to prevent the withdrawal of such money or assets or any part thereof, without the written consent of such surety or sureties, or an order of court, or a judge thereof made on such notice to such surety or sureties as such court or judge may direct: PROVIDED, HOWEVER, That such agreement shall not in any manner release from or change the liability of the principal or sureties as established by the terms of said bond. [1953 c 46 § 1.]

**19.72.170 Bonds not to fail for want of form or substance.** No bond required by law, and intended as such bond, shall be void for want of form or substance, recital, or condition; nor shall the principal or surety on such account be discharged, but all the parties thereto shall be held and bound to the full extent contemplated by the law requiring the same, to the amount specified in such bond. In all actions on such defective bond, the plaintiff may state its legal effect, in the same manner as though it were a perfect bond. [Code 1881 § 749; 1854 p 219 § 489; RRS § 777. Formerly RCW 10.19.120, part.] [SLC-RO-10.]

**19.72.180 Successive recoveries on bond—Limitation.** In the event of the breach of the condition of any bond described in RCW 19.72.109, successive recoveries may be made thereon by any of the obligees thereof: PROVIDED, HOWEVER, That the total amount of all such recoveries, whether by one or more of such obligees, shall not exceed, in the aggregate, the penal sum specified in such bond. [1959 c 113 § 1.]

**19.72.900 Application.** This chapter applies to all sureties, regardless of whether the sureties are compensated or uncompensated. [1992 c 115 § 2.]

## Chapter 19.76

### BEVERAGE BOTTLES, ETC.— LABELING—REFILLING

#### Sections

19.76.100	Labels on bottles, etc.—Filing—Publication.
19.76.110	Refilling bottles, etc.—Forbidden.
19.76.120	Refilling bottles, etc.—Possession as evidence.

(1998 Ed.)

*Trademark registration: Chapter 19.77 RCW.*

**19.76.100 Labels on bottles, etc.—Filing—Publication.** All persons engaged in the manufacture, bottling or selling of ale, porter, lager beer, soda, mineral water, or other beverages in casks, kegs, bottles or boxes, with their names or other marks of ownership stamped or marked thereon, may file in the office of the secretary of state a description of names or marks so used by them, and publish the same in a newspaper of general circulation in the county, printed in the English language, once a week for six successive weeks, in counties where the articles are manufactured, bottled or sold. [1985 c 469 § 11; 1981 c 302 § 1; 1897 c 38 § 1; RRS § 11546.]

**Severability—1981 c 302:** "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." [1981 c 302 § 40.]

*Alcoholic beverage control: Title 66 RCW.*

*Labeling of spirits, etc.: RCW 66.28.100 through 66.28.120.*

**19.76.110 Refilling bottles, etc.—Forbidden.** It is hereby declared to be unlawful for any person or persons hereafter, without the written consent of the owner or owners thereof, to fill with ale, porter, lager beer or soda, mineral water or other beverages, for sale or to be furnished to customers, any such casks, barrels, kegs, bottles or boxes so marked or stamped, or to sell, dispose of, buy or traffic in, or wantonly destroy any such cask, barrel, keg, bottle or box so marked, stamped, by the owner or owners thereof, after such owner or owners shall have complied with the provisions of RCW 19.76.100. Any person or persons who shall violate any of the provisions of RCW 19.76.100 through 19.76.120 shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined five dollars for each and every cask, barrel, keg, or box, and fifty cents for each and every bottle so by him, her or them filled, bought, sold, used, trafficked in or wantonly destroyed, together with costs of suit for first offense, and ten dollars for each and every cask, barrel, keg and box and one dollar for each and every bottle so filled, bought, sold, used, trafficked in, or wantonly destroyed, together with the costs of suit for each subsequent offense. [1897 c 38 § 2; RRS § 11547.]

*Crimes relating to brands and marks: Chapter 9.16 RCW.*

**19.76.120 Refilling bottles, etc.—Possession as evidence.** The using by any person other than the rightful owner thereof, without such written permission, of any such cask, barrel, keg, bottle or box, for the sale therein of ale, porter, lager beer, soda, mineral waters or other beverages, or to be furnished to customers, or the buying, selling or trafficking in any such barrel, keg, bottle or box, by any person other than the owner, without such written permission, or the fact that any junk dealer or dealers in casks, barrels, kegs, bottles or boxes, shall have in his or her possession any such cask, barrel, keg, bottle or box so marked or stamped and registered as aforesaid, without such written permission, shall and is hereby declared to be prima facie evidence that such use, buying, selling, trafficking in or possession is unlawful within the meaning of RCW 19.76.100 through 19.76.120. [1897 c 38 § 3; RRS § 11548.]

## Chapter 19.77

## TRADEMARK REGISTRATION

## Sections

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*Crimes relating to trademarks: Chapter 9.16 RCW.*

*Materials specifically authorized to be printed and distributed by secretary of state: RCW 43.07.140.*

**19.77.010 Definitions.** As used in this chapter:

- (1) "Alien" when used with reference to a person means a person who is not a citizen of the United States;
- (2) "Applicant" means the person filing an application for registration of a trademark under this chapter, his legal representatives, successors, or assigns of record with the secretary of state;
- (3) "Domestic" when used with reference to a person means a person who is a citizen of the United States;
- (4) The term "colorable imitation" includes any mark which so resembles a registered mark as to be likely to cause confusion or mistake or to deceive;
- (5) A "counterfeit" is a spurious mark which is identical with, or substantially indistinguishable from, a registered mark;
- (6) "Dilution" means the material reduction of the distinctive quality of a famous mark through use of a mark by another person, regardless of the presence or absence of (a) competition between the users of the mark, or (b) likelihood of confusion, mistake, or deception arising from that use;
- (7) "Person" means any individual, firm, partnership, corporation, association, union, or other organization;
- (8) "Registered mark" means a trademark registered under this chapter;
- (9) "Registrant" means the person to whom the registration of a trademark under this chapter is issued, his legal representatives, successors, or assigns of record with the secretary of state;
- (10) "Trademark" or "mark" means any word, name, symbol, or device or any combination thereof adopted and used by a person to identify goods made or sold by him and

to distinguish them from goods made or sold by others, and any word, name, symbol, or device, or any combination thereof, and any title, designation, slogan, character name, and distinctive feature of radio or television programs used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others;

(11) A trademark shall be deemed to be "used" in this state when it is placed in any manner on the goods or their containers, or on tabs or labels affixed thereto, or displayed in connection with such goods, and such goods are sold or otherwise distributed in this state, or when it is used or displayed in the sale or advertising of services rendered in this state;

(12) "Trade name" shall have the same definition as under RCW 19.80.005(1);

(13) A mark shall be deemed to be "abandoned":

(a) When its use has been discontinued with intent not to resume. Intent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall be prima facie abandonment; or

(b) When any course of conduct of the registrant, including acts of omission as well as commission, causes the mark to lose its significance as an indication of origin. Purchaser motivation shall not be a test for determining abandonment under this subsection. [1994 c 60 § 6; 1989 c 72 § 1; 1955 c 211 § 1.]

**Effective date—1955 c 211:** "This act shall be in force and take effect on September 1, 1955." [1955 c 211 § 19.]

**19.77.015 Reservation—Fees—Rules.** The exclusive right to the use of a trademark may be reserved by:

(1) A person intending to register a trademark under this title; or

(2) A domestic or foreign corporation intending to change its trademark.

The reservation shall be made by filing with the secretary of state an application to reserve a specified trademark or service mark, executed by or on behalf of the applicant, one copy of the trademark artwork, and fees as set by rule by the secretary of state. If the secretary of state finds that the trademark is available for use, the secretary of state shall reserve the trademark for the exclusive use of the applicant for a period of one hundred eighty days. The reservation is limited to one filing. [1994 c 60 § 2.]

**19.77.020 Registration of certain trademarks prohibited.** A trademark by which the goods or services of any applicant for registration may be distinguished from the goods or services of others shall not be registered if it:

(1) Consists of or comprises immoral, deceptive, or scandalous matter; or

(2) Consists of or comprises matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt or disrepute; or

(3) Consists of or comprises the flag or coat of arms or other insignia of the United States, or of any state or municipality, or of any foreign nation, or any simulation thereof; or

(4) Consists of or comprises the name, portrait, or signature identifying a particular living individual who has not consented in writing to its registration; or

(5) Consists of a mark which,

(a) when applied to the goods or services of the applicant is merely descriptive or deceptively misdescriptive of them, or

(b) when applied to the goods or services of the applicant is primarily geographically descriptive or deceptively misdescriptive of them, or

(c) is primarily merely a surname: PROVIDED, That nothing in this subsection shall prevent the registration of a trademark used in this state by the applicant which has become distinctive of the applicant's goods or services. The secretary of state may accept as prima facie evidence that the trademark has become distinctive, as used on or in connection with the applicant's goods or services, proof of substantially exclusive and continuous use thereof as a trademark by the applicant in this state or elsewhere in the United States for the five years next preceding the date of the filing of the application for registration; or

(6) Consists of or comprises a trademark which so resembles a trademark registered in this state, or a trademark or trade name used in this state by another prior to the date of the applicant's or applicant's predecessor's first use in this state and not abandoned, as to be likely, when applied to the goods or services of the applicant, to cause confusion or mistake or to deceive.

A trade name is not registrable under this chapter. However, if a trade name also functions as a trademark, it is registrable as a trademark.

The secretary of state shall make a determination of registerability by considering the application record and the marks previously registered and subsisting under this chapter. [1989 c 72 § 2; 1955 c 211 § 2.]

**19.77.030 Application for registration—Fee—Rules—Corrections—Amendment for change in categories.** (1) Subject to the limitations set forth in this chapter, any person who has adopted and is using a trademark in this state may file in the office of the secretary of state, on a form to be furnished by the secretary of state, an application for registration of that trademark setting forth, but not limited to, the following information:

(a) The name and business address of the applicant, and, if the applicant is a corporation, its state of incorporation;

(b) The particular goods or services in connection with which the trademark is used and the class in which such goods or services fall;

(c) The manner in which the trademark is placed on or affixed to the goods or containers, or displayed in connection with such goods, or used in connection with the sale or advertising of the services;

(d) The date when the trademark was first used with such goods or services anywhere and the date when it was first used with such goods or services in this state by the applicant or his predecessor in business;

(e) A statement that the trademark is presently in use in this state by the applicant;

(f) A statement that the applicant believes himself to be the owner of the trademark and believes that no other person

has the right to use such trademark in connection with the same or similar goods or services in this state either in the identical form or in such near resemblance thereto as to be likely, when used on or in connection with the goods or services of such other person, to cause confusion or mistake or to deceive; and

(g) Such additional information or documents as the secretary of state may reasonably require.

(2) A single application for registration of a trademark may specify all goods or services in a single class or in multiple classes for which the trademark is actually being used.

(3) The application shall be signed by the applicant individual, or by a member of the applicant firm, or by an officer of the applicant corporation, association, union or other organization.

(4) The application shall be accompanied by three specimens or facsimiles of the trademark for each of the goods or services for which its registration is requested, and a filing fee, as set by rule by the secretary of state, payable to the secretary of state. The fee established by the secretary may vary based upon the number of categories listed in the application.

(5) An applicant may correct an application previously filed by the secretary of state, within ninety days of the original filing, if the application contains an incorrect statement or the application was defectively executed, signed, or acknowledged. An application is corrected by filing a form provided by the secretary of state, and accompanied by a filing fee established by the secretary by rule. The correction may not change the mark itself. A corrected application is effective on the effective date of the document it corrects, except that it is effective on the date the correction is filed as to persons relying on the uncorrected document and adversely affected by the correction.

(6) An applicant may amend an application previously filed by the secretary of state if the applicant changes the categories in which it does business. An application is amended by filing a form provided by the secretary of state, accompanied by three specimens or facsimiles of the trademark for any new or additional goods or services for which the amendment is requested, and a filing fee established by the secretary by rule. The amendment or correction may not change the mark itself. An amended application is effective on the date it is filed. [1998 c 39 § 1; 1994 c 60 § 1; 1989 c 72 § 3; 1982 c 35 § 181; 1955 c 211 § 3.]

**Intent—Severability—Effective dates—Application—1982 c 35:** See notes following RCW 43.07.160.

**19.77.040 Certificate of registration—Issuance—Contents—Admissibility in evidence.** Upon compliance by the applicant with the requirements of this chapter, the secretary of state shall issue a certificate of registration and deliver it to the applicant. The certificate of registration shall be issued under the signature of the secretary of state and the seal of the state, and it shall show the registrant's name and business address and, if the registrant is a corporation, its state of incorporation, the date claimed for the first use of the trademark anywhere, the date claimed for the first use of the trademark in this state, the particular goods or services for which the trademark is used, the class in which

such goods and services fall, a reproduction of the trademark, the registration date and the term of the registration.

Any certificate of registration issued by the secretary of state under the provisions hereof or a copy thereof duly certified by the secretary of state shall be admissible in any action or judicial proceeding in any court of this state as prima facie evidence of:

- (1) The validity of the registration of the trademark;
- (2) The registrant's ownership of the trademark; and
- (3) The registrant's exclusive right to use the trademark

in this state in connection with the goods or services specified in the certificate, subject to any conditions and limitations stated in the certificate.

Registration of a trademark under this chapter shall be constructive notice of the registrant's claim of ownership of the trademark throughout this state. [1989 c 72 § 4; 1955 c 211 § 4.]

**19.77.050 Duration of certificate—Renewal—Fees—Rules.** Registration of a trademark hereunder shall be effective for a term of six years from the date of registration. Upon application filed within six months prior to the expiration of such term, on a form to be furnished by the secretary of state requiring all the allegations of an application for original registration, the registration may be renewed for successive terms of six years as to the goods or services for which the trademark is still in use in this state. A renewal fee as set by rule by the secretary of state, payable to the secretary of state, shall accompany each application for renewal of the registration.

The secretary of state shall notify registrants of trademarks hereunder or their agents for service of record with the secretary of state of the necessity of renewal within the year, but not less than six months, next preceding the expiration of the unexpired original or renewed term by writing to the last known address of the registrants or their agents according to the files of the secretary of state. Neither the secretary of state's failure to notify a registrant nor the registrant's nonreceipt of a notice under this section shall extend the term of a registration or excuse the registrant's failure to renew a registration. [1994 c 60 § 3; 1989 c 72 § 5; 1982 c 35 § 182; 1955 c 211 § 5.]

**Intent—Severability—Effective dates—Application—1982 c 35:** See notes following RCW 43.07.160.

**19.77.060 Assignment of trademark, registration, or application—Fee—Rules.** Any trademark and its registration or application for registration hereunder shall be assignable with the good will of the business in which the trademark is used, or with that part of the good will of the business connected with the use of and symbolized by the trademark. An assignment by an instrument in writing duly executed and acknowledged, or the designation of a legal representative, successor, or agent for service shall be recorded by the secretary of state on request when accompanied by a fee, as set by rule by the secretary of state, payable to the secretary of state. On request, upon recording of the assignment and payment of a further fee of five dollars, the secretary of state shall issue in the name of the assignee a new certificate for the remainder of the unexpired original or renewal term of the registration. An assignment

of any registration or application for registration under this chapter shall be void as against any subsequent purchaser for a valuable consideration without notice, unless it is recorded with the secretary of state within three months after the date thereof or prior to such subsequent purchase. [1994 c 60 § 4; 1982 c 35 § 183; 1955 c 211 § 6.]

**Intent—Severability—Effective dates—Application—1982 c 35:** See notes following RCW 43.07.160.

**19.77.070 Secretary of state to keep records.** The secretary of state shall keep for public examination a record of all trademarks registered or renewed under this chapter, and the records specified in RCW 19.77.060. [1955 c 211 § 7.]

**19.77.080 Secretary of state must cancel certain registrations.** The secretary of state shall cancel from the register:

(1) Any registration concerning which the secretary of state shall receive a voluntary written request for cancellation thereof from the registrant;

(2) All expired registrations not renewed under this chapter;

(3) Any registration concerning which a court of competent jurisdiction has rendered a final judgment against the registrant, which has become unappealable, canceling the registration or finding that:

(a) The registered trademark has been abandoned;

(b) The registrant under this chapter or under a prior act is not the owner of the trademark;

(c) The registration was granted contrary to the provisions of this chapter;

(d) The registration was obtained fraudulently;

(e) The registered trademark has become incapable of serving as a trademark; or

(f) The registered trademark is so similar to a trademark registered by another person in the United States patent and trademark office, prior to the date of the filing of the application for registration by the registrant hereunder, and not abandoned, as to be likely to cause confusion or mistake or to deceive: PROVIDED, That such finding was made on petition of such other person and that should the registrant prove that he or she is the owner of a concurrent registration of the trademark in the United States patent and trademark office covering an area including this state, the registration hereunder shall not be canceled. [1989 c 72 § 6; 1955 c 211 § 8.]

**19.77.090 Actions relating to registration—Service on secretary of state—Assessment—Set by rule.** The secretary of state shall be the agent for service of process in any action relating to the registration of any registrant who is at the time of such service a nonresident or a foreign firm, corporation, association, union, or other organization without a resident of this state designated as the registrant's agent for service of record with the secretary of state, or who cannot be found in this state, and service of process, pleadings and papers in such action made upon the secretary of state shall be held as due and sufficient process upon the registrant. The secretary of state shall charge and collect an assessment, as set by rule by the secretary of state, at the time of any

service of process upon the secretary of state under this section. The assessment may be recovered as taxable costs by the party to the suit or action causing such service to be made if such party prevails in the suit or action. The assessment shall be deposited in the secretary of state's revolving fund. [1994 c 287 § 5; 1982 c 35 § 184; 1955 c 211 § 9.]

**Intent—Severability—Effective dates—Application—1982 c 35:**  
See notes following RCW 43.07.160.

**19.77.110 Classification of goods.** The International Classification of Goods and Services to Which Trademarks Are Applied, as adopted in accordance with the Nice Agreement of 1957, as amended, shall be used for the convenient administration of this chapter. Such classification shall not be deemed to limit or extend the applicant's or registrant's rights. The short titles of such classifications are as follows:

- (1) Chemicals.
- (2) Paints.
- (3) Cosmetics and cleaning preparation.
- (4) Lubricants and fuels.
- (5) Pharmaceuticals.
- (6) Metal goods.
- (7) Machinery.
- (8) Hand tools.
- (9) Electrical and scientific apparatus.
- (10) Medical apparatus.
- (11) Environmental control apparatus.
- (12) Vehicles.
- (13) Firearms.
- (14) Jewelry.
- (15) Musical instruments.
- (16) Paper goods and printed matter.
- (17) Rubber goods.
- (18) Leather goods.
- (19) Nonmetallic building materials.
- (20) Furniture and articles not otherwise classified.
- (21) Housewares and glass.
- (22) Cordage and fibers.
- (23) Yarns and threads.
- (24) Fabrics.
- (25) Clothing.
- (26) Fancy goods.
- (27) Floor coverings.
- (28) Toys and sporting goods.
- (29) Meats and processed foods.
- (30) Staple foods.
- (31) Natural agricultural products.
- (32) Light beverages.
- (33) Wines and spirits.
- (34) Smokers' articles.
- (35) Advertising and business.
- (36) Insurance and financial.
- (37) Construction and repair.
- (38) Communication.
- (39) Transportation and storage.
- (40) Material treatment.
- (41) Education and entertainment.
- (42) Miscellaneous. [1989 c 72 § 7; 1955 c 211 § 11.]

**19.77.130 Fraudulent registration—Financial liability.** Any person who shall for himself, or on behalf of any other person, procure the registration of any trademark by the secretary of state under the provisions of this chapter, by knowingly making any false or fraudulent representation or declaration, or by any other fraudulent means, shall be liable to pay all damages sustained in consequence of such registration, to be recovered by or on behalf of the party injured thereby in any court of competent jurisdiction, together with costs of such action including reasonable attorneys' fees. [1989 c 72 § 8; 1955 c 211 § 13.]

**19.77.140 Trademark imitation.** (1) Subject to the provisions of RCW 19.77.900 any person who shall:

(a) Use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of a trademark registered under this chapter in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive; or

(b) Reproduce, counterfeit, copy or colorably imitate any such trademark and apply such reproduction, counterfeit, copy or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with the sale or other distribution of goods or services in this state on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive

shall be liable to a civil action by the registrant for any or all of the remedies provided in RCW 19.77.150, except that under (b) of this subsection the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion or mistake, or to deceive.

(2) In determining whether, under this chapter, there is a likelihood of confusion, mistake, or deception between marks when used in association with goods or services, the court shall consider all relevant factors, including, but not limited to the following:

(a) The similarity or dissimilarity of the marks in their entireties to appearance, sound, meaning, connotation, and commercial impression;

(b) The similarity or dissimilarity of the goods or services and nature of the goods and services;

(c) The similarity or dissimilarity of trade channels;

(d) The conditions under which sales are made and buyers to whom sales are made;

(e) The fame of the marks;

(f) The number and nature of similar marks in use on similar goods or services;

(g) The nature and extent of any actual confusion;

(h) The length of time during and conditions under which there has been concurrent use without evidence of actual confusion;

(i) The variety of goods or services on which each of the marks is or is not used;

(j) The nature and extent of potential confusion, i.e., whether de minimis or substantial;

(k) Any other established fact probative of the effect of use. [1989 c 72 § 9; 1955 c 211 § 14.]

**19.77.150 Remedies of registrants.** Any registrant may proceed by suit to enjoin the manufacture, use, display, or sale of any counterfeits or colorable imitations of a trademark registered under this chapter, and any court of competent jurisdiction may grant an injunction to restrain such manufacture, use, display, or sale as may be by the said court deemed just and reasonable, and may require the defendants to pay to such registrant all profits derived from and/or all damages suffered by reason of such wrongful manufacture, use, display, or sale; and such court may also order that any such counterfeits or colorable imitations in the possession or under the control of any defendant in such case be delivered to an officer of the court, or to the registrant, to be destroyed. In exceptional cases the court may award to the prevailing party the costs of the suit including reasonable attorneys' fees.

The enumeration of any right or remedy herein shall not affect a registrant's right to prosecute under any penal law of this state. [1989 c 72 § 11; 1955 c 211 § 15.]

**19.77.160 Injunctive relief for owners of famous marks.** The owner of a famous mark shall be entitled, subject to the principles of equity, to an injunction against another person's use in this state of a mark, commencing after the mark becomes famous, which causes dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this section. In determining whether a mark is famous and has distinctive quality, a court shall consider all relevant factors, including, but not limited to the following:

(1) Whether the mark is inherently distinctive or has become distinctive through substantially exclusive and continuous use;

(2) Whether the duration and extent of use of the mark are substantial;

(3) Whether the duration and extent of advertising and publicity of the mark are substantial;

(4) Whether the geographical extent of the trading area in which the mark is used is substantial;

(5) Whether the mark has substantial renown in its and in the other person's trading areas and channels of trade; and

(6) Whether substantial use of the same or similar marks is being made by third parties.

The owner shall be entitled only to injunctive relief in an action brought under this section, unless the subsequent user willfully intended to trade on the registrant's reputation or to cause dilution of the owner's mark. If such willful intent is proven, the owner shall also be entitled to the remedies set forth in this chapter, subject to the discretion of the court and the principles of equity. [1989 c 72 § 10.]

**19.77.170 Use of trademark employed by alien person outside of United States—Limitation of damages, relief—Exceptions.** Damages or equitable relief of any nature may not be awarded in any pending or future legal procedure in favor of an alien person against a domestic person on account of the domestic person's use of a trademark or trade name in this state that is employed by the alien person outside of the United States, absent proof that:

(1) The alien person had commenced to employ the trademark or trade name in connection with the sale of its

goods or services within the United States prior to the time the domestic person commenced to use the trademark or trade name in this state; or

(2) That the trademark was registered by the United States patent and trademark office or reserved by the secretary of state to the alien person at the time the domestic person commenced to use it. This section applies regardless of the nature of the claim asserted and whether the claim upon which any such relief is sought arises by statute, under the common law, or otherwise. [1994 c 60 § 7.]

**19.77.900 Common law rights preserved prior to registration.** Nothing herein shall adversely affect the rights or the enforcement of rights in trademarks acquired in good faith at common law prior to registration under this chapter; however, during any period subsequent to July 23, 1989, when the registration of a mark under this chapter is in force and the registrant has not abandoned the trademark, no common law rights as against the registrant may be acquired. [1989 c 72 § 12; 1955 c 211 § 16.]

**19.77.910 Saving—1955 c 211.** As to any pending suit, proceeding or appeal, and for that purpose only, the repeal of prior acts shall be deemed not to be effective until final determination. [1955 c 211 § 17.]

**19.77.920 Severability—1955 c 211.** If any provision of this chapter is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions. [1955 c 211 § 20.]

**19.77.930 Construction—1989 c 72.** It is the intent of the legislature that, in construing this chapter, the courts be guided by the interpretation given by the federal courts to the federal trademark act of 1946, as amended, 15 U.S.C., Sec. 1051, et seq. [1989 c 72 § 13.]

**19.77.940 Prospective application—1989 c 72.** Chapter 72, Laws of 1989 applies prospectively only and not retroactively. The rights and obligations of chapter 72, Laws of 1989 shall accrue upon July 23, 1989, to all prior trademark registrations then in effect, and the provisions of chapter 72, Laws of 1989 shall not apply to any cause of action arising prior to July 23, 1989. [1989 c 72 § 14.]

## Chapter 19.80 TRADE NAMES

### Sections

19.80.001	Purposes.
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**19.80.001 Purposes.** The purposes of this chapter are:  
(1) To require each person who is conducting business in the

state of Washington under a trade name to disclose the true and real name of each person conducting that business, and (2) to provide a central registry of businesses operating under a trade name in the state of Washington. [1984 c 130 § 1.]

**Effective date—1984 c 130:** "Sections 1 through 11 of this act shall take effect on October 1, 1984. The director of licensing is authorized to immediately take such steps as are necessary to insure that this act is implemented on its effective date." [1984 c 130 § 12.]

**19.80.005 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter:

(1) "Trade name" means a word or name, or any combination of a word or name, used by a person to identify the person's business which:

(a) Is not, or does not include, the true and real name of all persons conducting the business; or

(b) Includes words which suggest additional parties of interest such as "company," "and sons," or "and associates."

(2) "Business" means an occupation, profession, or employment engaged in for the purpose of seeking a profit.

(3) "Executed" by a person means that a document signed by such person is signed by that person under penalties of perjury and in an official and authorized capacity on behalf of the person submitting the document to the department of licensing.

(4) "Person" means any individual, partnership, limited liability company, or corporation conducting or having an interest in a business in the state.

(5) "True and real name" means:

(a) The surname of an individual coupled with one or more of the individual's other names, one or more of the individual's initials, or any combination;

(b) The designation or appellation by which an individual is best known and called in the business community where that individual transacts business, if this is used as that individual's legal signature;

(c) The registered corporate name of a domestic corporation as filed with the secretary of state;

(d) The registered corporate name of a foreign corporation authorized to do business within the state of Washington as filed with the secretary of state;

(e) The registered partnership name of a domestic limited partnership as filed with the secretary of state;

(f) The registered partnership name of a foreign limited partnership as filed with the secretary of state; or

(g) The name of a general partnership which includes in its name the true and real names, as defined in (a) through (f) of this subsection, of each general partner as required in RCW 19.80.010. [1996 c 231 § 2; 1984 c 130 § 2.]

**Effective date—1984 c 130:** See note following RCW 19.80.001.

**19.80.010 Registration required.** Each person or persons who shall carry on, conduct, or transact business in this state under any trade name shall register that trade name with the department of licensing as set forth in this section:

(1) Sole proprietorship or general partnership: The registration shall set forth the true and real name or names of each person conducting the same, together with the post office address or addresses of each such person and the name of the general partnership, if applicable.

(2) Foreign or domestic limited partnership: The registration shall set forth the limited partnership name as filed with the office of the secretary of state.

(3) Foreign or domestic limited liability company: The registration shall set forth the limited liability company name as filed with the office of the secretary of state.

(4) Foreign or domestic corporation: The registration shall set forth the corporate name as filed with the office of the secretary of state.

(5) The registration shall be executed by:

(a) The sole proprietor of a sole proprietorship;

(b) A general partner of a domestic or foreign general or limited partnership; or

(c) An officer of a domestic or foreign corporation. [1996 c 231 § 3; 1984 c 130 § 3; 1979 ex.s. c 22 § 1; 1907 c 145 § 1; RRS § 9976.]

**Effective date—1984 c 130:** See note following RCW 19.80.001.

**Adoption of rules—1979 ex.s. c 22:** "The director of the department of licensing shall promulgate such rules and regulations as are necessary to implement the transfer of duties and of records required by section 1 of this 1979 act. Such rules shall provide for transfer of existing certificates from the counties to the department, set fees for filing of certificates and amendments, and set fees for obtaining copies thereof." [1979 ex.s. c 22 § 3.]

**Effective date—1979 ex.s. c 22:** "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1979." [1979 ex.s. c 22 § 4.]

**19.80.025 Changes in registration—Filing amendment.** (1) An executed amendment shall be filed with the department of licensing when a change occurs in:

(a) The true and real name of a person conducting a business with a trade name registered under this chapter; or  
(b) Any mailing address set forth on the registration or any subsequently filed amendment.

(2) A notice of cancellation shall be filed with the department when use of a trade name is discontinued.

(3) A notice of cancellation, together with a new registration, shall be filed before conducting or transacting any business when:

(a) An addition, deletion, or any change of person or persons conducting business under the registered trade name occurs; or

(b) There is a change in the wording or spelling of the trade name since initial registration or renewal. [1984 c 130 § 5.]

**Effective date—1984 c 130:** See note following RCW 19.80.001.

**19.80.040 Failure to file.** No person or persons carrying on, conducting, or transacting business under any trade name shall be entitled to maintain any suit in any of the courts of this state until such person or persons have properly completed the registration as provided for in RCW 19.80.010. Failure to complete this registration shall not impair the validity of any contract or act of such person or persons and shall not prevent such person or persons from defending any suit in any court of this state. [1984 c 130 § 7; 1907 c 145 § 5; RRS § 9980. Formerly RCW 19.80.040 and 19.80.050.]

**Effective date—1984 c 130:** See note following RCW 19.80.001.

**19.80.045 Rules—Fees.** The director of licensing shall adopt rules as necessary to administer this chapter. The rules may include but are not limited to specifying forms and setting fees for trade name registrations, amendments, searches, renewals, and copies of registration documents. Fees shall not exceed the actual cost of administering this chapter. [1984 c 130 § 6.]

**Effective date—1984 c 130:** See note following RCW 19.80.001.

**19.80.065 \*RCW 42.17.260(5) inapplicable.** \*RCW 42.17.260(5) does not apply to registrations made under this chapter. [1984 c 130 § 8.]

**\*Reviser's note:** RCW 42.17.260 was amended by 1989 c 175 § 36, changing subsection (5) to subsection (6). RCW 42.17.260 was subsequently amended by 1992 c 139 § 3, changing subsection (6) to subsection (7). RCW 42.17.260 was subsequently amended by 1995 c 341 § 1, changing subsection (7) to subsection (9).

**Effective date—1984 c 130:** See note following RCW 19.80.001.

**19.80.075 Collection and deposit of fees.** All fees collected by the department of licensing under this chapter shall be deposited with the state treasurer and credited to the master license fund, except for trade name registration fees collected from June 1, 1992, to June 30, 1992, which shall be deposited in the general fund. Beginning July 1, 1992, trade name registration fees shall be deposited in the master license fund. [1992 c 107 § 6; 1984 c 130 § 9.]

**Effective dates—1992 c 107:** See note following RCW 19.02.020.

**Effective date—1984 c 130:** See note following RCW 19.80.001.

**19.80.900 Severability—1984 c 130.** 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. [1984 c 130 § 11.]

**Effective date—1984 c 130:** See note following RCW 19.80.001.

## Chapter 19.83

### TRADING STAMP LICENSES

#### Sections

- 19.83.010 License required to use or furnish trading stamps, coupons, or similar devices.
- 19.83.020 Issuance of license—Fee.
- 19.83.030 Furnishing or selling trading stamps, coupons, or similar devices geographically limited.
- 19.83.040 Coupons or similar devices—Exemptions.
- 19.83.050 Penalty.

*Trading stamps and premiums, general provision: Chapter 19.84 RCW.*

**19.83.010 License required to use or furnish trading stamps, coupons, or similar devices.** Every person who uses, or furnishes, or sells to any other person for use, in, with, or for the sale of any goods, any trading stamps, coupons, tickets, certificates, cards or other similar devices which entitle the purchaser to procure any goods free of charge or for less than the retail market price thereof, upon the production of any number of such trading stamps, coupons, tickets, certificates, cards, or other similar devices, shall before so furnishing, selling, or using the same obtain a separate license from the auditor of each county wherein such furnishing or selling or using shall take place for each

and every store or place of business in that county, owned or conducted by such person from which such furnishing or selling, or in which such using shall take place. [1913 c 134 § 1; RRS § 8359. Formerly RCW 36.91.010.]

**19.83.020 Issuance of license—Fee.** In order to obtain such license the person applying therefor shall pay to the county treasurer of the county for which the license is sought the sum of six thousand dollars, and upon such payment being made to the county treasurer he shall issue his receipt therefor which shall be presented to the auditor of the county, who shall upon the presentation thereof issue to the person making such payment a license to furnish or sell, or a license to use, for one year, trading stamps, coupons, tickets, certificates, cards, or other similar devices. Such license shall contain the name of the licensee, the date of its issue, the date of its expiration, the city or town in which and the location at which the same shall be used, and the license shall be used at no place other than that mentioned therein. [1913 c 134 § 2; RRS § 8360. Formerly RCW 36.91.020.]

**19.83.030 Furnishing or selling trading stamps, coupons, or similar devices geographically limited.** No person shall furnish or sell to another for use, in, with, or for the sale of any goods, any trading stamps, coupons, tickets, certificates, cards, or other similar devices to be used in any county, city or town in this state other than that in which such furnishing or selling shall take place. [1957 c 221 § 2. Prior: 1939 c 31 § 1, part; 1913 c 134 § 3, part; RRS § 8361, part. Formerly RCW 36.91.030.]

**19.83.040 Coupons or similar devices—Exemptions.** (1) Nothing in this chapter, or in any other statute or ordinance of this state, shall apply to:

(a) The issuance and direct redemption by a manufacturer of a premium coupon, certificate, or similar device; or prevent him from issuing and directly redeeming such premium coupon, certificate, or similar device, which, however, shall not be issued, circulated, or distributed by retail vendors except when contained in or attached to an original package;

(b) The publication by, or distribution through, newspapers or other publications of coupons, certificates, or similar devices; or

(c) A coupon, certificate, or similar device which is within, attached to, or a part of a package or container as packaged by the original manufacturer and which is to be redeemed by another manufacturer, if:

(i) The coupon, certificate, or similar device clearly states the names and addresses of both the issuing manufacturer and the redeeming manufacturer; and

(ii) The issuing manufacturer is responsible for redemption of the coupon, certificate, or similar device if the redeeming manufacturer fails to do so.

(2) The term "manufacturer," as used in this section, means any vendor of an article of merchandise which is put up by or for him in an original package and which is sold under his or its trade name, brand, or mark. [1983 c 40 § 1; 1972 ex.s. c 104 § 1; 1957 c 221 § 3. Prior: 1939 c 31 §

l, part; 1913 c 134 § 3, part; RRS § 8361, part. Formerly RCW 36.91.040.]

**Severability—1983 c 40:** "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." [1983 c 40 § 2.]

**19.83.050 Penalty.** Any person violating any of the provisions of this chapter shall be guilty of a gross misdemeanor. [1913 c 134 § 4; RRS § 8362. Formerly RCW 36.91.050.]

## Chapter 19.84

### TRADING STAMPS AND PREMIUMS

#### Sections

- 19.84.010 Redeemable cash value to be printed on face.
- 19.84.020 Must redeem at cash value.
- 19.84.030 Distributor liable.
- 19.84.040 Criminal penalty.

*Trading stamp licenses: Chapter 19.83 RCW.*

**19.84.010 Redeemable cash value to be printed on face.** No person shall sell or issue any stamps, trading stamp, cash discount stamp, check, ticket, coupon or other similar device, which will entitle the holder thereof, on presentation thereof, either singly or in definite number, to receive, either directly from the vendor or indirectly through any other person, money or goods, wares or merchandise, unless each of said stamps, trading stamps, cash discount stamps, checks, tickets, coupons or other similar devices shall have legibly printed or written upon the face thereof the redeemable value thereof in cents. [1907 c 253 § 1; RRS § 5837.]

**19.84.020 Must redeem at cash value.** Any person who shall sell or issue to any person engaged in any trade, business or profession, any stamp, trading stamp, cash discount stamp, check, ticket, coupon, or other similar device which will entitle the holder thereof, on presentation thereof either singly or in definite number, to receive either directly from the vendor or indirectly through any other person, money or goods, wares or merchandise, shall, upon presentation, redeem the same either in goods, wares or merchandise, or in cash, good and lawful money of the United States, at the option of the holder thereof, and any number of such stamps, trading stamps, cash discount stamps, checks, tickets, coupons, or other similar devices shall be redeemed as hereinbefore set forth, at the value in cents printed upon the face thereof, and it shall not be necessary for the holder thereof to have any stipulated number of the same before demand for redemption may be made, but they shall be redeemed in any number, when presented, at the value in cents printed upon the face thereof, as hereinbefore provided. [1907 c 253 § 2; RRS § 5838.]

**19.84.030 Distributor liable.** Any person engaged in any trade, business or profession who shall distribute, deliver or present to any person dealing with him, in consideration of any article or thing purchased, any stamp, trading stamp, cash discount stamp, check, ticket, coupon or other similar

device, which will entitle the holder thereof, on presentation thereof, either singly or in definite number, to receive, either directly from the person issuing or selling the same, as set forth in RCW 19.84.020, or indirectly through any other person, shall, upon the refusal or failure of the said person issuing or selling same to redeem the same, as set forth in RCW 19.84.020, be liable to the holder thereof for the face value thereof, and shall upon presentation redeem the same, either in goods, wares or merchandise, or in cash, good and lawful money of the United States of America, at the option of the holder thereof, and in such case any number of such stamps, trading stamps, cash discount stamps, checks, tickets, coupons or other similar devices, shall be redeemed as hereinbefore set forth, at the value in cents printed upon the face thereof, and it shall not be necessary for the holder thereof to have any stipulated number of the same before demand for redemption may be made, but they shall be redeemed in any number, when presented, at the value in cents printed upon the face thereof, as hereinbefore provided. [1907 c 253 § 3; RRS § 5839.]

**19.84.040 Criminal penalty.** Any person, firm or corporation who shall violate any of the provisions of this chapter shall be deemed guilty of a misdemeanor, and shall be fined not less than one hundred dollars nor more than one thousand dollars for each offense. [1907 c 253 § 4; RRS § 5840.]

## Chapter 19.85

### REGULATORY FAIRNESS ACT

#### Sections

- 19.85.011 Finding.
- 19.85.020 Definitions.
- 19.85.025 Application of chapter—Limited.
- 19.85.030 Agency rules—Small business economic impact statement—Reduction of costs imposed by rule.
- 19.85.040 Small business economic impact statement—Purpose—Contents.
- 19.85.050 Agency plan for review of business rules—Scope—Factors applicable to review—Annual list.
- 19.85.061 Compliance with federal law.
- 19.85.070 Small business economic impact statement—Notice of proposed rule.
- 19.85.900 Severability—1982 c 6.

*Rules coordinator duties regarding business: RCW 43.17.310.*

**19.85.011 Finding.** The legislature finds that administrative rules adopted by state agencies can have a disproportionate impact on the state's small businesses because of the size of those businesses. This disproportionate impact reduces competition, innovation, employment, and new employment opportunities, and threatens the very existence of some small businesses. The legislature therefore enacts the Regulatory Fairness Act with the intent of reducing the disproportionate impact of state administrative rules on small business. [1994 c 249 § 9.]

**Severability—Application—1994 c 249:** See notes following RCW 34.05.310.

**19.85.020 Definitions.** Unless the context clearly indicates otherwise, the definitions in this section apply through this chapter.

(1) "Small business" means any business entity, including a sole proprietorship, corporation, partnership, or other legal entity, that is owned and operated independently from all other businesses, that has the purpose of making a profit, and that has fifty or fewer employees.

(2) "Small business economic impact statement" means a statement meeting the requirements of RCW 19.85.040 prepared by a state agency pursuant to RCW 19.85.030.

(3) "Industry" means all of the businesses in this state in any one four-digit standard industrial classification as published by the United States department of commerce. However, if the use of a four-digit standard industrial classification would result in the release of data that would violate state confidentiality laws, "industry" means all businesses in a three-digit standard industrial classification. [1994 c 249 § 10; 1993 c 280 § 34; 1989 c 374 § 1; 1982 c 6 § 2.]

**Effective date—1994 c 249 § 10:** "Section 10 of this act shall take effect July 1, 1994." [1994 c 249 § 37.]

**Severability—Application—1994 c 249:** See notes following RCW 34.05.310.

**Effective date—Severability—1993 c 280:** See RCW 43.330.902 and 43.330.903.

#### 19.85.025 Application of chapter—Limited. (1)

Unless an agency receives a written objection to the expedited repeal of a rule, this chapter does not apply to a rule proposed for expedited repeal pursuant to RCW 34.05.354. If an agency receives a written objection to expedited repeal of the rule, this chapter applies to the rule-making proceeding.

(2) This chapter does not apply to a rule proposed for expedited adoption under \*RCW 34.05.230 (1) through (8), unless a written objection is timely filed with the agency and the objection is not withdrawn.

(3) This chapter does not apply to the adoption of a rule described in RCW 34.05.310(4).

(4) An agency is not required to prepare a separate small business economic impact statement under RCW 19.85.040 if it prepared an analysis under RCW 34.05.328 that meets the requirements of a small business economic impact statement, and if the agency reduced the costs imposed by the rule on small business to the extent required by RCW 19.85.030(3). The portion of the analysis that meets the requirements of RCW 19.85.040 shall be filed with the code reviser and provided to any person requesting it in lieu of a separate small business economic impact statement. [1997 c 409 § 212; 1995 c 403 § 401.]

**\*Reviser's note:** RCW 34.05.230 (1) through (8) expire December 31, 2000.

**Part headings—Severability—1997 c 409:** See notes following RCW 43.22.051.

**Application—1995 c 403 §§ 201, 301-305, 401-405, and 801:** See note following RCW 34.05.328.

**Findings—Short title—Intent—1995 c 403:** See note following RCW 34.05.328.

**Part headings not law—Severability—1995 c 403:** See RCW 43.05.903 and 43.05.904.

#### 19.85.030 Agency rules—Small business economic impact statement—Reduction of costs imposed by rule.

(1) In the adoption of a rule under chapter 34.05 RCW, an

agency shall prepare a small business economic impact statement: (a) If the proposed rule will impose more than minor costs on businesses in an industry; or (b) if requested to do so by a majority vote of the joint administrative rules review committee within forty-five days of receiving the notice of proposed rule making under RCW 34.05.320. However, if the agency has completed the pilot rule process as defined by RCW 34.05.313 before filing the notice of a proposed rule, the agency is not required to prepare a small business economic impact statement.

An agency shall prepare the small business economic impact statement in accordance with RCW 19.85.040, and file it with the code reviser along with the notice required under RCW 34.05.320. An agency shall file a statement prepared at the request of the joint administrative rules review committee with the code reviser upon its completion before the adoption of the rule. An agency shall provide a copy of the small business economic impact statement to any person requesting it.

An agency may request assistance from the \*business assistance center in the preparation of the small business economic impact statement.

(2) The \*business assistance center shall develop guidelines to assist agencies in determining whether a proposed rule will impose more than minor costs on businesses in an industry and therefore require preparation of a small business economic impact statement. The \*business assistance center may review an agency determination that a proposed rule will not impose such costs, and shall advise the joint administrative rules review committee on disputes involving agency determinations under this section.

(3) Based upon the extent of disproportionate impact on small business identified in the statement prepared under RCW 19.85.040, the agency shall, where legal and feasible in meeting the stated objectives of the statutes upon which the rule is based, reduce the costs imposed by the rule on small businesses. Methods to reduce the costs on small businesses may include:

(a) Reducing, modifying, or eliminating substantive regulatory requirements;

(b) Simplifying, reducing, or eliminating recordkeeping and reporting requirements;

(c) Reducing the frequency of inspections;

(d) Delaying compliance timetables;

(e) Reducing or modifying fine schedules for noncompliance; or

(f) Any other mitigation techniques. [1995 c 403 § 402; 1994 c 249 § 11. Prior: 1989 c 374 § 2; 1989 c 175 § 72; 1982 c 6 § 3.]

**\*Reviser's note:** The business assistance center and its powers and duties were terminated June 30, 1995. See 1993 c 280 §§ 80 and 81.

**Application—1995 c 403 §§ 201, 301-305, 401-405, and 801:** See note following RCW 34.05.328.

**Findings—Short title—Intent—1995 c 403:** See note following RCW 34.05.328.

**Part headings not law—Severability—1995 c 403:** See RCW 43.05.903 and 43.05.904.

**Severability—Application—1994 c 249:** See notes following RCW 34.05.310.

**Effective date—1989 c 175:** See note following RCW 34.05.010.

*Publication of small business economic impact statement in Washington State Register: RCW 34.08.020.*

**19.85.040 Small business economic impact statement—Purpose—Contents.**

(1) A small business economic impact statement must include a brief description of the reporting, recordkeeping, and other compliance requirements of the proposed rule, and the kinds of professional services that a small business is likely to need in order to comply with such requirements. It shall analyze the costs of compliance for businesses required to comply with the proposed rule adopted pursuant to RCW 34.05.320, including costs of equipment, supplies, labor, and increased administrative costs. It shall consider, based on input received, whether compliance with the rule will cause businesses to lose sales or revenue. To determine whether the proposed rule will have a disproportionate impact on small businesses, the impact statement must compare the cost of compliance for small business with the cost of compliance for the ten percent of businesses that are the largest businesses required to comply with the proposed rules using one or more of the following as a basis for comparing costs:

- (a) Cost per employee;
- (b) Cost per hour of labor; or
- (c) Cost per one hundred dollars of sales.

(2) A small business economic impact statement must also include:

(a) A statement of the steps taken by the agency to reduce the costs of the rule on small businesses as required by RCW 19.85.030(3), or reasonable justification for not doing so, addressing the options listed in RCW 19.85.030(3);

(b) A description of how the agency will involve small businesses in the development of the rule; and

(c) A list of industries that will be required to comply with the rule. However, this subsection (2)(c) shall not be construed to preclude application of the rule to any business or industry to which it would otherwise apply.

(3) To obtain information for purposes of this section, an agency may survey a representative sample of affected businesses or trade associations and should, whenever possible, appoint a committee under RCW 34.05.310(2) to assist in the accurate assessment of the costs of a proposed rule, and the means to reduce the costs imposed on small business. [1995 c 403 § 403; 1994 c 249 § 12. Prior: 1989 c 374 § 3; 1989 c 175 § 73; 1982 c 6 § 4.]

**Application—1995 c 403 §§ 201, 301-305, 401-405, and 801:** See note following RCW 34.05.328.

**Findings—Short title—Intent—1995 c 403:** See note following RCW 34.05.328.

**Part headings not law—Severability—1995 c 403:** See RCW 43.05.903 and 43.05.904

**Severability—Application—1994 c 249:** See notes following RCW 34.05.310.

**Effective date—1989 c 175:** See note following RCW 34.05.010.

*Publication in Washington State Register:* RCW 34.08.020.

**19.85.050 Agency plan for review of business rules—Scope—Factors applicable to review—Annual list.**

(1) Within one year after June 10, 1982, each agency shall publish and deliver to the office of financial management and to all persons who make requests of the agency for a copy of a plan to periodically review all rules then in effect and which have been issued by the agency which have an economic impact on more than twenty percent of all industries or ten percent of the businesses in any one industry.

Such plan may be amended by the agency at any time by publishing a revision to the review plan and delivering such revised plan to the office of financial management and to all persons who make requests of the agency for the plan. The purpose of the review is to determine whether such rules should be continued without change or should be amended or rescinded, consistent with the stated objectives of applicable statutes, to minimize the economic impact on small businesses as described by this chapter. The plan shall provide for the review of all such agency rules in effect on June 10, 1982, within ten years of that date.

(2) In reviewing rules to minimize any significant economic impact of the rule on small businesses as described by this chapter, and in a manner consistent with the stated objectives of applicable statutes, the agency shall consider the following factors:

- (a) The continued need for the rule;
- (b) The nature of complaints or comments received concerning the rule from the public;
- (c) The complexity of the rule;
- (d) The extent to which the rule overlaps, duplicates, or conflicts with other state or federal rules, and, to the extent feasible, with local governmental rules; and
- (e) The degree to which technology, economic conditions, or other factors have changed in the subject area affected by the rule.

(3) Each year each agency shall publish a list of rules which are to be reviewed pursuant to this section during the next twelve months and deliver a copy of the list to the office of financial management and all persons who make requests of the agency for the list. The list shall include a brief description of the legal basis for each rule as described by RCW 34.05.360, and shall invite public comment upon the rule. [1989 c 175 § 74; 1982 c 6 § 5.]

**Effective date—1989 c 175:** See note following RCW 34.05.010.

**19.85.061 Compliance with federal law.** Unless so requested by a majority vote of the joint administrative rules review committee under RCW 19.85.030, an agency is not required to comply with this chapter when adopting any rule solely for the purpose of conformity or compliance, or both, with federal statute or regulations. In lieu of the statement required under RCW 19.85.030, the agency shall file a statement citing, with specificity, the federal statute or regulation with which the rule is being adopted to conform or comply, and describing the consequences to the state if the rule is not adopted. [1995 c 403 § 404.]

**Application—1995 c 403 §§ 201, 301-305, 401-405, and 801:** See note following RCW 34.05.328.

**Findings—Short title—Intent—1995 c 403:** See note following RCW 34.05.328.

**Part headings not law—Severability—1995 c 403:** See RCW 43.05.903 and 43.05.904.

**19.85.070 Small business economic impact statement—Notice of proposed rule.**

When any rule is proposed for which a small business economic impact statement is required, the adopting agency shall provide notice to small businesses of the proposed rule through any of the following:

(1) Direct notification of known interested small businesses or trade organizations affected by the proposed rule; or

(2) Providing information of the proposed rule making to publications likely to be obtained by small businesses of the types affected by the proposed rule. [1992 c 197 § 1.]

**19.85.900 Severability—1982 c 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. [1982 c 6 § 11.]

### Chapter 19.86

## UNFAIR BUSINESS PRACTICES—CONSUMER PROTECTION

#### Sections

- 19.86.010 Definitions.
- 19.86.020 Unfair competition, practices, declared unlawful.
- 19.86.023 Violation of RCW 15.86.030 constitutes violation of RCW 19.86.020.
- 19.86.030 Contracts, combinations, conspiracies in restraint of trade declared unlawful.
- 19.86.040 Monopolies and attempted monopolies declared unlawful.
- 19.86.050 Transactions and agreements not to use or deal in commodities or services of competitor declared unlawful when lessens competition.
- 19.86.060 Acquisition of corporate stock by another corporation to lessen competition declared unlawful—Exceptions—Judicial order to divest.
- 19.86.070 Labor not an article of commerce—Chapter not to affect mutual, nonprofit organizations.
- 19.86.080 Attorney general may restrain prohibited acts—Costs—Restoration of property.
- 19.86.090 Civil action for damages—Treble damages authorized—Action by governmental entities.
- 19.86.095 Request for injunctive relief—Appellate proceeding—Service on the attorney general.
- 19.86.100 Assurance of discontinuance of prohibited act—Approval of court—Not considered admission.
- 19.86.110 Demand to produce documentary materials for inspection, answer written interrogatories, or give oral testimony—Contents—Service—Unauthorized disclosure—Return—Modification, vacation—Use—Penalty.
- 19.86.115 Materials from a federal agency or other state's attorney general.
- 19.86.120 Limitation of actions—Tolling.
- 19.86.130 Final judgment to restrain is prima facie evidence in civil action—Exceptions.
- 19.86.140 Civil penalties.
- 19.86.145 Penalties—Animals used in biomedical research.
- 19.86.150 Dissolution, forfeiture of corporate franchise for violations.
- 19.86.160 Personal service of process outside state.
- 19.86.170 Exempted actions or transactions—Stipulated penalties and remedies are exclusive.
- 19.86.900 Severability—1961 c 216.
- 19.86.910 Short title.
- 19.86.920 Purpose—Interpretation—Liberal construction—Saving—1985 c 401; 1983 c 288; 1983 c 3; 1961 c 216.
- Adult family homes: Chapter 70.128 RCW.*
- Advertisement of children for adoption: RCW 26.33.400.*
- Agriculture—Declarations of "Washington state grown": RCW 15.04.410.*
- Athlete agents: RCW 18.175.080.*
- Auctioneers: Chapter 18.11 RCW.*
- Automotive repair: Chapter 46.71 RCW.*
- Bail bond agents—Records—Finances—Disposition of security—Application of consumer protection act: RCW 18.185.210.*
- Business opportunity fraud act: Chapter 19.110 RCW.*
- Camping resorts: RCW 19.105.405, 19.105.500.*
- Cemetery board—Violation—Penalty—Unfair practice—Other laws applicable: RCW 68.05.330.*
- Chain distributor schemes: RCW 19.102.020.*
- Charitable solicitations, regulation: RCW 19.09.340.*
- Check cashers and sellers: Chapter 31.45 RCW.*
- Cigarettes—Sales below cost: RCW 19.91.300.*
- Collection agencies: RCW 19.16.120, 19.16.440.*
- Commercial telephone solicitation: Chapter 19.158 RCW.*
- Consumer leases: RCW 63.10.050.*
- Contractors: Chapter 18.27 RCW.*
- Credit—Fair credit reporting act: Chapter 19.182 RCW.*
- Credit services organization act: RCW 19.134.070.*
- Debt adjusting: RCW 18.28.185.*
- Degree-granting institutions: Chapter 28B.85 RCW.*
- Electronic mail—Commercial: Chapter 19.190 RCW.*
- Electronic signatures—Licensed certification authority using license in violation of chapter 19.86 RCW: RCW 19.34.100.*
- Embalmers and funeral directors: RCW 18.39.350.*
- Employment agencies—Enforcement: RCW 19.31.210.*
- Equity skimming: Chapter 61.34 RCW.*
- Escrow agents—Advertisement, statement, or reference to existence of financial responsibility requirements prohibited—Referral fees prohibited: RCW 18.44.070, 18.44.145.*
- Fair credit reporting act: Chapter 19.182 RCW.*
- Franchise investment protection: RCW 19.100.030, 19.100.160, 19.100.190, 19.100.200.*
- Going out of business sales: Chapter 19.178 RCW.*
- Health studio services: Chapter 19.142 RCW.*
- Hearing instrument dispensing, advertising, etc.—Application: RCW 18.35.110, 18.35.120, 18.35.180.*
- Heating oil pollution liability protection act: RCW 70.149.100.*
- House-to-house sales by minors: RCW 49.12.310.*
- Immigration assistants: RCW 19.154.090.*
- International student exchange: Chapter 19.166 RCW.*
- Kosher food products: Chapter 69.90 RCW.*
- Land development law: RCW 58.19.270.*
- Law against discrimination: RCW 49.60.030.*
- Lease-purchase agreements: Chapter 63.19 RCW.*
- Leases: RCW 62A.2A-104.*
- Mechanics' and materialmen's liens—Acts of coercion: RCW 60.04.035.*
- Medicaid patient discrimination: RCW 74.42.055.*
- Mobile home installation service and warranty standards: RCW 43.22.440.*
- Mortgage brokers: Chapter 19.146 RCW.*
- Motor vehicle dealers: Chapter 46.70 RCW.*
- Motor vehicle service contracts: Chapter 48.96 RCW.*
- Motor vehicle subleasing or transfer: Chapter 19.116 RCW.*
- Motor vehicle warranties: Chapter 19.118 RCW.*
- Nursing homes—Discrimination against medicaid recipients: RCW 74.42.055.*
- Offers to alter bids at sales pursuant to deeds of trust: RCW 61.24.135.*
- On-site sewage additive manufacturers: RCW 70.118.080.*
- Operator services: RCW 80.36.360, 80.36.400, 80.36.530, 80.36.540.*
- Pay-per-call information delivery services: Chapter 19.162 RCW.*
- Private vocational schools: Chapter 28C.10 RCW.*
- Promotional advertising of prizes: Chapter 19.170 RCW.*
- Radio communications service companies not regulated by utilities and transportation commission: RCW 80.66.010.*
- Roofing and siding contractors and salespersons: Chapter 19.186 RCW.*
- Sellers of travel: Chapter 19.138 RCW.*
- Telephone buyers' protection act: Chapter 19.130 RCW.*
- Timeshare act: Chapter 64.36 RCW.*

*Unsolicited goods or services: Chapter 19.56 RCW.*

*Usurious contracts: RCW 19.52.036.*

*Viatical settlements act: Chapter 48.102 RCW.*

*Water companies exempt from utilities and transportation commission regulation: RCW 80.04.010.*

*Weatherization of leased or rented residences: RCW 70.164.060.*

**19.86.010 Definitions.** As used in this chapter:

(1) "Person" shall include, where applicable, natural persons, corporations, trusts, unincorporated associations and partnerships.

(2) "Trade" and "commerce" shall include the sale of assets or services, and any commerce directly or indirectly affecting the people of the state of Washington.

(3) "Assets" shall include any property, tangible or intangible, real, personal, or mixed, and wherever situate, and any other thing of value. [1961 c 216 § 1.]

**19.86.020 Unfair competition, practices, declared unlawful.** Unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful. [1961 c 216 § 2.]

*Hearing instrument dispensing, advertising, etc.—Application: RCW 18.35.180.*

**19.86.023 Violation of RCW 15.86.030 constitutes violation of RCW 19.86.020.** Any violation of RCW 15.86.030 shall also constitute a violation under RCW 19.86.020. [1985 c 247 § 7.]

**19.86.030 Contracts, combinations, conspiracies in restraint of trade declared unlawful.** Every contract, combination, in the form of trust or otherwise, or conspiracy in restraint of trade or commerce is hereby declared unlawful. [1961 c 216 § 3.]

*Monopolies and trusts prohibited: State Constitution Art. 12 § 22.*

**19.86.040 Monopolies and attempted monopolies declared unlawful.** It shall be unlawful for any person to monopolize, or attempt to monopolize or combine or conspire with any other person or persons to monopolize any part of trade or commerce. [1961 c 216 § 4.]

**19.86.050 Transactions and agreements not to use or deal in commodities or services of competitor declared unlawful when lessens competition.** It shall be unlawful for any person to lease or make a sale or contract for sale of goods, wares, merchandise, machinery, supplies, or other commodities, or services, whether patented or unpatented, for use, consumption, enjoyment, or resale, or fix a price charged therefor, or discount from, or rebate upon, such price, on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies, or other commodity or services of a competitor or competitors of the lessor or seller, where the effect of such lease, sale, or contract for such sale or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce. [1961 c 216 § 5.]

**19.86.060 Acquisition of corporate stock by another corporation to lessen competition declared unlawful—Exceptions—Judicial order to divest.** It shall be unlawful for any corporation to acquire, directly or indirectly, the whole or any part of the stock or assets of another corporation where the effect of such acquisition may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

This section shall not apply to corporations purchasing such stock solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition. Nor shall anything contained in this section prevent a corporation from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not to substantially lessen competition.

In addition to any other remedy provided by this chapter, the superior court may order any corporation to divest itself of the stock or assets held contrary to this section, in the manner and within the time fixed by said order. [1961 c 216 § 6.]

**19.86.070 Labor not an article of commerce—Chapter not to affect mutual, nonprofit organizations.**

The labor of a human being is not a commodity or article of commerce. Nothing contained in this chapter shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations, instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof. [1961 c 216 § 7.]

*Labor regulations: Title 49 RCW.*

**19.86.080 Attorney general may restrain prohibited acts—Costs—Restoration of property.** The attorney general may bring an action in the name of the state against any person to restrain and prevent the doing of any act herein prohibited or declared to be unlawful; and the prevailing party may, in the discretion of the court, recover the costs of said action including a reasonable attorney's fee.

The court may make such additional orders or judgments as may be necessary to restore to any person in interest any moneys or property, real or personal, which may have been acquired by means of any act herein prohibited or declared to be unlawful. [1970 ex.s. c 26 § 1; 1961 c 216 § 8.]

**19.86.090 Civil action for damages—Treble damages authorized—Action by governmental entities.** Any person who is injured in his or her business or property by a violation of RCW 19.86.020, 19.86.030, 19.86.040, 19.86.050, or 19.86.060, or any person so injured because he or she refuses to accede to a proposal for an arrangement which, if consummated, would be in violation of RCW 19.86.030, 19.86.040, 19.86.050, or 19.86.060, may bring a civil action in the superior court to enjoin further violations, to recover the actual damages sustained by him or her, or

both, together with the costs of the suit, including a reasonable attorney's fee, and the court may in its discretion, increase the award of damages to an amount not to exceed three times the actual damages sustained: PROVIDED, That such increased damage award for violation of RCW 19.86.020 may not exceed ten thousand dollars: PROVIDED FURTHER, That such person may bring a civil action in the district court to recover his or her actual damages, except for damages which exceed the amount specified in RCW 3.66.020, and the costs of the suit, including reasonable attorney's fees. The district court may, in its discretion, increase the award of damages to an amount not more than three times the actual damages sustained, but such increased damage award shall not exceed the amount specified in RCW 3.66.020. For the purpose of this section "person" shall include the counties, municipalities, and all political subdivisions of this state.

Whenever the state of Washington is injured by reason of a violation of RCW 19.86.030, 19.86.040, 19.86.050, or 19.86.060, it may sue therefor in the superior court to recover the actual damages sustained by it and to recover the costs of the suit including a reasonable attorney's fee. [1987 c 202 § 187; 1983 c 288 § 3; 1970 ex.s. c 26 § 2; 1961 c 216 § 9.]

**Intent—1987 c 202:** See note following RCW 2.04.190.

**Short title—Purposes—1983 c 288:** "This act may be cited as the antitrust/consumer protection improvements act. Its purposes are to strengthen public and private enforcement of the unfair business practices-consumer protection act, chapter 19.86 RCW, and to repeal the unfair practices act, chapter 19.90 RCW, in order to eliminate a statute which is unnecessary in light of the provisions and remedies of chapter 19.86 RCW. In repealing chapter 19.90 RCW, it is the intent of the legislature that chapter 19.86 RCW should continue to provide appropriate remedies for predatory pricing and other pricing practices which constitute violations of federal antitrust law." [1983 c 288 § 1.]

**19.86.095 Request for injunctive relief—Appellate proceeding—Service on the attorney general.** In any proceeding in which there is a request for injunctive relief under RCW 19.86.090, the attorney general shall be served with a copy of the initial pleading alleging a violation of this chapter. In any appellate proceeding in which an issue is presented concerning a provision of this chapter, the attorney general shall, within the time provided for filing the brief with the appellate court, be served with a copy of the brief of the party presenting such issue. [1983 c 288 § 5.]

**Short title—Purposes—1983 c 288:** See note following RCW 19.86.090.

**19.86.100 Assurance of discontinuance of prohibited act—Approval of court—Not considered admission.** In the enforcement of this chapter, the attorney general may accept an assurance of discontinuance of any act or practice deemed in violation of this chapter, from any person engaging in, or who has engaged in, such act or practice. Any such assurance shall be in writing and be filed with and subject to the approval of the superior court of the county in which the alleged violator resides or has his principal place of business, or in Thurston county.

Such assurance of discontinuance shall not be considered an admission of a violation for any purpose; however, proof of failure to comply with the assurance of discontinu-

ance shall be prima facie evidence of a violation of this chapter. [1970 ex.s. c 26 § 3; 1961 c 216 § 10.]

**19.86.110 Demand to produce documentary materials for inspection, answer written interrogatories, or give oral testimony—Contents—Service—Unauthorized disclosure—Return—Modification, vacation—Use—Penalty.**

(1) Whenever the attorney general believes that any person (a) may be in possession, custody, or control of any original or copy of any book, record, report, memorandum, paper, communication, tabulation, map, chart, photograph, mechanical transcription, or other tangible document or recording, wherever situate, which he believes to be relevant to the subject matter of an investigation of a possible violation of RCW 19.86.020, 19.86.030, 19.86.040, 19.86.050, or 19.86.060, or federal statutes dealing with the same or similar matters that the attorney general is authorized to enforce, or (b) may have knowledge of any information which the attorney general believes relevant to the subject matter of such an investigation, he may, prior to the institution of a civil proceeding thereon, execute in writing and cause to be served upon such a person, a civil investigative demand requiring such person to produce such documentary material and permit inspection and copying, to answer in writing written interrogatories, to give oral testimony, or any combination of such demands pertaining to such documentary material or information: PROVIDED, That this section shall not be applicable to criminal prosecutions.

(2) Each such demand shall:

(a) State the statute and section or sections thereof, the alleged violation of which is under investigation, and the general subject matter of the investigation;

(b) If the demand is for the production of documentary material, describe the class or classes of documentary material to be produced thereunder with reasonable specificity so as fairly to indicate the material demanded;

(c) Prescribe a return date within which the documentary material is to be produced, the answers to written interrogatories are to be made, or a date, time, and place at which oral testimony is to be taken; and

(d) Identify the members of the attorney general's staff to whom such documentary material is to be made available for inspection and copying, to whom answers to written interrogatories are to be made, or who are to conduct the examination for oral testimony.

(3) No such demand shall:

(a) Contain any requirement which would be unreasonable or improper if contained in a subpoena duces tecum, a request for answers to written interrogatories, or a request for deposition upon oral examination issued by a court of this state; or

(b) Require the disclosure of any documentary material which would be privileged, or which for any other reason would not be required by a subpoena duces tecum issued by a court of this state.

(4) Service of any such demand may be made by:

(a) Delivering a duly executed copy thereof to the person to be served, or, if such person is not a natural person, to any officer or managing agent of the person to be served; or

(b) Delivering a duly executed copy thereof to the principal place of business in this state of the person to be served; or

(c) Mailing by registered or certified mail a duly executed copy thereof addressed to the person to be served at the principal place of business in this state, or, if said person has no place of business in this state, to his principal office or place of business.

(5)(a) Documentary material demanded pursuant to the provisions of this section shall be produced for inspection and copying during normal business hours at the principal office or place of business of the person served, or at such other times and places as may be agreed upon by the person served and the attorney general;

(b) Written interrogatories in a demand served under this section shall be answered in the same manner as provided in the civil rules for superior court;

(c) The oral testimony of any person obtained pursuant to a demand served under this section shall be taken in the same manner as provided in the civil rules for superior court for the taking of depositions. In the course of the deposition, the assistant attorney general conducting the examination may exclude from the place where the examination is held all persons other than the person being examined, the person's counsel, and the officer before whom the testimony is to be taken;

(d) Any person compelled to appear pursuant to a demand for oral testimony under this section may be accompanied by counsel;

(e) The oral testimony of any person obtained pursuant to a demand served under this section shall be taken in the county within which the person resides, is found, or transacts business, or in such other place as may be agreed upon between the person served and the attorney general.

(6) If, after prior court approval, a civil investigative demand specifically prohibits disclosure of the existence or content of the demand, unless otherwise ordered by a superior court for good cause shown, it shall be a misdemeanor for any person if not a bank, trust company, mutual savings bank, credit union, or savings and loan association organized under the laws of the United States or of any one of the United States to disclose to any other person the existence or content of the demand, except for disclosure to counsel for the recipient of the demand or unless otherwise required by law.

(7) No documentary material, answers to written interrogatories, or transcripts of oral testimony produced pursuant to a demand, or copies thereof, shall, unless otherwise ordered by a superior court for good cause shown, be produced for inspection or copying by, nor shall the contents thereof be disclosed to, other than an authorized employee of the attorney general, without the consent of the person who produced such material, answered written interrogatories, or gave oral testimony, except as otherwise provided in this section: PROVIDED, That:

(a) Under such reasonable terms and conditions as the attorney general shall prescribe, the copies of such documentary material, answers to written interrogatories, or transcripts of oral testimony shall be available for inspection and copying by the person who produced such material, answered written interrogatories, or gave oral testimony, or any duly authorized representative of such person;

(b) The attorney general may provide copies of such documentary material, answers to written interrogatories, or transcripts of oral testimony to an official of this state, the federal government, or other state, who is charged with the enforcement of federal or state antitrust or consumer protection laws, if before the disclosure the receiving official agrees in writing that the information may not be disclosed to anyone other than that official or the official's authorized employees. The material provided under this subsection (7)(b) is subject to the confidentiality restrictions set forth in this section and may not be introduced as evidence in a criminal prosecution; and

(c) The attorney general or any assistant attorney general may use such copies of documentary material, answers to written interrogatories, or transcripts of oral testimony as he determines necessary in the enforcement of this chapter, including presentation before any court: PROVIDED, That any such material, answers to written interrogatories, or transcripts of oral testimony which contain trade secrets shall not be presented except with the approval of the court in which action is pending after adequate notice to the person furnishing such material, answers to written interrogatories, or oral testimony.

(8) At any time before the return date specified in the demand, or within twenty days after the demand has been served, whichever period is shorter, a petition to extend the return date for, or to modify or set aside a demand issued pursuant to subsection (1), stating good cause, may be filed in the superior court for Thurston county, or in such other county where the parties reside. A petition, by the person on whom the demand is served, stating good cause, to require the attorney general or any person to perform any duty imposed by the provisions of this section, and all other petitions in connection with a demand, may be filed in the superior court for Thurston county, or in the county where the parties reside. The court shall have jurisdiction to impose such sanctions as are provided for in the civil rules for superior court with respect to discovery motions.

(9) Whenever any person fails to comply with any civil investigative demand for documentary material, answers to written interrogatories, or oral testimony duly served upon him under this section, or whenever satisfactory copying or reproduction of any such material cannot be done and such person refuses to surrender such material, the attorney general may file, in the trial court of general jurisdiction of the county in which such person resides, is found, or transacts business, and serve upon such person a petition for an order of such court for the enforcement of this section, except that if such person transacts business in more than one county such petition shall be filed in the county in which such person maintains his principal place of business, or in such other county as may be agreed upon by the parties to such petition. Whenever any petition is filed in the trial court of general jurisdiction of any county under this section, such court shall have jurisdiction to hear and determine the matter so presented and to enter such order or orders as may be required to carry into effect the provisions of this section, and may impose such sanctions as are provided for in the civil rules for superior court with respect to discovery motions. [1993 c 125 § 1; 1990 c 199 § 1; 1987 c 152 § 1; 1982 c 137 § 1; 1970 ex.s. c 26 § 4; 1961 c 216 § 11.]

*Rules of court: See Superior Court Civil Rules.*

**19.86.115 Materials from a federal agency or other state's attorney general.** Whenever the attorney general receives documents or other material from:

(1) A federal agency, pursuant to its subpoena or Hart-Scott-Rodino authority; or

(2) Another state's attorney general, pursuant to that state's presuit investigative subpoena powers, the documents or materials are subject to the same restrictions as and may be used for all the purposes set forth in RCW 19.86.110. [1993 c 125 § 2.]

**19.86.120 Limitation of actions—Tolling.** Any action to enforce a claim for damages under RCW 19.86.090 shall be forever barred unless commenced within four years after the cause of action accrues: PROVIDED, That whenever any action is brought by the attorney general for a violation of RCW 19.86.020, 19.86.030, 19.86.040, 19.86.050, or 19.86.060, except actions for the recovery of a civil penalty for violation of an injunction or actions under RCW 19.86.090, the running of the foregoing statute of limitations, with respect to every private right of action for damages under RCW 19.86.090 which is based in whole or part on any matter complained of in said action by the attorney general, shall be suspended during the pendency thereof. [1970 ex.s. c 26 § 5; 1961 c 216 § 12.]

*Action to enforce claim for civil damages under chapter 19.86 RCW must be commenced within six years. Unfair motor vehicles business practices act: RCW 46.70.220.*

*Limitation of actions: Chapter 4.16 RCW.*

**19.86.130 Final judgment to restrain is prima facie evidence in civil action—Exceptions.** A final judgment or decree rendered in any action brought under RCW 19.86.080 by the state of Washington to the effect that a defendant has violated RCW 19.86.020, 19.86.030, 19.86.040, 19.86.050, or 19.86.060 shall be prima facie evidence against such defendant in any action brought by any party against such defendant under RCW 19.86.090 as to all matters which said judgment or decree would be an estoppel as between the parties thereto: PROVIDED, That this section shall not apply to consent judgments or decrees where the court makes no finding of illegality. [1970 ex.s. c 26 § 6; 1961 c 216 § 13.]

**19.86.140 Civil penalties.** Every person who shall violate the terms of any injunction issued as in this chapter provided, shall forfeit and pay a civil penalty of not more than twenty-five thousand dollars.

Every person, other than a corporation, who violates RCW 19.86.030 or 19.86.040 shall pay a civil penalty of not more than one hundred thousand dollars. Every corporation which violates RCW 19.86.030 or 19.86.040 shall pay a civil penalty of not more than five hundred thousand dollars.

Every person who violates RCW 19.86.020 shall forfeit and pay a civil penalty of not more than two thousand dollars for each violation: PROVIDED, That nothing in this paragraph shall apply to any radio or television broadcasting station which broadcasts, or to any publisher, printer or distributor of any newspaper, magazine, billboard or other advertising medium who publishes, prints or distributes,

advertising in good faith without knowledge of its false, deceptive or misleading character.

For the purpose of this section the superior court issuing any injunction shall retain jurisdiction, and the cause shall be continued, and in such cases the attorney general acting in the name of the state may petition for the recovery of civil penalties.

With respect to violations of RCW 19.86.030 and 19.86.040, the attorney general, acting in the name of the state, may seek recovery of such penalties in a civil action. [1983 c 288 § 2; 1970 ex.s. c 26 § 7; 1961 c 216 § 14.]

**Short title—Purposes—1983 c 288:** See note following RCW 19.86.090.

**19.86.145 Penalties—Animals used in biomedical research.** Any violation of RCW 9.08.070 or 16.52.220 constitutes an unfair or deceptive practice in violation of this chapter. The relief available under this chapter for violations of RCW 9.08.070 or 16.52.220 by a research institution shall be limited to only monetary penalties in an amount not to exceed two thousand five hundred dollars. [1989 c 359 § 4.]

**19.86.150 Dissolution, forfeiture of corporate franchise for violations.** Upon petition by the attorney general, the court may, in its discretion, order the dissolution, or suspension or forfeiture of franchise, of any corporation which shall violate RCW 19.86.030 or 19.86.040 or the terms of any injunction issued as in this chapter provided. [1961 c 216 § 15.]

**19.86.160 Personal service of process outside state.** Personal service of any process in an action under this chapter may be made upon any person outside the state if such person has engaged in conduct in violation of this chapter which has had the impact in this state which this chapter reprehends. Such persons shall be deemed to have thereby submitted themselves to the jurisdiction of the courts of this state within the meaning of RCW 4.28.180 and 4.28.185. [1961 c 216 § 16.]

**19.86.170 Exempted actions or transactions—Stipulated penalties and remedies are exclusive.** Nothing in this chapter shall apply to actions or transactions otherwise permitted, prohibited or regulated under laws administered by the insurance commissioner of this state, the Washington utilities and transportation commission, the federal power commission or actions or transactions permitted by any other regulatory body or officer acting under statutory authority of this state or the United States: PROVIDED, HOWEVER, That actions and transactions prohibited or regulated under the laws administered by the insurance commissioner shall be subject to the provisions of RCW 19.86.020 and all sections of chapter 216, Laws of 1961 and chapter 19.86 RCW which provide for the implementation and enforcement of RCW 19.86.020 except that nothing required or permitted to be done pursuant to Title 48 RCW shall be construed to be a violation of RCW 19.86.020: PROVIDED, FURTHER, That actions or transactions specifically permitted within the statutory authority granted to any regulatory board or commission established within Title 18 RCW shall not be construed to be

a violation of chapter 19.86 RCW: PROVIDED, FURTHER, That this chapter shall apply to actions and transactions in connection with the disposition of human remains.

RCW 9A.20.010(2) shall not be applicable to the terms of this chapter and no penalty or remedy shall result from a violation of this chapter except as expressly provided herein. [1977 c 49 § 1; 1974 ex.s. c 158 § 1; 1967 c 147 § 1; 1961 c 216 § 17.]

*Radio communications:* RCW 80.04.530.

*Telecommunications:* RCW 80.36.360.

**19.86.900 Severability—1961 c 216.** If any provision of this act is declared unconstitutional, or the applicability thereof to any person or circumstances is held invalid, the constitutionality of the remainder of the act and the applicability thereof to other persons and circumstances shall not be affected thereby. [1961 c 216 § 18.]

**19.86.910 Short title.** This act shall be known and designated as the "Consumer Protection Act." [1961 c 216 § 19.]

**19.86.920 Purpose—Interpretation—Liberal construction—Saving—1985 c 401; 1983 c 288; 1983 c 3; 1961 c 216.** The legislature hereby declares that the purpose of this act is to complement the body of federal law governing restraints of trade, unfair competition and unfair, deceptive, and fraudulent acts or practices in order to protect the public and foster fair and honest competition. It is the intent of the legislature that, in construing this act, the courts be guided by final decisions of the federal courts and final orders of the federal trade commission interpreting the various federal statutes dealing with the same or similar matters and that in deciding whether conduct restrains or monopolizes trade or commerce or may substantially lessen competition, determination of the relevant market or effective area of competition shall not be limited by the boundaries of the state of Washington. To this end this act shall be liberally construed that its beneficial purposes may be served.

It is, however, the intent of the legislature that this act shall not be construed to prohibit acts or practices which are reasonable in relation to the development and preservation of business or which are not injurious to the public interest, nor be construed to authorize those acts or practices which unreasonably restrain trade or are unreasonable per se. [1985 c 401 § 1; 1983 c 288 § 4; 1983 c 3 § 25; 1961 c 216 § 20.]

**Reviser's note:** "This act" originally appears in 1961 c 216.

**Short title—Purposes—1983 c 288:** See note following RCW 19.86.090.

## Chapter 19.91

### UNFAIR CIGARETTE SALES BELOW COST ACT

#### Sections

19.91.300 Cigarettes—Sales below cost prohibited.

**19.91.300 Cigarettes—Sales below cost prohibited.** No person licensed to sell cigarettes under chapter 82.24

RCW may sell cigarettes below the actual price paid. Violations of this section constitute unfair or deceptive acts or practices under the consumer protection act, chapter 19.86 RCW. [1986 c 321 § 13.]

**Policy—Intent—Savings—Effective date—1986 c 321:** See notes following RCW 82.24.500.

## Chapter 19.92

### WEIGHTS AND MEASURES—BREAD AND HOPS

#### Sections

19.92.100 Bread—Standard loaves.

19.92.110 Bread—Open top or "hearth" loaves—Exceptions.

19.92.120 Bread—"Pullman" loaves.

19.92.240 Hops—Bale—Tare.

*Weighting commodities transported for sale:* Chapter 15.80 RCW.

**19.92.100 Bread—Standard loaves.** No person shall manufacture for sale, sell or offer or expose for sale, any bread except in the following weights, which shall be the net weights twelve hours after baking: "standard small loaf", which shall weigh not less than fifteen ounces and not more than seventeen ounces; "standard large loaf", which shall weigh not less than twenty-two and one-half ounces and not more than twenty-five and one-half ounces; "standard partial loaf", which shall weigh not less than eight ounces and not more than twelve ounces; or multiples of the foregoing weights for the "standard small loaf" and "standard large loaf": PROVIDED, That variations at the rate of one ounce over and one ounce under the foregoing, per "standard small loaf", or one and one-half ounce over or under per "standard large loaf", or any multiple of the foregoing variations per each multiple type loaf, in the above specified unit weights are permitted in individual loaves, but the average weight of not less than twelve loaves of any one kind of loaf shall not be less than the weight hereinabove prescribed. It shall be unlawful to sell or expose for sale bread in a loaf of such form that it has the appearance and size of a loaf of greater weight. [1983 c 89 § 1; 1955 c 61 § 1; 1937 c 214 § 1; 1927 c 194 § 10; RRS § 11626.]

**19.92.110 Bread—Open top or "hearth" loaves—Exceptions.** "Open top" or "hearth" means bread baked in pans or forms the top or top and sides of which are not enclosed.

"Open top" or "hearth bread" shall be baked in pans or forms the length and width of which shall not exceed the following:

"Standard small loaf", length, nine inches, width, four and one-half inches;

"Standard large loaf", length, twelve and one-quarter inches, width, four and one-half inches.

This section does not apply to standard partial loaves of bread or odd-shaped, ethnic, or specialty loaves of bread or to the equipment used to bake such loaves of bread. [1983 c 89 § 2; 1955 c 61 § 3. Prior: (i) 1937 c 214 § 2, part; RRS § 11626-1, part. (ii) 1937 c 214 § 3; RRS § 11626-2.]

**19.92.120 Bread—"Pullman" loaves.** "Pullman bread" means bread baked in pans all six sides of which are enclosed.

"Pullman bread" shall be baked in pans the length and cubic content of which shall not exceed the following:

"Standard small Pullman loaf", length, nine inches; cubic content, one hundred forty-four cubic inches;

"Standard large Pullman loaf", length, thirteen inches; cubic content, two hundred and eight cubic inches;

"Standard large multiple Pullman loaf 'a'", length, sixteen inches; cubic content, two hundred fifty-six cubic inches;

"Standard large multiple Pullman loaf 'b'", length, twenty inches; cubic content, four hundred five cubic inches. [1955 c 61 § 4. Prior: (i) 1937 c 214 § 2, part; RRS § 11626-1, part. (ii) 1937 c 214 § 4; RRS § 11626-3.]

**19.92.240 Hops—Bale—Tare.** The amount of tare to be deducted from the gross weight of each bale of hops grown and hereafter sold in this state is hereby fixed at five pounds per bale. Five yards of baling cloth is the maximum quantity to be used in making the bale, and the standard weight of each yard of baling cloth is hereby fixed at from twenty-four to thirty ounces. The standard weight for a bale of hops is hereby fixed at from one hundred and seventy-five to two hundred and ten pounds. Any vendor of hops using heavier sacking than that specified in this section, or using any extraneous matter in the baling thereof, shall have the same deducted as additional tare. [1890 p 522 § 1. No RRS.]

### Chapter 19.94

#### WEIGHTS AND MEASURES

##### Sections

- 19.94.005 Findings.
- 19.94.010 Definitions—Director may prescribe by rule.
- 19.94.015 Commercial use of instrument or device—Registration—Fees.
- 19.94.150 Standards recognized.
- 19.94.160 State standards.
- 19.94.163 Testing by department—Ensuring enforcement—Issuance of seal of approval—Exception.
- 19.94.165 Commercial instruments or devices to be correct.
- 19.94.175 Registration—Inspection and testing—Fees.
- 19.94.185 Deposit of moneys—Weights and measures account—General fund.
- 19.94.190 Enforcement—Rules.
- 19.94.195 Specifications, tolerances, technical requirements—Adoption—Hearing—Notice.
- 19.94.205 Correct and incorrect—Instruments, devices, weights, measures—When deemed.
- 19.94.216 Department inspection—City sealer—Agencies, institutions—Fees.
- 19.94.220 Investigations.
- 19.94.230 Inspections and tests to determine conformity to law—Off sale order—Marks, tags, stamps.
- 19.94.240 Stop-use, stop-removal, and removal orders.
- 19.94.250 Inspection of instrument or device to determine if correct—Rejection or seizure—Confiscation or destruction—Use of incorrect instrument or device—Notice.
- 19.94.255 Correction of rejected weights and measures.
- 19.94.258 Service agent—Registration certificate.
- 19.94.2582 Service agent—Registration certificate—Fee—Decision—Denial—Notice—Refund.
- 19.94.2584 Service agent—Registration certificate—Revocation, suspension, refusal to renew—Appeal.
- 19.94.260 Rejection—Seizure for use as evidence—Entry of premises—Search warrant.
- 19.94.265 Grievances—Procedure—Notice—Hearing—Rules.

- 19.94.280 City sealers and deputies—Appointment, removal—Record, report—Testing of devices and instruments—Seal of approval.
- 19.94.310 City sealers and deputies—Duties of governing body—Sealer to have standards comparison made every two years.
- 19.94.320 City sealers—Director—General oversight powers, concurrent authority—Powers and duties of chapter are additional.
- 19.94.325 Service agent—Inspection and testing of weights and measures—Seal of approval—Fees—Violation—Penalty.
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- 19.94.485 Contracts—Construction.
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- 19.94.505 Gasoline containing alcohol—Dispensing device label required—Carbon monoxide nonattainment area—Penalty.
- 19.94.507 Gasoline delivered to service stations—Invoice required.
- 19.94.510 Unlawful practices—Penalty.
- 19.94.515 Unlawful commercial use of instrument or device—Penalty.
- 19.94.517 Incorrect commercial instrument or device to benefit of owner/operator—Penalties—Appeal.
- 19.94.520 Injunction against violations.
- 19.94.530 Proof of existence of weighing or measuring instrument or device presumed proof of regular use.
- 19.94.900 Chapter cumulative and nonexclusive.
- 19.94.910 Severability—1969 c 67.
- 19.94.920 Effective date—1992 c 237.

#### 19.94.005 Findings. The legislature finds:

(1) The accuracy of weighing and measuring instruments and devices used in commerce in the state of Washington affects every consumer throughout the state and is of vital importance to the public interest.

(2) Fair weights and measures are equally important to business and the consumer.

(3) This chapter safeguards the consuming public and ensures that businesses receive proper compensation for the commodities they deliver. [1995 c 355 § 3; 1992 c 237 § 1.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**Intent—1992 c 237:** "Until such time as the study in section 38, chapter 237, Laws of 1992, is completed, it is the intent of the legislature that consumer protection activities of the department of agriculture weights and measures program be funded by the general fund and that device inspection related activities be funded on a fee-for-service basis." [1992 c 237 § 2.]

**19.94.010 Definitions—Director may prescribe by rule.** (1) Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter and to any rules adopted pursuant to this chapter.

(a) "City" means a first class city with a population of over fifty thousand persons.

(b) "City sealer" means the person duly authorized by a city to enforce and administer the weights and measures program within such city and any duly appointed deputy sealer acting under the instructions and at the direction of the city sealer.

(c) "Commodity in package form" means a commodity put up or packaged in any manner in advance of sale in units suitable for either wholesale or retail sale, exclusive, however, of an auxiliary shipping container enclosing packages that individually conform to the requirements of this chapter. An individual item or lot of any commodity not in packaged form, but on which there is marked a selling price based on established price per unit of weight or of measure, shall be construed to be a commodity in package form.

(d) "Consumer package" or "package of consumer commodity" means a commodity in package form that is customarily produced or distributed for sale through retail sales agencies or instrumentalities for consumption by persons, or used by persons for the purpose of personal care or in the performance of services ordinarily rendered in or about a household or in connection with personal possessions.

(e) "Cord" means the measurement of wood intended for fuel or pulp purposes that is contained in a space of one hundred twenty-eight cubic feet, when the wood is ranked and well stowed.

(f) "Department" means the department of agriculture of the state of Washington.

(g) "Director" means the director of the department or duly authorized representative acting under the instructions and at the direction of the director.

(h) "Fish" means any waterbreathing animal, including shellfish, such as, but not limited to, lobster, clam, crab, or other mollusca that is prepared, processed, sold, or intended for sale.

(i) "Net weight" means the weight of a commodity excluding any materials, substances, or items not considered to be part of such commodity. Materials, substances, or items not considered to be part of a commodity shall include, but are not limited to, containers, conveyances, bags, wrappers, packaging materials, labels, individual piece coverings, decorative accompaniments, and coupons.

(j) "Nonconsumer package" or "package of nonconsumer commodity" means a commodity in package form other than a consumer package and particularly a package designed solely for industrial or institutional use or for wholesale distribution only.

(k) "Meat" means and shall include all animal flesh, carcasses, or parts of animals, and shall also include fish, shellfish, game, poultry, and meat food products of every kind and character, whether fresh, frozen, cooked, cured, or processed.

(l) "Official seal of approval" means the seal or certificate issued by the director or city sealer which indicates that a secondary weights and measures standard or a weighing or measuring instrument or device conforms with the specifica-

tions, tolerances, and other technical requirements adopted in RCW 19.94.195.

(m) "Person" means any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, copartnership, joint venture, club, company, business trust, corporation, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise.

(n) "Poultry" means all fowl, domestic or wild, that is prepared, processed, sold, or intended or offered for sale.

(o) "Service agent" means a person who for hire, award, commission, or any other payment of any kind, installs, tests, inspects, checks, adjusts, repairs, reconditions, or systematically standardizes the graduations of a weighing or measuring instrument or device.

(p) "Ton" means a unit of two thousand pounds avoirdupois weight.

(q) "Weighing or measuring instrument or device" means any equipment or apparatus used commercially to establish the size, quantity, capacity, count, extent, area, heaviness, or measurement of quantities, things, produce, or articles for distribution or consumption, that are purchased, offered or submitted for sale, hire, or award on the basis of weight, measure or count, including any accessory attached to or used in connection with a weighing or measuring instrument or device when such accessory is so designed or installed that its operation affects, or may effect, the accuracy or indication of the device. This definition shall be strictly limited to those weighing or measuring instruments or devices governed by Handbook 44 as adopted under RCW 19.94.195.

(r) "Weight" means net weight as defined in this section.

(s) "Weights and measures" means the recognized standards or units of measure used to indicate the size, quantity, capacity, count, extent, area, heaviness, or measurement of any consumable commodity.

(t) "Secondary weights and measures standard" means the physical standards that are traceable to the primary standards through comparisons, used by the director, a city sealer, or a service agent that under specified conditions defines or represents a recognized weight or measure during the inspection, adjustment, testing, or systematic standardization of the graduations of any weighing or measuring instrument or device.

(2) The director shall prescribe by rule other definitions as may be necessary for the implementation of this chapter. [1995 c 355 § 4; 1992 c 237 § 3; 1969 c 67 § 1.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**19.94.015 Commercial use of instrument or device—Registration—Fees.** (1) Except as provided in subsection (4) of this section for the initial registration of an instrument or device, no weighing or measuring instrument or device may be used for commercial purposes in the state unless its commercial use is registered annually. If its commercial use is within a city that has a city sealer and a weights and measures program as provided by RCW 19.94.280, the commercial use of the instrument or device shall be registered with the city if the city has adopted fees pursuant to subsection (2) of this section. If its commercial

use is outside of such a city, the commercial use of the instrument or device shall be registered with the department.

(2) A city with such a sealer and program may establish an annual fee for registering the commercial use of such a weighing or measuring instrument or device with the city. The annual fee shall not exceed the fee established in RCW 19.94.175 for registering the use of a similar instrument or device with the department. Fees upon weighing or measuring instruments or devices within the jurisdiction of the city that are collected under this subsection by city sealers shall be deposited into the general fund, or other account, of the city as directed by the governing body of the city.

(3) Registrations with the department are accomplished as part of the master license system under chapter 19.02 RCW. Payment of the registration fee for a weighing or measuring instrument or device under the master license system constitutes the registration required by this section.

(4) The fees established by or under RCW 19.94.175 for registering a weighing or measuring instrument or device shall be paid to the department of licensing concurrently with an application for a master license or with the annual renewal of a master license under chapter 19.02 RCW. A weighing or measuring instrument or device shall be initially registered with the state at the time the owner applies for a master license for a new business or at the first renewal of the license that occurs after the instrument or device is first placed into commercial use. However, the use of an instrument or device that is in commercial use on \*the effective date of this act shall be initially registered at the time the first renewal of the master license of the owner of the instrument or device is due following \*the effective date of this act. The department of licensing shall remit to the department of agriculture all fees collected under this provision less reasonable collection expenses.

(5) Each city charging registration fees under this section shall notify the department of agriculture at the time such fees are adopted and whenever changes in the fees are adopted. [1995 c 355 § 1.]

**\*Reviser's note:** 1995 c 355 has different effective dates. The effective date for sections 1 and 7 is January 1, 1996, and the effective date for sections 2 through 6 and 8 through 25 is July 1, 1995.

**Application—1995 c 355:** "This act applies prospectively only and not retroactively. It applies only to causes of action that arise or that are commenced on or after \*the effective date of this act. This act does not affect any liability or obligation arising prior to \*the effective date of this act." [1995 c 355 § 27.]

**\*Reviser's note:** For "the effective date of this act" see note following RCW 19.94.015.

**Effective dates—1995 c 355:** "(1) Sections 2 through 6 and 8 through 25 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1995.

(2) Sections 1 and 7 of this act shall take effect January 1, 1996." [1995 c 355 § 28.]

**19.94.150 Standards recognized.** The system of weights and measures in customary use in the United States and the metric system of weights and measures are jointly recognized, and either one or both of these systems shall be used for all commercial purposes in this state. The definitions of basic units of weight and measure and weights and measures equivalents, as published by the national institute of standards and technology or any successor organization,

are recognized and shall govern weighing or measuring instruments or devices used in commercial activities and other transactions involving weights and measures within this state. [1992 c 237 § 4; 1991 sp.s. c 23 § 4; 1969 c 67 § 15.]

**Legislative findings—1991 sp.s. c 23:** "The legislature finds:

(1) Accurate weights and measures are essential for the efficient operation of commerce in Washington, and weights and measures are important to both consumers and businesses.

(2) Legislation to expand the weights and measures program and fund the program with license fees on weights and measures devices has been considered.

(3) Additional information is necessary before further action can be taken." [1991 sp.s. c 23 § 1.]

**Intent—1991 sp.s. c 23:** "It is the intent of the legislature to fund the current weights and measures program only through the first year of the 1991-93 fiscal biennium, and to base funding of the program for the second year of the biennium and ensuing biennia upon the recommendations of the study performed under section 3, chapter 23, Laws of 1991 1st sp. sess." [1991 sp.s. c 23 § 2.]

**19.94.160 State standards.** Weights and measures standards that are in conformity with the standards of the United States as have been supplied to the state by the federal government or otherwise obtained by the state for use as state weights and measures standards, shall, when the same shall have been certified as such by the national institute of standards and technology or any successor organization, be the primary standards of weight and measure. The state weights and measures standards shall be kept in a place designated by the director and shall be maintained in such calibration as prescribed by the national institute of standards and technology or any successor organization. [1995 c 355 § 5; 1992 c 237 § 5; 1991 sp.s. c 23 § 5; 1969 c 67 § 16.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**Legislative findings—Intent—1991 sp.s. c 23:** See notes following RCW 19.94.150.

**19.94.163 Testing by department—Ensuring enforcement—Issuance of seal of approval—Exception.**

(1) Except as provided in subsection (3) of this section and RCW 19.94.190(1)(d), the department shall test and inspect each biennium a sufficient number of weighing and measuring instruments and devices to ensure that the provisions of this chapter are enforced.

(2) The department may issue an official seal of approval for each weighing or measuring instrument or device that has been tested and inspected and found to be correct.

(3) Except as provided in RCW 19.94.216, this section does not apply to weighing or measuring instruments or devices located in an area of the state that is within a city that has a city sealer and a weights and measures program pursuant to RCW 19.94.280 unless the city sealer does not possess the equipment necessary to test and inspect the weighing or measuring instrument or device. [1995 c 355 § 2.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**19.94.165 Commercial instruments or devices to be correct.** All weighing or measuring instruments or devices

used for commercial purposes within this state shall be correct. [1995 c 355 § 6; 1992 c 237 § 6.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**19.94.175 Registration—Inspection and testing—**

**Fees.** (1) Pursuant to RCW 19.94.015, the following annual registration fees shall be charged for each weighing or measuring instrument or device used for commercial purposes in this state:

- (a) Weighing devices:
  - (i) Small scales "zero to four hundred pounds capacity" . . . . . \$ 5.00
  - (ii) Intermediate scales "four hundred one pounds to five thousand pounds capacity" . . . . . \$ 20.00
  - (iii) Large scales "over five thousand pounds capacity" . . . . . \$ 52.00
  - (iv) Large scales with supplemental devices \$ 52.00
  - (v) Railroad track scales . . . . . \$800.00
- (b) Liquid fuel metering devices:
  - (i) Motor fuel meters with flows of less than twenty gallons per minute . . . . . \$ 5.00
  - (ii) Motor fuel meters with flows of more than twenty but not more than one hundred fifty gallons per minute . . . . . \$ 16.00
  - (iii) Motor fuel meters with flows over one hundred fifty gallons per minute . . . . . \$ 25.00
- (c) Liquid petroleum gas meters:
  - (i) With one inch diameter or smaller dispensers . . . . . \$ 10.00
  - (ii) With greater than one inch diameter dispensers . . . . . \$ 30.00
- (d) Fabric meters . . . . . \$ 5.00
- (e) Cordage meters . . . . . \$ 5.00
- (f) Mass flow meters . . . . . \$ 14.00
- (g) Taxi meters . . . . . \$ 5.00

(2) With the exception of subsection (3) of this section, no person shall be required to pay more than the established fee adopted under this section for any weighing or measuring instrument or device in any one year.

(3) The department or a city sealer may establish reasonable inspection and testing fees for each type or class of weighing or measuring instrument or device specially requested to be inspected or tested by the device owner. These inspection and testing fees shall be limited to those amounts necessary for the department or city sealer to cover the direct costs associated with such inspection and testing. The fees established under this subsection shall not be set so as to compete with service agents normally engaged in such services. [1995 c 355 § 7; 1992 c 237 § 7.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015

**19.94.185 Deposit of moneys—Weights and measures account—General fund.**

(1) Except as provided in subsection (2) of this section, all moneys collected under this chapter shall be payable to the director and placed in the weights and measures account hereby established in the agricultural local fund. Moneys deposited in this account shall be used solely for the purposes of implementing or

enforcing this chapter. No appropriation is required for the disbursement of moneys from the weights and measures account by the director.

(2) Civil penalties collected by the department under RCW 19.94.510, 19.94.515, and 19.94.517 shall be deposited in the state general fund. [1998 c 245 § 9; 1995 c 355 § 8; 1992 c 237 § 8.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**19.94.190 Enforcement—Rules.**

(1) The director and duly appointed city sealers shall enforce the provisions of this chapter. The director shall adopt rules for enforcing and carrying out the purposes of this chapter including but not limited to the following:

(a) Establishing state standards of weight, measure, or count, and reasonable standards of fill for any commodity in package form;

(b) The establishment of technical and reporting procedures to be followed, any necessary report and record forms, and marks of rejection to be used by the director and city sealers in the discharge of their official duties as required by this chapter;

(c) The establishment of technical test procedures, reporting procedures, and any necessary record and reporting forms to be used by service agents when testing and inspecting instruments or devices under RCW 19.94.255(3) or when otherwise installing, repairing, inspecting, or standardizing the graduations of any weighing or measuring instruments or devices;

(d) The establishment of exemptions from the marking or tagging requirements of RCW 19.94.250 with respect to weighing or measuring instruments or devices of such character or size that such marking or tagging would be inappropriate, impracticable, or damaging to the apparatus in question;

(e) The establishment of exemptions from the inspection and testing requirements of RCW 19.94.163 with respect to classes of weighing or measuring instruments or devices found to be of such character that periodic inspection and testing is unnecessary to ensure continued accuracy;

(f) The establishment of inspection and approval techniques, if any, to be used with respect to classes of weighing or measuring instruments or devices that are designed specifically to be used commercially only once and then discarded, or are uniformly mass-produced by means of a mold or die and are not individually adjustable; and

(g) The establishment of inspection and testing procedures to be used for classes of weighing or measuring instruments or devices found to be few in number, highly complex, and of such character that differential or special inspection and testing is necessary, including railroad track scales. The department's procedures shall include requirements for the provision, maintenance, and transport of any weight or measure necessary for the inspection and testing at no expense to the state.

(2) These rules shall also include specifications and tolerances for the acceptable range of accuracy required of weighing or measuring instruments or devices and shall be designed to eliminate from use, without prejudice to weighing or measuring instruments or devices that conform as closely as practicable to official specifications and tolerances,

those (a) that are of such construction that they are faulty, that is, that are not reasonably permanent in their adjustment or will not repeat their indications correctly, or (b) that facilitate the perpetration of fraud. [1995 c 355 § 9; 1992 c 237 § 9; 1991 sp.s. c 23 § 6; 1989 c 354 § 36; 1977 ex.s. c 26 § 5; 1969 c 67 § 19.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**Legislative findings—Intent—1991 sp.s. c 23:** See notes following RCW 19.94.150.

**Severability—1989 c 354:** See note following RCW 15.36.012.

**19.94.195 Specifications, tolerances, technical requirements—Adoption—Hearing—Notice.** (1) The department shall adopt the specifications, tolerances, and other technical requirements for commercial weighing or measuring instruments or devices, together with amendments thereto, as recommended by the most recent edition of Handbook 44 published by the national institute of standards and technology or any successor organization as the specifications, tolerances, and other technical requirements for commercial weighing or measuring instruments or devices commercially used in this state.

(2)(a) To promote uniformity, any supplements or amendments to Handbook 44 or any similar subsequent publication of the national institute of standards and technology or any successor organization shall be deemed to have been adopted under this section.

(b) The director may, however, within thirty days of the publication or effective date of Handbook 44 or any supplements, amendments, or similar publications give public notice that a hearing will be held to determine if such publications should not be applicable under this section. Any such hearing shall be conducted under chapter 34.05 RCW. [1992 c 237 § 10.]

**19.94.205 Correct and incorrect—Instruments, devices, weights, measures—When deemed.** For the purposes of this chapter, weighing or measuring instruments or devices and weights and measures standards shall be deemed to be "correct" when they conform to all applicable requirements of this chapter or the requirements of any rule adopted by the department under the authority granted in this chapter; all other weighing or measuring instruments or devices and weights and measures standards shall be deemed to be "incorrect." [1992 c 237 § 11.]

**19.94.216 Department inspection—City sealer—Agencies, institutions—Fees.** The department shall:

(1) Biennially inspect and test the secondary weights and measures standards of any city for which the appointment of a city sealer is provided by this chapter and shall issue an official seal of approval for same when found to be correct. The department shall, by rule, establish a reasonable fee for this and any other inspection and testing services performed by the department's metrology laboratory. Each such fee shall recover at least seventy-five percent of the laboratory's costs incurred in performing the service governed by the fee on or before June 30, 1998. The fees established under this subsection may be increased in excess of the fiscal growth factor as provided in RCW 43.135.055

for the fiscal year ending 1996, 1997, and 1998. For fiscal year 1999 and thereafter, the fees established under this subsection may not be increased by an amount greater than the fiscal growth factor as provided in RCW 43.135.055.

(2) Biennially inspect and test any weighing or measuring instrument or device used in an agency or institution to which moneys are appropriated by the legislature or of the federal government and shall report any findings in writing to the executive officer of the agency or institution concerned. The department shall collect a reasonable fee, to be set by rule, for testing any such weighing or measuring instrument or device. [1995 c 355 § 10; 1992 c 237 § 12.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**19.94.220 Investigations.** In promoting the general objective of ensuring accuracy of weighing or measuring instruments or devices and the proper representation of weights and measures in commercial transactions, the director or a city sealer shall, upon his or her own initiative and as he or she deems appropriate and advisable, investigate complaints made concerning violations of the provisions of this chapter. [1992 c 237 § 13; 1991 sp.s. c 23 § 8; 1969 c 67 § 22.]

**Legislative findings—Intent—1991 sp.s. c 23:** See notes following RCW 19.94.150.

**19.94.230 Inspections and tests to determine conformity to law—Off sale order—Marks, tags, stamps.**

(1) The director or a city sealer may, from time to time, inspect and test packages or amounts of commodities kept, offered, exposed for sale, sold, or in the process of delivery to determine whether the same contain the amounts represented and whether they are kept, offered, exposed for sale or sold in accordance with law. When such packages or amounts of commodities are found not to contain the amounts represented or are found to be kept, offered, or exposed for sale or sold in violation of law, the director or city sealer may order them off sale and may mark, tag, or stamp them in a manner prescribed by the department.

(2) In carrying out the provisions of this section, the director or city sealer may employ recognized sampling procedures under which the compliance of a given lot of packages will be determined on the basis of a result obtained on a sample selected from and representative of such lot.

(3) No person shall (a) sell, keep, offer, or expose for sale any package or amount of commodity that has been ordered off sale as provided in this section unless and until such package or amount of commodity has been brought into full compliance with legal requirements or (b) dispose of any package or amount of commodity that has been ordered off sale and that has not been brought into compliance with legal requirements in any manner except with the specific written approval of the director or city sealer who issued such off sale order. [1992 c 237 § 14; 1969 c 67 § 23.]

**19.94.240 Stop-use, stop-removal, and removal orders.** (1) The director or a city sealer shall have the power to issue stop-use orders, stop-removal orders, and removal orders with respect to weighing or measuring

devices being, or susceptible of being, commercially used within this state.

(2) The director or a city sealer shall also have the power to issue stop-removal orders and removal orders with respect to packages or amounts of commodities kept, offered, exposed for sale, sold, or in process of delivery.

(3) The director or a city sealer shall issue such orders whenever in the course of his or her enforcement of the provisions of this chapter or rules adopted hereunder he or she deems it necessary or expedient to issue such orders.

(4) No person shall use, remove from the premises specified, or fail to remove from any premises specified any weighing or measuring instrument or device, commodity in packaged form, or amount of commodity contrary to the terms of a stop-use order, stop-removal order or removal order, issued under the authority of this section. [1992 c 237 § 15; 1991 sp.s. c 23 § 9; 1969 c 67 § 24.]

**Legislative findings—Intent—1991 sp.s. c 23:** See notes following RCW 19.94.150.

**19.94.250 Inspection of instrument or device to determine if correct—Rejection or seizure—Confiscation or destruction—Use of incorrect instrument or device—Notice.** (1) If the director or a city sealer discovers upon inspection that a weighing or measuring instrument or device is "incorrect," but in his or her best judgment is susceptible of satisfactory repair, he or she shall reject and mark or tag as rejected any such weighing or measuring instrument or device.

(2) The director or a city sealer may reject or seize any weighing or measuring instrument or device found to be incorrect that, in his or her best judgment, is not susceptible of satisfactory repair.

(3) Weighing or measuring instruments or devices that have been rejected under subsection (1) of this section may be confiscated and may be destroyed by the director or a city sealer if not corrected as required by RCW 19.94.255 or if used or disposed of contrary to the requirements of that section.

(4) The director or a city sealer shall permit the use of an incorrect weighing or measuring instrument or device, pending repairs, if the device is incorrect to the economic benefit of the consumer and the consumer is not the seller. However, if the director or city sealer finds such an error, the director or city sealer shall notify the owner of the instrument or device, or the owner's representative at the business location, regarding the error. [1995 c 355 § 11; 1992 c 237 § 16; 1991 sp.s. c 23 § 10; 1969 c 67 § 25.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**Legislative findings—Intent—1991 sp.s. c 23:** See notes following RCW 19.94.150.

**19.94.255 Correction of rejected weights and measures.** (1) Weighing or measuring instruments or devices that have been rejected under the authority of the director or a city sealer shall remain subject to the control of the rejecting authority until such time as suitable repair or disposition thereof has been made as required by this section.

(2) The owner of any weighing or measuring instrument or device that has been marked or tagged as rejected by the

director or a city sealer shall cause the same to be made correct within thirty days or such longer period as may be authorized by the rejecting authority. In lieu of correction, the owner of such weighing and measuring instrument or device may dispose of the same, but only in the manner specifically authorized by the rejecting authority.

(3) Weighing and measuring instruments or devices that have been rejected shall not again be used commercially until they have been reexamined and found to be correct by the department, city sealer, or a service agent registered with the department.

(4) If a weighing or measuring instrument or device marked or tagged as rejected is placed back into commercial service by a service agent registered with the department, the agent shall provide a signed certification to the owner or operator of the instrument or device so indicating and shall report to the rejecting authority as provided by rule under RCW 19.94.190(1)(c). [1995 c 355 § 12; 1992 c 237 § 17; 1991 sp.s. c 23 § 14; 1969 c 67 § 33. Formerly RCW 19.94.330.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**Legislative findings—Intent—1991 sp.s. c 23:** See notes following RCW 19.94.150.

**19.94.258 Service agent—Registration certificate.**

(1) Except as authorized by the department, a service agent who intends to provide the examination that permits a weighing or measuring instrument or device to be placed back into commercial service under RCW 19.94.255(3) shall receive an official registration certificate from the director prior to performing such a service. This registration requirement does not apply to the department or a city sealer.

(2) Except as provided in \*RCW 19.94.035, a registration certificate is valid for one year. It may be renewed by submitting a request for renewal to the department. [1995 c 355 § 15.]

**\*Reviser's note:** RCW 19.94.035 was recodified as RCW 19.94.2584 pursuant to RCW 1.08.015(2)(k), September 1996.

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**19.94.2582 Service agent—Registration certificate—Fee—Decision—Denial—Notice—Refund.** (1) Each request for an official registration certificate shall be in writing, under oath, and on a form prescribed by the department and shall contain any relevant information as the director may require, including but not limited to the following:

(a) The name and address of the person, corporation, partnership, or sole proprietorship requesting registration;

(b) The names and addresses of all individuals requesting an official registration certificate from the department; and

(c) The tax registration number as required under RCW 82.32.030 or uniform business identifier provided on a master license issued under RCW 19.02.070.

(2) Each individual when submitting a request for an official registration certificate or a renewal of such a certificate shall pay a fee to the department in the amount of eighty dollars per individual.

(3) The department shall issue a decision on a request for an official registration certificate within twenty days of receipt of the request. If an individual is denied their request for an official registration certificate, the department must notify that individual in writing stating the reasons for the denial and shall refund any payments made by that individual in connection with the request. [1995 c 355 § 16. Formerly RCW 19.94.025.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**19.94.2584 Service agent—Registration certificate—Revocation, suspension, refusal to renew—Appeal.** (1) The department shall have the power to revoke, suspend, or refuse to renew the official registration certificate of any service agent for any of the following reasons:

(a) Fraud or deceit in obtaining an official registration certificate under this chapter;

(b) A finding by the department of a pattern of intentional fraudulent or negligent activities in the installation, inspection, testing, checking, adjusting, or systematically standardizing and approving the graduations of any weighing or measuring instrument or device;

(c) Knowingly placing back into commercial service any weighing or measuring instrument or device that is incorrect;

(d) A violation of any provision of this chapter; or

(e) Conviction of a crime or an act constituting a crime under the laws of this state, the laws of another state, or federal law.

(2) Upon the department's revocation of, suspension of, or refusal to renew [renew] an official registration certificate, an individual shall have the right to appeal this decision in accordance with the administrative procedure act, chapter 34.05 RCW. [1995 c 355 § 17. Formerly RCW 19.94.035.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015

**19.94.260 Rejection—Seizure for use as evidence—Entry of premises—Search warrant.** (1) With respect to the enforcement of this chapter and any other acts dealing with weights and measures that he or she is, or may be empowered to enforce, the director or a city sealer may reject or seize for use as evidence incorrect weighing or measuring instruments or devices or packages of commodities to be used, retained, offered, exposed for sale, or sold in violation of the law.

(2) In the performance of his or her official duties conferred under this chapter, the director or a city sealer is authorized at reasonable times during the normal business hours of the person using a weighing or measuring instrument or device to enter into or upon any structure or premises where such weighing or measuring instrument or device is used or kept for commercial purposes. If the director or a city sealer is denied access to any premises or establishment where such access was sought for the purposes set forth in this chapter, the director or a city sealer may apply to any court of competent jurisdiction for a search warrant authorizing access to such premises or establishment for such purposes. The court may, upon such application, issue the search warrant for the purposes requested. [1992 c 237 § 18; 1991 sp.s. c 23 § 11; 1969 c 67 § 26.]

**Legislative findings—Intent—1991 sp.s. c 23:** See notes following RCW 19.94.150.

**19.94.265 Grievances—Procedure—Notice—Hearing—Rules.** (1) Any person aggrieved by any official action of the department or a city sealer conferred under this chapter, including but not limited to, "stop-use orders," "stop-removal orders," "removal orders," "condemnation," or "off sale order" may within thirty days after an order is given or any action is taken, petition the director for a hearing to determine the matter. Such proceedings and any appeal therefrom shall be taken in accordance with the administrative procedure act, chapter 34.05 RCW.

(2) The director shall give due notice and hold a hearing within ten days after the confiscation or seizure of any weighing or measuring instrument or device or commodity under RCW 19.94.250 or the seizure of any weighing or measuring instrument or device for evidence under RCW 19.94.260. This hearing shall be for the purposes of determining whether any such weighing or measuring instrument or device or commodity was properly confiscated or seized, to determine whether or not such weighing or measuring instrument or device or commodity was used for, or is in, violation of any provision of this chapter or to determine the disposition to be made of such weighing or measuring instrument or device or commodity. Such proceedings and any appeal therefrom shall be taken in accordance with the administrative procedure act, chapter 34.05 RCW.

(3) The department may by rule establish procedures for the administration of this section. [1992 c 237 § 19.]

**19.94.280 City sealers and deputies—Appointment, removal—Record, report—Testing of devices and instruments—Seal of approval.** (1) There may be a city sealer in every city and such deputies as may be required by ordinance of each such city to administer and enforce the provisions of this chapter.

(2) Each city electing to have a city sealer shall adopt rules for the appointment and removal of the city sealer and any deputies required by local ordinance. The rules for appointment of a city sealer and any deputies must include provisions for the advice and consent of the local governing body of such city and, as necessary, any provisions for local civil service laws and regulations.

(3) A city sealer shall keep a complete and accurate record of all official acts performed under the authority of this chapter and shall submit an annual report to the governing body of his or her city and shall make any reports as may be required by the director.

(4) The city sealer shall test and inspect a sufficient number of weighing and measuring instruments and devices to ensure that the provisions of this chapter are enforced in the city. This subsection does not apply to weighing or measuring instruments or devices for which the sealer does not have the necessary testing or inspection equipment or to instruments or devices that are to be inspected by the department under RCW 19.94.216(2).

(5) A city sealer may issue an official seal of approval for each weighing or measuring instrument or device that has been inspected and tested and found to be correct. [1995 c 355 § 13; 1992 c 237 § 20; 1969 c 67 § 28.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**19.94.310 City sealers and deputies—Duties of governing body—Sealer to have standards comparison made every two years.** (1) The governing body of each city for which a city sealer has been appointed as provided for by RCW 19.94.280 shall:

(a) Procure at the expense of the city the official weights and measures standards and any field weights and measures standards necessary for the administration and enforcement of the provisions of this chapter or any rule that may be prescribed by the director;

(b) Provide a suitable office for the city sealer and any deputies that have been duly appointed; and

(c) Make provision for the necessary clerical services, supplies, transportation and for defraying contingent expenses incidental to the official activities of the city sealer and his or her deputies in carrying out the provisions of this chapter.

(2) When the acquisition of the official weights and measures standards required under subsection (1)(a) of this section has been made and such weights and measures standards have been examined and approved by the director, they shall be the certified weights and measures standards for such city.

(3) In order to maintain field weights and measure[s] standards in accurate condition, the city sealer shall, at least once every two years, compare the field weights and measures standards used within his or her city to the certified weights and measures standards of such city or to the official weights and measures standards of this state. [1992 c 237 § 21; 1969 c 67 § 31.]

**19.94.320 City sealers—Director—General oversight powers, concurrent authority—Powers and duties of chapter are additional.** (1) In cities for which city sealers have been appointed as provided for in this chapter, the director shall have general oversight powers over city weights and measures programs and may, when he or she deems it reasonably necessary, exercise concurrent authority to carry out the provisions of this chapter.

(2) When the director elects to exercise concurrent authority within a city with a duly appointed city sealer, the director's powers and duties relative to this chapter shall be in addition to the powers granted in any such city by law or charter. [1995 c 355 § 14; 1992 c 237 § 22; 1969 c 67 § 32.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**19.94.325 Service agent—Inspection and testing of weights and measures—Seal of approval—Fees—Violation—Penalty.** (1) Except as otherwise provided for in this chapter or in any rule adopted under the authority of this chapter, any person who engages in business within this state as a service agent shall biennially submit to the department for inspection and testing all weights and measures standards used by the service agent, or any agent or employee of the service agent. If the department finds such weights and measures standards to be correct, the

director shall issue an official seal of approval for each such standard.

(2) The department may by rule adopt reasonable fees for the inspection and testing services performed by the weights and measures laboratory pursuant to this section.

(3) A service agent shall not use in the installation, inspection, adjustment, repair, or reconditioning of any weighing or measuring instrument or device any weight or measure standard that does not have a valid, official seal of approval from the director. Any service agent who violates this section is subject to a civil penalty of no more than five hundred dollars. [1992 c 237 § 23.]

**19.94.340 Sale of commodities—Measurement—Exceptions—Rules to assure good practice and accuracy.**

(1) Except as provided in subsection (2) of this section, commodities in liquid form shall be sold only by liquid measure or by weight, and, except as otherwise provided in this chapter, commodities not in liquid form shall be sold only by weight, by measure of length or area, or by count.

(2) Liquid commodities may be sold by weight and commodities not in liquid form may be sold by count only if such methods provide accurate information as to the quantity of commodity sold.

(3) The provisions of this section shall not apply to:

(a) Commodities that are sold for immediate consumption on the premises where sold;

(b) Vegetables when sold by the head or bunch;

(c) Commodities in containers standardized by a law of this state or by federal law;

(d) Commodities in package form when there exists a general consumer usage to express the quantity in some other manner;

(e) Concrete aggregates, concrete mixtures, and loose solid materials such as earth, soil, gravel, crushed stone, and the like, when sold by cubic measure; or

(f) Unprocessed vegetable and animal fertilizer when sold by cubic measure.

(4) The director may issue such reasonable rules as are necessary to assure that amounts of commodity sold are determined in accordance with good commercial practice and are so determined and represented to be accurate and informative to all interested parties. [1992 c 237 § 24; 1991 sp.s. c 23 § 15; 1969 c 67 § 34.]

**Legislative findings—Intent—1991 sp.s. c 23:** See notes following RCW 19.94.150.

**19.94.350 Packaged commodities in intrastate commerce—Declaration of contents on outside—Rules.**

(1) Except as otherwise provided in this chapter, any commodity in package form introduced or delivered for introduction into or received in intrastate commerce, kept for the purpose of sale, offered or exposed for sale or sold in intrastate commerce, shall bear on the outside of the package such definite, plain, and conspicuous declaration of:

(a) The identity of the commodity contained within the package unless the same can easily be identified through the package;

(b) The net quantity of the contents in terms of weight, measure or count; and

(c) In the case of any package not sold on the premises where packed, the name and place of business of the manufacturer, packer, or distributor, as may be prescribed by rule issued by the director.

(2) In connection with the declaration required under subsection (1)(b) of this section, neither the qualifying term "when packed" or any words of similar import, nor any term qualifying a unit of weight, measure, or count (for example, "jumbo", "giant", "full", "or over", and the like) that tends to exaggerate the amount of commodity in a package, shall be used.

(3) With respect to the declaration required under subsection (1)(b) of this section the director shall by rule establish: (a) Reasonable variations to be allowed, (b) exemptions as to small packages, and (c) exemptions as to commodities put up in variable weights or sizes for sale to the consumer intact and either customarily not sold as individual units or customarily weighed or measured at time of sale to the consumer. [1992 c 237 § 25; 1991 sp.s. c 23 § 16; 1969 c 67 § 35.]

**Legislative findings—Intent—1991 sp.s. c 23:** See notes following RCW 19.94.150.

**19.94.360 Declaration of price on outside of package.** In addition to the declarations required by RCW 19.94.350, any commodity in package form, the package being one of a lot containing random weights, measures or counts of the same commodity at the time it is exposed for sale at retail, shall bear on the outside of the package a plain and conspicuous declaration of the price per single unit of weight, measure, or count and the total selling price of the package. [1995 c 355 § 18; 1969 c 67 § 36.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**19.94.370 Misleading wrappers, containers of packaged commodities—Standards of fill required.** No commodity in package form shall be so wrapped, nor shall it be in a container so made, formed or filled as to mislead the purchaser as to the quantity of the contents of the package, and the contents of a container shall not fall below such reasonable standards of fill as may have been prescribed by the director for the commodity in question. [1992 c 237 § 26; 1969 c 67 § 37.]

**19.94.390 Price not to be misleading, deceiving, misrepresented—Fractions—Examination procedure standard—Department may revise—Electronic scanner screen visibility.** (1) Whenever any commodity or service is sold, or is offered, exposed, or advertised for sale, by weight, measure, or count, the price shall not be misrepresented, nor shall the price be represented in any manner calculated or tending to mislead or deceive an actual or prospective purchaser. Whenever an advertised, poster [posted] or labeled price per unit of weight, measure, or count includes a fraction of a cent, all elements of the fraction shall be prominently displayed and the numeral or numerals expressing the fraction shall be immediately adjacent to, of the same general design and style as, and at least one-half the height and one-half the width of the numerals representing the whole cents.

(2) The examination procedure recommended for price verification by the price verification working group of the laws and regulations committee of the national conference on weights and measures (as reflected in the fourth draft, dated November 1, 1994) for devices such as electronic scanners shall govern such examinations conducted under this chapter. The procedure shall be deemed to be adopted under this chapter. However, the department may revise the procedure as follows: The department shall provide notice of and conduct a public hearing pursuant to chapter 34.05 RCW to determine whether any revisions to this procedure made by the national institute of standards and technology or its successor organization for incorporating the examination procedure into an official handbook of the institute or its successor, or any subsequent revisions of the handbook regarding such procedures shall also be adopted under this chapter. If the department determines that the procedure should be so revised, it may adopt the revisions. Violations of this section regarding the use of devices such as electronic scanners may be found only as provided by the examination procedures adopted by or under this subsection.

(3) Electronic scanner screens installed after January 1, 1996, and used in retail establishments must be visible to the consumer at the checkout line. [1995 c 355 § 20; 1969 c 67 § 39.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**19.94.400 Meat, fish, poultry to be sold by weight—Exceptions.** Except for immediate consumption on the premises where sold or as one of several elements comprising a meal sold as a unit, for consumption elsewhere than on the premises where sold, all meat, meat products, fish and poultry offered or exposed for sale or sold as food, unless otherwise provided for by the laws of the state of Washington, shall be offered or exposed for sale and sold by weight. [1969 c 67 § 40.]

**19.94.410 Butter, margarine to be sold by weight.** Butter, oleomargarine and margarine shall be offered and exposed for sale and sold by weight. [1995 c 355 § 19; 1988 c 63 § 1; 1969 c 67 § 41.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**19.94.420 Fluid dairy products to be packaged for retail sale in certain units.** All fluid dairy products, including but not limited to whole milk, skimmed milk, cultured milk, sweet cream, sour cream and buttermilk and all fluid imitation and fluid substitute dairy products shall be packaged for retail sale only in units as provided by the director of the department of agriculture by rule pursuant to the provisions of chapter 34.05 RCW. [1991 sp.s. c 23 § 17; 1975 1st ex.s. c 51 § 1; 1969 c 67 § 42.]

**Legislative findings—Intent—1991 sp.s. c 23:** See notes following RCW 19.94.150.

**19.94.430 Packaged flour to be kept, sold, etc., in certain units.** When in package form and when packed, kept, offered, exposed for sale or sold, flour such as, but not limited to, wheat flour, whole wheat flour, graham flour,

self-rising wheat flour, phosphated wheat flour, bromated flour, enriched flour, enriched self-rising flour, enriched bromated flour, corn flour, corn meal and hominy grits shall be packaged only in units of five, ten, twenty-five, fifty and one hundred pounds avoirdupois weight: PROVIDED, That packages in units of less than five pounds or more than one hundred pounds shall be permitted. [1969 c 67 § 43.]

**19.94.440 Commodities sold in bulk—Delivery tickets.** (1) When a vehicle delivers to an individual purchaser a commodity in bulk, and the commodity is sold in terms of weight units, the delivery must be accompanied by a duplicate delivery ticket with the following information clearly stated, in ink or other indelible marking equipment and, in clarity, equal to type or printing:

- (a) The name and address of the vendor;
- (b) The name and address of the purchaser; and
- (c) The weight of the delivery expressed in pounds, and,

if the weight is derived from determinations of gross and tare weights, such gross and tare weights also must be stated in terms of pounds.

(2) One of the delivery tickets shall be retained by the vendor, and the other shall be delivered to the purchaser at the time of delivery of the commodity, or shall be surrendered on demand to the director or the city sealer who, if he or she elects to retain it as evidence, shall issue a weight slip in lieu thereof for delivery to the purchaser.

(3) If the purchaser himself or herself carries away the purchase, the vendor shall be required only to give the purchaser at the time of sale a delivery ticket stating the number of pounds of commodity delivered. [1992 c 237 § 27; 1991 sp.s. c 23 § 18; 1969 c 67 § 44.]

**Legislative findings—Intent—1991 sp.s. c 23:** See notes following RCW 19.94.150.

**19.94.450 Solid fuels to be sold by weight, cubic measure—Delivery tickets.** (1) Except as provided in subsection (2) of this section, all solid fuels such as, but not limited to, coal, coke, charcoal, broiler chips, pressed fuels and briquets shall be sold by weight.

(2) All solid fuels such as hogged fuel, sawdust and similar industrial fuels may be sold or purchased by cubic measure.

(3) Unless a fuel is delivered to the purchaser in package form, each delivery of such fuel to an individual purchaser must be accompanied by a duplicate delivery ticket with the following information clearly stated, in ink or other indelible marking equipment and, in clarity equal to type or printing:

- (a) The name and address of the vendor;
- (b) The name and address of the purchaser; and
- (c) The weight of the delivery and the gross and tare weights from which the weight is computed, each expressed in pounds.

(4) One of the delivery tickets shall be retained by the vendor and the other shall be delivered to the purchaser at the time of delivery of the fuel, or shall be surrendered, on demand, to the director or the city sealer who, if he or she elects to retain it as evidence, shall issue a weight slip in lieu thereof for delivery to the purchaser.

(5) If the purchaser himself or herself carries away the purchase, the vendor shall be required only to give to the purchaser at the time of sale a delivery ticket stating the number of pounds of fuel delivered. [1992 c 237 § 28; 1991 sp.s. c 23 § 19; 1969 c 67 § 45.]

**Legislative findings—Intent—1991 sp.s. c 23:** See notes following RCW 19.94.150.

**19.94.460 Heating oils—Delivery tickets—Statements.** (1) All stove and furnace oil shall be sold by liquid measure or by weight in accordance with the provisions of RCW 19.94.340.

(2) Unless such fuel is delivered to the purchaser in package form, each delivery of such fuel in an amount greater than ten gallons in the case of sale by liquid measure or one hundred pounds in the case of sale by weight must be accompanied by a delivery ticket or a written statement on which, in ink or other indelible substance, there shall be clearly and legibly stated:

- (a) The name and address of the vendor;
- (b) The name and address of the purchaser;
- (c) The identity of the type of fuel comprising the

delivery;

(d) The unit price (that is, price per gallon or per pound, as the case may be), of the fuel delivered;

(e) In the case of sale by liquid measure, the liquid volume of the delivery together with any meter readings from which such liquid volume has been computed, expressed in terms of the gallon and its binary or decimal subdivisions; and

(f) In the case of sale by weight, the net weight of the delivery, together with any weighing scale readings from which such net weight has been computed, expressed in terms of tons or pounds avoirdupois.

(3) The delivery ticket required under this section must be delivered at the time of delivery unless an agreement, written or otherwise, between the vendor and the purchaser has been reached regarding the delivery of such delivery ticket. [1992 c 237 § 29; 1969 c 67 § 46.]

**19.94.470 Berries and small fruit.** Berries and small fruit shall be offered and exposed for sale and sold by weight, or by measure in open containers having capacities of one-half dry pint, one dry pint or one dry quart: PROVIDED, That the marking provisions of RCW 19.94.340 shall not apply to such dry volume containers. [1969 c 67 § 47.]

**19.94.480 Fractional units as fractional value.** Fractional parts of any unit of weight or measure shall mean like fractional parts of the value of such unit as prescribed in RCW 19.94.150. [1992 c 237 § 30; 1969 c 67 § 48.]

**19.94.485 Contracts—Construction.** All contracts concerning the sale of commodities and services by weight, measure, or count, will be construed in accordance with the weights and measures adopted under this chapter. [1992 c 237 § 31.]

**19.94.490 Obstruction of director or sealer in performance of duties—Penalty.** Any person who shall

hinder or obstruct in any way the director or a city sealer in the performance of his or her official duties under this chapter is subject to a civil penalty of no more than five hundred dollars. [1992 c 237 § 32; 1969 c 67 § 49.]

**19.94.500 Impersonation of director or sealer—Penalty.** Any person who shall impersonate in any way the director or a city sealer, by using an official seal of approval without specific authorization to do so or by using a counterfeit seal of approval, or in any other manner, is subject to a civil penalty of no more than one thousand dollars. [1992 c 237 § 33; 1969 c 67 § 50.]

**19.94.505 Gasoline containing alcohol—Dispensing device label required—Carbon monoxide nonattainment area—Penalty.** (1) It is unlawful for any dealer or service station, as both are defined in \*RCW 82.36.010, to sell ethanol and/or methanol at one percent, by volume, or greater in gasoline for use as motor vehicle fuel unless the dispensing device has a label stating the type and maximum percentage of alcohol contained in the motor vehicle fuel.

(2) In any county, city, or other political subdivision designated as a carbon monoxide nonattainment area pursuant to the provisions of subchapter I of the clean air act amendments of 1990, P.L. 101-549, and in which the sale of oxygenated petroleum products is required by section 211(m) of the clean air act amendments of 1990, 42 U.S.C. 7545(m), any dealer or service station, as both are defined in \*RCW 82.36.010, who sells or dispenses a petroleum product that contains at least one percent, by volume, ethanol, methanol, or other oxygenate, shall post only such label or notice as may be required pursuant to 42 U.S.C. 7545(m)(4) or any amendments thereto or any successor provision thereof. This provision shall be applicable only during such portion of the year as oxygenated petroleum product sales are required pursuant to 42 U.S.C. 7545(m).

(3) Any person who violates this section is subject to a civil penalty of no more than five hundred dollars. [1992 c 237 § 34; 1984 c 61 § 1.]

\*Reviser's note: RCW 82.36.010 was amended by 1998 c 176 § 6, deleting the definition of "service station."

**19.94.507 Gasoline delivered to service stations—Invoice required.** Persons delivering gasoline to retail service stations shall supply the station with an invoice which shall include the following information: (1) The gross volume of gasoline and the net volume of gasoline at sixty degrees Fahrenheit; (2) the time and temperature of the gasoline as loaded onto the delivery truck; and (3) the time of delivery to the retail service station. [1987 c 42 § 2.]

**Intent—1987 c 42:** "The legislature finds: That leaking underground storage tanks containing petroleum products may pose a significant and widespread problem to human health and the environment, that current inventory procedures are inadequately suited to identify leaking underground storage tanks, and that new measures are needed to properly determine which tanks may be leaking." [1987 c 42 § 1.]

**19.94.510 Unlawful practices—Penalty.** (1) Any person who, by himself or herself, by his or her agent or employee, or as the agent or employee of another person, performs any one of the acts enumerated in (a) through (l)

of this subsection is subject to a civil penalty of no more than one thousand dollars:

(a) Use or have in possession for the purpose of using for any commercial purpose a weighing or measuring instrument or device that is intentionally calculated to falsify any weight, measure, or count of any commodity, or to sell, offer, expose for sale or hire or have in possession for the purpose of selling or hiring an incorrect weighing or measuring instrument or device or any weighing or measuring instrument or device calculated to falsify any weight or measure.

(b) Knowingly use or have in possession for current use in the buying or selling of any commodity or thing, for hire or award, or in the computation of any basic charge or payment for services rendered on the basis of weight, measurement, or count, or in the determination of weight, measurement or count, when a charge is made for such determination, any incorrect weighing or measuring instrument or device.

(c) Dispose of any rejected weighing or measuring instrument or device in a manner contrary to law or rule.

(d) Remove from any weighing or measuring instrument or device, contrary to law or rule, any tag, seal, stamp or mark placed thereon by the director or a city sealer.

(e) Sell, offer or expose for sale less than the quantity he or she represents of any commodity, thing or service.

(f) Take more than the quantity he or she represents of any commodity, thing, or service when, as buyer, he or she furnishes the weight, measure, or count by means of which the amount of the commodity, thing or service is determined.

(g) Keep for the purpose of sale, advertise, offer or expose for sale or sell any commodity, thing or service known to be in a condition or manner contrary to law or rule.

(h) Use in retail trade, except in the preparation of packages put up in advance of sale and of medical prescriptions, a weighing or measuring instrument or device that is not so positioned that its indications may be accurately read and the weighing or measuring operation observable from some position which may reasonably be assumed by a customer.

(i) Knowingly approve or issue an official seal of approval for any weighing or measuring instrument or device known to be incorrect.

(j) Find a weighing or measuring instrument or device to be correct under RCW 19.94.255 when the person knows the instrument or device is incorrect.

(k) Fails to disclose to the department or a city sealer any knowledge of information relating to, or observation of, any device or instrument added to or modifying any weighing or measuring instrument or device for the purpose of selling, offering, or exposing for sale, less than the quantity represented of a commodity or calculated to falsify weight or measure, if the person is a service agent.

(l) Violate any other provision of this chapter or of the rules adopted under the provisions of this chapter for which a specific penalty has not been prescribed.

(2) Any person who, by himself or herself, by his or her agent or employee, or as the agent or employee of another person, violates RCW 19.94.390 as determined by the examination procedure adopted by or under RCW

19.94.390(2) is subject to a civil penalty of not more than one thousand dollars.

(3) Any person who, by himself or herself, by his or her agent or employee, or as the agent or employee of another person, performs any of the following acts is subject to a civil penalty of no more than five thousand dollars:

(a) Knowingly adds to or modifies any weighing or measuring instrument or device by the addition of a device or instrument that would allow the sale, or the offering or exposure for sale, of less than the quantity represented of a commodity or falsification of weight or measure.

(b) Commits as a fourth or subsequent infraction any of the acts listed in subsection (1) or (2) of this section. [1995 c 355 § 21; 1992 c 237 § 35; 1969 c 67 § 51.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**19.94.515 Unlawful commercial use of instrument or device—Penalty.** A person who owns a weighing or measuring instrument or device and uses or permits the use of the instrument for commercial purposes in violation of RCW 19.94.015 is subject to a civil penalty of fifty dollars for each such instrument or device used or permitted to be used in violation of RCW 19.94.015. [1995 c 355 § 22.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**19.94.517 Incorrect commercial instrument or device to benefit of owner/operator—Penalties—Appeal.**

(1) Whenever the department or a city sealer tests or inspects a weighing or measuring instrument or device and finds the instrument or device to be incorrect to the economic benefit of the owner/operator of the weighing or measuring instrument or device and to the economic detriment of the customer, the owner of the weighing or measuring instrument or device may be subject to the following civil penalties:

Device deviations outside the tolerances stated in Handbook 44.

	<u>Penalty</u>
Small weighing or measuring instruments or devices:	
First violation . . . . .	\$ 50.00
Second or subsequent violation within one year of first violation . . . . .	\$150.00
Medium weighing or measuring instruments or devices:	
First violation . . . . .	\$100.00
Second or subsequent violation within one year of first violation . . . . .	\$300.00
Large weighing or measuring instruments or devices:	
First violation . . . . .	\$200.00
Second or subsequent violation within one year of first violation . . . . .	\$500.00

(2) For the purposes of this section:

(a) The following are small weighing or measuring instruments or devices: Scales of zero to four hundred pounds capacity, liquid fuel metering devices with flows of not more than twenty gallons per minute, liquid petroleum gas meters with one inch in diameter or smaller dispensers, fabric meters, cordage meters, and taxi meters.

(b) The following are medium weighing or measuring instruments or devices: Scales of four hundred one to five thousand pounds capacity, liquid fuel metering devices with

flows of more than twenty but not more than one hundred fifty gallons per minute, and mass flow meters.

(c) The following are large weighing or measuring instruments or devices: Liquid petroleum gas meters with greater than one inch diameter dispensers, liquid fuel metering devices with flows over one hundred fifty gallons per minute, and scales of more than five thousand pounds capacity and scales of more than five thousand pounds capacity with supplemental devices.

(3) The director or a city sealer shall issue the appropriate civil penalty concurrently with the conclusion of the test or inspection.

(4) The weighing or measuring instrument or device owner shall have the right to appeal the civil penalty in accordance with the administrative procedure act, chapter 34.05 RCW. [1995 c 355 § 23.]

**Application—Effective dates—1995 c 355:** See notes following RCW 19.94.015.

**19.94.520 Injunction against violations.** The director is authorized to apply to any court of competent jurisdiction for, and such court upon hearing and for cause shown may grant, a temporary or permanent injunction restraining any person from violating any provision of this chapter. [1969 c 67 § 52.]

**19.94.530 Proof of existence of weighing or measuring instrument or device presumed proof of regular use.** For the purposes of this chapter, proof of the existence of a weighing or measuring instrument or device in or about any building, enclosure, stand, or vehicle in which or from which it is shown that buying or selling is commonly carried on, shall, in the absence of conclusive evidence to the contrary, be presumptive proof of the regular use of such weighing or measuring instrument or device for commercial purposes and of such use by the person in charge of such building, enclosure, stand or vehicle. [1992 c 237 § 36; 1969 c 67 § 53.]

**19.94.900 Chapter cumulative and nonexclusive.** The provisions of this chapter shall be cumulative and nonexclusive and shall not affect any other remedy available at law. [1969 c 67 § 54.]

**19.94.910 Severability—1969 c 67.** If any section or provision of this act shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the act as a whole, or any section, provision or part thereof not adjudged invalid or unconstitutional. [1969 c 67 § 55.]

**19.94.920 Effective date—1992 c 237.** This act shall take effect July 1, 1992. [1992 c 237 § 41.]

## Chapter 19.98

## FARM IMPLEMENTS, MACHINERY, PARTS

## Sections

- 19.98.010 Contract between retailer and wholesaler—Cancellation—Repurchase payments for unsold merchandise—Amounts—Return—Application of section.
- 19.98.020 Repurchase payments—Liens and claims.
- 19.98.030 Prices—How determined.
- 19.98.040 Failure or refusal to make payments—Civil action.
- 19.98.100 Findings.
- 19.98.110 Definitions.
- 19.98.120 Violations.
- 19.98.130 Termination, cancellation, or nonrenewal of dealer agreement—Notice.
- 19.98.140 Actions against suppliers—Remedies.
- 19.98.150 Successors in interest.
- 19.98.900 Effective date—1975 1st ex.s. c 277.
- 19.98.910 Severability—1975 1st ex.s. c 277.
- 19.98.911 Severability—1990 c 124.
- 19.98.912 Effective date—Application—1990 c 124.

**19.98.010 Contract between retailer and wholesaler—Cancellation—Repurchase payments for unsold merchandise—Amounts—Return—Application of section.**

Whenever any person, firm, or corporation engaged in the retail sale of farm implements and repair parts therefor enters into a written contract with any wholesaler, manufacturer, or distributor of farm implements, machinery, attachments, accessories, or repair parts whereby such retailer agrees to maintain a stock of parts or complete or whole machines, attachments, or accessories, and either party to such contract desires to cancel or discontinue the contract, unless the retailer should desire to keep such merchandise the manufacturer, wholesaler, or distributor shall pay the retailer for the merchandise. Such payment shall be in the amount of one hundred percent of the net cost of all current unused complete farm implements, machinery, attachments, and accessories, including transportation charges paid by the retailer, and eighty-five percent of the current net prices on repair parts, including superseded parts listed in current price lists or catalogs which parts had previously been purchased from such wholesaler, manufacturer, or distributor and held by such retailer on the date of the cancellation or discontinuance of such contract or thereafter received by such retailer from the wholesaler, manufacturer, or distributor. The wholesaler, manufacturer, or distributor shall also pay such retailer a sum equal to five percent of the current net price of all parts returned for the handling, packing, and loading of such parts for return: PROVIDED, That the provisions of this section shall apply only to repair parts which are new, unused, and in good condition. Upon the payment of such amounts, the title to such farm implements, farm machinery, attachments, accessories, or repair parts, shall pass to the manufacturer, wholesaler, or distributor making such payment, and such manufacturer, wholesaler, or distributor shall be entitled to the possession of such merchandise.

The provisions of this section shall apply to any annual part return adjustment agreement made between a seller or retailer and a manufacturer, wholesaler, or distributor.

The provisions of this section shall be supplemental to any agreement between the retailer and the manufacturer, wholesaler, or distributor covering the return of farm implements, machinery, attachments, accessories, and repair

parts so that the retailer can elect to pursue either his contract remedy or the remedy provided herein, and an election by the retailer to pursue his contract remedy shall not bar his right to the remedy provided herein as to those farm implements, machinery, attachments, accessories, and repair parts not affected by the contract remedy.

The provisions of this section shall apply to all contracts now in effect which have no expiration date and are a continuing contract, and all other contracts entered into or renewed after January 1, 1976. Any contract in force and effect on January 1, 1976, which by its own terms will terminate on a date subsequent thereto shall be governed by the law as it existed prior to this chapter: PROVIDED, That no contract covered by this chapter may be canceled by any party without good cause. Good cause shall include, but shall not be restricted to, the failure of any party to comply with the lawful provisions of the contract, the adjudication of any party to a contract as a bankrupt, wrongful refusal of manufacturer, wholesaler, or distributor to supply farm machinery, farm implements and repair parts therefor. [1975 1st ex.s. c 277 § 1.]

**19.98.020 Repurchase payments—Liens and claims.**

All repurchase payments to retailers and sellers made pursuant to RCW 19.98.010 shall be less amounts owed on any lien or claim then outstanding upon such items covered by this section. Any wholesaler, manufacturer, or distributor making repurchase payments covered by this chapter to any retailer or seller shall satisfy such secured liens or claims pursuant to chapter [article] 62A.9 RCW less any interest owed to the lienholder arising from the financing of such items which shall be paid to any such secured lienholder by the retailer or seller. In no case shall the wholesaler, manufacturer, or distributor, in making payments covered by RCW 19.98.010, pay in excess of those amounts prescribed therein. [1975 1st ex.s. c 277 § 2.]

**19.98.030 Prices—How determined.** The prices of farm implements, machinery and repair parts therefor, required to be paid to any retail dealer as provided in RCW 19.98.010 shall be determined by taking one hundred percent of the net cost on farm implements, machinery, and attachments, and eighty-five percent of the current net price of repair parts therefor as shown upon the manufacturer's, wholesaler's, or distributor's price lists or catalogues in effect at the time such contract is canceled or discontinued. [1975 1st ex.s. c 277 § 3.]

**19.98.040 Failure or refusal to make payments—Civil action.** In the event that any manufacturer, wholesaler, or distributor of farm machinery, farm implements, and repair parts therefor, upon cancellation or discontinuation of a contract by either a retailer or a manufacturer, wholesaler, or distributor, fails or refuses to make payment to such dealer as is required by RCW 19.98.010, such manufacturer, wholesaler, or distributor shall be liable in a civil action to be brought by such retailer for such payments as are required by RCW 19.98.010. [1975 1st ex.s. c 277 § 4.]

**19.98.100 Findings.** The legislature of this state finds that the retail distribution and sales of agricultural equip-

ment, utilizing independent retail business operating under agreements with the manufacturers and distributors, vitally affects the general economy of the state, public interests, and public welfare and that it is necessary to regulate the business relations between the independent dealers and the equipment manufacturers, wholesalers, and distributors. [1990 c 124 § 1.]

**19.98.110 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 19.98.100 through 19.98.150 and 19.98.911:

(1) "Equipment" means machinery consisting of a framework, various fixed and moving parts, driven by an internal combustion engine, and all other implements associated with this machinery that are designed for or adapted and used for agriculture, horticulture, livestock, or grazing use.

(2) "Equipment dealer" or "equipment dealership" means any person, partnership, corporation, association, or other form of business enterprise, primarily engaged in retail sale or service of equipment in this state, pursuant to any oral or written agreement for a definite or indefinite period of time in which there is a continuing commercial relationship in the marketing of the equipment or related services, but does not include dealers covered by chapter 46.70 or 46.94 RCW.

(3) "Supplier" means the manufacturer, wholesaler, or distributor of the equipment to be sold by the equipment dealer.

(4) "Dealer agreement" means a contract or agreement, either expressed or implied, whether oral or written, between a supplier and an equipment dealer, by which the equipment dealer is granted the right to sell, distribute, or service the supplier's equipment where there is a continuing commercial relationship between the supplier and the equipment dealer.

(5) "Continuing commercial relationship" means any relationship in which the equipment dealer has been granted the right to sell or service equipment manufactured by [the] supplier.

(6) "Good cause" means failure by an equipment dealer to substantially comply with essential and reasonable requirements imposed upon the equipment dealer by the dealer agreement, provided such requirements are not different from those requirements imposed on other similarly situated equipment dealers in the state either by their terms or in the manner of their enforcement. [1990 c 124 § 2.]

**19.98.120 Violations.** It shall be a violation of this chapter for a supplier to:

(1) Require or attempt to require any equipment dealer to order or accept delivery of any equipment or parts or any equipment with special features or accessories not included in the base list price of such equipment as publicly advertised by the supplier which the equipment dealer has not voluntarily ordered;

(2) Require or attempt to require any equipment dealer to enter into any agreement, whether written or oral, supplementary to an existing dealer agreement with the supplier, unless such supplementary agreement is imposed on other similarly situated dealers in the state;

(3) Refuse to deliver in reasonable quantities and within a reasonable time after receipt of the equipment dealer's order, to any equipment dealer having a dealer agreement for the retail sale of new equipment sold or distributed by the supplier, equipment covered by the dealer agreement specifically advertised or represented by the supplier to be available for immediate delivery. However, the failure to deliver any such equipment shall not be considered a violation of this chapter when deliveries are based on prior ordering histories, the priority given to the sequence in which the orders are received, or manufacturing schedules or if the failure is due to prudent and reasonable restriction on extension of credit by the supplier to the equipment dealer, an act of God, work stoppage or delay due to a strike or labor difficulty, a bona fide shortage of materials, freight embargo, or other cause over which the supplier has no control;

(4) Terminate, cancel, or fail to renew the dealer agreement of any equipment dealer or substantially change the equipment dealer's competitive circumstances, attempt to terminate or cancel, or threaten to not renew the dealer agreement or to substantially change the competitive circumstances without good cause;

(5) Condition the renewal, continuation, or extension of a dealer agreement on the equipment dealer's substantial renovation of the equipment dealer's place of business or on the construction, purchase, acquisition, or rental of a new place of business by the equipment dealer unless: The supplier has advised the equipment dealer in writing of its demand for such renovation, construction, purchase, acquisition, or rental within a reasonable time prior to the effective date of the proposed date of renewal or extensions, but in no case less than one year; the supplier demonstrates the need for such change in the place of business and the reasonableness of the demand with respect to marketing and servicing the supplier's product and any economic conditions existing at the time in the dealer's trade area; and the equipment dealer does not make a good faith effort to complete the construction or renovation plans within one year;

(6) Discriminate in the prices charged for equipment of like grade and quality sold by the supplier to similarly situated dealers in this state. This subsection does not prevent the use of differentials which make only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are sold or delivered: PROVIDED, That nothing shall prevent a seller from offering a lower price in order to meet an equally low price of a competitor, or the services or facilities furnished by a competitor;

(7) Unreasonably withhold consent for an equipment dealer to change the capital structure of the equipment dealership or the means by which it is financed: PROVIDED, That the equipment dealer meets the reasonable capital requirements of the manufacturer;

(8) Prevent, by contract or otherwise, any equipment dealer or any officer, member, partner, or stockholder of any equipment dealer from selling or transferring any part of the interest in the equipment dealership of any of them to any other person or persons or party or parties. However, no equipment dealer, officer, partner, member, or stockholder shall have the right to sell, transfer, or assign the equipment dealership or power of management or control thereunder

without the written consent of the supplier. Such consent shall not be unreasonably withheld if the person or persons or party or parties meets the reasonable financial, business experience, and character standards of the supplier;

(9) Require an equipment dealer to assent to a release, assignment, novation, waiver, or estoppel that would relieve any person from liability imposed by this chapter; or

(10)(a) Unreasonably withhold consent, in the event of the death of the equipment dealer or the principal owner of the equipment dealership, to the transfer of the equipment dealer's interest in the equipment dealership to a member or members of the family of the equipment dealer, the principal owner of the equipment dealership, or to another qualified individual if the family member or other qualified individual meets the reasonable financial, business experience, and character standards required by the supplier. Should a supplier determine that the designated family member or other qualified individual does not meet those reasonable standards, it shall provide the equipment dealer with written notice of its objection and specific reasons for withholding its consent. A supplier shall have sixty days to consider an equipment dealer's request to make a transfer to a family member or other qualified individual. If the family member or other qualified individual reasonably satisfies the supplier's objections within sixty days, the supplier shall approve the transfer. As used in this section, "family" includes a spouse, parents, siblings, children, stepchildren, sons-in-law, daughters-in-law, and lineal descendants, including those by adoption, of the equipment dealer or principal owner of the equipment dealership. Nothing in this section shall entitle a family member or other qualified individual of a deceased dealer or principal owner of the equipment dealership to continue to operate the dealership without the consent of the supplier.

(b) If a supplier and equipment dealer have duly executed an agreement concerning succession rights prior to the equipment dealer's death and the agreement has not been revoked, the agreement shall be observed even if it designates someone other than the surviving spouse or heirs of the decedent as the successor. [1990 c 124 § 3.]

**19.98.130 Termination, cancellation, or nonrenewal of dealer agreement—Notice.** (1) Except where a grounds for termination or nonrenewal of a dealer agreement or a substantial change in an equipment dealer's competitive circumstances are contained in subsection (2)(a), (b), (c), (d), (e), or (f) of this section, a supplier shall give an equipment dealer ninety days' written notice of the supplier's intent to terminate, cancel, or not renew a dealer agreement or substantially change the equipment dealer's competitive circumstances. The notice shall state all reasons constituting good cause for termination, cancellation, or nonrenewal and shall provide, except for termination pursuant to subsection (2)(a), (b), (c), (d), or (e) of this section, that the equipment dealer has sixty days in which to cure any claimed deficiency. If the deficiency is rectified within sixty days, the notice shall be void. The contractual terms of the dealer agreement shall not expire or the equipment dealer's competitive circumstances shall not be substantially changed without the written consent of the equipment dealer prior to the expiration of at least ninety days following such notice.

(2) As used in RCW 19.98.100 through 19.98.150 and 19.98.911, a termination by a supplier of a dealer agreement shall be with good cause when the equipment dealer:

(a) Has transferred a controlling ownership interest in the equipment dealership without the supplier's consent;

(b) Has made a material misrepresentation to the supplier;

(c) Has filed a voluntary petition in bankruptcy or has had an involuntary petition in bankruptcy filed against the equipment dealer which has not been discharged within sixty days after the filing, is in default under the provisions of a security agreement in effect with the supplier, or is insolvent or in receivership;

(d) Has been convicted of a crime, punishable for a term of imprisonment for one year or more;

(e) Has failed to operate in the normal course of business for ten consecutive business days or has terminated the business;

(f) Has relocated the equipment dealer's place of business without supplier's consent;

(g) Has consistently engaged in business practices that are detrimental to the consumer or supplier by way of excessive pricing, misleading advertising, or failure to provide service and replacement parts or perform warranty obligations;

(h) Has inadequately represented the supplier over a measured period causing lack of performance in sales, service, or warranty areas and failed to achieve market penetration at levels consistent with similarly situated equipment dealerships in the state based on available record information;

(i) Has consistently failed to meet building and house-keeping requirements or failed to provide adequate sales, service, or parts personnel commensurate with the dealer agreement;

(j) Has consistently failed to comply with the applicable licensing laws pertaining to the products and services being represented for and on supplier's behalf; or

(k) Has consistently failed to comply with the terms of the dealer agreement. [1990 c 124 § 4.]

**19.98.140 Actions against suppliers—Remedies.** Any equipment dealer may bring an action against a supplier in any court of competent jurisdiction for damages sustained by the equipment dealer as a consequence of the supplier's violation including requiring the supplier to repurchase at fair market value any data processing hardware and specialized repair tools and equipment previously purchased pursuant to requirements of the supplier, compensation for any loss of business, and the actual costs of the action, including reasonable attorneys' fees. The equipment dealer may also be granted injunctive relief against unlawful termination, cancellation, nonrenewal, or substantial change in competitive circumstances. The remedies set forth in this action shall not be deemed exclusive and shall be in addition to any other remedies permitted by law. Nothing in this section is intended to prevent any court from awarding to the supplier actual costs of the action, including reasonable attorney's fees if the action is deemed frivolous. [1990 c 124 § 5.]

**19.98.150 Successors in interest.** The obligations of any supplier under this chapter are applied to any successor in interest or assignee of the supplier. A successor in interest includes any purchaser of assets or stock, any surviving corporation resulting from merger or liquidation, and any receiver or any trustee of the original supplier. [1990 c 124 § 6.]

**19.98.900 Effective date—1975 1st ex.s. c 277.** This act shall take effect on January 1, 1976. [1975 1st ex.s. c 277 § 6.]

**19.98.910 Severability—1975 1st ex.s. c 277.** 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. [1975 1st ex.s. c 277 § 7.]

**19.98.911 Severability—1990 c 124.** 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. [1990 c 124 § 7.]

**19.98.912 Effective date—Application—1990 c 124.** This act shall take effect July 1, 1990, and shall apply to all dealer agreements then in effect that have no expiration date and are a continuing agreement and to all other dealer agreements entered into or renewed on or after July 1, 1990. [1990 c 124 § 9.]

## Chapter 19.100

### FRANCHISE INVESTMENT PROTECTION

#### Sections

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- 19.100.930 Severability—1971 ex.s. c 252.
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- 19.100.940 Short title.

**Reviser's note:** Powers, duties, and functions of the department of licensing relating to franchises were transferred to the department of financial institutions by 1993 c 472, effective October 1, 1993. See RCW 43.320.011.

*Business opportunity fraud act: Chapter 19.110 RCW.*

**19.100.010 Definitions.** When used in this chapter, unless the context otherwise requires:

(1) "Advertisement" means any written or printed communication or any communication by means of recorded telephone messages or spoken on radio, television, or similar communication media published in connection with an offer or sale of a franchise.

(2) "Affiliate" means a person controlling, controlled by, or under common control with another person, every officer or director of such person, and every person occupying a similar status or performing similar functions.

(3) "Director" means the director of financial institutions.

(4) "Franchise" means:

(a) An agreement, express or implied, oral or written, by which:

(i) A person is granted the right to engage in the business of offering, selling, or distributing goods or services under a marketing plan prescribed or suggested in substantial part by the grantor or its affiliate;

(ii) The operation of the business is substantially associated with a trademark, service mark, trade name, advertising, or other commercial symbol designating, owned by, or licensed by the grantor or its affiliate; and

(iii) The person pays, agrees to pay, or is required to pay, directly or indirectly, a franchise fee.

(b) The following shall not be construed as a franchise within the meaning of this chapter:

(i) The payment of a reasonable service charge to the issuer of a credit card by an establishment accepting or honoring such credit card or any transaction relating to a bank credit card plan;

(ii) Actions or transactions otherwise permitted, prohibited or regulated under laws administered by the insurance commissioner of this state;

(iii) Any motor vehicle dealer franchise subject to the provisions of chapter 46.70 RCW.

(5) "Marketing plan" means a plan or system concerning an aspect of conducting business. A marketing plan may include one or more of the following:

(a) Price specifications, special pricing systems or discount plans;

(b) Sales or display equipment or merchandising devices;

(c) Sales techniques;

(d) Promotional or advertising materials or cooperative advertising;

(e) Training regarding the promotion, operation, or management of the business; or

(f) Operational, managerial, technical, or financial guidelines or assistance.

(6) "Bank credit card plan" means a credit card plan in which the issuer of credit cards is a national bank, state bank, trust company or any other banking institution subject to the supervision of the director of financial institutions of this state or any parent or subsidiary of such bank.

(7) "Franchisee" means a person to whom a franchise is offered or granted.

(8) "Franchisor" means a person who grants a franchise to another person.

(9) "Subfranchise" means an agreement, express or implied, oral or written, by which a person pays or agrees to pay, directly or indirectly, a franchisor or affiliate for the right to grant, sell or negotiate the sale of a franchise.

(10) "Subfranchisor" means a person to whom a subfranchise is granted.

(11) "Franchise broker" means a person who directly or indirectly engages in the business of the offer or sale of franchises. The term does not include a franchisor, subfranchisor, or their officers, directors, or employees.

(12) "Franchise fee" means any fee or charge that a franchisee or subfranchisor is required to pay or agrees to pay for the right to enter into a business or to continue a business under a franchise agreement, including, but not limited to, the payment either in lump sum or by installments of an initial capital investment fee, any fee or charges based upon a percentage of gross or net sales whether or not referred to as royalty fees, any payment for the mandatory purchase of goods or services or any payment for goods or services available only from the franchisor, or any training fees or training school fees or charges; however, the following shall not be considered payment of a franchise fee: (a) the purchase or agreement to purchase goods at a bona fide wholesale price; (b) the purchase or agreement to purchase goods by consignment; if, and only if the proceeds remitted by the franchisee from any such sale shall reflect only the bona fide wholesale price of such goods; (c) a bona fide loan to the franchisee from the franchisor; (d) the purchase or agreement to purchase goods at a bona fide retail price subject to a bona fide commission or compensation plan that in substance reflects only a bona fide wholesale transaction; (e) the purchase or lease or agreement to purchase or lease supplies or fixtures necessary to enter into the business or to continue the business under the franchise agreement at their fair market or rental value; (f) the purchase or lease or agreement to purchase or lease real property necessary to enter into the business or to continue the business under the

franchise agreement at the fair market or rental value; (g) amounts paid for trading stamps redeemable in cash only; (h) amounts paid for trading stamps to be used as incentives only and not to be used in, with, or for the sale of any goods.

(13) "Person" means a natural person, corporation, partnership, trust, or other entity and in the case of an entity, it shall include any other entity which has a majority interest in such an entity or effectively controls such other entity as well as the individual officers, directors, and other persons in act of control of the activities of each such entity.

(14) "Publish" means publicly to issue or circulate by newspaper, mail, radio, or television or otherwise to disseminate to the public.

(15) "Sale or sell" includes every contract of sale, contract to sell, or disposition of a franchise.

(16) "Offer or offer to sell" includes every attempt or offer to dispose of or solicitation of an offer to buy a franchise or an interest in a franchise. [1994 c 92 § 3; 1991 c 226 § 1; 1979 c 158 § 83; 1973 1st ex.s. c 33 § 3; 1972 ex.s. c 116 § 1; 1971 ex.s. c 252 § 1.]

**Emergency—Effective date—1972 ex.s. c 116:** "This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect on May 1, 1972." [1972 ex.s. c 116 § 17.]

**19.100.020 Unlawful in certain instances to sell or offer to sell franchise if unregistered or not exempt.** (1) It is unlawful for any franchisor or subfranchisor to sell or offer to sell any franchise in this state unless the offer of the franchise has been registered under this chapter or exempted under RCW 19.100.030.

(2) For the purpose of this section, an offer to sell a franchise is made in this state when: (a) The offer is directed by the offeror into this state from within or outside this state and is received where it is directed, (b) the offer originates from this state and violates the franchise or business opportunity law of the state or foreign jurisdiction into which it is directed, (c) the offeree is a resident of this state, or (d) the franchise business that is the subject of the offer is to be located or operated, wholly or partly, in this state.

(3) For the purpose of this section, a sale of any franchise is made in this state when: (a) An offer to sell is accepted in this state, (b) an offer originating from this state is accepted and violates the franchise or business opportunity law of the state or foreign jurisdiction in which it is accepted, (c) the purchaser of the franchise is a resident of this state, or (d) the franchise business that is the subject of the sale is to be located or operated, wholly or partly, in this state.

(4) For the purpose of this section, an offer to sell is not made in this state solely because the offer appears: (a) In a newspaper or other publication of general and regular circulation if the publication has had more than two-thirds of its circulation outside this state during the twelve months before the offer is published, or (b) in a broadcast or transmission originating outside this state. [1991 c 226 § 2; 1971 ex.s. c 252 § 2.]

**19.100.030 Exemptions from registration requirements.** The registration requirements of this chapter shall not apply to:

(1) The offer or sale or transfer of a franchise by a franchisee who is not an affiliate of the franchisor for the franchisee's own account if the franchisee's entire franchise is sold and the sale is not effected by or through the franchisor. A sale is not effected by or through a franchisor merely because a franchisor has a right to approve or disapprove the sale or requires payment of a reasonable transfer fee. Such right to approve or disapprove the sale shall be exercised in a reasonable manner.

(2) The offer or sale of a franchise by an executor, administrator, sheriff, marshal, receiver, trustee in bankruptcy, guardian, conservator, or pursuant to a court-approved offer or sale, on behalf of a person other than the franchisor or the estate of the franchisor.

(3) The offer or sale of a franchise to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit sharing trust, or other financial institution or institutional buyer or to a broker dealer where the purchaser is acting for itself or in some fiduciary capacity.

(4) The offer or sale of a franchise by a franchisor:

(a) Who has delivered in writing to each prospective franchisee, at least ten business days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least ten business days prior to the receipt of any consideration, whichever occurs first, an offering circular complying with guidelines adopted by rule of the director. The director shall be guided in adopting such a rule by the guidelines for the preparation of the Uniform Franchise Offering Circular adopted by the North American Securities Administrators Association, Inc., or its successor, as such guidelines may be revised from time to time; and

(b) Who either:

(i)(A) Has a net worth on a consolidated basis, according to its most recent audited financial statement, of not less than five million dollars or who has a net worth, according to its most recent audited financial statement, of not less than one million dollars and is at least eighty percent owned by a corporation which has a net worth on a consolidated basis, according to its most recent audited financial statement, of not less than five million dollars; and

(B) Has had at least twenty-five franchisees conducting business at all times during the five-year period immediately preceding the offer or sale or has conducted business which is the subject of the franchise continuously for not less than five years preceding the offer or sale or if any corporation which owns at least eighty percent of the franchisor, has had at least twenty-five franchisees conducting business at all times during the five-year period immediately preceding the offer or sale or such corporation has conducted business which is the subject of the franchise continuously for not less than five years preceding the offer or sale; and

(C) Requires an initial investment by the franchisee of more than one hundred thousand dollars; and

(D) Files annually with the director a statement prescribed by rule of the director giving notice of such claim, and pays a filing fee as set forth in RCW 19.100.240; or

(ii)(A) Has no outstanding franchises granted for businesses located or to be located outside the state of Washington; and

(B) Has granted and grants no more than three franchises for franchise businesses to be situated within the state of Washington; and

(C) Does not publish an advertisement or engage in general solicitation for the franchise offering; and

(D) The buyer is represented or advised in the transaction by independent legal counsel or certified public accountant; or

(iii) Does not charge a franchise fee, as defined in RCW 19.100.010(12), in excess of five hundred dollars; and

(c) Who has not been found by a court of competent jurisdiction to have been in violation of this chapter, chapter 19.86 RCW, or any of the various federal statutes dealing with the same or similar matters, within seven years of any sale or offer to sell franchise business under franchise agreement in the state of Washington.

(5) The offer or sale of a franchise to an accredited investor, as defined by rule adopted by the director. The director shall be guided in adopting such a rule by the rules defining accredited investor promulgated by the federal securities and exchange commission.

(6) The offer or sale of an additional franchise to an existing franchisee of the franchisor for the franchisee's own account that is substantially the same as the franchise that the franchisee has operated for at least two years at the time of the offer or sale, provided the prior sale to the franchisee was pursuant to a franchise offering that was registered in the state of Washington. [1991 c 226 § 3; 1972 ex.s. c 116 § 2; 1971 ex.s. c 252 § 3.]

**19.100.040 Application for registration—Contents—Filing.** (1) The application for registration of the offer, signed by the franchisor, subfranchisor, or by any person on whose behalf the offering is to be made, must be filed with the director and shall contain:

(a) A copy of the franchisor's or subfranchisor's offering circular which shall be prepared in compliance with guidelines adopted by rule of the director. The director shall be guided in adopting such rule by the guidelines for the preparation of the Uniform Franchise Offering Circular adopted by the North American Securities Administrators Association, Inc., or its successor, as such guidelines may be revised from time to time;

(b) A copy of all agreements to be proposed to franchisees;

(c) A consent to service of process as required by RCW 19.100.160;

(d) The application for registration of a franchise broker, if any;

(e) The applicable filing fee; and

(f) Such other information as the director determines, by rule or order, to be necessary or appropriate to facilitate the administration of this chapter.

(2) The director may require the filing of financial statements of the franchisor or subfranchisor audited by an independent certified public accountant and prepared in accordance with generally accepted accounting principles.

When the person filing the application for registration is a subfranchisor, the application shall also include the same information concerning the subfranchisor as is required from the franchisor pursuant to this section. [1991 c 226 § 4; 1972 ex.s. c 116 § 3; 1971 ex.s. c 252 § 4.]

**19.100.050 Escrow or impoundment of franchise fees as registration condition—Rules or orders—Procedure to rescind.** The director may by rule or order require as a condition to the effectiveness of the registration the escrow or impound of franchise fees if he finds that such requirement is necessary and appropriate to protect prospective franchisees. At any time after the issuance of such rule or order under this section the franchisor may in writing request the rule or order be rescinded. Upon receipt of such a written request, the matter shall be set down for hearing to commence within fifteen days after such receipt unless the person making the request consents to a later date. After such hearing, which shall be conducted in accordance with the provisions of the administrative procedure act, chapter 34.05 RCW, the director shall determine whether to affirm and to continue or to rescind such order and the director shall have all powers granted under such act. [1972 ex.s. c 116 § 4; 1971 ex.s. c 252 § 5.]

**19.100.060 Registration statement—Effective, when.** If no stop order is in effect and no proceeding is pending under RCW 19.100.120, a registration statement becomes effective at 3:00 P.M. Pacific Standard Time on the afternoon of the fifteenth business day after the filing of the registration statement or the last amendment or at such earlier time as the director determines. [1971 ex.s. c 252 § 6.]

**19.100.070 Registration—Claim of exemption filing—Duration—Renewal—Supplemental report.** (1) A franchise offering shall be deemed duly registered, and a claim of exemption under RCW 19.100.030(4)(b)(i) shall be duly filed, for a period of one year from the effective date of registration or filing unless the director by rule or order specifies a different period.

(2) Registration of a franchise offer may be renewed for additional periods of one year each, unless the director by rule or order specifies a different period, by filing with the director no later than fifteen business days prior to the expiration thereof a renewal application containing such information as the director may require to indicate any substantial changes in the information contained in the original application or the previous renewal application and payment of the prescribed fee.

(3) If a material adverse change in the condition of the franchisor or the subfranchisor or any material change in the information contained in its offering circular should occur the franchisor or subfranchisor shall so amend the registration on file with the director as soon as reasonably possible and in any case, before the further sale of any franchise. [1991 c 226 § 5; 1972 ex.s. c 116 § 5; 1971 ex.s. c 252 § 7.]

**19.100.080 Delivery of offering circular and amendments required.** It is unlawful for any person to sell a

franchise that is registered or required to be registered under this chapter without first delivering to the offeree, at least ten business days prior to the execution by the offeree of any binding franchise or other agreement, or at least ten business days prior to the receipt of any consideration, whichever occurs first, a copy of the offering circular required under RCW 19.100.040, with any addition or amendment to the offering circular required by RCW 19.100.070, together with a copy of the proposed agreements relating to the sale of the franchise. [1991 c 226 § 6; 1972 ex.s. c 116 § 6; 1971 ex.s. c 252 § 8.]

**19.100.090 Filings, registration, or finding of director—Construction.** (1) Neither (a) the fact that application for registration under this law has been filed nor (b) the fact that such registration has become effective constitutes a finding by the director that any document filed under this law is true, complete, or not misleading. Neither any such fact or the fact that an exemption is available for a transaction means that the director has passed in any way on the merit or qualifications of or recommended or given approval to any person, franchise, or transaction.

(2) It is unlawful to make or cause to be made to any prospective purchaser or offeree any representation inconsistent with this section. [1971 ex.s. c 252 § 9.]

**19.100.100 Advertisements—Copy to be filed.** No person shall publish in this state any advertisements offering a franchise subject to the registration requirements of this law unless a true copy of the advertisement has been filed in the office of the director at least seven days prior to the publication or such shorter period as the director by rule or order may allow. [1991 c 226 § 7; 1971 ex.s. c 252 § 10.]

**19.100.110 Advertisements—False or misleading—Notice—Procedure.** No person shall publish in this state any advertisement concerning a franchise subject to the registration requirements of this chapter after the director finds that the advertisement contains any statements that are false or misleading or omits to make any statement necessary in order to make the statements made, in the light of the circumstances in which they were made, not misleading and so notifies the person in writing. Such notification may be given summarily without notice or hearing. At any time after the issuance of a notification under this section the person desiring to use the advertisement may in writing request the order be rescinded. Upon receipt of such a written request, the matter shall be set down for hearing to commence within fifteen days after such receipt unless the person making the request consents to a later date. After such hearing, which shall be conducted in accordance with the provisions of the administrative procedure act, chapter 34.05 RCW, the director shall determine whether to affirm and to continue or to rescind such order and the director shall have all powers granted under such act. [1972 ex.s. c 116 § 7; 1971 ex.s. c 252 § 11.]

**19.100.120 Registration statement—Stop order—Grounds.** The director may issue a stop order denying effectiveness to or suspending or revoking the effectiveness

of any registration statement if he finds that the order is in the public interest and that:

(1) The registration statement as of its effective date, or as of any earlier date in the case of an order denying effectiveness, is incomplete in any material respect or contains any statement which was in the light of the circumstances under which it was made false or misleading with respect to any material fact;

(2) Any provision of this chapter or any rule or order or condition lawfully imposed under this chapter has been violated in connection with the offering by:

(a) The person filing the registration statement but only if such person is directly or indirectly controlled by or acting for the franchisor; or

(b) The franchisor, any partner, officer or director of a franchisor, or any person occupying a similar status or performing similar functions or any person directly or indirectly controlling or controlled by the franchisor.

(3) The franchise offering registered or sought to be registered is the subject of a permanent or temporary injunction of any court of competent jurisdiction entered under any federal or state act applicable to the offering but the director may not:

(a) Institute a proceeding against an effective registration statement under this clause more than one year from the date of the injunctive relief thereon unless the injunction is thereafter violated; and

(b) Enter an order under this clause on the basis of an injunction entered under any other state act unless that order or injunction is based on facts that currently constitute a ground for stop order under this section;

(4) A franchisor's enterprise or method of business includes or would include activities which are illegal where performed;

(5) The offering has worked or tended to work a fraud upon purchasers or would so operate;

(6) The applicant has failed to comply with any rule or order of the director issued pursuant to RCW 19.100.050.

(7) The applicant or registrant has failed to pay the proper registration fee but the director may enter only a denial order under this subsection and he shall vacate such order when the deficiency has been corrected. [1972 ex.s. c 116 § 8; 1971 ex.s. c 252 § 12.]

**19.100.130 Registration statement—Stop order—Notice—Hearing—Modification or vacation of order.** Upon the entry of a stop order under any part of RCW 19.100.120, the director shall promptly notify the applicant that the order has been entered and that the reasons therefor and that within fifteen days after receipt of a written request, the matter will be set down for hearing. If no hearing is requested within fifteen days and none is ordered by the director, the director shall enter his written findings of fact and conclusions of law and the order will remain in effect until it is modified or vacated by the director. If a hearing is requested or ordered, the director after notice of an opportunity for hearings to the issuer and to the applicant or registrant shall enter his written findings of fact and conclusions of law and may modify or vacate the order. The director may modify or vacate a stop order if he finds that the conditions which prompted his entry have changed or

that it is otherwise in the public interest to do so. [1971 ex.s. c 252 § 13.]

**19.100.140 Registration of franchise brokers required.** (1) It is unlawful for any franchise broker to offer to sell or sell a franchise in this state unless the franchise broker is registered under this chapter. It is unlawful for any franchisor, subfranchisor, or franchisee to employ a franchise broker unless the franchise broker is registered.

(2) The franchise broker shall apply for registration by filing with the director an application together with a consent to service of process in such form as the director shall prescribe and payment of the fee prescribed in RCW 19.100.240.

(3) The application shall contain whatever information the director requires concerning such matters as:

(a) The applicant's form and place of organization.

(b) The applicant's proposed method of doing business.

(c) The qualifications and business history of the applicant.

(d) Any injunction or administrative order or conviction of a misdemeanor involving a security or any aspect of the securities business and any conviction of a felony; and

(e) The applicant's financial condition and history. [1991 c 226 § 8; 1972 ex.s. c 116 § 9; 1971 ex.s. c 252 § 14.]

**19.100.150 Records and accounts—Reports.** Every person offering franchises for sale shall at all times keep and maintain a complete set of books, records, and accounts of such and the disposition of the proceeds thereof and shall thereafter at such times as are required by the director make and file in the office of the director a report setting forth the franchises sold by it, the proceeds derived therefrom, and the disposition thereof. [1971 ex.s. c 252 § 15.]

**19.100.160 Application of chapter—Jurisdiction—Service of process—Consent.** Any person who is engaged or hereafter engaged directly or indirectly in the sale or offer to sell a franchise or a subfranchise or in business dealings concerning a franchise, either in person or in any other form of communication, shall be subject to the provisions of this chapter, shall be amenable to the jurisdiction of the courts of this state and shall be amenable to the service of process under RCW 4.28.180, 4.28.185 and 19.86.160. Every applicant for registration of a franchise under this law (by other than a Washington corporation) shall file with the director in such form as he by rule prescribed, an irrevocable consent appointing the director or his successor in office to be his attorney, to receive service or any lawful process in any noncriminal suit, action, or proceeding against him or his successors, executor, or administrator which arises under this law or any rule or order hereunder after the consent has been filed, with the same force and validity as if served personally on the person filing consent. A person who has filed such a consent in connection with a previous registration under this law need not file another. Service may be made by leaving a copy of the process in the office of the director but it is not as effective unless:

(1) The plaintiff, who may be the director, in a suit, action, or proceeding instituted by him forthwith sends notice

of the service and a copy of the process by registered or certified mail to the defendant or respondent at his last address on file with the director; and

(2) The plaintiff's affidavit of compliance with this section is filed in the case on or before the return day of the process, if any, or within such further times the court allows. [1991 c 226 § 9; 1971 ex.s. c 252 § 16.]

**19.100.170 Violations.** It is unlawful for any person in connection with the offer, sale, or purchase of any franchise or subfranchise in this state directly or indirectly:

(1) To make any untrue statement of a material fact in any application, notice, or report filed with the director under this law or willfully to omit to state in any application, notice or report, any material fact which is required to be stated therein or fails to notify the director of any material change as required by RCW 19.100.070(3).

(2) To sell or offer to sell by means of any written or oral communication which includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made in light of the circumstances under which they were made not misleading.

(3) To employ any device, scheme, or artifice to defraud.

(4) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

(5) To violate any order of the director. [1991 c 226 § 10; 1971 ex.s. c 252 § 17.]

**19.100.180 Relation between franchisor and franchisee—Rights and prohibitions.** Without limiting the other provisions of this chapter, the following specific rights and prohibitions shall govern the relation between the franchisor or subfranchisor and the franchisees:

(1) The parties shall deal with each other in good faith.

(2) For the purposes of this chapter and without limiting its general application, it shall be an unfair or deceptive act or practice or an unfair method of competition and therefore unlawful and a violation of this chapter for any person to:

(a) Restrict or inhibit the right of the franchisees to join an association of franchisees.

(b) Require a franchisee to purchase or lease goods or services of the franchisor or from approved sources of supply unless and to the extent that the franchisor satisfies the burden of proving that such restrictive purchasing agreements are reasonably necessary for a lawful purpose justified on business grounds, and do not substantially affect competition: PROVIDED, That this provision shall not apply to the initial inventory of the franchise. In determining whether a requirement to purchase or lease goods or services constitutes an unfair or deceptive act or practice or an unfair method of competition the courts shall be guided by the decisions of the courts of the United States interpreting and applying the anti-trust laws of the United States.

(c) Discriminate between franchisees in the charges offered or made for royalties, goods, services, equipment, rentals, advertising services, or in any other business dealing, unless and to the extent that the franchisor satisfies the burden of proving that any classification of or discrimination between franchisees is: (i) Reasonable, (ii) based on

franchises granted at materially different times and such discrimination is reasonably related to such difference in time, or is based on other proper and justifiable distinctions considering the purposes of this chapter, and (iii) is not arbitrary. However, nothing in (c) of this subsection precludes negotiation of the terms and conditions of a franchise at the initiative of the franchisees.

(d) Sell, rent, or offer to sell to a franchisee any product or service for more than a fair and reasonable price.

(e) Obtain money, goods, services, anything of value, or any other benefit from any other person with whom the franchisee does business on account of such business unless such benefit is disclosed to the franchisee.

(f) If the franchise provides that the franchisee has an exclusive territory, which exclusive territory shall be specified in the franchise agreement, for the franchisor or subfranchisor to compete with the franchisee in an exclusive territory or to grant competitive franchises in the exclusive territory area previously granted to another franchisee.

(g) Require franchisee to assent to a release, assignment, novation, or waiver which would relieve any person from liability imposed by this chapter, except as otherwise permitted by RCW 19.100.220.

(h) Impose on a franchisee by contract, rule, or regulation, whether written or oral, any standard of conduct unless the person so doing can sustain the burden of proving such to be reasonable and necessary.

(i) Refuse to renew a franchise without fairly compensating the franchisee for the fair market value, at the time of expiration of the franchise, of the franchisee's inventory, supplies, equipment, and furnishings purchased from the franchisor, and good will, exclusive of personalized materials which have no value to the franchisor, and inventory, supplies, equipment and furnishings not reasonably required in the conduct of the franchise business: PROVIDED, That compensation need not be made to a franchisee for good will if (i) the franchisee has been given one year's notice of nonrenewal and (ii) the franchisor agrees in writing not to enforce any covenant which restrains the franchisee from competing with the franchisor: PROVIDED FURTHER, That a franchisor may offset against amounts owed to a franchisee under this subsection any amounts owed by such franchisee to the franchisor.

(j) Terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include, without limitation, the failure of the franchisee to comply with lawful material provisions of the franchise or other agreement between the franchisor and the franchisee and to cure such default after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty days, to cure such default, or if such default cannot reasonably be cured within thirty days, the failure of the franchisee to initiate within thirty days substantial and continuing action to cure such default: PROVIDED, That after three willful and material breaches of the same term of the franchise agreement occurring within a twelve-month period, for which the franchisee has been given notice and an opportunity to cure as provided in this subsection, the franchisor may terminate the agreement upon any subsequent willful and material breach of the same term within the twelve-month period without providing notice or opportunity to cure: PROVIDED FURTHER, That a franchisor may

terminate a franchise without giving prior notice or opportunity to cure a default if the franchisee: (i) Is adjudicated a bankrupt or insolvent; (ii) makes an assignment for the benefit of creditors or similar disposition of the assets of the franchise business; (iii) voluntarily abandons the franchise business; or (iv) is convicted of or pleads guilty or no contest to a charge of violating any law relating to the franchise business. Upon termination for good cause, the franchisor shall purchase from the franchisee at a fair market value at the time of termination, the franchisee's inventory and supplies, exclusive of (i) personalized materials which have no value to the franchisor; (ii) inventory and supplies not reasonably required in the conduct of the franchise business; and (iii), if the franchisee is to retain control of the premises of the franchise business, any inventory and supplies not purchased from the franchisor or on his express requirement: PROVIDED, That a franchisor may offset against amounts owed to a franchisee under this subsection any amounts owed by such franchisee to the franchisor. [1991 c 226 § 11; 1980 c 63 § 1; 1973 1st ex.s. c 33 § 4; 1972 ex.s. c 116 § 10; 1971 ex.s. c 252 § 18.]

**19.100.184 Terms and conditions from negotiations initiated by franchisee.** This chapter does not preclude negotiation of the terms and conditions of a franchise at the initiative of the franchisee, provided that such negotiated terms and conditions do not violate any provision of this chapter. After the initial offer to a franchisee using the offering circular required by RCW 19.100.030, 19.100.040, or 19.100.070 a franchisor need not provide an amended offering circular to that franchisee by reason of a change in the terms and conditions of a franchise being negotiated at the initiative of that franchisee or amend the registration by reason of such change. [1991 c 226 s 12.]

**19.100.190 Unfair or deceptive acts—Suits for damages—Violations of other acts, use in evidence.** (1) The commission of any unfair or deceptive acts or practices or unfair methods of competition prohibited by RCW 19.100.180 as now or hereafter amended shall constitute an unfair or deceptive act or practice under the provisions of chapter 19.86 RCW.

(2) Any person who sells or offers to sell a franchise in violation of this chapter shall be liable to the franchisee or subfranchisor who may sue at law or in equity for damages caused thereby for rescission or other relief as the court may deem appropriate. In the case of a violation of RCW 19.100.170 rescission is not available to the plaintiff if the defendant proves that the plaintiff knew the facts concerning the untruth or omission or that the defendant exercised reasonable care and did not know or if he had exercised reasonable care would not have known of the untruth or omission.

(3) The suit authorized under subsection (2) of this section may be brought to recover the actual damages sustained by the plaintiff and the court may in its discretion increase the award of damages to an amount not to exceed three times the actual damages sustained: PROVIDED, That the prevailing party may in the discretion of the court recover the costs of said action including a reasonable attorneys' fee.

(4) Any person who becomes liable to make payments under this section may recover contributions as in cases of contracts from any persons who, if sued separately, would have been liable to make the same payment.

(5) A final judgment, order, or decree heretofore or hereafter rendered against a person in any civil, criminal, or administrative proceedings under the United States anti-trust laws, under the Federal Trade Commission Act, under the Washington State Consumer Protection Act, or this chapter shall be regarded as evidence against such persons in any action brought by any party against such person under subsections (1) and (2) of this section as to all matters which said judgment or decree would be an estoppel between the parties thereto. [1972 ex.s. c 116 § 11; 1971 ex.s. c 252 § 19.]

**19.100.200 Pendency of other proceedings tolls limitation of action.** The pendency of any civil, criminal, or administrative proceedings against a person brought by the federal or Washington state governments or any of their agencies under the anti-trust laws, the Federal Trade Commission Act, the Consumer Protection Act, or any federal or state act related to anti-trust laws or to franchising, or under this chapter shall toll the limitation of this action if the action is then instituted within one year after the final judgment or order in such proceedings: PROVIDED, That said limitation of actions shall in any case toll the law so long as there is actual concealment on the part of the person. [1972 ex.s. c 116 § 12; 1971 ex.s. c 252 § 20.]

**19.100.210 Violations—Injunctions—Assurance of discontinuance—Civil and criminal penalties—Chapter nonexclusive.** (1) The attorney general or director may bring an action in the name of the state against any person to restrain and prevent the doing of any act herein prohibited or declared to be unlawful. Upon a proper showing, a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted and a receiver or conservator may be appointed for the defendant or the defendant's assets. The prevailing party may in the discretion of the court recover the costs of such action including a reasonable attorneys' fee.

(2) Every person who shall violate the terms of any injunction issued as in this chapter provided shall forfeit and pay a civil penalty of not more than twenty-five thousand dollars.

Every person who violates RCW 19.100.020, 19.100.080, 19.100.150 and 19.100.170 as now or hereafter amended shall forfeit a civil penalty of not more than two thousand dollars for each violation.

For the purpose of this section the superior court issuing an injunction shall retain jurisdiction and the cause shall be continued and in such cases the attorney general or director acting in the name of the state may petition for the recovery of civil penalties.

In the enforcement of this chapter, the attorney general or director may accept an assurance of discontinuance with the provisions of this chapter from any person deemed by the attorney general or director in violation hereof. Any such assurance shall be in writing, shall state that the person giving such assurance does not admit to any violation of this

chapter or to any facts alleged by the attorney general or director, and shall be filed with and subject to the approval of the superior court of the county in which the alleged violator resides or has his principal place of business, or in Thurston county. Proof of failure to comply with the assurance of discontinuance shall be prima facie evidence of a violation of this chapter.

(3) Any person who wilfully violates any provision of this chapter or who wilfully violates any rule adopted or order issued under this chapter shall upon conviction be fined not more than five thousand dollars or imprisoned for not more than ten years or both, but no person may be imprisoned for the violation of any rule or order if he proves that he had no knowledge of the rule or order. No indictment or information may be returned under this chapter more than five years after the alleged violation.

(4) Nothing in this chapter limits the power of the state to punish any person for any conduct which constitutes a crime by statute or at common law. [1980 c 63 § 2; 1979 ex.s. c 13 § 1; 1972 ex.s. c 116 § 13; 1971 ex.s. c 252 § 21.]

**19.100.220 Exceptions or exemptions—Burden of proof—Waivers of compliance void—Settlement release or waiver—Chapter as fundamental policy.** (1) In any proceeding under this chapter, the burden of proving an exception from a definition or an exemption from registration is upon the person claiming it.

(2) Any agreement, condition, stipulation or provision, including a choice of law provision, purporting to bind any person to waive compliance with any provision of this chapter or any rule or order hereunder is void. A release or waiver executed by any person pursuant to a negotiated settlement in connection with a bona fide dispute between a franchisee and a franchisor, arising after their franchise agreement has taken effect, in which the person giving the release or waiver is represented by independent legal counsel, is not an agreement prohibited by this subsection.

(3) This chapter represents a fundamental policy of the state of Washington. [1991 c 226 s 13; 1972 ex.s. c 116 s 14; 1971 ex.s. c 252 s 22.]

**19.100.230 Referral of evidence to attorney general or prosecuting attorney.** The director may refer such evidence as may be available concerning violations of this chapter or any rule or order hereunder to the attorney general or the proper prosecuting attorney who may in his discretion with or without such a reference institute the appropriate criminal proceeding under this chapter. [1971 ex.s. c 252 § 23.]

**19.100.240 Fees.** The director shall charge and collect fees fixed by this section. All fees collected under this chapter shall be deposited in the state treasury and shall not be refundable except as herein provided:

(1) The fee for filing an application for registration on the sale of franchise under RCW 19.100.040 is six hundred dollars;

(2) The fee for filing an application for renewal of a registration under RCW 19.100.070 is one hundred dollars;

(3) The fee for filing an amendment to the application filed under RCW 19.100.040 is one hundred dollars;

(4) The fee for registration of a franchise broker shall be fifty dollars for original registration and twenty-five dollars for each annual renewal;

(5) The fee for filing a notice of claim of exemption is one hundred dollars for the original filing and one hundred dollars for each annual renewal. [1991 c 226 § 14; 1971 ex.s. c 252 § 24.]

**19.100.242 Investigations by director.** The director, in the director's discretion, may: (1) Annually, or more frequently, make such public or private investigations within or without this state as the director deems necessary to determine whether any registration should be granted, denied, revoked, or suspended, or whether any person has violated or is about to violate a provision of this chapter or any rule adopted or order issued under this chapter, or to aid in the enforcement of this chapter or in the prescribing of rules and forms under this chapter; and (2) publish information concerning a violation of this chapter or a rule adopted or order issued under this chapter. [1979 ex.s. c 13 § 2.]

**19.100.245 Investigatory powers—Proceedings for contempt.** For the purpose of any investigation or proceeding under this chapter, the director or any officer designated by the director may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which the director deems relevant or material to the inquiry.

In case of wilful failure on the part of a person to comply with a subpoena lawfully issued by the director, or on the refusal of a witness to testify to matters regarding which the witness may be lawfully interrogated, the superior court of any county, on application of the director and after satisfactory evidence of wilful disobedience, may compel obedience by proceedings for contempt, as in the case of disobedience of a subpoena issued from the court or a refusal to testify therein. [1979 ex.s. c 13 § 3.]

**19.100.248 Cease and desist orders.** If it appears to the director that a person has engaged or is about to engage in an act or practice constituting a violation of a provision of this chapter or a rule adopted or order issued under this chapter, the director may, in the director's discretion, issue an order directing the person to cease and desist from continuing the act or practice. Reasonable notice of and opportunity for a hearing shall be given. The director may issue a temporary order pending the hearing, which shall remain in effect until ten days after the hearing is held and which shall become final if the person to whom notice is addressed does not request a hearing within fifteen days after the receipt of the notice. [1979 ex.s. c 13 § 4.]

**19.100.250 Powers of director as to rules, forms, orders and defining terms—Interpretive opinions.** The director may from time to time make, amend, and rescind such rules, forms, and orders as are necessary to carry out the provisions of this chapter including rules and forms

governing applications and reports and defining any terms whether or not used in this chapter insofar as the definitions are consistent with this chapter. The director in his discretion may honor requests from interested persons for interpretive opinions. [1972 ex.s. c 116 § 15; 1971 ex.s. c 252 § 25.]

**19.100.252 Denial, suspension, or revocation of franchise broker by director.** The director may by order deny, suspend, or revoke registration of any franchise broker if the director finds that the order is in the public interest and that the applicant or registrant, or any partner, officer, or director of the applicant or registrant:

(1) Has filed an application for registration as a franchise broker under RCW 19.100.140 which, as of its effective date, or as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect or contained any statement which was, in the light of the circumstances under which it was made, false or misleading with respect to any material fact;

(2) Has willfully violated or willfully failed to comply with any provision of this chapter;

(3) Has been convicted, within the past five years of any misdemeanor involving a franchise, or any felony involving moral turpitude;

(4) Is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any aspect of the franchise industry;

(5) Is the subject of an order of the director denying, suspending, or revoking registration as a franchise broker;

(6) Has engaged in dishonest or unethical practices in the franchise industry;

(7) Is insolvent, either in the sense that his or her liabilities exceed his or her assets or in the sense that he or she cannot meet his or her obligations as they mature.

The director may by order summarily postpone or suspend registration pending final determination of any proceeding under this section. [1991 c 226 § 16.]

**19.100.255 Denial, suspension, or revocation of exemption by director.** The director may by order deny, suspend, or revoke any exemption from registration otherwise available under RCW 19.100.030 for the offer or sale of the franchise if he or she finds that the order is in the public interest and that:

(1) Any provision of this chapter or any rule or order or condition lawfully imposed under this chapter has been violated or is about to be violated in connection with the offering by the franchisor, any partner, officer, or director of a franchisor, or any person occupying a similar status or performing similar functions or any person directly or indirectly controlled by the franchisor, or any franchise broker offering or selling the offering;

(2) The franchise offering is the subject of a permanent or temporary injunction of a court of competent jurisdiction entered under any federal or state act applicable to the offering; but (a) the director may not enter an order of revocation or suspension under this subsection more than one year from the date of the injunction relied on, and (b) the director may not enter an order under this subsection on the basis of an injunction unless that injunction was based on

facts that currently constitute a ground for an order under this section;

(3) The franchisor's enterprise or method of business includes or would include activities which are illegal where performed;

(4) The offering has worked or tended to work or would tend to work a fraud on purchasers;

(5) The franchisor has failed to pay the required filing fee for a claim of exemption but the director may enter only a denial order under this subsection and shall vacate such order when the deficiency has been corrected;

(6) The franchisor has made a claim of exemption which is incomplete in a material respect or contains any statement which in the light of the circumstances under which it was made is false or misleading with respect to any material fact. [1991 c 226 § 17.]

**19.100.260 Applicability of administrative procedure act.** The administrative procedure act, chapter 34.05 RCW, shall wherever applicable herein govern the rights, remedies, and procedures respecting the administration of this chapter. [1971 ex.s. c 252 § 26.]

**19.100.270 Administrator of securities.** The director shall appoint a competent person to administer this chapter who shall be designated administrator of securities. The director shall delegate to the administrator such powers, subject to the authority of the director, as may be necessary to carry out the provisions of this chapter. The administrator shall hold office at the pleasure of the director. [1971 ex.s. c 252 § 27.]

**19.100.900 Chapter applicable to existing and future franchises and contracts.** The provisions of this chapter shall be applicable to all franchises and contracts existing between franchisors and franchisees and to all future franchises and contracts. [1971 ex.s. c 252 § 28.]

**19.100.910 Chapter cumulative and nonexclusive.** The provisions of this chapter shall be cumulative and nonexclusive and shall not affect any other remedy available at law. [1971 ex.s. c 252 § 29.]

**19.100.920 Effective date—1971 ex.s. c 252.** This act shall become effective May 1, 1972: PROVIDED, That the director is authorized and empowered to undertake and perform duties and conduct activities necessary for the implementation of this act prior to that date. [1971 ex.s. c 252 § 30.]

**19.100.930 Severability—1971 ex.s. c 252.** If any section or provision of this act shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the act as a whole, or any section, provisions, or part thereof not adjudged invalid or unconstitutional. [1971 ex.s. c 252 § 31.]

**19.100.931 Severability—1972 ex.s. c 116.** If any provision of this 1972 amendatory 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. [1972 ex.s. c 116 § 16.]

**19.100.932 Severability—1979 ex.s. c 13.** 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. [1979 ex.s. c 13 § 5.]

**19.100.940 Short title.** This chapter shall be known and designated as the "Franchise Investment Protection Act". [1971 ex.s. c 252 § 32.]

### Chapter 19.102

#### CHAIN DISTRIBUTOR SCHEMES

##### Sections

- 19.102.010 Definitions.  
19.102.020 Chain distributor schemes prohibited—Unfair practice.  
*Business opportunity fraud act: Chapter 19.110 RCW.*

**19.102.010 Definitions.** (1) "Chain distributor scheme" is a sales device whereby a person, under a condition that he make an investment, is granted a license or right to recruit for consideration one or more additional persons who are also granted such license or right upon condition of making an investment, and may further perpetuate the chain of persons who are granted such license or right upon such condition. A limitation as to the number of persons who may participate, or the presence of additional conditions affecting eligibility for the above license or right to recruit or the receipt of profits therefrom, does not change the identity of the scheme as a chain distributor scheme.

(2) "Person" means a natural person, corporation, partnership, trust, or other entity and in the case of an entity, it shall include any other entity which has a majority interest in such an entity or effectively controls such other entity as well as the individual officers, directors, and other persons in act of control of the activities of each such entity.

(3) "Investment" is any acquisition, for a consideration other than personal services, of personal property, tangible or intangible, for profit or business purposes, and includes, without limitation, franchises, business opportunities, services and inventory for resale. It does not include sales demonstration equipment and materials, furnished at cost for use in making sales and not for resale. [1973 1st ex.s. c 33 § 1.]

**19.102.020 Chain distributor schemes prohibited—Unfair practice.** No person shall promote, offer or grant participation in a chain distributor scheme. Any violation of this chapter shall be construed for purposes of the application of the Consumer Protection Act, chapter 19.86 RCW, to constitute an unfair or deceptive act or practice or unfair method of competition in the conduct of trade or commerce. [1973 1st ex.s. c 33 § 2.]

### Chapter 19.105 CAMPING RESORTS

##### Sections

- 19.105.300 Definitions.  
19.105.310 Unlawful to offer or sell contract unless contract registered—Exemptions.  
19.105.320 Registration—Filings required upon application—Waiver.  
19.105.325 Exemptions from chapter.  
19.105.330 Registration—Effective, when—Completed form of application required.  
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19.105.345 Persons licensed under chapter 18.85 RCW exempt from salesperson registration requirements.  
19.105.350 Director may require reserve fund by order—Denial or suspension of registration.  
19.105.360 Filing of sales literature, contract form, disclosure supplements.  
19.105.365 Advertising promises of free gifts, awards, or prizes—Provision of gift or substitute—Security arrangements after violation—Advance fees placed in trust—Membership referral programs considered promotional programs.  
19.105.370 Purchaser to receive written disclosures from operator or department—Exemptions.  
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19.105.390 Resort contracts—Purchaser's cancellation—Notice—Statement of right to cancel.  
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19.105.440 Registration as salesperson—Application—Denial, suspension, or revocation of registration or application by order—Fine—Notices, hearings, and findings—Summary orders—Assurances of discontinuance—Renewal of registration.  
19.105.450 Investigations—Scope—Publishing information.  
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19.105.470 Cease and desist orders—Utilizing temporary order, injunction, restraining order, or writ of mandamus.  
19.105.480 Violations—As gross misdemeanors—Statute of limitations.  
19.105.490 Violations—Referral to attorney general or prosecuting attorney.  
19.105.500 Violations—Application of consumer protection act.  
19.105.510 Resort contracts—Nonapplicability of certain laws—County and city powers.  
19.105.520 Unlawful to represent director's administrative approval as determination as to merits of resort—Penalty.  
19.105.530 Rules, forms, orders—Administration of chapter.  
19.105.540 Administrative procedure act application.  
19.105.550 Administration.  
19.105.910 Construction—Chapter as cumulative and nonexclusive.  
19.105.920 Severability—1982 c 69.  
19.105.930 Effective date—1982 c 69.

*Exemption of timeshares from chapter: RCW 64.36.290.*

**19.105.300 Definitions.** As used in this chapter, unless the context clearly requires otherwise:

(1) "Camping resort" means any enterprise, other than one that is tax exempt under section 501(c)(3) of the Internal Revenue Code of 1986, as amended, that has as its primary purpose the ownership, operation, or promotion of campgrounds that includes or will include camping sites.

(2) "Camping resort contract" means an agreement evidencing a purchaser's title to, estate or interest in, or right or license to use for more than thirty days the campground of a camping resort.

(3) "Camping site" means a space designed and promoted for the purpose of locating a trailer, tent, tent trailer, pickup camper, or other similar device used for land-based portable housing.

(4) "Purchaser" means a person who enters into a camping resort contract and thereby obtains title to, an estate or interest in, or license or the right to use the campground of a camping resort.

(5) "Person" means any individual, corporation, partnership, trust, association, or other organization other than a government or a subdivision thereof.

(6) "Director" means the director of licensing.

(7) "Camping resort operator" means any person who establishes, promotes, owns, or operates a camping resort.

(8) "Advertisement" means any offer, written, printed, audio, or visual, by general solicitation, including all material used by an operator in a membership referral program.

(9) "Offer" means any solicitation reasonably designed to result in the entering into of a camping resort contract.

(10) "Sale" or "sell" means entering into, or other disposition, of a camping resort contract for value, but the term value does not include a reasonable fee to offset the ministerial costs of transfer of a camping resort contract if, in transferring the contract or membership, the terms of the original contract or membership are not changed by the camping resort operator.

(11) "Salesperson" means any individual, other than a camping resort operator, who is engaged in obtaining commitments of persons to enter into camping resort contracts by making a sales presentation to, or negotiating sales with, the persons, but does not include members of a camping resort engaged in the referral of persons without making a sales presentation to the persons.

(12) "Affiliate" means any person who, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control of a registrant or camping resort operator.

(13) "Campground" means real property owned or operated by a camping resort that is available for camping or outdoor recreation by purchasers of camping resort contracts.

(14) "Department" means the department of licensing.

(15) "Resale camping resort contract" means a camping resort contract offered or sold which is not the original offer, transfer, or sale of such contract, and not a forfeited contract being reoffered by an operator.

(16) "Start-up camping resort contract" means a camping resort contract that is being offered or sold for the first time or a forfeited contract being resold by a camping resort operator.

(17) "Blanket encumbrance" means any mortgage, deed of trust, option to purchase, vendor's lien or interest under a contract or agreement of sale, or other material financing lien or encumbrance granted by the camping resort operator

or affiliate that secures or evidences the obligation to pay money or to sell or convey any campgrounds made available to purchasers by the camping resort operator or any portion thereof and that authorizes, permits, or requires the foreclosure or other disposition of the campground affected.

(18) "Nondisturbance agreement" means an instrument by which the holder of a blanket encumbrance agrees that: (a) Its rights in any campground made available to purchasers, prior or subsequent to the agreement, by the camping resort operator shall be subordinate to the rights of purchasers from and after the recording of the instrument; (b) the holder and all successors and assignees, and any person who acquires the campground through foreclosure or by deed in lieu of foreclosure of such blanket encumbrance, shall take the campground subject to the use rights of purchasers; and (c) the holder or any successor acquiring the campground through the blanket encumbrance shall not discontinue use, or cause the campground to be used, in a manner which would materially prevent purchasers from using or occupying the campground in a manner contemplated by the purchasers' camping resort contracts. However, the holder has no obligation or liability to assume the responsibilities or obligations of the camping resort operator under camping resort contracts. [1988 c 159 § 1; 1982 c 69 § 1.]

**19.105.310 Unlawful to offer or sell contract unless contract registered—Exemptions.** Except in transactions exempt under RCW 19.105.325, it is unlawful for any person to offer or sell a camping resort contract in this state unless the camping resort contract is registered and the operator or registrant has received a permit to market the registered contracts under this chapter. [1988 c 159 § 2; 1982 c 69 § 2.]

**19.105.320 Registration—Filings required upon application—Waiver.** (1) To apply for registration an applicant shall file with the director:

(a) An application for registration on such a form as may be prescribed by the director. The director may, by rule or order, prescribe the contents of the application to include information (including financial statements) reasonably necessary for the director to determine if the requirements of this chapter have been met, whether any of the grounds for which a registration may be suspended or denied have occurred, and what conditions, if any, should be imposed under RCW 19.105.340, 19.105.350, or 19.105.336 in connection with the registration;

(b) Written disclosures, in any format the director is satisfied accurately, completely, and clearly communicates the required information, which include:

(i) The name and address of the camping resort applicant or operator and any material affiliate and, if the operator or registrant is other than a natural person, the identity of each person owning a ten percent or greater share or interest;

(ii) A brief description of the camping resort applicant's experience in the camping resort business;

(iii) A brief description of the nature of the purchaser's title to, estate or interest in, or right to use the camping resort property or facilities and whether or not the purchaser

will obtain an estate, title to, or interest in specified real property;

(iv) The location and a brief description of the significant facilities and recreation services then available for use by purchasers and those which are represented to purchasers as being planned, together with a statement whether any of the resort facilities or recreation services will be available to nonpurchasers or the general public;

(v) A brief description of the camping resort's ownership of or other right to use the camping resort properties or facilities represented to be available for use by purchasers, together with a brief description of any material encumbrance, the duration of any lease, real estate contract, license, franchise, reciprocal agreement, or other agreement entitling the camping resort applicant or operator to use the property, and any material provisions of the agreements which restrict a purchaser's use of the property;

(vi) A summary of any local or state health, environmental, subdivision, or zoning requirements or permits that have not been complied with for the resort property or facility represented to purchasers as in or planned for the campground;

(vii) A copy of the articles, by-laws, rules, restrictions, or covenants regulating the purchaser's use of each property, the facilities located on each property, and any recreation services provided;

(viii) A statement of whether and how the articles, declarations, by-laws, rules, restrictions, or covenants used in structuring the project may be changed and whether and how the members may participate in the decision on the changes;

(ix) A brief description of all payments of a purchaser under a camping resort contract, including initial fees and any further fees, charges, or assessments, together with any provisions for changing the payments;

(x) A description of any restraints on the transfer of camping resort contracts;

(xi) A brief description of the policies relating to the availability of camping sites and conditions under which reservations are required and the availability of the sites to guests and family members;

(xii) A disclosure covering the right of the camping resort operator or the registrant and their heirs, assigns, and successors in interest to change, substitute, or withdraw from use all or a portion of the camping resort properties or facilities and the extent to which the operator is obligated to replace camping resort facilities or properties withdrawn;

(xiii) A brief description of any grounds for forfeiture of a purchaser's camping resort contract;

(xiv) A statement concerning the effect upon membership camping resort contracts if there is a foreclosure affecting any of the operator's properties, a bankruptcy, or creditor or lienholder action affecting the operator or the camping resort properties; and

(xv) Any other information deemed necessary by the department for the protection of the public health, safety, and welfare;

(c) The prescribed registration fees;

(d) A statement of the total number of camping resort contracts then in effect, both within and without this state; and a statement of the total number of camping resort contracts intended to be sold, both within and without this

state, together with a commitment that the total number will not be exceeded unless disclosed by post-effective amendment to the registration as provided in RCW 19.105.420;

(e) Copies or prototypes of all camping resort contracts, and addendum thereto, and membership certificates, deeds, leases, or other evidences of interest, title, or estate, to be registered;

(f) An irrevocable consent to service of process on the director or the department, effective for the term of the statute of limitations covering the last sale in this state of a camping resort contract by the applicant or operator; and

(g) Any other material information the director deems necessary for the protection of the public health, welfare, or safety, or to effectively conduct an examination of an application.

(2) The director may waive for an applicant any of the information required in this section if it is not needed for the protection of the public health and welfare. [1988 c 159 § 3; 1982 c 69 § 3.]

*Administrative procedure act application: RCW 19.105.540.*

**19.105.325 Exemptions from chapter.** (1) The following transactions are exempt from registration under this chapter:

(a) An offer or sale by a government or governmental agency;

(b) A bona fide pledge of a camping resort contract; and

(c) Offerings and dispositions of resale camping resort contracts by purchasers thereof on their own behalf or by third parties brokering on behalf of purchasers, other than resale contracts forfeited by or placed into an operator's sale inventory.

(2) The director may, by rule or order, exempt any person, wholly or partially, from any or all requirements of this chapter if the director finds the requirements are not necessary for the protection of the public health, safety, and welfare. [1988 c 159 § 4.]

**19.105.330 Registration—Effective, when—Completed form of application required.** [(1)] Unless an order denying effectiveness under RCW 19.105.380 is in effect, or unless declared effective by order of the director prior thereto, the application for registration shall automatically become effective upon the expiration of the twentieth full business day following a filing with the director in complete and proper form, but an applicant may consent to the delay of effectiveness until such time as the director may by order declare registration effective or issue a permit to market.

(2) An application for registration, renewal of registration, or amendment is not in completed form and shall not be deemed a statutory filing until such time as all required fees, completed application forms, and the information and documents required pursuant to RCW 19.105.320(1) and departmental rules have been filed.

It is the operator's responsibility to see that required filing materials and fees arrive at the appropriate mailing address of the department. Within seven business days, excluding the date of receipt, of receiving an application or initial request for registration and the filing fees, the department shall notify the applicant of receipt of the application

and whether or not the application is complete and in proper form. If the application is incomplete, the department shall at the same time inform the applicant what additional documents or information is required.

If the application is not in a completed form, the department shall give immediate notice to the applicant. On the date the application is complete and properly filed, the statutory period for an in-depth examination of the filing, prescribed in subsection (1) of this section, shall begin to run, unless the applicant and the department have agreed to a stay of effectiveness or the department has issued a denial of the application or a permit to market. [1988 c 159 § 5; 1982 c 69 § 4.]

**19.105.333 Signature of operator, trustee, or holder of power of attorney required on application documentation.** Applications, consents to service, all affidavits required in connection with applications, and all final permits to market shall be signed by the operator, unless a trustee or power of attorney specifically granted such powers has signed on behalf of the operator. If a power of attorney or trustee signature is used, the filing shall contain a copy of the authorization, power of attorney, or trustee authorization. [1988 c 159 § 6.]

**19.105.336 Availability of campgrounds to contract purchasers—Blanket encumbrances—Penalty for non-compliance.** (1) With respect to every campground located within the state which was not made available to purchasers of camping resort contracts prior to June 20, 1988, and with respect to any new blanket encumbrance placed against any campground in this state or any prior blanket encumbrance against any campground in this state with respect to which the underlying obligation is refinanced after June 20, 1988, the camping resort operator shall not represent any such campground to be available to purchasers of its camping resort contracts until one of the following events has occurred with regard to each such blanket encumbrance:

(a) The camping resort operator obtains and records as covenants to run with the land a nondisturbance agreement from each holder of the blanket encumbrance. The nondisturbance agreement shall be executed by the camping resort operator and by each holder of the blanket encumbrance and shall include the provisions set forth in RCW 19.105.300(18) and the following:

(i) The instrument may be enforced by individual purchasers of camping resort contracts. If the camping resort operator is not in default under its obligations to the holder of the blanket encumbrance, the agreement may be enforced by the camping resort operator.

(ii) The agreement shall be effective as between each purchaser and the holder of the blanket encumbrance despite any rejection or cancellation of the purchaser's contract during any bankruptcy proceedings of the camping resort operator.

(iii) The agreement shall be binding upon the successors in interest of both the camping resort operator and the holder of the blanket encumbrance.

(iv) A holder of the blanket encumbrance who obtains title or possession or who causes a change in title or possession in a campground by foreclosure or otherwise and who

does not continue to operate the campground upon conditions no less favorable to members than existed prior to the change of title or possession shall either:

(A) Offer the title or possession to an association of members to operate the campground; or

(B) Obtain a commitment from another entity which obtains title or possession to undertake the responsibility of operating the campground.

(b) The camping resort operator posts a bond or irrevocable letter of credit with the director in a form satisfactory to the director in the amount of the aggregate principal indebtedness remaining due under the blanket encumbrance.

(c) The camping resort operator delivers an encumbrance trust agreement in a form satisfactory to the director, as provided in subsection (2) of this section.

(d) The camping resort operator delivers other financial assurances reasonably acceptable to the director.

(2) With respect to any campground located within the state other than a campground described in subsection (1) of this section, the camping resort operator shall not represent the campground to be available to purchasers of camping resort contracts after June 20, 1988, until one of the following events has occurred with regard to each blanket encumbrance:

(a) The camping resort operator obtains and records a nondisturbance agreement to run with the land pursuant to subsection (1) of this section from each holder of the blanket encumbrance.

(b) The camping resort operator posts a surety bond or irrevocable letter of credit with the director in a form satisfactory to the director in the amount of the aggregate principal indebtedness remaining due under the blanket encumbrance.

(c) The camping resort operator delivers to the director, in a form satisfactory to the director, an encumbrance trust agreement among the camping resort operator, a trustee (which can be either a corporate trustee licensed to act as a trustee under Washington law, licensed escrow agent, or a licensed attorney), and the director.

(d) The camping resort operator delivers evidence to the director that any financial institution that has made a hypothecation loan to the camping resort operator (the "hypothecation lender") shall have a lien on, or security interest in, the camping resort operator's interest in the campground, and the hypothecation lender shall have executed and recorded a nondisturbance agreement in the real estate records of the county in which the campground is located. Each person holding an interest in a blanket encumbrance superior to the interest held by the hypothecation lender shall have executed and recorded an instrument stating that such person shall give the hypothecation lender notice of, and at least thirty days to cure, any default under the blanket encumbrance before the person commences any foreclosure action affecting the campground. For the purposes of this subsection, a hypothecation loan to a camping resort operator is a loan or line of credit secured by the camping resort contracts receivable arising from the sale of camping resort contracts by the camping resort operator, which exceeds in the aggregate all outstanding indebtedness secured by blanket encumbrances superior to the interest held by the hypothecation lender.

(e) The camping resort operator delivers other financial assurances reasonably acceptable to the director.

(3) Any camping resort operator which does not comply at all times with subsection (1) or (2) of this section with regard to any blanket encumbrance in connection with any applicable campground is prohibited from offering any camping resort contracts for sale in Washington during the period of noncompliance. [1988 c 159 § 7.]

**Effective date—1988 c 159:** "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and, with the exception of section 7 of this act, shall take effect immediately [March 20, 1988]. Section 7 of this act shall take effect ninety days thereafter [June 20, 1988]." [1988 c 159 § 29.]

**19.105.340 Impounding proceeds from contract sales—Conditional release of impounded funds—Funds not subject to lien—No assignment of impounded or reserved assets.** (1) If the director finds that the applicant or registrant has not by other means assured future availability to and quiet enjoyment of the campgrounds and facilities, as required under this chapter, the director may, notwithstanding the provisions of RCW 19.105.336, require impoundment of the funds or membership receivables, or both, from camping resort contract sales, including the impoundment of periodic dues or assessments required of purchasers under the contracts, or provide other assurances acceptable to the director, until sufficient funds have been impounded or arrangements made to alleviate the inadequacy. The director may, upon finding it reasonable and necessary, for compliance with RCW 19.105.336 and 19.105.365, and not inconsistent with the protection of purchasers or owners of camping resort contracts, provide for release to the applicant, registrant, or others of all or a portion of the impounded funds, membership receivables, or other assets in the impound. The director may take appropriate measures to assure that the impounded funds will be applied as required by this chapter.

(2) Funds placed in impounds under this section or reserve accounts under RCW 19.105.350 are not subject to lien, attachment, or the possession of lenders or creditors of the operator, trustees in bankruptcy, receivers, or other third parties. In instances of bankruptcy, foreclosure, attachment, or other contingency where the ownership or beneficiary status of funds in depositories, or the receivables and funds to be collected from receivables, may be at issue, the purchasers of contracts under this chapter, as a class, shall be deemed the beneficiary. No individual purchaser or group of purchasers, other than the purchasers as a class, have any right to possession, attachment, lien, or right of partition of funds or receivables in the impound or reserve.

(3) It is unlawful for an operator or other person to assign, hypothecate, sell, or pledge any contract or other asset placed into an impound or reserve under this chapter without the express written approval of the director or a court of competent jurisdiction. [1988 c 159 § 8; 1982 c 69 § 5.]

**19.105.345 Persons licensed under chapter 18.85 RCW exempt from salesperson registration requirements.** Persons licensed under chapter 18.85 RCW are exempt from the camping resort salesperson registration requirements of

this chapter for camping resort contracts offered through the licensed brokerage. [1988 c 159 § 9.]

**19.105.350 Director may require reserve fund by order—Denial or suspension of registration.** (1) If the purchaser will own or acquire title to specified real property or improvements to be acquired by the camping resort, the director may by order require to the extent necessary to protect the interests of the purchasers or owners of camping resort contracts, that an appropriate portion of the proceeds paid under those camping resort contracts be placed in a separate reserve fund to be set aside and applied toward the purchase price of the real property, improvements, or facilities.

(2) The director may deny or suspend a registration in which the registrant is advertising or offering annual or periodic dues or assessments by members that the director finds would result in the registrant's future inability to fund operating costs. [1988 c 159 § 10; 1982 c 69 § 6.]

**19.105.360 Filing of sales literature, contract form, disclosure supplements.** The camping resort operator or other registrant of offerings of camping resort contracts shall file with the director at least five business days prior to the first use thereof in the state of Washington (1) the proposed text of all advertisements and sales promotion literature, (2) its proposed form of camping resort contract, and (3) the text of any supplements or amendments to the written disclosures required to be furnished prospective purchasers under RCW 19.105.370: PROVIDED, That if the text in lieu of definitive copies of any materials are filed, definitive copies shall be filed with the director within five business days following the date of first use of the materials. [1988 c 159 § 11; 1982 c 69 § 7.]

**19.105.365 Advertising promises of free gifts, awards, or prizes—Provision of gift or substitute—Security arrangements after violation—Advance fees placed in trust—Membership referral programs considered promotional programs.** (1) It is unlawful for a camping resort operator or other person, in connection with an advertisement or offer for sale of a camping resort contract in this state, to promise or offer a free gift, award, prize, or other item of value if the operator or person knows or has reason to know that the offered item is unavailable in a sufficient quantity based upon the reasonably anticipated response to the advertisement or offer.

(2) A person who responds to an advertisement or offer in the manner specified, who performs all stated requirements, and who meets the qualifications disclosed shall receive the offered item subject to chapter 19.170 RCW.

(3) The director may, upon making a determination that a violation of subsection (1) or (2) of this section has occurred, require any person, including an operator or other registrant found in violation, who continues, or proposes to continue, offering a free gift, award, prize, or other item of value in this state for purposes of advertising a camping resort or inducing persons to purchase a camping resort contract, to provide evidence of the ability to deliver on promised gifts, prizes, or awards by means such as bonds,

irrevocable letters of credit, cash deposits, or other security arrangements acceptable to the director.

(4) The director may require that any fees or funds of any description collected in advance from persons for purposes of obtaining promised gifts, awards, prizes, or other items of value, be placed in trust in a depository in this state until after delivery of the promised gift, prize, award, or other item of value.

(5) Operators or other registrants or persons promising gifts, prizes, awards, or other items of consideration as part of a membership referral program shall be considered to be offering or selling promotional programs.

(6) Chapter 19.170 RCW applies to free gifts, awards, or prizes regulated under this chapter. [1991 c 227 § 9; 1988 c 159 § 12.]

**Severability—1991 c 227:** See RCW 19.170.900.

**19.105.370 Purchaser to receive written disclosures from operator or department—Exemptions.** Except in a transaction exempt under RCW 19.105.325, any operator who offers or sells camping resort contracts in this state shall provide the prospective purchaser with the written disclosures required to be filed under RCW 19.105.320(1)(b) in a form that is materially accurate and complete before the prospective purchaser signs a camping resort contract or gives any item of value for the purchase of a camping resort contract. The department may provide its own disclosures, supplementing those of the operator, in any format it deems appropriate. The department shall not be held liable for any alleged failure to disclose information or for deficiencies in the content of its disclosures when such disclosures are based upon information provided by the operator or a registrant. [1988 c 159 § 13; 1982 c 69 § 8.]

**19.105.380 Registration or application—Conditions for denial, suspension, or revocation by order—Fine—Reimbursement of costs—Notices, hearings, and findings—Summary orders—Assurances of discontinuance.**

(1) A registration or an application for registration of camping resort contracts or renewals thereof may by order be denied, suspended, or revoked if the director finds that:

(a) The advertising, sales techniques, or trade practices of the applicant, registrant, or its affiliate or agent have been or are deceptive, false, or misleading;

(b) The applicant or registrant has failed to file copies of the camping resort contract form under RCW 19.105.360;

(c) The applicant, registrant, or affiliate has failed to comply with any provision of this chapter, the rules adopted or the conditions of a permit granted under this chapter, or a stipulation or final order previously entered into by the operator or issued by the department under this chapter;

(d) The applicant's, registrant's, or affiliate's offering of camping resort contracts has worked or would work a fraud upon purchasers or owners of camping resort contracts;

(e) The camping resort operator or any officer, director, or affiliate of the camping resort operator has been within the last five years convicted of or pleaded nolo contendere to any misdemeanor or felony involving conversion, embezzlement, theft, fraud, or dishonesty, has been enjoined from or had any civil penalty assessed for a finding of dishonest dealing or fraud in a civil suit, or been found to have

engaged in any violation of any act designed to protect consumers, or has been engaged in dishonest practices in any industry involving sales to consumers;

(f) The applicant or registrant has represented or is representing to purchasers in connection with the offer or sale of a camping resort contract that a camping resort property, facility, amenity camp site, or other development is planned, promised, or required, and the applicant or registrant has not provided the director with a security or assurance of performance as required by this chapter;

(g) The applicant or registrant has not provided or is no longer providing the director with the necessary security arrangements to assure future availability of titles or properties as required by this chapter or agreed to in the permit to market;

(h) The applicant or registrant is or has been employing unregistered salespersons or offering or proposing a membership referral program not in compliance with this chapter;

(i) The applicant or registrant has breached any escrow, impound, reserve account, or trust arrangement or the conditions of an order or permit to market required by this chapter;

(j) The applicant or registrant has breached any stipulation or order entered into in settlement of the department's filing of a previous administrative action;

(k) The applicant or registrant has filed or caused to be filed with the director any document or affidavit, or made any statement during the course of a registration or exemption procedure with the director, that is materially untrue or misleading;

(l) The applicant or registrant has engaged in a practice of failing to provide the written disclosures to purchasers or prospective purchasers as required under this chapter;

(m) The applicant, registrant, or any of its officers, directors, or employees, if the operator is other than a natural person, have wilfully done, or permitted any of their salespersons or agents to do, any of the following:

(i) Engage in a pattern or practice of making untrue or misleading statements of a material fact, or omitting to state a material fact;

(ii) Employ any device, scheme, or artifice to defraud purchasers or members;

(iii) Engage in a pattern or practice of failing to provide the written disclosures to purchasers or prospective purchasers as required under this chapter;

(n) The applicant or registrant has failed to provide a bond, letter of credit, or other arrangement to assure delivery of promised gifts, prizes, awards, or other items of consideration, as required under this chapter, breached such a security arrangement, or failed to maintain such a security arrangement in effect because of a resignation or loss of a trustee, impound, or escrow agent;

(o) The applicant or registrant has engaged in a practice of selling contracts using material amendments or codicils that have not been filed or are the consequences of breaches or alterations in previously filed contracts;

(p) The applicant or registrant has engaged in a practice of selling or proposing to sell contracts in a ratio of contracts to sites available in excess of that filed in the affidavit required by this chapter;

(q) The camping resort operator has withdrawn, has the right to withdraw, or is proposing to withdraw from use all

or any portion of any camping resort property devoted to the camping resort program, unless:

(i) Adequate provision has been made to provide within a reasonable time thereafter a substitute property in the same general area that is at least as desirable for the purpose of camping and outdoor recreation;

(ii) The property is withdrawn because, despite good faith efforts by the camping resort operator, a nonaffiliate of the camping resort has exercised a right of withdrawal from use by the camping resort (such as withdrawal following expiration of a lease of the property to the camping resort) and the terms of the withdrawal right have been disclosed in writing to all purchasers at or prior to the time of any sales of camping resort contracts after the camping resort has represented to purchasers that the property is or will be available for camping or recreation purposes;

(iii) The specific date upon which the withdrawal becomes effective has been disclosed in writing to all purchasers and members prior to the time of any sales of camping resort contracts after the camping resort has represented to purchasers that the property is or will be available for camping or recreation purposes;

(iv) The rights of members and owners of the camping resort contracts under the express terms of the camping resort contract have expired, or have been specifically limited, upon the lapse of a stated or determinable period of time, and the director by order has found that the withdrawal is not otherwise inconsistent with the protection of purchasers or the desire of the majority of the owners of camping resort contracts, as expressed in their previously obtained vote of approval;

(r) The format, form, or content of the written disclosures provided therein is not complete, full, or materially accurate, or statements made therein are materially false, misleading, or deceptive;

(s) The applicant or registrant has failed or declined to respond to any subpoena lawfully issued and served by the department under this chapter;

(t) The applicant or registrant has failed to file an amendment for a material change in the manner or at the time required under this chapter or its implementing rules;

(u) The applicant or registrant has filed voluntarily or been placed involuntarily into a federal bankruptcy or is proposing to do so; or

(v) A camping resort operator's rights or interest in a campground has been terminated by foreclosure or the operations in a camping resort have been terminated in a manner contrary to contract provisions.

(2) Any applicant or registrant who has violated subsection (1)(a), (b), (c), (f), (h), (i), (j), (l), (m), or (n) of this section may be fined by the director in an amount not to exceed one thousand dollars for each such violation. Proceedings seeking such fines shall be held in accordance with chapter 34.05 RCW and may be filed either separately or in conjunction with other administrative proceedings to deny, suspend, or revoke registrations authorized under this chapter. Fines collected from such proceedings shall be deposited in the state general fund.

(3) An operator, registrant, or applicant against whom administrative or legal proceedings have been filed shall be responsible for and shall reimburse the state, by payment into the general fund, for all administrative and legal costs

actually incurred by the department in issuing, processing, and conducting any such administrative or legal proceeding authorized under this chapter that results in a final legal or administrative determination of any type or degree in favor of the department.

(4) No order may be entered under this section without appropriate prior notice to the applicant or registrant of opportunity for a hearing and written findings of fact and conclusions of law, except that the director may by order summarily deny an application for registration or renewal under any of the above subsections and may summarily suspend or revoke a registration under subsection (1)(d), (f), (g), (h), (i), (k), (l), (m), and (n) of this section. No fine may be imposed by summary order.

(5) The proceedings to deny an application or renewal, suspend or revoke a registration or permit, whether summarily or otherwise, or impose a fine shall be held in accordance with chapter 34.05 RCW.

(6) The director may enter into assurances of discontinuance in lieu of issuing a statement of charges or a cease and desist order or conducting a hearing under this chapter. The assurances shall consist of a statement of the law in question and an agreement not to violate the stated provision. The applicant or registrant shall not be required to admit to any violation of the law, nor shall the assurance be construed as such an admission. Violating or breaching an assurance under this subsection is grounds for suspension or revocation of registration or imposition of a fine.

(7) The director 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 director's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order. [1997 c 58 § 850; 1988 c 159 § 14; 1982 c 69 § 9.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**19.105.390 Resort contracts—Purchaser's cancellation—Notice—Statement of right to cancel.** Any camping resort contract may be canceled at the option of the purchaser, if the purchaser sends notice of the cancellation by certified mail (return receipt requested) to the camping resort operator at the address contained in the camping resort contract and if the notice is postmarked not later than midnight of the third business day following the day on which the contract is signed. In addition to this cancellation right, any purchaser who signs a camping resort contract of any description required to be registered with the department

without having received the written disclosures required by this chapter has cancellation rights until three business days following eventual receipt of the written disclosures. Purchasers shall request cancellation of contracts by sending the notice of cancellation by certified mail (return receipt requested), postmarked not later than midnight of the third business day following the day on which the contract is signed or the day on which the disclosures were actually received, whichever event is later to the camping resort operator at the address contained in the camping resort contract. In computing the number of business days, the day on which the contract was signed shall not be included as a "business day," nor shall Saturday, Sunday, or legal holidays be included. Within three business days following receipt of timely and proper notice of cancellation from the purchaser, the camping resort operator shall provide evidence that the contract has been cancelled. Thereafter, any money or other consideration paid by the purchaser shall be promptly refunded.

Every camping resort contract, other than those being offered and registered as resales, shall include the following statement in at least ten-point bold-face type immediately prior to the space for the purchaser's signature:

"Purchaser's right to cancel: You may cancel this contract without any cancellation fee or other penalty, or stated reason for doing so, by sending notice of cancellation by certified mail, return receipt requested, to . . . (insert name and address of camping resort operator). The notice must be postmarked by midnight of the third business day following the day on which the contract is signed. In computing the three business days, the day on which the contract is signed shall not be included as a "business day," nor shall Saturday, Sunday, or legal holidays be included."

If the purchaser has not inspected a camping resort property or facility at which camping resort sites are located or planned, the notice must contain the following additional language:

"If you sign this contract without having inspected a property at which camping sites are located or planned, you may cancel this contract by giving this notice within six (6) business days following the day on which you signed the contract." [1988 c 159 § 15; 1982 c 69 § 10.]

#### **19.105.400 Resort contracts—Voidable—Estoppel.**

Any camping resort contract entered into in violation of this chapter may be voided by the purchaser and the purchaser's entire consideration recovered at the option of the purchaser, but no suit under this section may be brought after two years from the date the contract is signed. [1988 c 159 § 16; 1982 c 69 § 11.]

#### **19.105.405 Purchaser lists—Authorized uses.** (1)

The legislature recognizes the proprietary interest camping resort operators have in purchaser lists. The legislature also recognizes that purchasers of camping resort contracts have a legitimate interest in being able to contact other resort purchasers for the purpose of forming a members' association. In balancing these competing interests, the legislature believes that purchaser lists can be made available to camping resort purchasers with reasonable restrictions on the dissemination of those lists.

(2) Upon request of a purchaser, the camping resort operator shall provide to the purchaser a list of the names, addresses, and unit, site, or purchaser number of all purchasers. The camping resort operator may charge for the reasonable costs for preparing the list. The operator shall require the purchaser to sign an affidavit agreeing not to use the list for any commercial purpose.

(3) It is a violation of this chapter and chapter 19.86 RCW for any person to use a membership list for commercial purposes unless authorized to do so by the operator.

(4) It is a violation of this chapter and chapter 19.86 RCW for a camping resort operator to fail to provide a list of purchasers as provided in this section. [1988 c 159 § 17.]

**19.105.411 Fees.** Applicants or registrants under this chapter shall pay fees determined by the director as provided in RCW 43.24.086. The fees shall be prepaid and the director may determine fees for the following activities or events:

(1) A fee for the initial application and an additional fee for each camping resort contract registered;

(2) Renewals of camping resort registrations and an additional fee for each additional camping resort contract registered;

(3) An initial and annual fee for processing and administering any required impound, trust, reserve, or escrow arrangement and security arrangements for such programs;

(4) The review and processing of advertising or promotional materials;

(5) Registration and renewal of registrations of salespersons;

(6) The transfer of a salesperson's permit from one operator to another;

(7) Administering examinations for salespersons;

(8) Amending the registration or the public offering statement;

(9) Conducting site inspections;

(10) Granting exemptions under this chapter;

(11) Penalties for registrants in any situation where a registrant has failed to file an amendment to the registration or the public offering statement in a timely manner for material changes, as required in this chapter and its implementing rules. [1988 c 159 § 18.]

#### **19.105.420 Resort contracts—Registration, duration—Renewal, amendment—Renewal of prior permits.**

A registration of camping resort contracts shall be effective for a period of one year and may, upon application, be renewed for successive periods of one year each, unless the director prescribes a shorter period for a permit or registration. A camping resort contract registration shall be amended if there is to be an increase in inventory or consolidation to the number of camping resort contracts registered, or in instances in which new contract forms are to be offered. Consolidations, new contract forms, the adding of resorts to the program, or amendments for material changes shall become effective in the manner provided by RCW 19.105.330. The written disclosures required to be furnished prospective purchasers under RCW 19.105.370 shall be supplemented by amendment request in writing as necessary to keep the required information reasonably current and

reflective of material changes. Amendments shall be filed with the director as provided in RCW 19.105.360. The foregoing notwithstanding, however, the camping resort operator or registrant shall file an amendment to the registration disclosing any event which will have a material effect on the conduct of the operation of the camping resort, the financial condition of the camping resort, or the future availability of the camping resort properties to purchasers. The amendment shall be filed within thirty days following the event. The amendment shall be treated as an original application for registration, except that until the director has acted upon the application for amendment the applicant's registration shall continue to be deemed effective for the purposes of RCW 19.105.310.

Any permit to sell camping resort memberships issued prior to November 1, 1982, shall be deemed a camping resort registration subject to the renewal provisions of this chapter upon the anniversary date of the issuance of the original permit. [1988 c 159 § 19; 1982 c 69 § 13.]

**19.105.430 Unlawful to act as salesperson without registering—Exemptions.** Unless the transaction is exempt under RCW 19.105.325, it is unlawful for any person to act as a camping resort salesperson in this state without first registering under this chapter as a salesperson or being licensed as a salesperson under chapter 18.85 RCW or a broker licensed under that chapter. [1988 159 § 20; 1982 c 69 § 14.]

**19.105.440 Registration as salesperson—Application—Denial, suspension, or revocation of registration or application by order—Fine—Notices, hearings, and findings—Summary orders—Assurances of discontinuance—Renewal of registration.** (1) A salesperson may apply for registration by filing in a complete and readable form with the director an application form provided by the director which includes the following:

(a) A statement whether or not the applicant within the past five years has been convicted of, pleaded nolo contendere to, or been ordered to serve probation for a period of a year or more for any misdemeanor or felony involving conversion, embezzlement, theft, fraud, or dishonesty or the applicant has been enjoined from, had any civil penalty assessed for, or been found to have engaged in any violation of any act designed to protect consumers;

(b) A statement fully describing the applicant's employment history for the past five years and whether or not any termination of employment during the last five years was the result of any theft, fraud, or act of dishonesty;

(c) A consent to service comparable to that required of operators under this chapter; and

(d) Required filing fees.

(2) The director may by order deny, suspend, or revoke a camping resort salesperson's registration or application for registration under this chapter or the person's license or application under chapter 18.85 RCW, or impose a fine on such persons not exceeding two hundred dollars per violation, if the director finds that the order is necessary for the protection of purchasers or owners of camping resort contracts and the applicant or registrant is guilty of:

(a) Obtaining registration by means of fraud, misrepresentation, or concealment, or through the mistake or inadvertence of the director;

(b) Violating any of the provisions of this chapter or any lawful rules adopted by the director pursuant thereto;

(c) Being convicted in a court of competent jurisdiction of this or any other state, or federal court, of forgery, embezzlement, obtaining money under false pretenses, bribery, larceny, extortion, conspiracy to defraud, or any similar offense or offenses. For the purposes of this section, "being convicted" 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;

(d) Making, printing, publishing, distributing, or causing, authorizing, or knowingly permitting the making, printing, publication, or distribution of false statements, descriptions, or promises of such character as to reasonably induce any person to act thereon, if the statements, descriptions, or promises purport to be made or to be performed by either the applicant or registrant and the applicant or registrant then knew or, by the exercise of reasonable care and inquiry, could have known, of the falsity of the statements, descriptions, or promises;

(e) Knowingly committing, or being a party to, any material fraud, misrepresentation, concealment, conspiracy, collusion, trick, scheme, or device whereby any other person lawfully relies upon the work, representation, or conduct of the applicant or registrant;

(f) Failing, upon demand, to disclose to the director or the director's authorized representatives acting by authority of law any information within his or her knowledge or to produce for inspection any document, book or record in his or her possession, which is material to the salesperson's registration or application for registration;

(g) Continuing to sell camping resort contracts in a manner whereby the interests of the public are endangered, if the director has, by order in writing, stated objections thereto;

(h) Committing any act of fraudulent or dishonest dealing or a crime involving moral turpitude, and a certified copy of the final holding of any court of competent jurisdiction in such matter shall be conclusive evidence in any hearing under this chapter;

(i) Misrepresentation of membership in any state or national association; or

(j) Discrimination against any person in hiring or in sales activity on the basis of race, color, creed, or national origin, or violating any state or federal antidiscrimination law.

(3) No order may be entered under this section without appropriate prior notice to the applicant or registrant of opportunity for a hearing and written findings of fact and conclusions of law, except that the director may by order summarily deny an application for registration under this section.

(4) The proceedings to deny an application or renewal, suspend or revoke a registration or permit, whether summarily or otherwise, or impose a fine shall be held in accordance with chapter 34.05 RCW.

(5) The director, subsequent to any complaint filed against a salesperson or pursuant to an investigation to

determine violations, may enter into stipulated assurances of discontinuances in lieu of issuing a statement of charges or a cease and desist order or conducting a hearing. The assurance shall consist of a statement of the law in question and an agreement not to violate the stated provision. The salesperson shall not be required to admit to any violation of the law, nor shall the assurance be construed as such an admission. Violation of an assurance under this subsection is grounds for a disciplinary action, a suspension of registration, or a fine not to exceed one thousand dollars.

(6) The director may by rule require such further information or conditions for registration as a camping resort salesperson, including qualifying examinations and fingerprint cards prepared by authorized law enforcement agencies, as the director deems necessary to protect the interests of purchasers.

(7) Registration as a camping resort salesperson shall be effective for a period of one year unless the director specifies otherwise or the salesperson transfers employment to a different registrant. Registration as a camping resort salesperson shall be renewed annually, or at the time of transferring employment, whichever occurs first, by the filing of a form prescribed by the director for that purpose.

(8) It is unlawful for a registrant of camping resort contracts to employ or a person to act as a camping resort salesperson covered under this section unless the salesperson has in effect with the department and displays a valid registration in a conspicuous location at each of the sales offices at which the salesperson is employed. It is the responsibility of both the operator and the salesperson to notify the department when and where a salesperson is employed, his or her responsibilities and duties, and when the salesperson's employment or reported duties are changed or terminated.

(9) The director 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 director's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order. [1997 c 58 § 851; 1988 c 159 § 21; 1982 c 69 § 15.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**19.105.450 Investigations—Scope—Publishing information.** The director may make such public or private investigations or may make such requests for information, within or without this state, as the director deems necessary to determine whether any registration should be granted,

denied, suspended, or revoked, or a fine imposed, or whether any person has violated or is about to violate any of the provisions of this chapter or any rule, order, or permit under this chapter, or to aid in the enforcement of this chapter or in prescribing of rules and forms under, and amendments to, this chapter and may publish information concerning any violation of this chapter or any rule or order under this chapter. [1988 c 159 § 22; 1982 c 69 § 16.]

**19.105.460 Investigations—Powers relating to—Proceedings for contempt.** For the purpose of any investigation or proceeding under this chapter, the director or any officer designated by him may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which the director deems relevant or material to the inquiry.

In the case of any person who disobeys any subpoena lawfully issued by the director, or on the refusal of any witness to testify to any matters regarding which he may be lawfully interrogated, the superior court of any county or the judge thereof, on application by the director, and after satisfactory evidence of wilful disobedience, may compel obedience by proceedings for contempt as in the case of disobedience of the requirements of a subpoena issued from such a court on a refusal to testify therein. [1982 c 69 § 17.]

**19.105.470 Cease and desist orders—Utilizing temporary order, injunction, restraining order, or writ of mandamus.** (1) Whenever it appears to the director that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this chapter, any withdrawal of a camping resort property in violation of \*RCW 19.105.380(1)(j), or any rule, order, or permit issued under this chapter, the director may in his or her discretion issue an order directing the person to cease and desist from continuing the act or practice. Reasonable notice of and opportunity for a hearing shall be given. However, the director may issue a temporary order pending the hearing which shall be effective immediately upon delivery to the person affected and which shall remain in effect until ten days after the hearing is held and which shall become final if the person to whom notice is addressed does not request a hearing within fifteen days after receipt of notice.

(2) If it appears necessary in order to protect the interests of members and purchasers, whether or not the director has issued a cease and desist order, the attorney general in the name of the state, the director, the proper prosecuting attorney, an affiliated members' common-interest association, or a group of members as a class, may bring an action in any court of competent jurisdiction to enjoin any such acts or practices and to enforce compliance with this chapter or any rule, order, or permit under this chapter. Upon a proper showing, a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted and a receiver or conservator may be appointed for the defendant, for the defendant's assets, or to protect the interests or assets of a members' common-interest associa-

tion or the members of a camping resort as a class. The state, the director, a members' common-interest association, or members as a class shall not be required to post a bond in such proceedings. [1988 c 159 § 23; 1982 c 69 § 18.]

**\*Reviser's note:** The reference to RCW 19.105.380(1)(j) appears to be erroneous. Before March 20, 1988, the reference was to RCW 19.105.380(9). Chapter 159, Laws of 1988 placed the text of RCW 19.105.380(9) in RCW 19.105.380(1)(q), effective March 20, 1988.

**19.105.480 Violations—As gross misdemeanors—Statute of limitations.** Any person who wilfully fails to register an offering of camping resort contracts under this chapter is guilty of a gross misdemeanor. It is a gross misdemeanor for any person in connection with the offer or sale of any camping resort contracts wilfully and knowingly:

(1) To make any untrue or misleading statement of a material fact, or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading;

(2) To employ any device, scheme, or artifice to defraud;

(3) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person;

(4) To file, or cause to be filed, with the director any document which contains any untrue or misleading information;

(5) To breach any impound, escrow, trust, or other security arrangement provided for by this chapter;

(6) To cause the breaching of any trust, escrow, impound, or other arrangement placed in a registration for compliance with RCW 19.105.336; or

(7) To employ unlicensed salespersons or permit salespersons or employees to make misrepresentations or violate this chapter.

No indictment or information may be returned under this chapter more than five years after the date of the event alleged to have been a violation. [1988 c 159 § 24; 1982 c 69 § 19.]

**19.105.490 Violations—Referral to attorney general or prosecuting attorney.** The director may refer such evidence as may be available concerning violations of this chapter or of any rule or order under this chapter to the attorney general or the proper prosecuting attorney who may in his discretion, with or without such a reference, institute the appropriate civil or criminal proceedings under this chapter. [1982 c 69 § 20.]

**19.105.500 Violations—Application of consumer protection act.** For the purposes of application of the consumer protection act, chapter 19.86 RCW, any material violation of the provisions of this chapter shall be construed to constitute an unfair or deceptive act or practice or unfair method of competition in the conduct of trade or commerce. [1982 c 69 § 21.]

**19.105.510 Resort contracts—Nonapplicability of certain laws—County and city powers.** Camping resort contracts registered under this chapter are exempt from the provisions of chapters 21.20 and 58.19 RCW and any act in

this state regulating the offer and sale of land developments, real estate cooperatives, or time shares. Nothing in this chapter prevents counties or cities from enacting ordinances or resolutions setting platting or subdivision requirements solely for camping resorts or for camping resorts as subdivisions or binding site plans if appropriate to chapter 58.17 RCW or local ordinances. [1988 c 159 § 25; 1982 c 69 § 22.]

**19.105.520 Unlawful to represent director's administrative approval as determination as to merits of resort—Penalty.** Neither the fact that an application for registration nor the written disclosures required by this chapter have been filed, nor the fact that a camping resort contract offering has been effectively registered or exempted, constitutes a finding by the director that the offering or any document filed under this chapter is true, complete, and not misleading, nor does the fact mean that the director has determined in any way the merits or qualifications of or recommended or given approval to any person, camping resort operator, or camping resort contract transaction. It is a gross misdemeanor to make or cause to be made to any prospective purchaser any representation inconsistent with this section. [1988 c 159 § 26; 1982 c 69 § 24.]

**19.105.530 Rules, forms, orders—Administration of chapter.** (1) The director may make, amend, and repeal rules, forms, and orders when necessary to carry out the provisions of this chapter.

(2) The director may appoint those persons within the department deemed necessary to administer this chapter. The director may delegate to such persons any powers, subject to the authority of the director, that may be necessary to carry out this chapter, including the issuance and processing of administrative proceedings and entering into stipulations under RCW 19.105.380. [1988 c 159 § 27; 1982 c 69 § 25.]

**19.105.540 Administrative procedure act application.** Chapter 34.05 RCW shall apply to any administrative procedures carried out by the director under this chapter unless otherwise provided in this chapter. [1982 c 69 § 26.]

**19.105.550 Administration.** This chapter shall be administered by the director of licensing. [1982 c 69 § 27.]

**19.105.910 Construction—Chapter as cumulative and nonexclusive.** Except as specifically provided in RCW 19.105.510, the provisions of this chapter are cumulative and nonexclusive and do not affect any other remedy available at law. [1982 c 69 § 23.]

**19.105.920 Severability—1982 c 69.** 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. [1982 c 69 § 29.]

**19.105.930 Effective date—1982 c 69.** This act shall take effect on November 1, 1982. [1982 c 69 § 32.]

**Chapter 19.108**  
**UNIFORM TRADE SECRETS ACT**

## Sections

- 19.108.010 Definitions.
- 19.108.020 Remedies for misappropriation—Injunction, royalty.
- 19.108.030 Remedies for misappropriation—Damages.
- 19.108.040 Award of attorney's fees.
- 19.108.050 Court orders to preserve secrecy of alleged trade secrets.
- 19.108.060 Actions for misappropriation—Time limitation.
- 19.108.900 Effect of chapter on other law.
- 19.108.910 Construction of uniform act.
- 19.108.920 Short title.
- 19.108.930 Effective date—Application—1981 c 286.
- 19.108.940 Severability—1981 c 286.

*Requiring assignment of employee's rights to inventions: RCW 49.44.140, 49.44.150.*

**19.108.010 Definitions.** Unless the context clearly requires otherwise, the definitions set forth in this section apply throughout this chapter.

(1) "Improper means" includes theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy, or espionage through electronic or other means;

(2) "Misappropriation" means:

(a) Acquisition of a trade secret of another by a person who knows or has reason to know that the trade secret was acquired by improper means; or

(b) Disclosure or use of a trade secret of another without express or implied consent by a person who:

(i) Used improper means to acquire knowledge of the trade secret; or

(ii) At the time of disclosure or use, knew or had reason to know that his or her knowledge of the trade secret was (A) derived from or through a person who had utilized improper means to acquire it, (B) acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use, or (C) derived from or through a person who owed a duty to the person seeking relief to maintain its secrecy or limit its use; or

(iii) Before a material change of his or her position, knew or had reason to know that it was a trade secret and that knowledge of it had been acquired by accident or mistake.

(3) "Person" means a natural person, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.

(4) "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique, or process that:

(a) Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and

(b) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. [1981 c 286 § 1.]

**19.108.020 Remedies for misappropriation—Injunction, royalty.** (1) Actual or threatened misappropriation may be enjoined. Upon application to the court, an injunction shall be terminated when the trade secret has

ceased to exist, but the injunction may be continued for an additional reasonable period of time in order to eliminate commercial advantage that otherwise would be derived from the misappropriation.

(2) If the court determines that it would be unreasonable to prohibit future use, an injunction may condition future use upon payment of a reasonable royalty for no longer than the period of time the use could have been prohibited.

(3) In appropriate circumstances, affirmative acts to protect a trade secret may be compelled by court order. [1981 c 286 § 2.]

**19.108.030 Remedies for misappropriation—Damages.** (1) In addition to or in lieu of injunctive relief, a complainant may recover damages for the actual loss caused by misappropriation. A complainant also may recover for the unjust enrichment caused by misappropriation that is not taken into account in computing damages for actual loss.

(2) If wilful and malicious misappropriation exists, the court may award exemplary damages in an amount not exceeding twice any award made under subsection (1). [1981 c 286 § 3.]

**19.108.040 Award of attorney's fees.** If a claim of misappropriation is made in bad faith, a motion to terminate an injunction is made or resisted in bad faith, or wilful and malicious misappropriation exists, the court may award reasonable attorney's fees to the prevailing party. [1981 c 286 § 4.]

**19.108.050 Court orders to preserve secrecy of alleged trade secrets.** In an action under this chapter, a court shall preserve the secrecy of an alleged trade secret by reasonable means, which may include granting protective orders in connection with discovery proceedings, holding in-camera hearings, sealing the records of the action, and ordering any person involved in the litigation not to disclose an alleged trade secret without prior court approval. [1981 c 286 § 5.]

**19.108.060 Actions for misappropriation—Time limitation.** An action for misappropriation must be brought within three years after the misappropriation is discovered or by the exercise of reasonable diligence should have been discovered. For the purposes of this section, a continuing misappropriation constitutes a single claim. [1981 c 286 § 6.]

**19.108.900 Effect of chapter on other law.** (1) This chapter displaces conflicting tort, restitutionary, and other law of this state pertaining to civil liability for misappropriation of a trade secret.

(2) This chapter does not affect:

(a) Contractual or other civil liability or relief that is not based upon misappropriation of a trade secret; or

(b) Criminal liability for misappropriation of a trade secret. [1981 c 286 § 7.]

*Theft of trade secrets: RCW 9A.56.010(5), 9A.56.020.*

**19.108.910 Construction of uniform act.** This chapter shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this chapter among states enacting it. [1981 c 286 § 8.]

**19.108.920 Short title.** This chapter may be known and cited as the uniform trade secrets act. [1981 c 286 § 9.]

**19.108.930 Effective date—Application—1981 c 286.** This chapter takes effect on January 1, 1982, and does not apply to misappropriation occurring prior to the effective date. [1981 c 286 § 12.]

**19.108.940 Severability—1981 c 286.** 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. [1981 c 286 § 10.]

### Chapter 19.110

#### BUSINESS OPPORTUNITY FRAUD ACT

##### Sections

- 19.110.010 Legislative declaration.
- 19.110.020 Definitions.
- 19.110.030 Sale or lease of business opportunity—Offer to sell or lease business opportunity—Occurrence in Washington.
- 19.110.040 Application of chapter.
- 19.110.050 Persons proposing to sell or lease business opportunity—Registration required—Application—Renewal—Denial, suspension, or revocation of registration.
- 19.110.060 Registration fees.
- 19.110.070 Disclosure document required—Contents.
- 19.110.080 Disclosure document—Director authorized to accept alternative.
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- 19.110.120 Unlawful acts.
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- 19.110.170 Violations constitute unfair practice.
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- 19.110.190 Appointment of administrator—Delegation of powers.
- 19.110.900 Chapter cumulative and nonexclusive.
- 19.110.910 Short title.
- 19.110.920 Severability—1981 c 155.
- 19.110.930 Effective date—1981 c 155.

**Reviser's note:** Powers, duties, and functions of the department of licensing relating to business opportunities were transferred to the department of financial institutions by 1993 c 472, effective October 1, 1993. See RCW 43.320.011.

**19.110.010 Legislative declaration.** The legislature finds and declares that the widespread and unregulated sale of business opportunities has become a common area of

investment problems and deceptive practices in the state of Washington. As a result, the provisions of this chapter are necessary to counteract the potential negative impact of the sale of business opportunities upon the economy of the state. [1981 c 155 § 1.]

**19.110.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Business opportunity" means the sale or lease of any product, equipment, supply, or service which is sold or leased to enable the purchaser to start a business; and:

(a) The seller represents that the seller will provide locations or assist the purchaser in finding locations, on premises neither owned nor leased by the purchaser or seller, for the use or operation of vending machines, display racks, cases, or similar devices or coin-operated amusement machines or similar devices; or

(b) The seller represents that the seller will purchase any product made, produced, fabricated, assembled, modified, grown, or bred by the purchaser using, in whole or part, any product, equipment, supply, or service sold or leased to the purchaser by the seller; or

(c) The seller guarantees that the purchaser will earn an income greater than or equal to the price paid for the business opportunity; or

(d) The seller represents that if the purchaser pays a fee exceeding three hundred dollars directly or indirectly for the purpose of the seller providing a sales or marketing program, the seller will provide such a program which will enable the purchaser to derive income from the business opportunity which exceeds the price paid for the business opportunity.

(2) "Person" includes an individual, corporation, partnership, joint venture, or any business entity.

(3) "Seller" means a person who sells or leases a business opportunity.

(4) "Purchaser" means a person who buys or leases a business opportunity.

(5) "Director" means the director of financial institutions.

(6) "Guarantee" means an undertaking by the seller to refund all or a portion of the purchase price paid for the business opportunity. [1994 c 92 § 4; 1981 c 155 § 2.]

**19.110.030 Sale or lease of business opportunity—Offer to sell or lease business opportunity—Occurrence in Washington.** (1) An offer to sell or offer to lease a business opportunity occurs in Washington when:

(a) The offer is made in Washington; or

(b) The purchaser resides in Washington at the time of the offer and the business opportunity is or will be located, in whole or in part, in the state of Washington; or

(c) The offer originates from Washington; or

(d) The business opportunity is or will be, in whole or in part, located in Washington.

(2) An offer does not occur in Washington if a seller advertises only in a newspaper having more than two-thirds of its circulation outside the state of Washington, or on a radio or television program originating outside the state and does not sell or lease business opportunities in Washington.

(3) A sale or lease of a business opportunity occurs in Washington when:

- (a) The sale or lease is made in Washington; or
- (b) The purchaser resides in Washington at the time of the sale or lease, and the business opportunity is or will be located, in whole or in part, in Washington; or
- (c) The business opportunity is or will be located in Washington. [1981 c 155 § 3.]

**19.110.040 Application of chapter.** Nothing in this chapter applies to:

- (1) A radio station, television station, publisher, printer, or distributor of a newspaper, magazine, billboard, or other advertising medium which accepts advertising in good faith without knowledge of its violation of any provision of this chapter;
- (2) A franchise subject to the provisions of chapter 19.100 RCW;
- (3) A security subject to the provisions of chapter 21.20 RCW;
- (4) A newspaper distribution system;
- (5) The sale, lease, or transfer of a business opportunity by a purchaser if the purchaser sells only one business opportunity in any twelve-month period;
- (6) The not-for-profit sale of sales demonstration equipment, materials, or samples where the total cost does not exceed five hundred dollars;
- (7) A marketing program made in conjunction with licensing of a registered trademark or service mark for which no consideration is paid. Any consideration paid in conjunction with the purchase of goods at a bona fide wholesale price does not constitute consideration under this subsection; or
- (8) A transaction regulated pursuant to chapter 18.85 RCW. [1981 c 155 § 4.]

**19.110.050 Persons proposing to sell or lease business opportunity—Registration required—Application—Renewal—Denial, suspension, or revocation of registration.** (1) Any person who proposes to sell or lease a business opportunity must register prior to advertising, soliciting, or making any offer, sale, or lease in this state.

(2) Any person proposing to sell or lease a business opportunity must apply for registration by filing with the director:

- (a) A copy of the disclosure document required by RCW 19.110.070;
- (b) An irrevocable consent to service of process;
- (c) The prescribed registration fee; and
- (d) Copies of all advertisements intended to be used in connection with the offer and sale of the business opportunity.

(3) If the application meets the requirements for registration, the director shall issue a registration number to the applicant. The applicant must include the number in every advertisement in this state.

(4) Registration is effective for one year. An applicant must renew registration annually unless the director extends the duration of registration in order to stagger renewal periods. The renewal application must contain:

(a) Any new information necessary to comply with the disclosure requirements of RCW 19.110.070;

(b) The prescribed renewal fee; and

(c) Copies of any and all advertisements intended to be used in connection with the offer and sale of the business opportunity.

(5) The applicant must amend the registration whenever there is any material change in the required information.

(6) The applicant must file copies of all advertisements offering business opportunities seven days before their intended use.

(7) The director may issue an order denying, suspending, or revoking any applicant's registration if the director finds that the order is in the public interest and that:

- (a) The registration application is incomplete or contains any statement which is false or misleading with respect to any material fact; or
- (b) Any provision of this chapter or any rule or order lawfully imposed under this chapter has been violated; or
- (c) The business opportunity includes or would include activities which are illegal; or
- (d) The business opportunity has worked or tended to work a fraud on purchasers or would so operate.

(8) The director shall promptly notify the applicant of any order denying, suspending, or revoking registration. The applicant may request a hearing within fifteen days of notification. If the applicant does not request a hearing, the order remains in effect until the director modifies or vacates it. The applicant shall be notified of the right to request a hearing within fifteen days. [1981 c 155 § 5.]

**19.110.060 Registration fees.** The director shall charge and collect the fees specified by this section. All fees are nonrefundable and shall be deposited in the state treasury.

- (1) The registration fee is two hundred dollars.
- (2) The renewal fee is one hundred twenty-five dollars.
- (3) The amendment fee is thirty dollars. [1981 c 155 § 6.]

**19.110.070 Disclosure document required—Contents.** The seller shall provide the purchaser a written disclosure document at least forty-eight hours before the purchaser signs a business opportunity contract. The cover sheet of the disclosure document shall be entitled: "DISCLOSURES REQUIRED BY THE STATE OF WASHINGTON." The following statement shall appear under the title: "The state of Washington has not reviewed and does not approve, recommend, endorse, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract." The cover sheet shall contain only the required title and statement, and both shall be in at least ten point type. The disclosure document shall include at least the following information:

- (1) The official name, address, and principal place of business of the seller and of any parent or affiliated company, or any predecessors;
- (2) The names, addresses, and titles of the seller's officers, directors, trustees, general partners, general manag-

ers, principal executives, and any other persons responsible for the seller's business opportunity activities;

(3) A statement disclosing which, if any, of the persons listed in subsections (1) or (2) of this section:

(a) Has, at any time during the previous ten years, been convicted of a felony or pleaded nolo contendere to a felony charge if the felony involved fraud (including violation of any franchise or business opportunity law or unfair or deceptive practices law), embezzlement, fraudulent conversion, misappropriation of property, or restraint of trade;

(b) Has, at any time during the previous ten years, been held liable in a civil action resulting in a final judgment or has settled out of court any civil action or is a party to any civil action involving allegations of fraud (including violation of any franchise or business opportunity law or unfair or deceptive practices law), embezzlement, fraudulent conversion, misappropriation of property, or restraint of trade, or any civil action which was brought by a present or former purchaser or purchasers and which involves or involved the business opportunity;

(c) Is subject to any currently effective state or federal agency or court injunctive or restrictive order, or is a party to a proceeding currently pending in which such order is sought, relating to or affecting business opportunities activities or the business opportunity seller-purchaser relationship, or involving fraud (including violation of any franchise or business opportunity law or unfair or deceptive practices law), embezzlement, fraudulent conversion, misappropriation of property, or restraint of trade.

The statement shall include the identity and location of the court or agency, the date of conviction, judgment, or decision, the penalty imposed, the damages assessed, the terms of settlement or the terms of the order, and the date, nature, terms, and conditions of each such order or ruling;

(4) A statement disclosing which, if any, of the persons listed in subsections (1) and (2) of this section has, at any time during the previous ten years:

(a) Filed in bankruptcy; or

(b) Been adjudged bankrupt; or

(c) Been reorganized due to insolvency; or

(d) Been a principal, director, executive officer, or partner of any other person who has filed in bankruptcy, been adjudged bankrupt, or been reorganized due to insolvency;

(5) A statement of when, where, and how long the seller has:

(a) Offered, sold, or leased business opportunity plans; and

(b) Offered, sold, or leased the specific business opportunity plan offered to the purchaser; and

(c) Operated a business of the type offered to the purchaser;

(6) A statement disclosing:

(a) The total number of business opportunities which the seller has sold or leased; and

(b) The number of failures of business opportunities which the seller has sold or leased;

(7) The terms and conditions of payment, including the initial payment, downpayment, and any additional or recurring payments;

(8) A copy of any statement concerning estimated or projected sales or earnings, the data on which the estimations

or projections are based, and an explanation of the extent to which the data relates to the actual operations of the business opportunity offered to the purchaser;

(9) A copy of the bond or written notice of the depository, the name of the trustee, and account number of the trust account, if the seller is required by RCW 19.110.100 to establish either a bond or trust account;

(10) A copy of the seller's current (not more than three months old) financial statement and any amendments necessary to reflect material changes in the seller's financial condition;

(11) An unexecuted copy of any business opportunity contract or agreement which the purchaser may be required to sign;

(12) Any additional information which the director requires by rule or order. [1981 c 155 § 7.]

**19.110.080 Disclosure document—Director authorized to accept alternative.** The director may, by rule or order:

(1) Accept any disclosure document filed with agencies of the United States or any other state; or

(2) Accept any disclosure document compiled in accordance with any rule or regulation of any agency of the United States or any other state; or

(3) Waive disclosure of information which is inapplicable or unnecessary for protection of purchasers. [1981 c 155 § 8.]

**19.110.090 Persons proposing to sell or lease business opportunity—Service of process.** Every person who proposes to sell or lease a business opportunity in this state through any person acting on an agency basis in the common law sense shall file with the director, in such form as the director by rule prescribes, an irrevocable consent appointing the director or the director's successor in office to be the attorney of the applicant to receive service of any lawful process in any noncriminal suit, action, or proceeding against the applicant or the applicant's successor, executor, or administrator which arises under this chapter or any rule or order hereunder after the consent has been filed, with the same force and validity as if served personally on the person filing the consent. A person who has filed a consent in connection with a previous registration need not file another. Service may be made by leaving a copy of the process in the office of the director, but it is not effective unless (1) the plaintiff, who may be the director in a suit, action, or proceeding instituted by him or her, forthwith sends notice of the service and a copy of the process by registered mail to the defendant or respondent at the last address of the respondent or defendant on file with the director, and (2) the plaintiff's affidavit of compliance with this section is filed in the case on or before the return day of the process, if any, or within such further time as the court allows. [1981 c 155 § 9.]

**19.110.100 Seller to provide surety bond or trust account—Action by state or injured person—Damages.** (1) If the seller makes any guarantee described in RCW 19.110.020(1)(c), the seller shall have a surety bond issued by a surety company authorized to do business in Washing-

ton or a trust account with a licensed and insured bank or savings institution located in the state of Washington. The trustee shall be acceptable to the director. The bond or the trust account shall be at least fifty thousand dollars. The director may, by rule or order, establish procedures for the initiation, operation, or termination of any bond or trust account required under this section.

(2) The bond or trust account shall be in the name of the state of Washington. It shall be for the benefit of the state and any person injured by any violation of this chapter, or by the seller's breach of any business opportunity contract or obligation arising from a business opportunity contract. The state may bring an action against the bond or trust account to recover penalties. The state or an injured person may bring an action against the bond or trust account for damages to the injured person. The liability of the surety or trustee shall be only for actual damages and shall not exceed the amount of the bond or trust account. [1981 c 155 § 10.]

**19.110.110 Business opportunity contract—Content—Cancellation period.** (1) Every business opportunity contract shall be in writing and shall be dated and signed by the purchaser.

(2) The seller shall provide the purchaser with a copy of the completed contract at the time the purchaser signs the contract.

(3) The seller may not receive any consideration before the purchaser signs a business opportunity contract.

(4) The contract shall include the following notifications, in ten point type, immediately above the space for the purchaser's signature:

(a) "Do not sign this contract if any of the spaces for agreed terms are blank."

(b) "Do not sign this contract unless you received a written disclosure document from the seller at least forty-eight hours before signing."

(c) "You are entitled to a copy of this contract at the time you sign it."

(d) "You have seven days exclusive of Saturday, Sunday, and holidays to cancel this contract for any reason by sending written notice to the seller by certified mail, return receipt requested. Notice of cancellation should be mailed to:

.....  
(seller's name and business street address)

The notice must be postmarked before midnight of the seventh day exclusive of Saturday, Sunday, and holidays after you sign the contract.

The seller shall return all deposits and payments within ten days after receipt of your cancellation notice.

You must make available to the seller all equipment, products, and supplies provided by the seller within ten days after receipt of all refunded deposits and payments." [1981 c 155 § 11.]

**19.110.120 Unlawful acts.** It is unlawful for any person:

(1) To make any untrue or misleading statement of a material fact or to omit to state a material fact in connection

with the offer, sale, or lease of any business opportunity in the state; or

(2) To employ any device, scheme, or artifice to defraud; or

(3) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; or

(4) To knowingly file or cause to be filed with the director any document which contains any untrue or misleading information; or

(5) To knowingly violate any rule or order of the director. [1981 c 155 § 12.]

**19.110.130 Liability of seller for violation of chapter—Remedies—Damages.** Any seller who violates any provision of this chapter is liable to the purchaser. The purchaser may sue for actual damages, or an injunction, or rescission, or other relief.

In addition, the purchaser may sue for costs of suit, including a reasonable attorney's fee. The court may increase the amount of damages awarded up to three times the amount of actual damages. [1981 c 155 § 13.]

**19.110.140 Director authorized to investigate violations—Authority to subpoena witnesses or require production of documents.** The director may make public or private investigations within or outside the state of Washington to determine whether any person has violated or is about to violate any provision of this chapter or any rule or order issued under this chapter. The director, or any officer designated by the director, may administer oaths and affirmations, subpoena witnesses and compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which the director deems relevant to the inquiry.

If any person fails to comply with a lawful subpoena, or refuses to testify under lawful interrogation, or refuses to produce documents and records, the director may apply to the superior court of any county for relief. After satisfactory evidence of wilful disobedience, the court may compel obedience by proceedings for contempt. [1981 c 155 § 14.]

**19.110.150 Order to cease and desist—Hearing—Notice.** (1) The director may order any person to cease and desist from an act or practice if it appears that the person is violating or is about to violate any provision of this chapter or any rule or order issued under this chapter.

(2) Reasonable notice of and opportunity for a hearing shall be given. The director may issue a temporary order to cease and desist pending the hearing. The temporary order shall remain in effect until ten days after the hearing. If a person does not request a hearing within fifteen days of receiving an order to cease and desist, the order becomes final. Any person who is named in the order to cease and desist shall be notified of the right to request a hearing within fifteen days. [1981 c 155 § 15.]

**19.110.160 Actions by attorney general or prosecuting attorney to enjoin violations—Injunction—Appointment of receiver or conservator—Civil and**

**criminal penalties.** (1)(a) The attorney general, in the name of the state or the director, or the proper prosecuting attorney may bring an action to enjoin any person from violating any provision of this chapter. Upon proper showing, the superior court shall grant a permanent or temporary injunction, restraining order, or writ of mandamus.

The court may make such additional orders or judgments as may be necessary to restore to any person in interest and money or property, real or personal, which may have been acquired by means of an act prohibited or declared unlawful by this chapter.

The prevailing party may recover costs of the action, including a reasonable attorney's fee.

(b) The superior court issuing an injunction shall retain jurisdiction. Any person who violates the terms of an injunction shall pay a civil penalty of not more than twenty-five thousand dollars.

(2) The attorney general, in the name of the state or the director, or the proper prosecuting attorney may apply to the superior court to appoint a receiver or conservator for any person, or the assets of any person, who is subject to a cease and desist order, permanent or temporary injunction, restraining order, or writ of mandamus.

(3) Any person who violates any provision of this chapter except as provided in subsection (1)(b) of this section, is subject to a civil penalty not to exceed two thousand dollars for each violation. Civil penalties authorized by this subsection may be imposed in any civil action brought by the attorney general or proper prosecuting attorney under this chapter and shall be deposited in the state treasury. Any action for recovery of such civil penalty shall be commenced within five years.

(4) Any person who violates RCW 19.110.050 or 19.110.070 is guilty of a gross misdemeanor. Any person who knowingly violates RCW 19.110.050 or 19.110.070 is guilty of a class B felony. Any violation of RCW 19.110.120 is a class B felony. No indictment or information for a felony may be returned under this chapter more than five years after the alleged violation.

(5) The director may refer evidence concerning violations of this chapter to the attorney general or proper prosecuting attorney. The prosecuting attorney, or the attorney general pursuant to authority granted by RCW 10.01.190, 43.10.230, 43.10.232, and 43.10.234 may, with or without such reference, institute appropriate criminal proceedings. [1981 c 155 § 16.]

**19.110.170 Violations constitute unfair practice.** Any violation of this chapter is declared to be an unfair act or practice or unfair method of competition in the conduct of trade or commerce for the purpose of application of the Consumer Protection Act, chapter 19.86 RCW. [1981 c 155 § 20.]

**19.110.180 Authority of director to issue rules, forms, orders, interpretive opinions.** The director may make, amend, and repeal rules, forms, and orders as necessary to carry out the provisions of this chapter. The director may honor requests for interpretive opinions. [1981 c 155 § 17.]

**19.110.190 Appointment of administrator—Delegation of powers.** The director shall appoint a competent person to administer this chapter. The director shall delegate to an administrator such powers, subject to the authority of the director, as may be necessary to carry out the provisions of this chapter. The administrator will hold office at the pleasure of the director. [1981 c 155 § 18.]

**19.110.900 Chapter cumulative and nonexclusive.** The provisions of this chapter are cumulative and nonexclusive and do not affect any other remedy available at law. [1981 c 155 § 19.]

**19.110.910 Short title.** This chapter may be known and cited as the Business Opportunity Fraud Act. [1981 c 155 § 22.]

**19.110.920 Severability—1981 c 155.** 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. [1981 c 155 § 21.]

**19.110.930 Effective date—1981 c 155.** This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1981. [1981 c 155 § 25.]

## Chapter 19.112

### MOTOR FUEL QUALITY ACT

#### Sections

19.112.005	Purpose.
19.112.010	Definitions.
19.112.020	Administration of chapter—Standards—Testing laboratory.
19.112.030	Director's authority.
19.112.040	Motor fuel registration.
19.112.050	Unlawful acts.
19.112.060	Penalties.
19.112.070	Injunctive relief.
19.112.080	Chapter in addition to chapter 19.94 RCW.
19.112.090	Air pollution reduction—Variances from ASTM.
19.112.900	Short title.
19.112.901	Severability—1990 c 102.
19.112.902	Effective date—1990 c 102.

**19.112.005 Purpose.** It is desired that there should be uniformity among the requirements of the several states. This chapter provides for the establishment of quality specifications for all liquid motor fuels, except aviation fuel, marine fuel, and liquefied petroleum gases, and establishes a sampling, testing, and enforcement program. [1990 c 102 § 1.]

**19.112.010 Definitions.** As used in this chapter:

(1) "Motor fuel" means any liquid product used for the generation of power in an internal combustion engine used for the propulsion of a motor vehicle upon the highways of this state. Motor fuels containing ethanol may be marketed if either (a) the base motor fuel meets the applicable standards before the addition of the ethanol or (b) the resultant

blend meets the applicable standards after the addition of the ethanol.

(2) "Director" means the director of agriculture. [1991 c 145 § 1; 1990 c 102 § 2.]

**19.112.020 Administration of chapter—Standards—Testing laboratory.** This chapter shall be administered by the director or his or her authorized agent. For the purpose of administering this chapter, the standards set forth in the Annual Book of ASTM Standards and supplements thereto, and revisions thereof, are adopted, together with applicable federal environmental protection agency standards. If a conflict exists between federal environmental protection agency standards, ASTM standards, or state standards, for purposes of uniformity, federal environmental protection agency standards shall take precedence over ASTM standards. Any state standards adopted must be consistent with federal environmental protection agency standards and ASTM standards not in conflict with federal environmental protection agency standards.

The director may establish a testing laboratory. The director may also adopt rules on false and misleading advertising, labeling and posting of prices, and the standards for, and identity of, motor fuels. [1990 c 102 § 3.]

**19.112.030 Director's authority.** The director may:

(1) Enforce and administer this chapter by inspections, analyses, and other appropriate actions;

(2) Have access during normal business hours to all places where motor fuels are marketed for the purpose of examination, inspection, taking of samples, and investigation. If access is refused by the owner or agent or other persons leasing the same, the director or his or her agent may obtain an administrative search warrant from a court of competent jurisdiction;

(3) Collect or cause to be collected, samples of motor fuels marketed in this state, and cause such samples to be tested or analyzed for compliance with this chapter;

(4) Issue a stop-sale order for any motor fuel found not to be in compliance and rescind the stop-sale order if the motor fuel is brought into compliance with this chapter;

(5) Refuse, revoke, or suspend the registration of a motor fuel;

(6) Delegate to authorized agents any of the responsibilities for the proper administration of this chapter;

(7) Establish a motor fuel testing laboratory. [1990 c 102 § 4.]

**19.112.040 Motor fuel registration.** All motor fuel shall be registered by the name, brand, or trademark under which it will be sold at the terminal. Registration shall include:

(1) The name and address of the person registering the motor fuel;

(2) The antiknock index or cetane number, as appropriate, at which the motor fuel is to be marketed;

(3) A certification, declaration, or affidavit that each individual grade or type of motor fuel shall conform to this chapter. [1990 c 102 § 5.]

**19.112.050 Unlawful acts.** It is unlawful to:

(1) Market motor fuels in any manner that may deceive or tend to deceive the purchaser as to the nature, price, quantity, and quality of a motor fuel;

(2) Fail to register a motor fuel;

(3) Submit incorrect, misleading, or false information regarding the registration of a motor fuel;

(4) Hinder or obstruct the director, or his or her authorized agent, in the performance of his or her duties;

(5) Market a motor fuel that is contrary to this chapter. [1990 c 102 § 6.]

**19.112.060 Penalties.** Any person who knowingly violates any provision of this chapter or rules adopted under it is guilty of a misdemeanor and, upon conviction, shall be punished by a fine of not more than one thousand dollars or imprisonment for not more than one year, or both. The director shall assess a civil penalty ranging from one hundred dollars to ten thousand dollars per occurrence, giving due consideration to the appropriateness of the penalty with respect to the gravity of the violation, and the history of previous violations. Civil penalties collected under this chapter shall be deposited into the motor vehicle fund. [1990 c 102 § 7.]

**19.112.070 Injunctive relief.** The director may apply to any court of competent jurisdiction for a temporary or permanent injunction restraining any person from violating any provision of this chapter. [1990 c 102 § 8.]

**19.112.080 Chapter in addition to chapter 19.94 RCW.** This chapter is in addition to any requirements under chapter 19.94 RCW. [1990 c 102 § 9.]

**19.112.090 Air pollution reduction—Variances from ASTM.** The directors of the departments of ecology and agriculture may grant a variance from ASTM motor fuel specifications if necessary to produce lower emission motor fuels. [1991 c 199 s 231.]

**Finding—1991 c 199:** See note following RCW 70.94.011.

**Effective dates—Severability—Captions not law—1991 c 199:** See RCW 70.94.904 through 70.94.906.

**19.112.900 Short title.** RCW 19.112.005 through 19.112.080 shall constitute a new chapter in Title 19 RCW and may be cited as the motor fuel quality act. [1990 c 102 § 11.]

**19.112.901 Severability—1990 c 102.** 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. [1990 c 102 § 10.]

**19.112.902 Effective date—1990 c 102.** This act shall take effect on July 1, 1990. [1990 c 102 § 12.]

## Chapter 19.116

## MOTOR VEHICLE SUBLEASING OR TRANSFER

## Sections

- 19.116.005 Finding.
- 19.116.010 Public interest—Finding.
- 19.116.020 Definitions.
- 19.116.030 Application of consumer protection act.
- 19.116.040 Violations of chapter.
- 19.116.050 Unlawful transfer of motor vehicle—Conditions.
- 19.116.060 Unlawful subleasing of motor vehicle—Conditions.
- 19.116.070 Nonparties assisting, causing, or arranging unlawful assignment or transfer.
- 19.116.080 Unlawful subleasing or transfer—Class C felony.
- 19.116.090 Violations—Criminal profiteering.
- 19.116.100 Persons who may bring action—Damages.
- 19.116.110 Transfer or assignment of interest by persons with motor vehicles under lease contract or security agreement not subject to prosecution—Enforceability of contract or agreement not affected.
- 19.116.120 Penalties in addition to other remedies or penalties.
- 19.116.900 Severability—1990 c 44.

**19.116.005 Finding.** The legislature finds that the practices of unlawful subleasing or unlawful transfer of an ownership interest in motor vehicles have a substantial negative impact on the state's financial institutions and other businesses engaged in the financing and leasing of motor vehicles. [1990 c 44 § 1.]

**19.116.010 Public interest—Finding.** The legislature finds that the practice of unlawful subleasing or unlawful transfer of an ownership interest in motor vehicles is a matter vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. [1990 c 44 § 2.]

**19.116.020 Definitions.** The definitions set forth in this section apply throughout this chapter, unless the context requires otherwise:

- (1) "Debtor" has the meaning set forth in RCW 62A.9-105(1)(d).
- (2) "Motor vehicle" means a vehicle required to be registered under chapter 46.16 RCW.
- (3) "Person" means an individual, company, firm, association, partnership, trust, corporation, or other legal entity.
- (4) "Security agreement" has the meaning set forth in RCW 62A.9-105(1)(1).
- (5) "Security interest" has the meaning set forth in RCW 62A.1-201(37).
- (6) "Secured party" has the meaning set forth in RCW 62A.9-105(1)(m). [1990 c 44 § 3.]

**19.116.030 Application of consumer protection act.** Unlawful subleasing or unlawful transfer of an ownership interest in motor vehicles are [is] not reasonable in relation to the development and preservation of business. A violation of this chapter is an unfair or deceptive act in trade or commerce for the purpose of applying the consumer protection act, chapter 19.86 RCW. [1990 c 44 § 4.]

**19.116.040 Violations of chapter.** (1) It is a violation of this chapter for a vehicle dealer, as defined in RCW

46.70.011(3), to engage in the unlawful transfer of an ownership interest in motor vehicles.

(2) It is a violation of this chapter for a person to engage in the unlawful subleasing of motor vehicles. [1990 c 44 § 5.]

**19.116.050 Unlawful transfer of motor vehicle—Conditions.** A dealer engages in an act of unlawful transfer of ownership interest in motor vehicles when all of the following circumstances are met:

(1) The dealer does not pay off any balance due to the secured party on a vehicle acquired by the dealer, no later than the close of the second business day after the acquisition date of the vehicle; and

(2) The dealer does not obtain a certificate of ownership under \*RCW 46.12.140 for each used vehicle kept in his or her possession unless that certificate is in the possession of the person holding a security interest in the dealer's inventory; and

(3) The dealer does not transfer the certificate of ownership after the transferee has taken possession of the motor vehicle. [1990 c 44 § 6.]

\*Reviser's note: RCW 46.12.140 was recodified as RCW 46.70.124 pursuant to 1993 c 307 § 18.

**19.116.060 Unlawful subleasing of motor vehicle—Conditions.** A person engages in an act of unlawful subleasing of a motor vehicle if all of the following conditions are met:

(1) The motor vehicle is subject to a lease contract or security agreement the terms of which prohibit the transfer or assignment of any right or interest in the motor vehicle or under the lease contract or security agreement; and

(2) The person is not a party to the lease contract or security agreement; and

(3) The person transfers or assigns or purports to transfer or assign any right or interest in the motor vehicle or under the lease contract or security agreement to any person who is not a party to the lease contract or security agreement; and

(4) The person does not obtain, before the transfer or assignment described in subsection (3) of this section, written consent to the transfer or assignment from the motor vehicle lessor in connection with a lease contract or from the secured party in connection with a security agreement; and

(5) The person receives compensation or some other consideration for the transfer or assignment described in subsection (3) of this section. [1990 c 44 § 7.]

**19.116.070 Nonparties assisting, causing, or arranging unlawful assignment or transfer.** (1) A person engages in an act of unlawful subleasing of a motor vehicle when the person is not a party to the lease contract or security agreement, and assists, causes, or arranges an actual or purported assignment as described in RCW 19.116.060.

(2) A dealer engages in an act of unlawful transfer of an ownership interest in a motor vehicle when the dealer is not a party to the security agreement, and assists, causes, or arranges an actual or purported transfer as described in RCW 19.116.050. [1990 c 44 § 8.]

**19.116.080 Unlawful subleasing or transfer—Class C felony.** Unlawful subleasing or unlawful transfer of an ownership interest in a motor vehicle is a class C felony punishable under chapter 9A.20 RCW. [1990 c 44 § 9.]

**19.116.090 Violations—Criminal profiteering.** A violation of this chapter constitutes an act of criminal profiteering, as defined in RCW 9A.82.010. [1990 c 44 § 10.]

**19.116.100 Persons who may bring action—Damages.** (1) Any one or more of the following persons who suffers damage proximately resulting from one or more acts of unlawful motor vehicle subleasing or unlawful transfer of an ownership interest in a motor vehicle may bring an action against the person who has engaged in those acts:

- (a) A secured party;
- (b) A debtor;
- (c) A lessor;
- (d) A lessee;
- (e) An actual or purported transferee or assignee;
- (f) A guarantor of a lease or security agreement or a guarantor of a purported transferee or assignee.

(2) In an action for unlawful subleasing or unlawful transfer of an ownership interest in a motor vehicle the court may award actual damages; equitable relief, including, but not limited to an injunction and restitution of money and property; reasonable attorneys' fees and costs; and any other relief that the court deems proper. [1990 c 44 § 11.]

**19.116.110 Transfer or assignment of interest by persons with motor vehicles under lease contract or security agreement not subject to prosecution—Enforceability of contract or agreement not affected.** (1) The actual or purported transfer or assignment, or the assisting, causing, or arranging of an actual or purported transfer or assignment, of any right or interest in a motor vehicle or under a lease contract or security agreement, by an individual who is a party to the lease contract or security agreement is not an act of unlawful subleasing of or unlawful transfer of an ownership interest in a motor vehicle and is not subject to prosecution.

(2) This chapter does not affect the enforceability of any provision of a lease contract or security agreement by a party thereto. [1990 c 44 § 12.]

**19.116.120 Penalties in addition to other remedies or penalties.** The penalties under this chapter are in addition to any other remedies or penalties provided by law for the conduct proscribed by this chapter. [1990 c 44 § 13.]

**19.116.900 Severability—1990 c 44.** 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. [1990 c 44 § 15.]

Chapter 19.118

MOTOR VEHICLE WARRANTIES

Sections

- 19.118.005 Legislative intent.
- 19.118.010 Motor vehicle manufacturers—Express warranties—Service and repair facilities.
- 19.118.021 Definitions.
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- 19.118.170 History of vehicle—Availability to owner.
- 19.118.900 Effective dates—1987 c 344.
- 19.118.902 Severability—1987 c 344.
- 19.118.903 Severability—1989 c 347.
- 19.118.904 Effective date—1989 c 347.

**19.118.005 Legislative intent.** The legislature recognizes that a new motor vehicle is a major consumer purchase and that a defective motor vehicle is likely to create hardship for, or may cause injury to, the consumer. The legislature further recognizes that good cooperation and communication between a manufacturer and a new motor vehicle dealer will considerably increase the likelihood that a new motor vehicle will be repaired within a reasonable number of attempts. It is the intent of the legislature to ensure that the consumer is made aware of his or her rights under this chapter and is not refused information, documents, or service that would otherwise obstruct the exercise of his or her rights.

In enacting these comprehensive measures, it is the intent of the legislature to create the proper blend of private and public remedies necessary to enforce this chapter, such that a manufacturer will be sufficiently induced to take necessary steps to improve quality control at the time of production or provide better warranty service for the new motor vehicles that it sells in this state. [1987 c 344 § 1.]

**19.118.010 Motor vehicle manufacturers—Express warranties—Service and repair facilities.** Every manufacturer of motor vehicles sold in this state and for which the manufacturer has made an express warranty shall maintain

in this state sufficient service and repair facilities reasonably close to all areas in which its motor vehicles are sold to carry out the terms of the warranties or designate and authorize in this state as service and repair facilities independent repair or service facilities reasonably close to all areas in which its motor vehicles are sold to carry out the terms of the warranties. As a means of complying with this section, a manufacturer may enter into warranty service contracts with independent service and repair facilities. [1983 c 240 § 1.]

**19.118.021 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Board" means new motor vehicle arbitration board.

(2) "Collateral charges" means any sales or lease related charges including but not limited to sales tax, use tax, arbitration service fees, unused license fees, unused registration fees, unused title fees, finance charges, prepayment penalties, credit disability and credit life insurance costs not otherwise refundable, any other insurance costs prorated for time out of service, transportation charges, dealer preparation charges, or any other charges for service contracts, undercoating, rustproofing, or factory or dealer installed options.

(3) "Condition" means a general problem that results from a defect or malfunction of one or more parts, or their improper installation by the manufacturer, its agents, or the new motor vehicle dealer.

(4) "Consumer" means any person who has entered into an agreement or contract for the transfer, lease, or purchase of a new motor vehicle, other than for purposes of resale or sublease, during the duration of the warranty period defined under this section.

(5) "Court" means the superior court in the county where the consumer resides, except if the consumer does not reside in this state, then the superior court in the county where an arbitration hearing or determination was conducted or made pursuant to this chapter.

(6) "Incidental costs" means any reasonable expenses incurred by the consumer in connection with the repair of the new motor vehicle, including any towing charges and the costs of obtaining alternative transportation.

(7) "Manufacturer" means any person engaged in the business of constructing or assembling new motor vehicles or engaged in the business of importing new motor vehicles into the United States for the purpose of selling or distributing new motor vehicles to new motor vehicle dealers. "Manufacturer" does not include any person engaged in the business of set-up of motorcycles as an agent of a new motor vehicle dealer if the person does not otherwise construct or assemble motorcycles.

(8) "Motorcycle" means any motorcycle as defined in RCW 46.04.330 which has an engine displacement of at least seven hundred fifty cubic centimeters.

(9) "Motor home" means a vehicular unit designed to provide temporary living quarters for recreational, camping, or travel use, built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van that is an integral part of the completed vehicle.

(10) "Motor home manufacturer" means the first stage manufacturer, the component manufacturer, and the final stage manufacturer.

(a) "First stage manufacturer" means a person who manufactures incomplete new motor vehicles such as chassis, chassis cabs, or vans, that are directly warranted by the first stage manufacturer to the consumer, and are completed by a final stage manufacturer into a motor home.

(b) "Component manufacturer" means a person who manufactures components used in the manufacture or assembly of a chassis, chassis cab, or van that is completed into a motor home and whose components are directly warranted by the component manufacturer to the consumer.

(c) "Final stage manufacturer" means a person who assembles, installs, or permanently affixes a body, cab, or equipment to an incomplete new motor vehicle such as a chassis, chassis cab, or van provided by a first stage manufacturer, to complete the vehicle into a motor home.

(11) "New motor vehicle" means any new self-propelled vehicle, including a new motorcycle, primarily designed for the transportation of persons or property over the public highways that was originally purchased or leased at retail from a new motor vehicle dealer or leasing company in this state, and that was initially registered in this state or for which a temporary motor vehicle license was issued pursuant to RCW 46.16.460, but does not include vehicles purchased or leased by a business as part of a fleet of ten or more vehicles at one time or under a single purchase or lease agreement. If the motor vehicle is a motor home, this chapter shall apply to the self-propelled vehicle and chassis, but does not include those portions of the vehicle designated, used, or maintained primarily as a mobile dwelling, office, or commercial space. The term "new motor vehicle" does not include trucks with nineteen thousand pounds or more gross vehicle weight rating. The term "new motor vehicle" includes a demonstrator or lease-purchase vehicle as long as a manufacturer's warranty was issued as a condition of sale.

(12) "New motor vehicle dealer" means a person who holds a dealer agreement with a manufacturer for the sale of new motor vehicles, who is engaged in the business of purchasing, selling, servicing, exchanging, or dealing in new motor vehicles, and who is licensed or required to be licensed as a vehicle dealer by the state of Washington.

(13) "Nonconformity" means a defect, serious safety defect, or condition that substantially impairs the use, value, or safety of a new motor vehicle, but does not include a defect or condition that is the result of abuse, neglect, or unauthorized modification or alteration of the new motor vehicle.

(14) "Purchase price" means the cash price of the new motor vehicle appearing in the sales agreement or contract.

(a) "Purchase price" in the instance of a lease means the actual written capitalized cost disclosed to the consumer contained in the lease agreement. If there is no disclosed capitalized cost in the lease agreement the "purchase price" is the manufacturer's suggested retail price including manufacturer installed accessories or items of optional equipment displayed on the manufacturer label, required by 15 U.S.C. Sec. 1232.

(b) "Purchase price" in the instance of both a vehicle purchase or lease agreement includes any allowance for a trade-in vehicle but does not include any manufacturer-to-

consumer rebate appearing in the agreement or contract that the consumer received or that was applied to reduce the purchase or lease cost.

Where the consumer is a subsequent transferee and the consumer selects repurchase of the motor vehicle, "purchase price" means the consumer's subsequent purchase price. Where the consumer is a subsequent transferee and the consumer selects replacement of the motor vehicle, "purchase price" means the original purchase price.

(15) "Reasonable offset for use" means the definition provided in RCW 19.118.041(1)(c) for a new motor vehicle other than a new motorcycle. The reasonable offset for use for a new motorcycle shall be computed by the number of miles that the vehicle traveled before the manufacturer's acceptance of the vehicle upon repurchase or replacement multiplied by the purchase price, and divided by twenty-five thousand.

(16) "Reasonable number of attempts" means the definition provided in RCW 19.118.041.

(17) "Replacement motor vehicle" means a new motor vehicle that is identical or reasonably equivalent to the motor vehicle to be replaced, as the motor vehicle to be replaced existed at the time of original purchase or lease, including any service contract, undercoating, rustproofing, and factory or dealer installed options.

(18) "Serious safety defect" means a life-threatening malfunction or nonconformity that impedes the consumer's ability to control or operate the new motor vehicle for ordinary use or reasonable intended purposes or creates a risk of fire or explosion.

(19) "Subsequent transferee" means a consumer who acquires a motor vehicle, within the warranty period, as defined in this section, with an applicable manufacturer's written warranty and where the vehicle otherwise met the definition of a new motor vehicle at the time of original retail sale or lease.

(20) "Substantially impair" means to render the new motor vehicle unreliable, or unsafe for ordinary use, or to diminish the resale value of the new motor vehicle below the average resale value for comparable motor vehicles.

(21) "Warranty" means any implied warranty, any written warranty of the manufacturer, or any affirmation of fact or promise made by the manufacturer in connection with the sale of a new motor vehicle that becomes part of the basis of the bargain. The term "warranty" pertains to the obligations of the manufacturer in relation to materials, workmanship, and fitness of a new motor vehicle for ordinary use or reasonably intended purposes throughout the duration of the warranty period as defined under this section.

(22) "Warranty period" means the period ending two years after the date of the original delivery to the consumer of a new motor vehicle, or the first twenty-four thousand miles of operation, whichever occurs first. [1998 c 298 § 2; 1995 c 254 § 1; 1990 c 239 § 1; 1989 c 347 § 1; 1987 c 344 § 2.]

**Severability—1998 c 298:** "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." [1998 c 298 § 7.]

**Effective date—1995 c 254:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [May 5, 1995]." [1995 c 254 § 11.]

**Severability—1995 c 254:** "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." [1995 c 254 § 12.]

**19.118.031 Manufacturers and new motor vehicle dealers—Responsibilities to consumers—Extension of warranty period.** (1) The manufacturer shall publish an owner's manual and provide it to the new motor vehicle dealer or leasing company. The owner's manual shall include a list of the addresses and phone numbers for the manufacturer's customer assistance division, or zone or regional offices. A manufacturer shall provide to the new motor vehicle dealer or leasing company all applicable manufacturer's written warranties. The dealer or leasing company shall transfer to the consumer, at the time of original retail sale or lease, the owner's manual and applicable written warranties as provided by a manufacturer.

(2) At the time of purchase, the new motor vehicle dealer shall provide the consumer with a written statement that explains the consumer's rights under this chapter. The written statement shall be prepared and supplied by the attorney general and shall contain a toll-free number that the consumer can contact for information regarding the procedures and remedies under this chapter.

(3) For the purposes of this chapter, if a new motor vehicle does not conform to the warranty and the consumer reports the nonconformity during the term of the warranty period or the period of coverage of the applicable manufacturer's written warranty, whichever is less, to the manufacturer, its agent, or the new motor vehicle dealer who sold the new motor vehicle, the manufacturer, its agent, or the new motor vehicle dealer shall make repairs as are necessary to conform the vehicle to the warranty, regardless of whether such repairs are made after the expiration of the warranty period. Any corrections or attempted repairs undertaken by a new motor vehicle dealer under this chapter shall be treated as warranty work and billed by the dealer to the manufacturer in the same manner as other work under the manufacturer's written warranty is billed. For purposes of this subsection, the manufacturer's written warranty shall be at least one year after the date of the original delivery to the consumer of the vehicle or the first twelve thousand miles of operation, whichever occurs first.

(4) Upon request from the consumer, the manufacturer or new motor vehicle dealer shall provide a copy of any report or computer reading compiled by the manufacturer's field or zone representative regarding inspection, diagnosis, or test-drive of the consumer's new motor vehicle, or shall provide a copy of any technical service bulletin issued by the manufacturer regarding the year and model of the consumer's new motor vehicle as it pertains to any material, feature, component, or the performance thereof.

(5) The new motor vehicle dealer shall provide to the consumer each time the consumer's vehicle is returned from being diagnosed or repaired under the warranty, a fully itemized, legible statement or repair order indicating any diagnosis made, and all work performed on the vehicle including but not limited to, a general description of the problem reported by the consumer or an identification of the defect or condition, parts and labor, the date and the odometer reading when the vehicle was submitted for repair, and

the date when the vehicle was made available to the consumer.

(6) No manufacturer, its agent, or the new motor vehicle dealer may refuse to diagnose or repair any nonconformity covered by the warranty for the purpose of avoiding liability under this chapter.

(7) For purposes of this chapter, consumers shall have the rights and remedies, including a cause of action, against manufacturers as provided in this chapter.

(8) The warranty period and thirty-day out-of-service period, and sixty-day out-of-service period in the case of a motor home, shall be extended by any time that repair services are not available to the consumer as a direct result of a strike, war, invasion, fire, flood, or other natural disaster. [1998 c 298 § 3; 1995 c 254 § 2; 1987 c 344 § 3.]

**Severability—1998 c 298:** See note following RCW 19.118.021.

**Effective date—Severability—1995 c 254:** See notes following RCW 19.118.021.

**19.118.041 Replacement or repurchase of nonconforming new motor vehicle—Reasonable number of attempts—Notice by consumer regarding motor home nonconformity—Liabilities and rights of parties—Application of consumer protection act.** (1) If the manufacturer, its agent, or the new motor vehicle dealer is unable to conform the new motor vehicle to the warranty by repairing or correcting any nonconformity after a reasonable number of attempts, the manufacturer, within forty calendar days of a consumer's written request to the manufacturer's corporate, dispute resolution, zone, or regional office address shall, at the option of the consumer, replace or repurchase the new motor vehicle.

(a) The replacement motor vehicle shall be identical or reasonably equivalent to the motor vehicle to be replaced as the motor vehicle to be replaced existed at the time of original purchase or lease, including any service contract, undercoating, rustproofing, and factory or dealer installed options. Where the manufacturer supplies a replacement motor vehicle, the manufacturer shall be responsible for sales tax, license, registration fees, and refund of any incidental costs. Compensation for a reasonable offset for use shall be paid by the consumer to the manufacturer in the event that the consumer accepts a replacement motor vehicle.

(b) When repurchasing the new motor vehicle, the manufacturer shall refund to the consumer the purchase price, all collateral charges, and incidental costs, less a reasonable offset for use. When repurchasing the new motor vehicle, in the instance of a lease, the manufacturer shall refund to the consumer all payments made by the consumer under the lease including but not limited to all lease payments, trade-in value or inception payment, security deposit, all collateral charges and incidental costs less a reasonable offset for use. The manufacturer shall make such payment to the lessor and/or lienholder of record as necessary to obtain clear title to the motor vehicle and upon the lessor's and/or lienholder's receipt of that payment and payment by the consumer of any late payment charges, the consumer shall be relieved of any future obligation to the lessor and/or lienholder.

(c) The reasonable offset for use shall be computed by multiplying the number of miles that the vehicle traveled

directly attributable to use by the consumer times the purchase price, and dividing the product by one hundred twenty thousand, except in the case of a motor home, in which event it shall be divided by ninety thousand. However, the reasonable offset for use calculation total for a motor home is subject to modification by the board by decreasing or increasing the offset total up to a maximum of one-third of the offset total. The board may modify the offset total in those circumstances where the board determines that the wear and tear on those portions of the motor home designated, used, or maintained primarily as a mobile dwelling, office, or commercial space are significantly greater or significantly less than that which could be reasonably expected based on the mileage attributable to the consumer's use of the motor home. Where the consumer is a second or subsequent purchaser, lessee, or transferee of the motor vehicle and the consumer selects repurchase of the motor vehicle, "the number of miles that the vehicle traveled" shall be calculated from the date of purchase or lease by the consumer. Where the consumer is a second or subsequent purchaser, lessee, or transferee of the motor vehicle and the consumer selects replacement of the motor vehicle, "the number of miles that the vehicle traveled" shall be calculated from the original purchase, lease, or in-service date.

(2) Reasonable number of attempts, except in the case of a new motor vehicle that is a motor home acquired after June 30, 1998, shall be deemed to have been undertaken by the manufacturer, its agent, or the new motor vehicle dealer to conform the new motor vehicle to the warranty within the warranty period, if: (a) The same serious safety defect has been subject to diagnosis or repair two or more times, at least one of which is during the period of coverage of the applicable manufacturer's written warranty, and the serious safety defect continues to exist; (b) the same nonconformity has been subject to diagnosis or repair four or more times, at least one of which is during the period of coverage of the applicable manufacturer's written warranty, and the nonconformity continues to exist; or (c) the vehicle is out of service by reason of diagnosis or repair of one or more nonconformities for a cumulative total of thirty calendar days, at least fifteen of them during the period of the applicable manufacturer's written warranty. For purposes of this subsection, the manufacturer's written warranty shall be at least one year after the date of the original delivery to the consumer of the vehicle or the first twelve thousand miles of operation, whichever occurs first.

(3)(a) In the case of a new motor vehicle that is a motor home acquired after June 30, 1998, a reasonable number of attempts shall be deemed to have been undertaken by the motor home manufacturers, their respective agents, or their respective new motor vehicle dealers to conform the new motor vehicle to the warranty within the warranty period, if: (i) The same serious safety defect has been subject to diagnosis or repair one or more times during the period of coverage of the applicable motor home manufacturer's written warranty, plus a final attempt to repair the vehicle as provided for in (b) of this subsection, and the serious safety defect continues to exist; (ii) the same nonconformity has been subject to repair three or more times, at least one of which is during the period of coverage of the applicable motor home manufacturer's written warranty, plus a final attempt to repair the vehicle as provided for in (b) of this

subsection, and the nonconformity continues to exist; or (iii) the vehicle is out of service by reason of diagnosis or repair of one or more nonconformities for a cumulative total of sixty calendar days aggregating all motor home manufacturer days out of service, and the motor home manufacturers have had at least one opportunity to coordinate and complete an inspection and any repairs of the vehicle's nonconformities after receipt of notification from the consumer as provided for in (c) of this subsection. For purposes of this subsection, each motor home manufacturer's written warranty must be at least one year after the date of the original delivery to the consumer of the vehicle or the first twelve thousand miles of operation, whichever occurs first.

(b) In the case of a new motor vehicle that is a motor home, after one attempt has been made to repair a serious safety defect, or after three attempts have been made to repair the same nonconformity, the consumer shall give written notification of the need to repair the nonconformity to each of the motor home manufacturers at their respective corporate, zone, or regional office addresses to allow the motor home manufacturers to coordinate and complete a final attempt to cure the nonconformity. The motor home manufacturers each have fifteen days, commencing upon receipt of the notification, to respond and inform the consumer of the location of the facility where the vehicle will be repaired. If the vehicle is unsafe to drive due to a serious safety defect, or to the extent the repair facility is more than one hundred miles from the motor home location, the motor home manufacturers are responsible for the cost of transporting the vehicle to and from the repair facility. The motor home manufacturers have a cumulative total of thirty days, commencing upon delivery of the vehicle to the designated repair facility by the consumer, to conform the vehicle to the applicable motor home manufacturer's written warranty. This time period may be extended if the consumer agrees in writing. If a motor home manufacturer fails to respond to the consumer or perform the repairs within the time period prescribed, that motor home manufacturer is not entitled to a final attempt to cure the nonconformity.

(c) In the case of a new motor vehicle that is a motor home, if the vehicle is out of service by reason of diagnosis or repair of one or more nonconformities by the motor home manufacturers, their respective agents, or their respective new motor vehicle dealers for a cumulative total of thirty or more days aggregating all motor home manufacturer days out of service, the consumer shall so notify each motor home manufacturer in writing at their respective corporate, zone, or regional office addresses to allow the motor home manufacturers, their respective agents, or their respective new motor vehicle dealers an opportunity to coordinate and complete an inspection and any repairs of the vehicle's nonconformities. The motor home manufacturers have fifteen days, commencing upon receipt of the notification, to respond and inform the consumer of the location of the facility where the vehicle will be repaired. If the vehicle is unsafe to drive due to a serious safety defect, or to the extent the repair facility is more than one hundred miles from the motor home location, the motor home manufacturers are responsible for the cost of transporting the vehicle to and from the repair facility. Once the buyer delivers the vehicle to the designated repair facility, the inspection and repairs must be completed by the motor home manufacturers

either (i) within ten days or (ii) before the vehicle is out of service by reason of diagnosis or repair of one or more nonconformities for sixty days, whichever time period is longer. This time period may be extended if the consumer agrees in writing. If a motor home manufacturer fails to respond to the consumer or perform the repairs within the time period prescribed, that motor home manufacturer is not entitled to at least one opportunity to inspect and repair the vehicle's nonconformities after receipt of notification from the buyer as provided for in this subsection (3)(c).

(4) No new motor vehicle dealer may be held liable by the manufacturer for any collateral charges, incidental costs, purchase price refunds, or vehicle replacements. Manufacturers shall not have a cause of action against dealers under this chapter. Consumers shall not have a cause of action against dealers under this chapter, but a violation of any responsibilities imposed upon dealers under this chapter is a per se violation of chapter 19.86 RCW. Consumers may pursue rights and remedies against dealers under any other law, including chapters 46.70 and 46.71 RCW. Manufacturers and consumers may not make dealers parties to arbitration board proceedings under this chapter. [1998 c 298 § 4; 1995 c 254 § 3; 1989 c 347 § 2; 1987 c 344 § 4.]

**Severability—1998 c 298:** See note following RCW 19.118.021.

**Effective date—Severability—1995 c 254:** See notes following RCW 19.118.021.

**19.118.061 Vehicle with nonconformities or out of service—Notification of correction—Resale or transfer of title—Issuance of new title—Disclosure to buyer—Intervening transferor.** (1) A manufacturer shall be prohibited from reselling any motor vehicle determined or adjudicated as having a serious safety defect unless the serious safety defect has been corrected and the manufacturer warrants upon the first subsequent resale that the defect has been corrected.

(2) Before any sale or transfer of a vehicle that has been replaced or repurchased by the manufacturer that was determined or adjudicated as having a nonconformity or to have been out of service for thirty or more calendar days, or sixty or more calendar days in the case of a motor home, under this chapter, the manufacturer shall:

(a) Notify the attorney general and the department of licensing, by certified mail or by personal service, upon receipt of the motor vehicle;

(b) Attach a resale disclosure notice to the vehicle in a manner and form to be specified by the attorney general. Only the retail purchaser may remove the resale disclosure notice after execution of the disclosure form required under subsection (3) of this section; and

(c) Notify the attorney general and the department of licensing if the nonconformity in the motor vehicle is corrected.

(3) Upon the first subsequent resale, either at wholesale or retail, or transfer of title of a motor vehicle and which was previously returned after a final determination, adjudication, or settlement under this chapter or under a similar statute of any other state, the manufacturer, its agent, or the new motor vehicle dealer who has actual knowledge of said final determination, adjudication or settlement, shall execute and deliver to the buyer before sale an instrument in writing

setting forth information identifying the nonconformity in a manner to be specified by the attorney general, and the department of licensing shall place on the certificate of title information indicating the vehicle was returned under this chapter.

(4) Upon receipt of the manufacturer's notification under subsection (2) of this section that the nonconformity has been corrected and upon the manufacturer's request and payment of any fees, the department of licensing shall issue a new title with information indicating the vehicle was returned under this chapter and that the nonconformity has been corrected. Upon the first subsequent resale, either at wholesale or retail, or transfer of title of a motor vehicle, as provided under subsection (2)(c) of this section, the manufacturer shall warrant upon the resale that the nonconformity has been corrected, and the manufacturer, its agent, or the new motor vehicle dealer who has actual knowledge of the corrected nonconformity, shall execute and deliver to the buyer before sale an instrument in writing setting forth information identifying the nonconformity and indicating that it has been corrected in a manner to be specified by the attorney general.

(5) After repurchase or replacement and following a manufacturer's receipt of a vehicle under this section and prior to a vehicle's first subsequent retail transfer by resale or lease, any intervening transferor of a vehicle subject to the requirements of this section who has received the disclosure, correction and warranty documents, as specified by the attorney general and required under this chapter, shall deliver the documents with the vehicle to the next transferor, purchaser or lessee to ensure proper and timely notice and disclosure. Any intervening transferor who fails to comply with this subsection shall, at the option of the subsequent transferor or first subsequent retail purchaser or lessee: (a) Indemnify any subsequent transferor or first subsequent retail purchaser for all damages caused by such violation; or (b) repurchase the vehicle at the full purchase price including all fees, taxes and costs incurred for goods and services which were included in the subsequent transaction. [1998 c 298 § 5; 1995 c 254 § 4; 1989 c 347 § 3; 1987 c 344 § 5.]

**Severability—1998 c 298:** See note following RCW 19.118.021.

**Effective date—Severability—1995 c 254:** See notes following RCW 19.118.021.

**19.118.070 Remedies.** The remedies provided under this chapter are cumulative and are in addition to any other remedies provided by law. [1983 c 240 § 7.]

**19.118.080 New motor vehicle arbitration boards—Board proceedings—Prerequisite to filing action in superior court.** (1) Except as provided in RCW 19.118.160, the attorney general shall contract with one or more private entities to conduct arbitration proceedings in order to settle disputes between consumers and manufacturers as provided in this chapter, and each private entity shall constitute a new motor vehicle arbitration board for purposes of this chapter. The entities shall not be affiliated with any manufacturer or new motor vehicle dealer and shall have available the services of persons with automotive technical expertise to assist in resolving disputes under this chapter. No private entity or its officers or employees conducting board proceed-

ings and no arbitrator presiding at such proceedings shall be directly involved in the manufacture, distribution, sale, or warranty service of any motor vehicle. Payment to the entities for the arbitration services shall be made from the new motor vehicle arbitration account.

(2) The attorney general shall adopt rules for the uniform conduct of the arbitrations by the boards whether conducted by a private entity or by the attorney general pursuant to RCW 19.118.160, which rules shall include but not be limited to the following procedures:

(a) At all arbitration proceedings, the parties are entitled to present oral and written testimony, to present witnesses and evidence relevant to the dispute, to cross-examine witnesses, and to be represented by counsel.

(b) A dealer, manufacturer, or other persons shall produce records and documents requested by a party which are reasonably related to the dispute. If a dealer, manufacturer, or other person refuses to comply with such a request, a party may present a request to the board for the attorney general to issue a subpoena on behalf of the board.

The subpoena shall be issued only for the production of records and documents which the board has determined are reasonably related to the dispute, including but not limited to documents described in RCW 19.118.031 (4) or (5).

If a party fails to comply with the subpoena, the arbitrator may at the outset of the arbitration hearing impose any of the following sanctions: (i) Find that the matters which were the subject of the subpoena, or any other designated facts, shall be taken to be established for purposes of the hearing in accordance with the claim of the party which requested the subpoena; (ii) refuse to allow the disobedient party to support or oppose the designated claims or defenses, or prohibit that party from introducing designated matters into evidence; (iii) strike claims or defenses, or parts thereof; or (iv) render a decision by default against the disobedient party.

If a nonparty fails to comply with a subpoena and upon an arbitrator finding that without such compliance there is insufficient evidence to render a decision in the dispute, the attorney general shall enforce such subpoena in superior court and the arbitrator shall continue the arbitration hearing until such time as the nonparty complies with the subpoena or the subpoena is quashed.

(c) A party may obtain written affidavits from employees and agents of a dealer, a manufacturer or other party, or from other potential witnesses, and may submit such affidavits for consideration by the board.

(d) Records of the board proceedings shall be open to the public. The hearings shall be open to the public to the extent practicable.

(e) Where the board proceedings are conducted by one or more private entities, a single arbitrator may be designated to preside at such proceedings.

(3) A consumer shall exhaust the new motor vehicle arbitration board remedy or informal dispute resolution settlement procedure under RCW 19.118.150 before filing any superior court action.

(4) The attorney general shall maintain records of each dispute submitted to the new motor vehicle arbitration board, including an index of new motor vehicles by year, make, and model.

(5) The attorney general shall compile aggregate annual statistics for all disputes submitted to, and decided by, the new motor vehicle arbitration board, as well as annual statistics for each manufacturer that include, but shall not be limited to, the number and percent of: (a) Replacement motor vehicle requests; (b) purchase price refund requests; (c) replacement motor vehicles obtained in prehearing settlements; (d) purchase price refunds obtained in prehearing settlements; (e) replacement motor vehicles awarded in arbitration; (f) purchase price refunds awarded in arbitration; (g) board decisions neither complied with during the forty calendar day period nor petitioned for appeal within the thirty calendar day period; (h) board decisions appealed categorized by consumer or manufacturer; (i) the nature of the court decisions and who the prevailing party was; (j) appeals that were held by the court to be brought without good cause; and (k) appeals that were held by the court to be brought solely for the purpose of harassment. The statistical compilations shall be public information.

(6) The attorney general shall adopt rules to implement this chapter. Such rules shall include uniform standards by which the boards shall make determinations under this chapter, including but not limited to rules which provide:

(a) A board shall find that a nonconformity exists if it determines that the consumer's new motor vehicle has a defect, serious safety defect, or condition that substantially impairs the use, value, or safety of the vehicle.

(b) A board shall find that a reasonable number of attempts to repair a nonconformity have been undertaken if: (i) The same serious safety defect has been subject to diagnosis or repair two or more times, at least one of which is during the period of coverage of the applicable manufacturer's written warranty, and the serious safety defect continues to exist; (ii) the same nonconformity has been subject to diagnosis or repair four or more times, at least one of which is during the period of coverage of the applicable manufacturer's written warranty, and the nonconformity continues to exist; or (iii) the vehicle is out of service by reason of diagnosis or repair of one or more nonconformities for a cumulative total of thirty calendar days, at least fifteen of them during the period of the applicable manufacturer's written warranty. For purposes of this subsection, the manufacturer's written warranty shall be at least one year after the date of the original delivery to the consumer of the vehicle or the first twelve thousand miles of operation, whichever occurs first.

(c) A board shall find that a manufacturer has failed to comply with RCW 19.118.041 if it finds that the manufacturer, its agent, or the new motor vehicle dealer has failed to correct a nonconformity after a reasonable number of attempts and the manufacturer has failed, within forty days of the consumer's written request, to repurchase the vehicle or replace the vehicle with a vehicle identical or reasonably equivalent to the vehicle being replaced.

(7) The attorney general shall provide consumers with information regarding the procedures and remedies under this chapter. [1998 c 245 § 7; 1995 c 254 § 5; 1989 c 347 § 4; 1987 c 344 § 6.]

**Effective date—Severability—1995 c 254:** See notes following RCW 19.118.021.

**19.118.090 Request for arbitration—Eligibility—Rejection—Manufacturer's response—Remedies—Defenses—Acceptance or appeal.** (1) A consumer may request arbitration under this chapter by submitting the request to the attorney general. Within ten days after receipt of an arbitration request, the attorney general shall make a reasonable determination of the cause of the request for arbitration and provide necessary information to the consumer regarding the consumer's rights and remedies under this chapter. The attorney general shall assign the dispute to a board, except that if it clearly appears from the materials submitted by the consumer that the dispute is not eligible for arbitration, the attorney general may refuse to assign the dispute and shall explain any required procedures to the consumer.

(2) Manufacturers shall submit to arbitration if such arbitration is requested by the consumer within thirty months from the date of the original delivery of the new motor vehicle to a consumer at retail and if the consumer's dispute is deemed eligible for arbitration by the board. In the case of a motor home, the thirty-month period will be extended by the amount of time it takes the motor home manufacturers to complete the final repair attempt at the designated repair facility as provided for in RCW 19.118.041(3)(b).

(3) The new motor vehicle arbitration board may reject for arbitration any dispute that it determines to be frivolous, fraudulent, filed in bad faith, res judicata or beyond its authority. Any dispute deemed by the board to be ineligible for arbitration due to insufficient evidence may be reconsidered by the board upon the submission of other information or documents regarding the dispute that would allegedly qualify for relief under this chapter. Following a second review, the board may reject the dispute for arbitration if evidence is still clearly insufficient to qualify the dispute for relief under this chapter. A rejection by the board is subject to review by the attorney general or may be appealed under RCW 19.118.100.

A decision to reject any dispute for arbitration shall be sent by certified mail to the consumer and the manufacturer, and shall contain a brief explanation as to the reason therefor.

(4) The manufacturer shall complete a written manufacturer response to the consumer's request for arbitration. The manufacturer shall provide a response to the consumer and the board within ten calendar days from the date of the manufacturer's receipt of the board's notice of acceptance of a dispute for arbitration. The manufacturer response shall include all issues and affirmative defenses related to the nonconformities identified in the consumer's request for arbitration that the manufacturer intends to raise at the arbitration hearing.

(5) The arbitration board shall award the remedies under RCW 19.118.041 if it finds a nonconformity and that a reasonable number of attempts have been undertaken to correct the nonconformity. The board shall award reasonable costs and attorneys' fees incurred by the consumer where the manufacturer has been directly represented by counsel: (a) In dealings with the consumer in response to a request to repurchase or replace under RCW 19.118.041; (b) in settlement negotiations; (c) in preparation of the manufacturer's statement; or (d) at an arbitration board hearing or other board proceeding.

In the case of an arbitration involving a motor home, the board may allocate liability among the motor home manufacturers.

(6) It is an affirmative defense to any claim under this chapter that: (a) The alleged nonconformity does not substantially impair the use, value, or safety of the new motor vehicle; or (b) the alleged nonconformity is the result of abuse, neglect, or unauthorized modifications or alterations of the new motor vehicle.

(7) The board shall have forty-five calendar days from the date the board receives the consumer's request for arbitration to hear the dispute. If the board determines that additional information is necessary, the board may continue the arbitration proceeding on a subsequent date within ten calendar days of the initial hearing. The board shall decide the dispute within sixty calendar days from the date the board receives the consumer's request for arbitration.

The decision of the board shall be delivered by certified mail or personal service to the consumer and the manufacturer, and shall contain a written finding of whether the new motor vehicle meets the standards set forth under this chapter.

(8) The consumer may accept the arbitration board decision or appeal to superior court, pursuant to RCW 19.118.100. Upon acceptance by the consumer, the arbitration board decision shall become final. The consumer shall send written notification of acceptance or rejection to the arbitration board within sixty days of receiving the decision and the arbitration board shall immediately deliver a copy of the consumer's acceptance to the manufacturer by certified mail, return receipt requested, or by personal service. Failure of the consumer to respond to the arbitration board within sixty calendar days of receiving the decision shall be considered a rejection of the decision by the consumer. The consumer shall have one hundred twenty calendar days from the date of rejection to file a petition of appeal in superior court. At the time the petition of appeal is filed, the consumer shall deliver, by certified mail or personal service, a conformed copy of such petition to the attorney general.

(9) Upon receipt of the consumer's acceptance, the manufacturer shall have forty calendar days to comply with the arbitration board decision or thirty calendar days to file a petition of appeal in superior court. At the time the petition of appeal is filed, the manufacturer shall deliver, by certified mail or personal service, a conformed copy of such petition to the attorney general. If the attorney general receives no notice of petition of appeal after forty calendar days, the attorney general shall contact the consumer to verify compliance. [1998 c 298 § 6; 1995 c 254 § 6; 1989 c 347 § 5; 1987 c 344 § 7.]

**Severability—1998 c 298:** See note following RCW 19.118.021.

**Effective date—Severability—1995 c 254:** See notes following RCW 19.118.021.

**19.118.095 Arbitration decision—Compliance—Accomplishment—Dispute—Failure—Fine—Costs—Attorneys' fees.** (1) Compliance with an arbitration board decision under this chapter must be accomplished at a time, place, and in a manner to be determined by the mutual agreement of the consumer and manufacturer.

(a) The consumer shall make the motor vehicle available to the manufacturer free of damage other than that related to any nonconformity, defect, or condition to which a warranty applied, or that can reasonably be expected in the use of the vehicle for ordinary or reasonably intended purposes and in consideration of the mileage attributable to the consumer's use. Any insurance claims or settlement proceeds for repair of damage to the vehicle due to fire, theft, vandalism, or collision must be assigned to the manufacturer or, at the consumer's option, the repair must be completed before return of the vehicle to the manufacturer.

The consumer may not remove any equipment or option that was included in the original purchase or lease of the vehicle or that is otherwise included in the repurchase or replacement award. In removing any equipment not included in the original purchase or lease, the consumer shall exercise reasonable care to avoid further damage to the vehicle but is not required to return the vehicle to original condition.

(b) At the time of compliance with an arbitration board decision that awards repurchase, the manufacturer shall make full payment to the consumers and either the lessor or lienholder, or both, or provide verification to the consumer of prior payment to either the lessor or lienholder, or both.

At the time of compliance with an arbitration board decision that awards replacement, the manufacturer shall provide the replacement vehicle together with any refund of incidental costs.

(c) At any time before compliance a party may request the board to resolve disputes regarding compliance with the arbitration board decision including but not limited to time and place for compliance, condition of the vehicle to be returned, clarification or recalculation of refund amounts under the award, or a determination if an offered vehicle is reasonably equivalent to the vehicle being replaced. In resolving compliance disputes the board may not review, alter, or otherwise change the findings of a decision or extend the time for compliance beyond the time necessary for the board to resolve the dispute.

(d) Failure of the consumer to make the vehicle available within sixty calendar days in response to a manufacturer's unconditional tender of compliance is considered a rejection of the arbitration decision by the consumer, except as provided in (c) of this subsection or subsection (2) of this section.

(2) If, at the end of the forty calendar day period, neither compliance with nor a petition to appeal the board's decision has occurred, the attorney general may impose a fine of up to one thousand dollars per day until compliance occurs or a maximum penalty of one hundred thousand dollars accrues unless the manufacturer can provide clear and convincing evidence that any delay or failure was beyond its control or was acceptable to the consumer as evidenced by a written statement signed by the consumer. If the manufacturer fails to provide the evidence or fails to pay the fine, the attorney general may initiate proceedings against the manufacturer for failure to pay any fine that accrues until compliance with the board's decision occurs or the maximum penalty of one hundred thousand dollars results. If the attorney general prevails in an enforcement action regarding any fine imposed under this subsection, the attorney general is entitled to reasonable costs and attorneys' fees. Fines and

recovered costs and fees shall be returned to the new motor vehicle arbitration account. [1995 c 254 § 8.]

**Effective date—Severability—1995 c 254:** See notes following RCW 19.118.021.

**19.118.100 Trial de novo—Posting security—Recovery.** (1) The consumer or the manufacturer may request a trial de novo of the arbitration decision, including a rejection, in superior court.

(2) If the manufacturer appeals, the court may require the manufacturer to post security for the consumer's financial loss due to the passage of time for review.

(3) If the consumer prevails, recovery shall include the monetary value of the award, attorneys' fees and costs incurred in the superior court action, and, if the board awarded the consumer replacement or repurchase of the vehicle and the manufacturer did not comply, continuing damages in the amount of twenty-five dollars per day for all days beyond the forty calendar day period following the manufacturer's receipt of the consumer's acceptance of the board's decision in which the manufacturer did not provide the consumer with the free use of a comparable loaner replacement motor vehicle. If it is determined by the court that the party that appealed acted without good cause in bringing the appeal or brought the appeal solely for the purpose of harassment, the court may triple, but at least shall double, the amount of the total award. [1989 c 347 § 6; 1987 c 344 § 8.]

**19.118.110 Arbitration fee—New motor vehicle arbitration account—Report by attorney general.** A three-dollar arbitration fee shall be collected by either the new motor vehicle dealer or vehicle lessor from the consumer upon execution of a retail sale or lease agreement. The fee shall be forwarded to the department of licensing at the time of title application for deposit in the new motor vehicle arbitration account hereby created in the state treasury. Moneys in the account shall be used for the purposes of this chapter, subject to appropriation. During the 1995-97 fiscal biennium, the legislature may transfer moneys from the account to the extent that the moneys are not necessary for the purposes of this chapter.

At the end of each fiscal year, the attorney general shall prepare a report listing the annual revenue generated and the expenses incurred in implementing and operating the arbitration program under this chapter. [1995 2nd sp.s. c 18 § 910; 1995 c 254 § 7; 1989 c 347 § 7; 1987 c 344 § 9.]

**Severability—1995 2nd sp.s. c 18:** "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1995 2nd sp.s. c 18 § 926.]

**Effective date—1995 2nd sp.s. c 18:** "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. Section 807 of this act shall take effect immediately [June 16, 1995]. The remainder of the act shall take effect July 1, 1995." [1995 2nd sp.s. c 18 § 927.]

**Effective date—Severability—1995 c 254:** See notes following RCW 19.118.021.

**19.118.120 Application of consumer protection act.** A violation of this chapter shall constitute an unfair or deceptive trade practice affecting the public interest under

chapter 19.86 RCW. All public and private remedies provided under that chapter shall be available to enforce this chapter. [1987 c 344 § 10.]

**19.118.130 Waivers, limitations, disclaimers—Void.** Any agreement entered into by a consumer for the purchase of a new motor vehicle that waives, limits, or disclaims the rights set forth in RCW 19.118.021 through 19.118.140 shall be void as contrary to public policy. Said rights shall extend to a subsequent transferee of such new motor vehicle. [1987 c 344 § 11.]

**19.118.140 Other rights and remedies not precluded.** Nothing in this chapter limits the consumer from pursuing other rights or remedies under any other law. [1987 c 344 § 12.]

**19.118.150 Informal dispute resolution settlement procedure.** If a manufacturer has established an informal dispute resolution settlement procedure which substantially complies with the applicable provision of Title 16, Code of Federal Regulations Part 703, as from time to time amended, a consumer may choose to first submit a dispute under this chapter to the informal dispute resolution settlement procedure. [1989 c 347 § 8; 1987 c 344 § 14.]

**19.118.160 New motor vehicle arbitration boards—When established by attorney general—Membership—Travel expenses and compensation.** If the attorney general is unable at any time to contract with private entities to conduct arbitrations under the procedures and standards in this chapter, the attorney general shall establish one or more new motor vehicle arbitration boards. Each such board shall consist of three members appointed by the attorney general, only one of whom may be directly involved in the manufacture, distribution, sale, or service of any motor vehicle. Board members shall be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060 and shall be compensated pursuant to RCW 43.03.240. [1989 c 347 § 9; 1987 c 344 § 15.]

**19.118.170 History of vehicle—Availability to owner.** Notwithstanding RCW 46.12.380, the department of licensing shall make available to the registered owner all title history information regarding the vehicle upon request of the registered owner and receipt of a statement that he or she is investigating or pursuing rights under this chapter. [1995 c 254 § 9.]

**Effective date—Severability—1995 c 254:** See notes following RCW 19.118.021.

**19.118.900 Effective dates—1987 c 344.** (1) Section 9 of this act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect June 1, 1987.

(2) Sections 2 through 8, 10 through 12, and 14 through 16 of this act shall take effect January 1, 1988, except that the attorney general may take such actions as are necessary

to ensure the new motor vehicle arbitration boards are established and operational. [1987 c 344 § 22.]

**19.118.902 Severability—1987 c 344.** 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. [1987 c 344 § 23.]

**19.118.903 Severability—1989 c 347.** 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. [1989 c 347 § 10.]

**19.118.904 Effective date—1989 c 347.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect June 1, 1989. [1989 c 347 § 11.]

## Chapter 19.120

### GASOLINE DEALER BILL OF RIGHTS ACT

#### Sections

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- 19.120.905 Effective date—1986 c 320.

**19.120.010 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Advertisement" means any written or printed communication or any communication by means of recorded telephone messages or spoken on radio, television, or similar communication media published in connection with an offer or sale of a franchise.

(2) "Affiliate" means any person, firm, or corporation who controls or is controlled by any motor fuel refiner-supplier, and includes any subsidiary or affiliated corporation in which the motor fuel refiner-supplier or its shareholders, officers, agents, or employees hold or control more than twenty-five percent of the voting shares.

(3) "Community interest" means a continuing financial interest between the motor fuel refiner-supplier and motor fuel retailer in the operation of the franchise business.

(4) "Motor fuel" means gasoline or diesel fuel of a type distributed for use in self-propelled motor vehicles and includes gasohol.

(5) "Motor fuel franchise" means any oral or written contract, either expressed or implied, between a motor fuel refiner-supplier and motor fuel retailer under which the motor fuel retailer is supplied motor fuel for resale to the public under a trademark owned or controlled by the motor fuel refiner-supplier or for sale on commission or for a fee to the public, or any agreements between a motor fuel refiner-supplier and motor fuel retailer under which the retailer is permitted to occupy premises owned, leased, or controlled by the refiner-supplier for the purpose of engaging in the retail sale of motor fuel under a trademark owned or controlled by the motor fuel refiner-supplier supplied by the motor fuel refiner-supplier.

(6) "Motor fuel refiner-supplier" means any person, firm, or corporation, including any affiliate of the person, firm, or corporation, engaged in the refining of crude oil into petroleum who supplies motor fuel for sale, consignment, or distribution through retail outlets.

(7) "Motor fuel retailer" means a person, firm, or corporation that resells motor fuel entirely at one or more retail motor fuel outlets pursuant to a motor fuel franchise entered into with a refiner-supplier.

(8) "Offer or offer to sell" includes every attempt or offer to dispose of or solicitation of an offer to buy a franchise or an interest in a franchise.

(9) "Person" means a natural person, corporation, partnership, trust, or other entity and in the case of an entity, it shall include any other entity which has a majority interest in such an entity or effectively controls such other entity as well as the individual officers, directors, and other persons in act of control of the activities of each such entity.

(10) "Price" means the net purchase price, after adjustment for commission, brokerage, rebate, discount, services or facilities furnished, or other such adjustment.

(11) "Publish" means publicly to issue or circulate by newspaper, mail, radio, or television or otherwise to disseminate to the public.

(12) "Retail motor fuel outlet" means any location where motor fuel is distributed for purposes other than resale.

(13) "Sale or sell" includes every contract of sale, contract to sell, or disposition of a franchise.

(14) "Trademark" means any trademark, trade name, service mark, or other identifying symbol or name. [1989 c 11 § 3; 1986 c 320 § 1.]

**Severability—1989 c 11:** See note following RCW 9A.56.220.

**19.120.020 Sale of franchise to third party.** Notwithstanding the terms of any motor fuel franchise, a motor fuel refiner-supplier shall not absolutely prohibit or unreasonably withhold its consent to any sale, assignment, or other transfer of the motor fuel franchise by a motor fuel retailer to a third party without fairly compensating the motor fuel retailer for the fair market value, at the time of expiration of the franchise, of the motor fuel retailer's inventory, supplies, equipment, and furnishings purchased

from the motor fuel refiner-supplier, and good will, exclusive of personalized materials which have no value to the motor fuel refiner-supplier, and inventory, supplies, equipment, and furnishings not reasonably required in the conduct of the franchise business. A motor fuel refiner-supplier may offset against amounts owed to a motor fuel retailer under this section any amounts owed by the motor fuel retailer to the motor fuel refiner-supplier. [1986 c 320 § 3.]

**19.120.030 Sale of franchise to corporation.**

Notwithstanding the terms of any motor fuel franchise, no motor fuel refiner-supplier may prohibit or prevent the sale, assignment, or other transfer of the motor fuel franchise to a corporation in which the motor fuel retailer has and maintains a controlling interest if the motor fuel retailer offers in writing personally to guarantee the performance of the obligations under the motor fuel franchise. [1986 c 320 § 4.]

**19.120.040 Franchise considered personal property—Designated successor in interest.** Notwithstanding the terms of any motor fuel franchise, the interest of a motor fuel retailer under such an agreement shall be considered personal property and shall devolve on the death of the motor fuel retailer to a designated successor in interest of the retailer, limited to the retailer's spouse, adult child, or adult stepchild or, if no successor in interest is designated, to the retailer's spouse, if any. The designation shall be made, witnessed in writing by at least two persons, and delivered to the motor fuel refiner-supplier during the term of the franchise. The designation may be revised at any time by the motor fuel retailer and shall be substantially in the following form:

"I (motor fuel retailer name) at the . . . . . service station located at . . . . ., in the City of . . . . ., Washington, designate . . . . . as my successor in interest under RCW 19.120.030 and . . . . . as my alternate successor if the originally designated successor is unable or unwilling so to act.

I so specify this . . . . . day of . . . . ., 19. "

The motor fuel refiner-supplier shall assist the designated successor in interest temporarily in the day-to-day operation of the service station to insure continued operation of the service station. [1986 c 320 § 5.]

**19.120.050 Purchase of real estate and improvements owned by refiner-supplier—Retailer given right of first refusal—Notice to retailer.** Notwithstanding the terms of any motor fuel franchise, the motor fuel retailer shall be given the right of first refusal to purchase the real estate and/or improvements owned by the refiner-supplier at the franchise location, and at least thirty days' advance notice within which to exercise this right, prior to any sale thereof to any other buyer. [1986 c 320 § 6.]

**19.120.060 Refiner-suppliers—Prohibited conduct.**

Notwithstanding the terms of any motor fuel franchise, no motor fuel refiner-supplier may:

(1) Require any motor fuel retailer to meet mandatory minimum sales volume requirements for fuel or other products unless the refiner-supplier proves that its price to the motor fuel retailer has been sufficiently low to enable the motor fuel retailer reasonably to meet the mandatory minimum;

(2) Alter, or require the motor fuel retailer to consent to the alteration of, any provision of the motor fuel franchise during its effective term without mutual consent of the motor fuel retailer;

(3) Interfere with any motor fuel retailer's right to assistance of counsel on any matter or to join or be active in any trade association; and

(4) Set or compel, directly or indirectly, the retail price at which the motor fuel retailer sells motor fuel or other products to the public. [1986 c 320 § 7.]

**19.120.070 Offers, sales, or purchases of franchises—Unlawful acts.** It is unlawful for any person in connection with the offer, sale, or purchase of any motor fuel franchise directly or indirectly:

(1) To sell or offer to sell a motor fuel franchise in this state by means of any written or oral communication which includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made in light of the circumstances under which they were made not misleading.

(2) To employ any device, scheme, or artifice to defraud.

(3) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person. [1986 c 320 § 8.]

**19.120.080 Refiner-supplier and retailer relationship—Rights and prohibitions.** Without limiting the other provisions of this chapter, the following specific rights and prohibitions shall govern the relation between the motor fuel refiner-supplier and the motor fuel retailers:

(1) The parties shall deal with each other in good faith.

(2) For the purposes of this chapter and without limiting its general application, it shall be an unfair or deceptive act or practice or an unfair method of competition and therefore unlawful and a violation of this chapter for any person to:

(a) Require a motor fuel retailer to purchase or lease goods or services of the motor fuel refiner-supplier or from approved sources of supply unless and to the extent that the motor fuel refiner-supplier satisfies the burden of proving that such restrictive purchasing agreements are reasonably necessary for a lawful purpose justified on business grounds, and do not substantially affect competition: PROVIDED, That this provision shall not apply to the initial inventory of the motor fuel franchise. In determining whether a requirement to purchase or lease goods or services constitutes an unfair or deceptive act or practice or an unfair method of competition the courts shall be guided by the decisions of the courts of the United States interpreting and applying the anti-trust laws of the United States.

(b) Discriminate between motor fuel retailers in the charges offered or made for royalties, goods, services, equipment, rentals, advertising services, or in any other business dealing, unless and to the extent that the motor fuel

refiner-supplier satisfies the burden of proving that any classification of or discrimination between motor fuel retailers is reasonable, is based on motor fuel franchises granted at materially different times and such discrimination is reasonably related to such difference in time or on other proper and justifiable distinctions considering the purposes of this chapter, and is not arbitrary.

(c) Sell, rent, or offer to sell to a motor fuel retailer any product or service for more than a fair and reasonable price.

(d) Require [a] motor fuel retailer to assent to a release, assignment, novation, or waiver which would relieve any person from liability imposed by this chapter. [1986 c 320 § 9.]

**19.120.090 Action for damages, rescission, or other relief.** (1) Any person who sells or offers to sell a motor fuel franchise in violation of this chapter shall be liable to the motor fuel retailer or motor fuel refiner-supplier who may sue at law or in equity for damages caused thereby for rescission or other relief as the court may deem appropriate. In the case of a violation of RCW 19.120.070 rescission is not available to the plaintiff if the defendant proves that the plaintiff knew the facts concerning the untruth or omission or that the defendant exercised reasonable care and did not know or if he had exercised reasonable care would not have known of the untruth or omission.

(2) The suit authorized under subsection (1) of this section may be brought to recover the actual damages sustained by the plaintiff: PROVIDED, That the prevailing party may in the discretion of the court recover the costs of said action including a reasonable attorneys' fee.

(3) Any person who becomes liable to make payments under this section may recover contributions as in cases of contracts from any persons who, if sued separately, would have been liable to make the same payment.

(4) A final judgment, order, or decree heretofore or hereafter rendered against a person in any civil, criminal, or administrative proceedings under the United States anti-trust laws, under the Federal Trade Commission Act, or this chapter shall be regarded as evidence against such persons in any action brought by any party against such person under subsection (1) of this section as to all matters which said judgment or decree would be an estoppel between the parties thereto. [1986 c 320 § 10.]

**19.120.100 Limitation period tolled.** The pendency of any civil, criminal, or administrative proceedings against a person brought by the federal or Washington state governments or any of their agencies under the anti-trust laws, the Federal Trade Commission Act, or any federal or state act related to anti-trust laws or to franchising, or under this chapter shall toll the limitation of this action if the action is then instituted within one year after the final judgment or order in such proceedings: PROVIDED, That said limitation of actions shall in any case toll the law so long as there is actual concealment on the part of the person. [1986 c 320 § 11.]

**19.120.110 Civil actions by retailers—Attorneys' fees.** Any motor fuel retailer who is injured in his or her business by the commission of any act prohibited by this

chapter, or any motor fuel retailer injured because of his or her refusal to accede to a proposal for an arrangement which, if consummated, would be in violation of this chapter may bring a civil action in superior court to enjoin further violations, to recover the actual damages sustained by him or her, or both, together with the costs of the suit, including reasonable attorney's fees. [1986 c 320 § 12.]

**19.120.120 Civil actions by attorney general—Attorneys' fees—Criminal actions not limited by chapter.**

(1) The attorney general may bring an action in the name of the state against any person to restrain and prevent the doing of any act herein prohibited or declared to be unlawful. The prevailing party may in the discretion of the court recover the costs of such action including a reasonable attorneys' fee.

(2) Nothing in this chapter limits the power of the state to punish any person for any conduct which constitutes a crime by statute or at common law. [1986 c 320 § 13.]

**19.120.130 Exception or exemption—Burden of proof—Waiver of provisions of chapter void.** In any proceeding under this chapter, the burden of proving an exception or an exemption from definition is upon the person claiming it. Any condition, stipulation or provision purporting to bind any person acquiring a motor fuel franchise at the time of entering into a motor fuel franchise or other agreement to waive compliance with any provision of this chapter or any rule or order hereunder is void. [1986 c 320 § 14.]

**19.120.900 Short title.** This chapter shall be known as the "gasoline dealer bill of rights act." [1986 c 320 § 19.]

**19.120.901 Application of chapter.** The provisions of this chapter apply to any motor fuel franchise or contract entered into or renewed on or after June 30, 1986, between a motor fuel refiner-supplier and a motor fuel retailer. [1986 c 320 § 15.]

**19.120.902 Intent—Interpretation consistent with chapter 19.100 RCW.** It is the intent of the legislature that this chapter be interpreted consistent with chapter 19.100 RCW. [1986 c 320 § 17.]

**19.120.903 Liberal construction.** This chapter shall be liberally construed to effectuate its beneficial purposes. [1986 c 320 § 18.]

**19.120.904 Severability—1986 c 320.** 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. [1986 c 320 § 22.]

**19.120.905 Effective date—1986 c 320.** (1) Sections 20 and 21 are necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions and shall take effect immediately.

(2) Sections 1 through 19, 22 and 23 of this act shall take effect June 30, 1986. [1986 c 320 § 24.]

### Chapter 19.122

#### UNDERGROUND UTILITIES

##### Sections

- 19.122.010 Intent.
- 19.122.020 Definitions.
- 19.122.030 Notice of excavation to owners of underground facilities—One-number locator service—Time for notice—Marking of underground facilities—Costs.
- 19.122.040 Underground facilities identified in bid or contract—Excavator's duty of reasonable care—Liability for damages—Attorneys' fees.
- 19.122.045 Exemption from liability.
- 19.122.050 Damage to underground facility—Notification by excavator—Repairs or relocation of facility.
- 19.122.060 Exemption from notice and marking requirements for property owners.
- 19.122.070 Civil penalties—Treble damages—Existing remedies not affected.
- 19.122.080 Waiver of notification and marking requirements.
- 19.122.900 Severability—1984 c 144.

**19.122.010 Intent.** It is the intent of the legislature in enacting this chapter to assign responsibilities for locating and keeping accurate records of utility locations, protecting and repairing damage to existing underground facilities, and protecting the public health and safety from interruption in utility services caused by damage to existing underground utility facilities. [1984 c 144 § 1.]

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

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

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

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

(12) "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.

(13) "One-number locator service" means a service through which a person can notify utilities and request field-marking of underground facilities. [1984 c 144 § 2.]

**19.122.030 Notice of excavation to owners of underground facilities—One-number locator service—Time for notice—Marking of underground facilities—Costs.** Before commencing any excavation, the excavator shall provide notice of the scheduled commencement of excavation to all owners of underground facilities through a one-number locator service. 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.

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.

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.

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.

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

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. [1988 c 99 § 1; 1984 c 144 § 3.]

*Damages to facilities on state highways: RCW 47.44.150.*

**19.122.040 Underground facilities identified in bid or contract—Excavator's duty of reasonable care—Liability for damages—Attorneys' fees.** (1) Project owners shall indicate in bid or contract documents the existence of underground facilities known by the project owner to be located within the proposed area of excavation. The following shall be deemed changed or differing site conditions:

(a) An underground facility not identified as required by this chapter or other provision of law; and

(b) An underground facility not located, as required by this chapter or other provision of law, by the project owner or excavator if the project owner or excavator is also a utility.

(2) An excavator shall use reasonable care to avoid damaging underground facilities. An excavator shall:

(a) Determine the precise location of underground facilities which have been marked;

(b) Plan the excavation to avoid damage to or minimize interference with underground facilities in and near the excavation area; and

(c) Provide such support for underground facilities in and near the construction area, including during backfill operations, as may be reasonably necessary for the protection of such facilities.

(3) If an underground facility is damaged and such damage is the consequence of the failure to fulfill an obligation under this chapter, the party failing to perform that obligation shall be liable for any damages. Any clause in an excavation contract which attempts to allocate liability, or requires indemnification to shift the economic consequences of liability, different from the provisions of this chapter is against public policy and unenforceable. Nothing in this chapter prevents the parties to an excavation contract

from contracting with respect to the allocation of risk for changed or differing site conditions.

(4) In any action brought under this section, the prevailing party is entitled to reasonable attorneys' fees. [1984 c 144 § 4.]

**19.122.045 Exemption from liability.** Excavators who comply with the requirements of this chapter are not liable for any damages arising from contact or damage to an underground fiber optics facility other than the cost to repair the facility. [1988 c 99 § 2.]

**19.122.050 Damage to underground facility—Notification by excavator—Repairs or relocation of facility.** (1) An excavator who, in the course of excavation, contacts or damages an underground facility shall notify the utility owning or operating such facility and the one-number locator service. If the damage causes an emergency condition, the excavator causing the damage shall also alert the appropriate local public safety agencies and take all appropriate steps to ensure the public safety. No damaged underground facility may be buried until it is repaired or relocated.

(2) The owner of the underground facilities damaged shall arrange for repairs or relocation as soon as is practical or may permit the excavator to do necessary repairs or relocation at a mutually acceptable price. [1984 c 144 § 5.]

**19.122.060 Exemption from notice and marking requirements for property owners.** An excavation of less than twelve inches in vertical depth on private noncommercial property shall be exempt from the requirements of RCW 19.122.030, if the excavation is being performed by the person or an employee of the person who owns or occupies the property on which the excavation is being performed. [1984 c 144 § 6.]

**19.122.070 Civil penalties—Treble damages—Existing remedies not affected.** (1) Any person who violates any provision of this chapter, and which violation results in damage to underground facilities, is subject to a civil penalty of not more than one thousand dollars for each violation. All penalties recovered in such actions shall be deposited in the general fund.

(2) Any excavator who wilfully or maliciously damages a field-marked underground facility shall be liable for treble the costs incurred in repairing or relocating the facility. In those cases in which an excavator fails to notify known underground facility owners or the one-number locator service, any damage to the underground facility shall be deemed wilful and malicious and shall be subject to treble damages for costs incurred in repairing or relocating the facility.

(3) This chapter does not affect any civil remedies for personal injury or for property damage, including that to underground facilities, nor does this chapter create any new civil remedies for such damage. [1984 c 144 § 7.]

*Damages to facilities on state highways: RCW 47.44.150.*

**19.122.080 Waiver of notification and marking requirements.** The notification and marking provisions of this chapter may be waived for one or more designated persons by an underground facility owner with respect to all or part of that underground facility owner's own underground facilities. [1984 c 144 § 8.]

**19.122.900 Severability—1984 c 144.** 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. [1984 c 144 § 9.]

## Chapter 19.126

### WHOLESALE DISTRIBUTORS AND SUPPLIERS OF WINE AND MALT BEVERAGES

#### Sections

19.126.010	Purpose.
19.126.020	Definitions.
19.126.030	Suppliers' protections.
19.126.040	Distributors' protections.
19.126.050	Suppliers' prohibited acts.
19.126.060	Attorney's fees—Costs.
19.126.070	Suspension or cancellation of license or certificate.
19.126.080	Civil actions—Injunctive relief.
19.126.900	Short title.
19.126.901	Severability—1984 c 169.

**19.126.010 Purpose.** (1) The legislature recognizes that both suppliers and wholesale distributors of malt beverages and wine are interested in the goal of best serving the public interest through the fair, efficient, and competitive distribution of such beverages. The legislature encourages them to achieve this goal by:

(a) Assuring the wholesale distributor's freedom to manage the business enterprise, including the wholesale distributor's right to independently establish its selling prices; and

(b) Assuring the supplier and the public of service from wholesale distributors who will devote their best competitive efforts and resources to sales and distribution of the supplier's products which the wholesale distributor has been granted the right to sell and distribute.

(2) This chapter governs the relationship between suppliers of malt beverages and wine and their wholesale distributors to the full extent consistent with the Constitution and laws of this state and of the United States. [1984 c 169 § 1.]

**19.126.020 Definitions.** The definitions set forth in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Agreement of distributorship" means any contract, agreement, commercial relationship, license, association, or any other arrangement, for a definite or indefinite period, between a supplier and distributor.

(2) "Distributor" means any person, including but not limited to a component of a supplier's distribution system constituted as an independent business, importing or causing to be imported into this state, or purchasing or causing to be purchased within this state, any malt beverage or wine for

sale or resale to retailers licensed under the laws of this state, regardless of whether the business of such person is conducted under the terms of any agreement with a malt beverage or wine manufacturer.

(3) "Supplier" means any malt beverage or wine manufacturer or importer who enters into or is a party to any agreement of distributorship with a wholesale distributor. "Supplier" does not include: (a) Any domestic winery licensed pursuant to RCW 66.24.170; (b) any winery or manufacturer of wine producing less than three hundred thousand gallons of wine annually and holding a certificate of approval issued pursuant to RCW 66.24.206; (c) any domestic brewer or microbrewer licensed under RCW 66.24.240 and producing less than fifty thousand barrels of malt liquor annually; or (d) any brewer or manufacturer of malt liquor producing less than fifty thousand barrels of malt liquor annually and holding a certificate of approval issued under RCW 66.24.270.

(4) "Malt beverage manufacturer" means every brewer, fermenter, processor, bottler, or packager of malt beverages located within or outside this state, or any other person, whether located within or outside this state, who enters into an agreement of distributorship for the resale of malt beverages in this state with any wholesale distributor doing business in the state of Washington.

(5) "Wine manufacturer" means every winery, processor, bottler, or packager of wine located within or outside this state, or any other person, whether located within or outside this state who enters into an agreement of distributorship for the resale of wine in this state with any wine wholesale distributor doing business in the state of Washington.

(6) "Importer" means any distributor importing beer or wine into this state for sale to retailer accounts or for sale to other wholesalers designated as "subjobbers" for resale.

(7) "Person" means any natural person, corporation, partnership, trust, agency, or other entity, as well as any individual officers, directors, or other persons in active control of the activities of such entity. [1997 c 321 § 41; 1984 c 169 § 2.]

**Effective date—1997 c 321:** See note following RCW 66.24.010.

**19.126.030 Suppliers' protections.** Suppliers are entitled to the following protections which shall be incorporated in the agreement of distributorship:

(1) Agreements between suppliers and wholesale distributors shall be in writing;

(2) A wholesale distributor shall maintain the financial and competitive capability necessary to achieve efficient and effective distribution of the supplier's products;

(3) A wholesale distributor shall maintain the quality and integrity of the supplier's product in the manner set forth by the supplier;

(4) A wholesale distributor shall exert its best efforts to sell the product of the supplier and shall merchandise such products in the stores of its retail customers as agreed between the wholesale distributor and supplier;

(5) The supplier may cancel or otherwise terminate any agreement with a wholesale distributor immediately and without notice if the reason for such termination is insolvency, the occurrence of an assignment for the benefit of cred-

itors, bankruptcy, or suspension in excess of fourteen days or revocation of a license issued by the state liquor board;

(6) A wholesale distributor shall give the supplier prior written notice, of not less than ninety days, of any material change in its ownership or management and the supplier has the right to reasonable prior approval of any such change; and

(7) A wholesale distributor shall give the supplier prior written notice, of not less than ninety days, of the wholesale distributor's intent to cancel or otherwise terminate the distributorship agreement. [1984 c 169 § 3.]

**19.126.040 Distributors' protections.** Wholesale distributors are entitled to the following protections which shall be incorporated in the agreement of distributorship:

(1) Agreements between wholesale distributors and suppliers shall be in writing;

(2) A supplier shall give the wholesale distributor at least sixty days prior written notice of the supplier's intent to cancel or otherwise terminate the agreement, unless such termination is based on a reason set forth in RCW 19.126.030(5). The notice shall state all the reasons for the intended termination or cancellation. Upon receipt of notice, the wholesale distributor shall have sixty days in which to rectify any claimed deficiency. If the deficiency is rectified within this sixty-day period, the proposed termination or cancellation is null and void and without legal effect;

(3) The wholesale distributor is entitled to compensation for the laid-in cost of inventory and liquidated damages measured on the fair market price of the business as provided for in the agreement for any termination of the agreement by the supplier other than termination for cause, for failure to live up to the terms and conditions of the agreement, or any reason set forth in RCW 19.126.030(5); and

(4) The wholesale distributor may sell or transfer its business, or any portion thereof, including the agreement, to successors in interest upon prior approval of the transfer by the supplier. No supplier may unreasonably withhold or delay its approval of any transfer, including wholesaler's rights and obligations under the terms of the agreement, if the person or persons to be substituted meet reasonable standards imposed by the supplier. [1984 c 169 § 4.]

**19.126.050 Suppliers' prohibited acts.** No supplier may:

(1) Coerce or induce, or attempt to induce or coerce, any wholesale distributor to engage in any illegal act or course of conduct;

(2) Require a wholesale distributor to assent to any unreasonable requirement, condition, understanding, or term of an agreement which prohibits a wholesaler from selling the product of any other supplier or suppliers;

(3) Require a wholesale distributor to accept delivery of any product or any other item or commodity which was not ordered by the wholesale distributor; or

(4) Fail or refuse to enter into an agreement of distributorship with a wholesale distributor that handles the supplier's products. [1985 c 440 § 1; 1984 c 169 § 5.]

**19.126.060 Attorney's fees—Costs.** In any action brought by a wholesale distributor or a supplier pursuant to

this chapter, the prevailing party shall be awarded its reasonable attorney's fees and costs. [1984 c 169 § 6.]

**19.126.070 Suspension or cancellation of license or certificate.** Continued violation of this chapter constitutes grounds, in the discretion of the state liquor control board, for suspension or cancellation under RCW 66.24.010 of any license or certificate held by a supplier or its agent. [1985 c 440 § 2.]

**19.126.080 Civil actions—Injunctive relief.** A person injured by a violation of this chapter may bring a civil action in a court of competent jurisdiction to enjoin further violations. Injunctive relief may be granted in an action brought under this chapter without the injured party being required to post bond if, in the opinion of the court, there exists a likelihood that the injured party will prevail on the merits. [1985 c 440 § 3.]

**19.126.900 Short title.** This chapter may be known and cited as the wholesale distributor/supplier equity agreement act. [1984 c 169 § 7.]

**19.126.901 Severability—1984 c 169.** 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. [1984 c 169 § 9.]

## Chapter 19.130

### TELEPHONE BUYERS' PROTECTION ACT

#### Sections

- 19.130.010 Legislative findings.
- 19.130.020 Sales of new or reconditioned telephone equipment—  
Disclosure of certain information.
- 19.130.030 Certain advertising media—Application of chapter.
- 19.130.040 Certain radio equipment—Application of chapter.
- 19.130.050 Equipment not intended for connection to telephone network  
and used equipment located on customer's premises—  
Application of chapter.
- 19.130.060 Violations—Application of consumer protection act.
- 19.130.900 Chapter cumulative.
- 19.130.901 Short title.

**19.130.010 Legislative findings.** The legislature finds that the federal deregulation of the telephone industry provides telephone users with the opportunity to purchase and use telephone and other telecommunications equipment suited to their needs. The legislature finds that competitive markets function optimally when potential buyers have adequate information about the capabilities and reliability of the equipment offered for sale. The legislature further finds that disclosure of certain product information will benefit both buyers and sellers of telephone and other telecommunications equipment and is in the public interest. [1984 c 275 § 1.]

**19.130.020 Sales of new or reconditioned telephone equipment—Disclosure of certain information.** Any person offering for sale or selling new or reconditioned tele-

phone handsets or keysets, private branch exchanges, or private automatic branch exchanges of not more than a twenty-station capacity, shall clearly disclose prior to sale by methods which may include posting of notice or printing on the equipment package the following:

- (1) Whether the equipment uses pulse, tone, pulse-or-tone, or other signaling methods, and a general description of the services that can be accessed through the equipment;
- (2) Whether the equipment is registered with the federal communications commission under the applicable federal regulations;
- (3) The person responsible for repair of the equipment;
- (4) Standard repair charges, if any; and
- (5) The terms of any written warranty offered with the equipment. [1984 c 275 § 2.]

**19.130.030 Certain advertising media—Application of chapter.** Nothing in this chapter applies to a radio station, television station, publisher, printer, or distributor of a newspaper, magazine, billboard, or other advertising medium which accepts advertising in good faith without knowledge of its violation of any provision of this chapter. [1984 c 275 § 3.]

**19.130.040 Certain radio equipment—Application of chapter.** This chapter shall not apply to radio equipment used for land, marine, or air mobile service, or any like service, whether or not such equipment is capable of interconnection by manual or automatic means to a telephone line. [1984 c 275 § 4.]

**19.130.050 Equipment not intended for connection to telephone network and used equipment located on customer's premises—Application of chapter.** This chapter shall not apply to equipment not intended for connection to the telephone network, nor to used equipment located on the customer's premises. [1984 c 275 § 5.]

**19.130.060 Violations—Application of consumer protection act.** Violation of this chapter constitutes a violation of chapter 19.86 RCW, the consumer protection act. It shall be presumed that damages to the consumer are equal to the purchase price of any telephone equipment sold in violation of this chapter up to one hundred dollars. Additional damages must be proved. [1984 c 275 § 7.]

**19.130.900 Chapter cumulative.** The rights, obligations, and remedies under this chapter are in addition to any rights, obligations, or remedies under federal statutes or regulations or other state statutes or rules. [1984 c 275 § 6.]

**19.130.901 Short title.** This chapter may be known and cited as the telephone buyers' protection act. [1984 c 275 § 8.]

## Chapter 19.134

### CREDIT SERVICES ORGANIZATION ACT

#### Sections

19.134.010	Definitions.
19.134.020	Prohibited conduct.
19.134.030	Surety bond and trust account—Exception to requirement.
19.134.040	Information statement—Prerequisite to contract or payment—File maintained.
19.134.050	Information statement—Contents.
19.134.060	Contract for purchase of services—Contents—Notice of cancellation—Buyer's copy.
19.134.070	Waiver of rights—Violations—Enforcement—Unfair business practice.
19.134.080	Damages—Attorney's fees.
19.134.900	Short title.

#### **19.134.010 Definitions.** As used in this chapter:

(1) "Buyer" means any individual who is solicited to purchase or who purchases the services of a credit services organization.

(2)(a) "Credit services organization" means any person who, with respect to the extension of credit by others, sells, provides, performs, or represents that he or she can or will sell, provide, or perform, in return for the payment of money or other valuable consideration any of the following services:

(i) Improving, saving, or preserving a buyer's credit record, history, or rating;

(ii) Obtaining an extension of credit for a buyer;

(iii) Stopping, preventing, or delaying the foreclosure of a deed of trust, mortgage, or other security agreement; or

(iv) Providing advice or assistance to a buyer with regard to either (a)(i), (a)(ii), or (a)(iii) of this subsection.

(b) "Credit services organization" does not include:

(i) Any person authorized to make loans or extensions of credit under the laws of this state or the United States who is subject to regulation and supervision by this state or the United States or a lender approved by the United States secretary of housing and urban development for participation in any mortgage insurance program under the national housing act;

(ii) Any bank, savings bank, or savings and loan institution whose deposits or accounts are eligible for insurance by the federal deposit insurance corporation or the federal savings and loan insurance corporation, or a subsidiary of such bank, savings bank, or savings and loan institution;

(iii) Any credit union, federal credit union, or out-of-state credit union doing business in this state under chapter 31.12 RCW;

(iv) Any nonprofit organization exempt from taxation under section 501(c)(3) of the internal revenue code;

(v) Any person licensed as a real estate broker by this state if the person is acting within the course and scope of that license;

(vi) Any person licensed as a collection agency pursuant to chapter 19.16 RCW if acting within the course and scope of that license;

(vii) Any person licensed to practice law in this state if the person renders services within the course and scope of his or her practice as an attorney;

(viii) Any broker-dealer registered with the securities and exchange commission or the commodity futures trading

commission if the broker-dealer is acting within the course and scope of that regulation;

(ix) Any consumer reporting agency as defined in the federal fair credit reporting act, 15 U.S.C. Secs. 1681 through 1681t; or

(x) Any mortgage broker as defined in RCW 19.146.010 if acting within the course and scope of that definition.

(3) "Extension of credit" means the right to defer payment of debt or to incur debt and defer its payment offered or granted primarily for personal, family, or household purposes. [1989 c 303 § 1; 1986 c 218 § 2.]

**19.134.020 Prohibited conduct.** A credit services organization, its salespersons, agents, and representatives, and independent contractors who sell or attempt to sell the services of a credit services organization may not do any of the following:

(1) Charge or receive any money or other valuable consideration prior to full and complete performance of the services the credit services organization has agreed to perform for the buyer, unless the credit services organization has obtained a surety bond of ten thousand dollars issued by a surety company admitted to do business in this state and established a trust account at a federally insured bank or savings and loan association located in this state. The surety bond shall run to the state of Washington and the buyers. The surety bond shall be issued on the condition that the principal comply with all provisions of this chapter and fully perform on all contracts entered into with buyers. The surety bond shall be continuous until canceled and shall remain in full force and unimpaired at all times to comply with this section. The surety's liability for all claims in the aggregate against the continuous bond shall not exceed the penal sum of the bond. An action on the bond may be brought by the state or by any buyer by filing a complaint in a court of competent jurisdiction, including small claims court, within one year of cancellation of the surety bond. A complaint may be mailed by registered or certified mail, return receipt requested, to the surety and shall constitute good and sufficient service on the surety;

(2) Charge or receive any money or other valuable consideration solely for referral of the buyer to a retail seller who will or may extend credit to the buyer if the credit that is or will be extended to the buyer is upon substantially the same terms as those available to the general public;

(3) Make or counsel or advise any buyer to make any statement that is untrue or misleading or that should be known by the exercise of reasonable care to be untrue or misleading, to a credit reporting agency or to any person who has extended credit to a buyer or to whom a buyer is applying for an extension of credit with respect to a buyer's credit worthiness, credit standing, or credit capacity;

(4) Make or use any untrue or misleading representations in the offer or sale of the services of a credit services organization or engage, directly or indirectly, in any act, practice, or course of business that operates or would operate as fraud or deception upon any person in connection with the offer or sale of the services of a credit services organization. [1989 c 303 § 2; 1986 c 218 § 3.]

**19.134.030 Surety bond and trust account—Exception to requirement.** If a credit services organization is in compliance with RCW 19.134.020(1), the salesperson, agent, or representative who sells the services of that organization is not required to obtain a surety bond and establish a trust account. [1986 c 218 § 4.]

**19.134.040 Information statement—Prerequisite to contract or payment—File maintained.** Before the execution of a contract or agreement between the buyer and a credit services organization or before the receipt by the credit services organization of any money or other valuable consideration, whichever occurs first, the credit services organization shall provide the buyer with a statement in writing, containing all the information required by RCW 19.134.050. The credit services organization shall maintain on file for a period of two years an exact copy of the statement, personally signed by the buyer, acknowledging receipt of a copy of the statement. [1986 c 218 § 5.]

**19.134.050 Information statement—Contents.** The information statement required under RCW 19.134.040 shall include all of the following:

(1)(a) A complete and accurate statement of the buyer's right to review any file on the buyer maintained by any consumer reporting agency, as provided under the federal Fair Credit Reporting Act, 15 U.S.C. Secs. 1681 through 1681t;

(b) A statement that the buyer may review his or her consumer reporting agency file at no charge if a request is made to the consumer credit reporting agency within thirty days after receiving notice that credit has been denied; and

(c) The approximate price the buyer will be charged by the consumer reporting agency to review his or her consumer reporting agency file;

(2) A complete and accurate statement of the buyer's right to dispute the completeness or accuracy of any item contained in any file on the buyer maintained by any consumer reporting agency;

(3) A complete and detailed description of the services to be performed by the credit services organization for the buyer and the total amount the buyer will have to pay, or become obligated to pay, for the services;

(4) A statement asserting the buyer's right to proceed against the bond or trust account required under RCW 19.134.020; and

(5) The name and address of the surety company that issued the bond, or the name and address of the depository and the trustee and the account number of the trust account. [1986 c 218 § 6.]

**19.134.060 Contract for purchase of services—Contents—Notice of cancellation—Buyer's copy.** (1) Each contract between the buyer and a credit services organization for the purchase of the services of the credit services organization shall be in writing, dated, signed by the buyer, and include all of the following:

(a) A conspicuous statement in bold face type, in immediate proximity to the space reserved for the signature of the buyer, as follows: "You, the buyer, may cancel this contract at any time prior to midnight of the fifth day after

the date of the transaction. See the attached notice of cancellation form for an explanation of this right";

(b) The terms and conditions of payment, including the total of all payments to be made by the buyer, whether to the credit services organization or to some other person;

(c) A full and detailed description of the services to be performed by the credit services organization for the buyer, including all guarantees and all promises of full or partial refunds, and the estimated date by which the services are to be performed, or estimated length of time for performing the services;

(d) The credit services organization's principal business address and the name and address of its agent in the state authorized to receive service of process;

(2) The contract shall be accompanied by a completed form in duplicate, captioned "Notice of Cancellation" that shall be attached to the contract, be easily detachable, and contain in bold face type the following statement written in the same language as used in the contract.

**"Notice of Cancellation**

You may cancel this contract, without any penalty or obligation within five days from the date the contract is signed.

If you cancel any payment made by you under this contract, it will be returned within ten days following receipt by the seller of your cancellation notice.

To cancel this contract, mail or deliver a signed dated copy of this cancellation notice, or any other written notice to (name of seller) at (address of seller) (place of business) not later than midnight (date)

I hereby cancel this transaction,

(date)

(purchaser's signature) "

The credit services organization shall give to the buyer a copy of the completed contract and all other documents the credit services organization requires the buyer to sign at the time they are signed. [1986 c 218 § 7.]

**19.134.070 Waiver of rights—Violations—Enforcement—Unfair business practice.** (1) Any waiver by a buyer of any part of this chapter is void. Any attempt by a credit services organization to have a buyer waive rights given by this chapter is a violation of this chapter.

(2) In any proceeding involving this chapter, the burden of proving an exemption or an exception from a definition is upon the person claiming it.

(3) Any person who violates this chapter is guilty of a gross misdemeanor. Any district court of this state has jurisdiction in equity to restrain and enjoin the violation of this chapter.

(4) This section does not prohibit the enforcement by any person of any right provided by this or any other law.

(5) A violation of this chapter by a credit services organization is an unfair business practice as provided in chapter 19.86 RCW. [1986 c 218 § 8.]

**19.134.080 Damages—Attorney's fees.** (1) Any buyer injured by a violation of this chapter may bring any

action for recovery of damages. Judgment shall be entered for actual damages, but in no case less than the amount paid by the buyer to the credit services organization, plus reasonable attorney's fees and costs. An award may also be entered for punitive damages.

(2) The remedies provided under this chapter are in addition to any other procedures or remedies for any violation or conduct provided for in any other law. [1986 c 218 § 9.]

**19.134.900 Short title.** This chapter may be known and cited as the "credit services organizations act." [1986 c 218 § 1.]

## Chapter 19.138

### SELLERS OF TRAVEL

(Formerly: Travel charter and tour operators)

Sections

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- 19.138.021 Definitions.
- 19.138.030 Advertising—Restrictions—Records.
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- 19.138.902 Severability—1994 c 237.
- 19.138.903 Effective date—1994 c 237.
- 19.138.904 Implementation—1994 c 237.

**19.138.010 Legislative finding and declaration.** The legislature finds and declares that advertising, sales, and business practices of certain sellers of travel have worked financial hardship upon the people of this state; that the travel business has a significant impact upon the economy and well-being of this state and its people; that problems

have arisen regarding certain sales of travel; and that the public welfare requires registration of sellers of travel in order to eliminate unfair advertising, sales and business practices. The legislature further finds it necessary to establish standards that will safeguard the people against financial hardship and to encourage fair dealing and prosperity in the travel business. [1994 c 237 § 1; 1986 c 283 § 1.]

**19.138.021 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Department" means the department of licensing.

(2) "Director" means the director of licensing or the director's designee.

(3) "Seller of travel" means a person, firm, or corporation both inside and outside the state of Washington, who transacts business with Washington consumers for travel services.

(a) "Seller of travel" includes a travel agent and any person who is an independent contractor or outside agent for a travel agency or other seller of travel whose principal duties include consulting with and advising persons concerning travel arrangements or accommodations in the conduct or administration of its business. If a seller of travel is employed by a seller of travel who is registered under this chapter, the employee need not also be registered.

(b) "Seller of travel" does not include:

(i) An air carrier;

(ii) An owner or operator of a vessel, including an ocean common carrier as defined in 46 U.S.C. App. 1702(18), an owner or charterer of a vessel that is required to establish its financial responsibility in accordance with the requirements of the federal maritime commission, 46 U.S.C. App. 817 (e), and a steamboat company as defined in \*RCW 84.12.200 whether or not operating over and upon the waters of this state;

(iii) A motor carrier;

(iv) A rail carrier;

(v) A charter party carrier of passengers as defined in RCW 81.70.020;

(vi) An auto transportation company as defined in RCW 81.68.010;

(vii) A hotel or other lodging accommodation;

(viii) An affiliate of any person or entity described in (i) through (vii) of this subsection (3)(b) that is primarily engaged in the sale of travel services provided by the person or entity. For purposes of this subsection (3)(b)(viii), an "affiliate" means a person or entity owning, owned by, or under common ownership, with "owning," "owned," and "ownership" referring to equity holdings of at least eighty percent;

(ix) Direct providers of transportation by air, sea, or ground, or hotel or other lodging accommodations who do not book or arrange any other travel services.

(4) "Travel services" includes transportation by air, sea, or ground, hotel or any lodging accommodations, package tours, or vouchers or coupons to be redeemed for future travel or accommodations for a fee, commission, or other valuable consideration.

(5) "Advertisement" includes, but is not limited to, a written or graphic representation in a card, brochure,

newspaper, magazine, directory listing, or display, and oral, written, or graphic representations made by radio, television, or cable transmission that relates to travel services.

(6) "Transacts business with Washington consumers" means to directly offer or sell travel services to Washington consumers, including the placement of advertising in media based in the state of Washington or that is primarily directed to Washington residents. Advertising placed in national print or electronic media alone does not constitute "transacting business with Washington consumers." Those entities who only wholesale travel services are not "transacting business with Washington consumers" for the purposes of this chapter. [1996 c 180 § 1; 1994 c 237 § 2.]

**\*Reviser's note:** RCW 84.12.200 was amended by 1998 c 335 § 1, removing the definition of steamboat company.

**Effective date—1996 c 180:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [March 28, 1996]." [1996 c 180 § 10.]

**19.138.030 Advertising—Restrictions—Records.** A seller of travel shall not advertise that any travel services are or may be available unless he or she has, prior to the advertisement, determined that the product advertised was available at the time the advertising was placed. This determination can be made by the seller of travel either by use of an airline computer reservation system, or by written confirmation from the vendor whose program is being advertised.

It is the responsibility of the seller of travel to keep written or printed documentation of the steps taken to verify that the advertised offer was available at the time the advertising was placed. These records are to be maintained for at least two years after the placement of the advertisement. [1996 c 180 § 2; 1994 c 237 § 10; 1986 c 283 § 3.]

**Effective date—1996 c 180:** See note following RCW 19.138.021.

**19.138.040 Written statement by seller of travel—Contents.** At or prior to the time of full or partial payment for any travel services, the seller of travel shall furnish to the person making the payment a written statement conspicuously setting forth the information contained in subsections (1) through (6) of this section. If the sale of travel services is made over the telephone or by other electronic media and payment is made by credit or debit card, the seller of travel shall transmit to the person making the payment the written statement required by this section within three business days of the consumer's credit or debit card authorization. The written statement shall contain the following information:

(1) The name and business address and telephone number of the seller of travel.

(2) The amount paid, the date of such payment, the purpose of the payment made, and an itemized statement of the balance due, if any.

(3) The registration number of the seller of travel required by this chapter.

(4) The name of the vendor with whom the seller of travel has contracted to provide travel arrangements for a consumer and all pertinent information relating to the travel as known by the seller of travel at the time of booking. The seller of travel will make known further details as soon as

received from the vendor. All information will be provided with final documentation.

(5) The conditions, if any, upon which the contract between the seller of travel and the passenger may be canceled, and the rights and obligations of all parties in the event of cancellation.

(6) A statement in eight-point boldface type in substantially the following form:

"If transportation or other services are canceled by the seller of travel, all sums paid to the seller of travel for services not performed in accordance with the contract between the seller of travel and the purchaser will be refunded within thirty days of receiving the funds from the vendor with whom the services were arranged, or if the funds were not sent to the vendor, the funds shall be returned within fourteen days after cancellation by the seller of travel to the purchaser unless the purchaser requests the seller of travel to apply the money to another travel product and/or date." [1996 c 180 § 3; 1994 c 237 § 11; 1986 c 283 § 4.]

**Effective date—1996 c 180:** See note following RCW 19.138.021.

**19.138.050 Cancellation—Refund—Material misrepresentation—Exception.** (1) If the transportation or other services contracted for are canceled, or if the money is to be refunded for any reason, the seller of travel shall refund to the person with whom it contracts for travel services, the money due the person within thirty days of receiving the funds from the vendor with whom the services were arranged. If the funds were not sent to the vendor and remain in the possession of the seller of travel, the funds shall be refunded within fourteen days.

(2) Any material misrepresentation with regard to the transportation and other services offered shall be deemed to be a cancellation necessitating the refund required by this section.

(3) When travel services are paid to a vendor and charged to a consumer's credit card by the seller of travel, and the arrangements are subsequently canceled by the consumer, the vendor, or the seller of travel, any refunds to the consumer's credit card must be applied for within ten days from the date of cancellation.

(4) The seller of travel shall not be obligated to refund any cancellation penalties imposed by the vendor with whom the services were arranged if these penalties were disclosed in the statement required under RCW 19.138.040. [1994 c 237 § 12; 1986 c 283 § 5.]

**19.138.090 Application of chapter to public charter operators.** This chapter does not apply to the sale of public transportation by a public charter operator who is complying with regulations of the United States department of transportation. [1986 c 283 § 9.]

**19.138.100 Registration—Number posting, use—Duplicates—Fee—Assignment, transfer—New owner—Exemption.** No person, firm, or corporation may act or hold itself out as a seller of travel unless, prior to engaging in the business of selling or advertising to sell travel services, the person, firm, or corporation registers with the director under this chapter and rules adopted under this chapter.

(1) The registration number must be conspicuously posted in the place of business and must be included in all advertisements. Any corporation which issues a class of equity securities registered under section 12 of the securities exchange act of 1934, and any subsidiary, the majority of voting stock of which is owned by such corporation including any wholly owned subsidiary of such corporation are not required to include company registration numbers in advertisements.

(2) The director shall issue duplicate registrations upon payment of a nominal duplicate registration fee to valid registration holders operating more than one office.

(3) No registration is assignable or transferable.

(4) If a registered seller of travel sells his or her business, when the new owner becomes responsible for the business, the new owner must comply with all provisions of this chapter, including registration.

(5) If a seller of travel is employed by or under contract as an independent contractor or an outside agent of a seller of travel who is registered under this chapter, the employee, independent contractor, or outside agent need not also be registered if:

(a) The employee, independent contractor, or outside agent is conducting business as a seller of travel in the name of and under the registration of the registered seller of travel; and

(b) All money received for travel services by the employee, independent contractor, or outside agent is collected in the name of the registered seller of travel and deposited directly into the registered seller of travel's trust account as required under this chapter. [1996 c 180 § 4; 1994 c 237 § 3.]

**Effective date—1996 c 180:** See note following RCW 19.138.021.

**19.138.110 Registration—Application—Form—Rules—Report.** An application for registration as a seller of travel shall be submitted in the form prescribed by rule by the director, and shall contain but not be limited to the following:

(1) The name, address, and telephone number of the seller of travel;

(2) Proof that the seller of travel holds a valid business license in the state of its principal state of business;

(3) A registration fee in an amount determined under RCW 43.24.086;

(4) The names, business addresses, and business phone numbers of all employees, independent contractors, or outside agents who sell travel and are covered by the seller of travel's registration. This subsection shall not apply to the out-of-state employees of a corporation that issues a class of equity securities registered under section 12 of the securities exchange act of 1934, and any subsidiary, the majority of voting stock of which is owned by the corporation;

(5) A report prepared and signed by a bank officer, licensed public accountant, or certified public accountant or other report, approved by the director, that verifies that the seller of travel maintains a trust account at a federally insured financial institution located in Washington state, or other approved account, the location and number of that trust account or other approved account, and verifying that the

account exists as required by RCW 19.138.140. The director, by rule, may permit alternatives to the report that provides for at least the same level of verification. [1996 c 180 § 5; 1994 c 237 § 4.]

**Effective date—1996 c 180:** See note following RCW 19.138.021.

**19.138.120 Registration—Renewal—Refusal—Notice—Hearing.** (1) Each seller of travel shall renew its registration on or before July 1 of every other year or as otherwise determined by the director.

(2) Renewal of a registration is subject to the same provisions covering issuance, suspension, and revocation of a registration originally issued.

(3) The director may refuse to renew a registration for any of the grounds set out under RCW 19.138.130, and where the past conduct of the applicant affords reasonable grounds for belief that the applicant will not carry out the applicant's duties in accordance with law and with integrity and honesty. The director shall promptly notify the applicant in writing by certified mail of its intent to refuse to renew the registration. The registrant may, within twenty-one days after receipt of that notice or intent, request a hearing on the refusal. The director may permit the registrant to honor commitments already made to its customers, but no new commitments may be incurred, unless the director is satisfied that all new commitments are completely bonded or secured to insure that the general public is protected from loss of money paid to the registrant. It is the responsibility of the registrant to contest the decision regarding conditions imposed or registration denied through the process established by the administrative procedure act, chapter 34.05 RCW. [1994 c 237 § 5.]

**19.138.130 Registration—Denial, suspension, revocation, reinstatement.** (1) The director may deny, suspend, or revoke the registration of a seller of travel if the director finds that the applicant:

(a) Was previously the holder of a registration issued under this chapter, and the registration was revoked for cause and never reissued by the director, or the registration was suspended for cause and the terms of the suspension have not been fulfilled;

(b) Has been found guilty of a felony within the past five years involving moral turpitude, or of a misdemeanor concerning fraud or conversion, or suffers a judgment in a civil action involving willful fraud, misrepresentation, or conversion;

(c) Has made a false statement of a material fact in an application under this chapter or in data attached to it;

(d) Has violated this chapter or failed to comply with a rule adopted by the director under this chapter;

(e) Has failed to display the registration as provided in this chapter;

(f) Has published or circulated a statement with the intent to deceive, misrepresent, or mislead the public; or

(g) Has committed a fraud or fraudulent practice in the operation and conduct of a travel agency business, including, but not limited to, intentionally misleading advertising.

(2) If the seller of travel is found in violation of this chapter or in violation of the consumer protection act, chapter 19.86 RCW, by the entry of a judgment or by

settlement of a claim, the director may revoke the registration of the seller of travel, and the director may reinstate the registration at the director's discretion.

(3) The director 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 director's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order. [1997 c 58 § 852; 1996 c 180 § 6; 1994 c 237 § 6.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**Effective date—1996 c 180:** See note following RCW 19.138.021.

**19.138.140 Trust account—Filing—Notice of change—Other funds or accounts—Rules—Exceptions.**

(1) A seller of travel shall deposit in a trust account maintained in a federally insured financial institution located in Washington state, or other account approved by the director, all sums held for more than five business days that are received from a person or entity, for retail travel services offered by the seller of travel. This subsection does not apply to travel services sold by a seller of travel, when payments for the travel services are made through the airline reporting corporation either by cash or credit or debit card sale.

(2) The trust account or other approved account required by this section shall be established and maintained for the benefit of any person or entity paying money to the seller of travel. The seller of travel shall not in any manner encumber the amounts in trust and shall not withdraw money from the account except the following amounts may be withdrawn at any time:

(a) Partial or full payment for travel services to the entity directly providing the travel service;

(b) Refunds as required by this chapter;

(c) The amount of the sales commission;

(d) Interest earned and credited to the trust account or other approved account;

(e) Remaining funds of a purchaser once all travel services have been provided or once tickets or other similar documentation binding upon the ultimate provider of the travel services have been provided; or

(f) Reimbursement to the seller of travel for agency operating funds that are advanced for a customer's travel services.

(3) At the time of registration, the seller of travel shall file with the department the account number and the name of the financial institution at which the trust account or other

approved account is held as set forth in RCW 19.138.110. The seller of travel shall notify the department of any change in the account number or location within one business day of the change.

(4) The director, by rule, may allow for the use of other types of funds or accounts only if the protection for consumers is no less than that provided by this section.

(5) The seller of travel need not comply with the requirements of this section if all of the following apply, except as exempted in subsection (1) of this section:

(a) The payment is made by credit card;

(b) The seller of travel does not deposit, negotiate, or factor the credit card charge or otherwise seek to obtain payment of the credit card charge to any account over which the seller of travel has any control; and

(c) If the charge includes transportation, the carrier that is to provide the transportation processes the credit card charge, or if the charge is only for services, the provider of services processes the credit card charges.

(6) If the seller of travel maintains its principal place of business in another state and maintains a trust account or other approved account in that state consistent with the requirement of this section, and if that seller of travel has transacted business within the state of Washington in an amount exceeding five million dollars for the preceding year, the out-of-state trust account or other approved account may be substituted for the in-state account required under this section. [1996 c 180 § 7; 1994 c 237 § 8.]

**Effective date—1996 c 180:** See note following RCW 19.138.021.

**19.138.150 Standard of duties, care.** A seller of travel shall perform its duties reasonably and with ordinary care in providing travel services. [1994 c 237 § 9.]

**19.138.160 Nonresident seller of travel—Director as attorney if none appointed—Service of process—Notice.**

(1) A nonresident seller of travel soliciting business or selling travel in the state of Washington, by mail, telephone, or otherwise, either directly or indirectly, is deemed, absent any other appointment, to have appointed the director to be the seller of travel's true and lawful attorney upon whom may be served any legal process against that nonresident arising or growing out of a transaction involving travel services. That solicitation signifies the nonresident's agreement that process against the nonresident that is served as provided in this chapter is of the same legal force and validity as if served personally on the nonresident seller of travel.

(2) Service of process upon a nonresident seller of travel shall be made by leaving a copy of the process with the director. The fee for the service of process shall be determined by the director by rule. That service is sufficient service upon the nonresident if the plaintiff or plaintiff's attorney of record sends notice of the service and a copy of the process by certified mail before service or immediately after service to the defendant at the address given by the nonresident in a solicitation furnished by the nonresident, and the sender's post office receipt of sending and the plaintiff's or plaintiff's attorney's affidavit of compliance with this section are returned with the process in accordance with Washington superior court civil rules. Notwithstanding

the foregoing requirements, however, once service has been made on the director as provided in this section, in the event of failure to comply with the requirement of notice to the nonresident, the court may order that notice be given that will be sufficient to apprise the nonresident. [1994 c 237 § 14.]

**19.138.170 Director—Powers and duties.** The director has the following powers and duties:

(1) To adopt, amend, and repeal rules to carry out the purposes of this chapter;

(2) To issue and renew registrations under this chapter and to deny or refuse to renew for failure to comply with this chapter;

(3) To suspend or revoke a registration for a violation of this chapter;

(4) To establish fees;

(5) Upon receipt of a complaint, to inspect and audit the books and records of a seller of travel. The seller of travel shall immediately make available to the director those books and records as may be requested at the seller of travel's place of business or at a location designated by the director. For that purpose, the director shall have full and free access to the office and places of business of the seller of travel during regular business hours; and

(6) To do all things necessary to carry out the functions, powers, and duties set forth in this chapter. [1994 c 237 § 13.]

**19.138.1701 Reimbursement of appropriated funds—Fees.** Any state funds appropriated to the department of licensing for implementation of chapter 237, Laws of 1994 for the biennium ending June 30, 1995, shall be reimbursed by June 30, 1997, by an assessment of fees sufficient to cover all costs of implementing chapter 237, Laws of 1994. [1994 c 237 § 30.]

**19.138.180 Director—Investigations—Publication of violation.** The director, in the director's discretion, may:

(1) Annually, or more frequently, make public or private investigations within or without this state as the director deems necessary to determine whether a registration should be granted, denied, revoked, or suspended, or whether a person has violated or is about to violate this chapter or a rule adopted or order issued under this chapter, or to aid in the enforcement of this chapter or in the prescribing of rules and forms of this chapter;

(2) Publish information concerning a violation of this chapter or a rule adopted or order issued under this chapter; and

(3) Investigate complaints concerning practices by sellers of travel for which registration is required by this chapter. [1994 c 237 § 15.]

**19.138.190 Investigations—Powers of director, officer.** For the purpose of an investigation or proceeding under this chapter, the director or any officer designated by the director may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records

which the director deems relevant or material to the inquiry. [1994 c 237 § 16.]

**19.138.200 Director or individuals acting on director's behalf—Immunity.** The director or individuals acting on the director's behalf 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. [1994 c 237 § 20.]

**19.138.210 Violations—Cease and desist order—Notice—Hearing.** If it appears to the director that a person has engaged in an act or practice constituting a violation of this chapter or a rule adopted or order issued under this chapter, the director may, in the director's discretion, issue an order directing the person to cease and desist from continuing the act or practice. Reasonable notice of an opportunity for a hearing shall be given. The director may issue a temporary order pending the hearing, which shall remain in effect until ten days after the hearing is held and which shall become final if the person to whom the notice is addressed does not request a hearing within fifteen days after the receipt of the notice. [1994 c 237 § 17.]

**19.138.220 Enjoining unregistered person—Additional to criminal liability.** The attorney general, a county prosecuting attorney, the director, or any person may, in accordance with the law of this state governing injunctions, maintain an action in the name of this state to enjoin a person or entity selling travel services for which registration is required by this chapter without registration from engaging in the practice until the required registration is secured. However, the injunction shall not relieve the person or entity selling travel services without registration from criminal prosecution therefor, but the remedy by injunction shall be in addition to any criminal liability. [1994 c 237 § 18.]

**19.138.230 Violation of injunction—Penalties—Jurisdiction.** A person or business that violates an injunction issued under this chapter shall pay a civil penalty, as determined by the court, of not more than twenty-five thousand dollars, that shall be paid to the department. For the purpose of this section, the superior court issuing an injunction shall retain jurisdiction and the cause shall be continued, and in such cases the attorney general acting in the name of the state may petition for the recovery of civil penalties. [1994 c 237 § 19.]

**19.138.240 Violations—Civil penalties—Hearing—Failure to pay.** (1) The director may assess against a person or organization that violates this chapter, or a rule adopted under this chapter, a civil penalty of not more than one thousand dollars for each violation.

(2) The person or organization shall be afforded the opportunity for a hearing, upon request made to the director within thirty days after the date of issuance of the notice of assessment. The hearing shall be conducted in accordance with chapter 34.05 RCW.

(3) A civil penalty shall be imposed by the court for each violation of this chapter in an amount not less than five hundred dollars nor more than two thousand dollars per violation.

(4) If a person fails to pay an assessment after it has become a final and unappealable order, or after the court has entered final judgment in favor of the state, the director may recover the amount assessed by action in the appropriate superior court. In the action, the validity and appropriateness of the final order imposing the penalty shall not be subject to review. [1994 c 237 § 21.]

**19.138.250 Violation—Restitution assessed by director.** The director may assess against a person or organization that violates this chapter, or a rule adopted under this chapter, the full amount of restitution as may be necessary to restore to a person an interest in money or property, real or personal, that may have been acquired by means of an act prohibited by or in violation of this chapter. [1994 c 237 § 22.]

**19.138.260 Registration prerequisite to suit.** In order to maintain or defend a lawsuit, a seller of travel must be registered with the department as required by this chapter and rules adopted under this chapter. [1994 c 237 § 23.]

**19.138.270 Violations—Giving false information—Criminal penalties.** (1) Each person who knowingly violates this chapter or who knowingly gives false or incorrect information to the director, attorney general, or county prosecuting attorney in filing statements required by this chapter, whether or not the statement or report is verified, is guilty of a gross misdemeanor punishable under chapter 9A.20 RCW.

(2) A person who violates this chapter or who gives false or incorrect information to the director, attorney general, or county prosecuting attorney in filing statements required by this chapter, whether or not the statement or report is verified, is guilty of a misdemeanor punishable under chapter 9A.20 RCW. [1994 c 237 § 24.]

**19.138.280 Action for damages—Costs, attorneys' fees—No limitation of consumer protection act.** In addition to any other penalties or remedies under chapter 19.86 RCW, a person who is injured by a violation of this chapter may bring an action for recovery of actual damages, including court costs and attorneys' fees. No provision in this chapter shall be construed to limit any right or remedy provided under chapter 19.86 RCW. [1994 c 237 § 28.]

**19.138.290 Violations—Application of consumer protection act.** The legislature finds that the practices governed by this chapter are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. Any violation of this chapter is not reasonable in relation to the development and preservation of business and is an unfair and deceptive act or practice and unfair method of competition in the conduct of trade or commerce in violation of RCW 19.86.020. Remedies provided by chapter 19.86 RCW are cumulative and not exclusive. [1994 c 237 § 27.]

**19.138.300 Administrative procedure act governs.**

The administrative procedure act, chapter 34.05 RCW, shall, wherever applicable, govern the rights, remedies, and procedures respecting the administration of this chapter. [1994 c 237 § 25.]

**19.138.310 Filing public records—Making information public for public interest.** All information, documents, and reports filed with the director under this chapter are matters of public record and shall be open to public inspection, subject to reasonable regulation. The director may make public, on a periodic or other basis, the information as may be necessary or appropriate in the public interest concerning the registration, reports, and information filed with the director or any other matters to the administration and enforcement of this chapter. [1994 c 237 § 26.]

**19.138.900 Severability—1986 c 283.** 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. [1986 c 283 § 11.]

**19.138.901 Effective date—1986 c 283.** This act shall take effect January 1, 1987. [1986 c 283 § 12.]

**19.138.902 Severability—1994 c 237.** 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. [1994 c 237 § 32.]

**19.138.903 Effective date—1994 c 237.** Sections 1 through 29 of this act shall take effect January 1, 1996. [1994 c 237 § 33.]

**19.138.904 Implementation—1994 c 237.** The director of licensing, beginning July 1, 1995, may take such steps as are necessary to ensure that this act is implemented on its \*effective date[s]. [1994 c 237 § 35.]

**\*Reviser's note:** 1994 c 237 has different effective dates. The effective date for sections 1 through 29 is January 1, 1996, and the effective date for the remainder of the act is June 9, 1994.

**Chapter 19.142****HEALTH STUDIO SERVICES**

## Sections

- 19.142.005 Findings and declaration.
- 19.142.010 Definitions.
- 19.142.020 Membership plans—Special offers—Misrepresentations prohibited.
- 19.142.030 Written contract required.
- 19.142.040 Contents of contract.
- 19.142.050 Notice of cancellation—Refund.
- 19.142.060 Trust account—Written receipt—Record of deposits—Buyers' claims.
- 19.142.070 Surety bond in lieu of trust account.
- 19.142.080 Failure to comply with bond or trust account requirements—Class C felony.
- 19.142.090 Waivers of this chapter—Contracts not in compliance with this chapter—Void and unenforceable.
- 19.142.100 Violations—Application of consumer protection act.

- 19.142.110 Attorneys' fees.
- 19.142.900 Chapter cumulative and nonexclusive.
- 19.142.901 Prospective application of chapter.

**19.142.005 Findings and declaration.** The legislature finds that there exist in connection with a substantial number of contracts for health studio services certain practices and business methods which have worked undue financial hardship upon some of the citizens of the state and that existing legal remedies are inadequate to correct existing problems in the industry. The legislature declares that it is a matter of public interest that the citizens of our state be assured reasonable protection when contracting for health studio services. [1987 c 317 § 1.]

**19.142.010 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter:

(1) "Business day" means any day except a Sunday or a legal holiday.

(2) "Buyer" or "member" means a person who purchases health studio services.

(3) "Health studio" includes any person or entity engaged in the sale of instruction, training, assistance or use of facilities which purport to assist patrons to improve their physical condition or appearance through physical exercise, body building, weight loss, figure development, the martial arts, or any other similar activity. For the purposes of this chapter, "health studio" does not include: (a) Public common schools, private schools approved under RCW 28A.195.010, and public or private institutions of higher education; (b) persons providing professional services within the scope of a person's license under Title 18 RCW; (c) bona fide nonprofit organizations which have been granted tax-exempt status by the Internal Revenue Service, the functions of which as health studios are only incidental to their overall functions and purposes; (d) a person or entity which offers physical exercise, body building, figure development or similar activities as incidental features of a plan of instruction or assistance relating to diet or control of eating habits; (e) bona fide nonprofit corporations organized under chapter 24.03 RCW which have members and whose members have meaningful voting rights to elect and remove a board of directors which is responsible for the operation of the health club and corporation; and (f) a preexisting facility primarily offering aerobic classes, where the initiation fee is less than fifty dollars and no memberships are sold which exceed one year in duration. For purposes of this subsection, "preexisting facility" means an existing building used for health studio services covered by the fees collected.

(4) "Health studio services" means instruction, services, privileges, or rights offered for sale by a health studio. "Health studio services" do not include: (a) Instruction or assistance relating to diet or control of eating habits not involving substantial on-site physical exercise, body building, figure development, or any other similar activity; or (b) recreational or social programs which either involve no physical exercise or exercise only incidental to the program.

(5) "Initiation or membership fee" means a fee paid either in a lump sum or in installments within twelve months of execution of the health studio services contract on a one-

time basis when a person first joins a health studio for the privilege of belonging to the health studio.

(6) "Special offer or discount" means any offer of health studio services at a reduced price or without charge to a prospective member.

(7) "Use fees or dues" means fees paid on a regular periodic basis for use of a health studio. This does not preclude prepayment of use fees at the buyer's option. [1990 c 55 § 1; 1990 c 33 § 556; 1987 c 317 § 2.]

**Reviser's note:** This section was amended by 1990 c 33 § 556 and by 1990 c 55 § 1, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Purpose—Statutory references—Severability—1990 c 33:** See RCW 28A.900.100 through 28A.900.102.

**19.142.020 Membership plans—Special offers—Misrepresentations prohibited.** (1) Each health studio shall prepare and provide to each prospective buyer a written comprehensive list of all membership plans of health studio services offered for sale by the health studio. The list shall contain a description and the respective price of each membership plan of health studio services offered.

(2) A health studio is prohibited from selling a membership plan of health studio services not included in the list.

(3) A health studio is prohibited from making a special offer or offering a discount unless such special offer or discount is made in writing and available to all prospective members: PROVIDED, That a special offer or discount offered to groups need not be available to all similarly-situated prospective members.

(4) A health studio is prohibited from making any misrepresentation to any prospective buyer or current member regarding qualifications of staff, availability or quality of facilities or services, or results obtained through exercise, body building, figure development, or weight loss programs, or the present or maximum number of customers who may contract to use the facilities or services. [1987 c 317 § 3.]

**19.142.030 Written contract required.** A contract for the sale of health studio services shall be in writing. A copy of the contract, as well as the rules of the health studio if not stated in the contract, shall be given to the buyer when the buyer signs the contract. [1987 c 317 § 4.]

**19.142.040 Contents of contract.** A contract for health studio services shall include all of the following:

(1) The name and address of the health studio facilities operator;

(2) The date the buyer signed the contract;

(3) A description of the health studio services and general equipment to be provided, or acknowledgement in a conspicuous form that the buyer has received a written description of the health studio services and equipment to be provided. If any of the health studio services or equipment are to be delivered at a planned facility, at a facility under construction, or through substantial improvements to an existing facility, the description shall include a date for completion of the facility, construction, or improvement. Health studio services must begin within twelve months from the date the contract is signed unless the completion of the

facility, construction, or improvement is delayed due to war, or fire, flood, or other natural disaster;

(4) A statement of the duration of the contract. No contract for health studio services may require payments or financing by the buyer over a period in excess of thirty-six months from the date of the contract, nor may any contract term be measured by or be for the life of the buyer;

(5) The use fees or dues to be paid by the buyer and if such fees are subject to periodic adjustment. Use fees or dues may not be raised more than once in any calendar year;

(6) A complete statement of the rules of the health studio or an acknowledgement in a conspicuous form that the buyer has received a copy of the rules;

(7) Clauses which notify the buyer of the right to cancel:

(a) If the buyer dies or becomes totally disabled. The contract may require that the disability be confirmed by an examination of a physician agreeable to the buyer and the health studio;

(b)(i) Subject to (b)(ii) of this subsection, if the buyer moves his or her permanent residence to a location more than twenty-five miles from the health studio or an affiliated health studio offering the same or similar services and facilities at no additional expense to the buyer and the buyer cancels after one year from signing the contract if the contract extends for more than one year. The health studio may require reasonable evidence of relocation;

(ii) If at the time of signing the contract requiring payment of an initiation or membership fee the buyer lived more than twenty-five miles from the health studio, the buyer may cancel under (7)(b)(i) of this section only if the buyer moves an additional five miles or more from the health studio.

(c) If a contract extends for more than one year, the buyer may cancel the contract for any reason upon thirty days' written notice to the health studio;

(d) If the health studio facilities are permanently closed and comparable facilities owned and operated by the seller are not made available within a ten-mile radius of the closed facility;

(e) If a facility, construction, or improvement is not completed by the date represented by the contract;

(f) If the contract for health studio services was sold prior to the opening of the facility, the buyer may cancel within the first five business days the facility opens for use of the buyer and the health studio begins to provide the agreed upon health studio services;

(8) Clauses explaining the buyer's right to a refund and relief from future payment obligations after cancellation of the contract;

(9) A provision under a conspicuous caption in capital letters and boldface type stating substantially the following:

**"BUYER'S RIGHT TO CANCEL**

If you wish to cancel this contract without penalty, you may cancel it by delivering or mailing a written notice to the health studio. The notice must say that you do not wish to be bound by the contract and must be delivered or mailed before midnight of the third business day after you sign this contract. The notice must be mailed to . . . . (insert name and mailing address of health

studio). If you cancel within the three days, the health studio will return to you within thirty days all amounts you have paid."

[1990 c 55 § 2; 1987 c 317 § 5.]

**19.142.050 Notice of cancellation—Refund.** After receipt of a written notice of cancellation, the health studio shall provide a refund to the buyer within thirty days. The health studio may require the buyer to return any membership card or other materials which evidence membership in the health studio. The buyer is entitled to a refund and relief from future obligations for payments of initiation or membership fees and use fees or dues as follows:

(1) The buyer is entitled to a refund of the unused portion of any prepaid use fees or dues and relief from future obligations to pay use fees or dues concerning use after the date of cancellation.

(2)(a) Subject to (b) of this subsection, if a contract includes a one-time only initiation or membership fee and the buyer cancels pursuant to RCW 19.142.040(7)(a), the buyer is entitled to a pro rata refund of the fee less a predetermined amount not to exceed one-half of the initial initiation or membership fee if the contract clearly states what percentage of the fee is nonrefundable or refundable.

(b) If a contract includes a one-time only initiation or membership fee and the buyer cancels pursuant to RCW 19.142.040(7)(a) three years or more after the signing of the contract requiring payment of such fee, such fee is nonrefundable.

(3) If a contract includes an initiation or membership fee and the buyer cancels pursuant to RCW 19.142.040(7) (b) or (c), the buyer is entitled to a pro rata refund of the fee less a predetermined amount not to exceed one-half of the initial initiation or membership fee unless the following clause is contained in the contract and signed separately by the buyer. The clause shall be placed under a conspicuous caption in capital letters and bold face type stating the following:

**NONREFUNDABLE AMOUNT**

**I UNDERSTAND THAT I HAVE PAID OR AM OBLIGATED TO PAY . . . . . AS AN INITIATION OR MEMBERSHIP FEE, AND THAT UNDER NO CIRCUMSTANCES IS ANY PORTION OF THIS AMOUNT REFUNDABLE.**

.....  
(Buyer's Signature)

(4) If a contract includes a one-time only initiation or membership fee and the buyer cancels pursuant to RCW 19.142.040(7)(d), the buyer is entitled to a pro rata refund of the fee.

(5) If a contract includes a one-time only initiation or membership fee and the buyer cancels pursuant to RCW 19.142.040(7) (e) or (f), the buyer is entitled to a full refund of the fee.

If a buyer is entitled to a pro rata refund under this section, the amount shall be computed by dividing the contract price by the number of weeks in the contract term and multiplying the result by the number of weeks remaining in the contract term. If no term is stated in the contract, a

term of thirty-six months shall be used. [1990 c 55 § 3; 1987 c 317 § 6.]

**19.142.060 Trust account—Written receipt—Record of deposits—Buyers' claims.** (1) All moneys paid to a health studio prior to the opening of the facility shall immediately be deposited in a trust account of a federally insured financial institution located in this state. The trust account shall be designated and maintained for the benefit of health studio members. Moneys maintained in the trust account shall be exempt from execution, attachment, or garnishment. A health studio shall not in any way encumber the corpus of the trust account or commingle any other operating funds with trust account funds. Withdrawals from the trust account shall be made no sooner than thirty days after the opening of the entire facility.

(2) The health studio shall within seven days of the first deposit notify the office of the attorney general in writing, of the name, address, and location of the depository and any subsequent change thereof.

(3) The health studio shall provide the buyer with a written receipt for the money and shall provide written notice of the name, address, and location of the depository and any subsequent change thereof.

(4) The health studio shall maintain a record of each trust account deposit, including the name and address of each member whose funds are being deposited, the amount paid and the date of the deposit. Upon request of the attorney general's office, upon five days' notice, such records shall be produced for inspection.

(5) If prior to the opening of the facility the status of the health studio is transferred to another, any sums in the trust account affected by the transfer shall simultaneously be transferred to an equivalent trust account of the successor, and the successor shall promptly notify the buyer and the office of the attorney general of the transfer and of the name, address, and location of the new depository.

(6) The buyer's claim to any money under this section is prior to that of any creditor of the health studio, including a trustee in bankruptcy or receiver.

(7) After the health studio receives a notice of cancellation of the contract, or if the health studio fails to open a facility at the stated date of completion and if the buyer so requests, then the health studio shall provide a refund within thirty days. [1987 c 317 § 7.]

**19.142.070 Surety bond in lieu of trust account.** The requirements of RCW 19.142.060 do not apply to any health studios which, prior to any preopening sales, have provided a bond guaranteeing the completion or opening of any facility for which contracts for health studio services were sold prior to the opening of the facility. The bond shall be drawn upon a surety in the amount of one hundred fifty thousand dollars, running to the state of Washington. An action on the bond may be brought by the office of the attorney general or by any buyer of a contract for health studio services sold prior to the opening of the facility. [1987 c 317 § 8.]

**19.142.080 Failure to comply with bond or trust account requirements—Class C felony.** Failure to furnish

a bond as required by RCW 19.142.070 or to maintain a trust account as required by RCW 19.142.060 shall constitute a class C felony punishable as provided in chapter 9A.20 RCW. [1987 c 317 § 9.]

**19.142.090 Waivers of this chapter—Contracts not in compliance with this chapter—Void and unenforceable.** A health studio shall not request a buyer to waive any provision of this chapter. Any contract for health studio services which does not comply with the provisions of this chapter or in which a buyer waives any provision of this chapter is void and unenforceable as contrary to public policy. [1987 c 317 § 10.]

**19.142.100 Violations—Application of consumer protection act.** A violation of this chapter constitutes an unfair or deceptive act or practice and is a per se violation of the consumer protection act, chapter 19.86 RCW. [1987 c 317 § 11.]

**19.142.110 Attorneys' fees.** Buyers who prevail in any cause of action under this chapter are entitled to reasonable attorneys' fees. [1987 c 317 § 12.]

**19.142.900 Chapter cumulative and nonexclusive.** The provisions of this chapter are cumulative and nonexclusive and do not affect any other remedy available at law. [1987 c 317 § 13.]

**19.142.901 Prospective application of chapter.** The provisions of this chapter shall not apply to any contracts for health studio services entered into before July 26, 1987. [1987 c 317 § 14.]

## Chapter 19.146

### MORTGAGE BROKER PRACTICES ACT

#### Sections

- 19.146.005 Findings and declaration.
- 19.146.010 Definitions.
- 19.146.020 Exemptions from chapter.
- 19.146.0201 Loan originator, mortgage broker—Prohibitions—Requirements.
- 19.146.030 Written disclosure of fees and costs—Rules—Contents—Lock-in agreement terms—Excess fees limited.
- 19.146.040 Written contract required—Written correspondent or loan brokerage agreement required.
- 19.146.050 Moneys for third-party provider services deemed in trust—Deposit of moneys in trust account—Use of trust account—Rules—Tax treatment.
- 19.146.060 Accounting requirements.
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- 19.146.080 Borrowers unable to obtain loans—Mortgage broker to provide copies of certain documents—Conditions—Exceptions.
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- 19.146.200 License—Required—Independent contractor—Suit or action as mortgage broker—Display of license.
- 19.146.205 License—Application—Exchange of fingerprint data with federal bureau of investigation—Fee—Bond or alternative.
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- 19.146.260 Registered agent for brokers without physical office in state—Venue.
- 19.146.265 Branch offices—Fcc—Licenses—Rules.
- 19.146.280 Mortgage brokerage commission—Code of conduct—Complaint review.
- 19.146.900 Short title.
- 19.146.901 Severability—1987 c 391.
- 19.146.902 Severability—1994 c 33.
- 19.146.903 Effective dates—1994 c 33.

**19.146.005 Findings and declaration.** The legislature finds and declares that the brokering of residential real estate loans substantially affects the public interest. The practices of mortgage brokers have had significant impact on the citizens of the state and the banking and real estate industries. It is the intent of the legislature to establish a state system of licensure in addition to rules of practice and conduct of mortgage brokers to promote honesty and fair dealing with citizens and to preserve public confidence in the lending and real estate community. [1994 c 33 § 1; 1993 c 468 § 1; 1987 c 391 § 1.]

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.

**Effective dates—1993 c 468:** See note following RCW 19.146.200.

**19.146.010 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Affiliate" means any person who directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with another person.

(2) "Borrower" means any person who consults with or retains a mortgage broker or loan originator in an effort to obtain or seek advice or information on obtaining or applying to obtain a residential mortgage loan for himself, herself, or persons including himself or herself, regardless of whether the person actually obtains such a loan.

(3) "Computer loan information systems" or "CLI system" means the real estate mortgage financing information system defined by rule of the director.

(4) "Department" means the department of financial institutions.

(5) "Designated broker" means a natural person designated by the applicant for a license or licensee who meets the experience, education, and examination requirements set forth in RCW 19.146.210(1)(e).

(6) "Director" means the director of financial institutions.

(7) "Employee" means an individual who has an employment relationship acknowledged by both the employee and the licensee, and the individual is treated as an employee by the licensee for purposes of compliance with federal income tax laws.

(8) "Independent contractor" or "person who independently contracts" means any person that expressly or impliedly contracts to perform mortgage brokering services for another and that with respect to its manner or means of performing the services is not subject to the other's right of control, and that is not treated as an employee by the other for purposes of compliance with federal income tax laws.

(9) "Investigation" means an examination undertaken for the purpose of detection of violations of this chapter or securing information lawfully required under this chapter.

(10) "Loan originator" means a person employed, either directly or indirectly, or retained as an independent contractor by a person required to be licensed as a mortgage broker, or a natural person who represents a person required to be licensed as a mortgage broker, in the performance of any act specified in subsection (12) of this section.

(11) "Lock-in agreement" means an agreement with a borrower made by a mortgage broker or loan originator, in which the mortgage broker or loan originator agrees that, for a period of time, a specific interest rate or other financing terms will be the rate or terms at which it will make a loan available to that borrower.

(12) "Mortgage broker" means any person who for compensation or gain, or in the expectation of compensation or gain (a) makes a residential mortgage loan or assists a person in obtaining or applying to obtain a residential mortgage loan or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a person in obtaining or applying to obtain a residential mortgage loan.

(13) "Person" means a natural person, corporation, company, limited liability corporation, partnership, or association.

(14) "Residential mortgage loan" means any loan primarily for personal, family, or household use secured by a mortgage or deed of trust on residential real estate upon which is constructed or intended to be constructed a single family dwelling or multiple family dwelling of four or less units.

(15) "Third-party provider" means any person other than a mortgage broker or lender who provides goods or services to the mortgage broker in connection with the preparation of the borrower's loan and includes, but is not limited to, credit reporting agencies, title companies, appraisers, structural and pest inspectors, or escrow companies. [1997 c 106 § 1; 1994 c 33 § 3; 1993 c 468 § 2; 1987 c 391 § 3.]

**Severability—1997 c 106:** "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1997 c 106 § 22.]

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.

**Effective dates—1993 c 468:** See note following RCW 19.146.200.

**19.146.020 Exemptions from chapter.** (1) Except as provided under subsections (2) and (3) of this section, the following are exempt from all provisions of this chapter:

(a) Any person doing business under the laws of the state of Washington or the United States relating to commercial banks, bank holding companies, savings banks, trust companies, savings and loan associations, credit unions, consumer loan companies, insurance companies, or real estate investment trusts as defined in 26 U.S.C. Sec. 856 and the affiliates, subsidiaries, and service corporations thereof;

(b) An attorney licensed to practice law in this state who is not principally engaged in the business of negotiating residential mortgage loans when such attorney renders services in the course of his or her practice as an attorney;

(c) Any person doing any act under order of any court, except for a person subject to an injunction to comply with any provision of this chapter or any order of the director issued under this chapter;

(d) Any person making or acquiring a residential mortgage loan solely with his or her own funds for his or her own investment without intending to resell the residential mortgage loans;

(e) A real estate broker or salesperson licensed by the state who obtains financing for a real estate transaction involving a bona fide sale of real estate in the performance of his or her duties as a real estate broker and who receives only the customary real estate broker's or salesperson's commission in connection with the transaction;

(f) Any mortgage broker approved and subject to auditing by the federal national mortgage association or the federal home loan mortgage corporation;

(g) The United States of America, the state of Washington, any other state, and any Washington city, county, or other political subdivision, and any agency, division, or corporate instrumentality of any of the entities in this subsection (1)(g); and

(h) A real estate broker who provides only information regarding rates, terms, and lenders in connection with a CLI system, who receives a fee for providing such information, who conforms to all rules of the director with respect to the providing of such service, and who discloses on a form approved by the director that to obtain a loan the borrower must deal directly with a mortgage broker or lender. However, a real estate broker shall not be exempt if he or she does any of the following:

(i) Holds himself or herself out as able to obtain a loan from a lender;

(ii) Accepts a loan application, or submits a loan application to a lender;

(iii) Accepts any deposit for third-party services or any loan fees from a borrower, whether such fees are paid before, upon, or after the closing of the loan;

(iv) Negotiates rates or terms with a lender on behalf of a borrower; or

(v) Provides the disclosure required by RCW 19.146.030(1).

(2) Those persons otherwise exempt under subsection (1)(d) or (f) of this section must comply with RCW 19.146.0201 and shall be subject to the director's authority to issue a cease and desist order for any violation of RCW 19.146.0201 and shall be subject to the director's authority to obtain and review books and records that are relevant to any allegation of such a violation.

(3) Any person otherwise exempted from the licensing provisions of this chapter may voluntarily submit an applica-

tion to the director for a mortgage broker's license. The director shall review such application and may grant or deny licenses to such applicants upon the same grounds and with the same fees as may be applicable to persons required to be licensed under this chapter.

(a) Upon receipt of a license under this subsection, such an applicant is required to continue to maintain a valid license, is subject to all provisions of this chapter, and has no further right to claim exemption from the provisions of this chapter except as provided in (b) of this subsection.

(b) Any licensee under this subsection who would otherwise be exempted from the requirements of licensing by RCW 19.146.020 may apply to the director for exemption from licensing. The director shall adopt rules for reviewing such applications and shall grant exemptions from licensing to applications which are consistent with those rules and consistent with the other provisions of this chapter. [1997 c 106 § 2; 1994 c 33 § 5; 1994 c 33 § 4; 1993 c 468 § 3; 1987 c 391 § 4.]

**Severability—1997 c 106:** See note following RCW 19.146.010.

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.

**Effective dates—1993 c 468:** See note following RCW 19.146.200.

**19.146.0201 Loan originator, mortgage broker—Prohibitions—Requirements.** It is a violation of this chapter for a loan originator, mortgage broker required to be licensed under this chapter, or mortgage broker otherwise exempted from this chapter under RCW 19.146.020(1) (d) or (f) in connection with a residential mortgage loan to:

(1) Directly or indirectly employ any scheme, device, or artifice to defraud or mislead borrowers or lenders or to defraud any person;

(2) Engage in any unfair or deceptive practice toward any person;

(3) Obtain property by fraud or misrepresentation;

(4) Solicit or enter into a contract with a borrower that provides in substance that the mortgage broker may earn a fee or commission through the mortgage broker's "best efforts" to obtain a loan even though no loan is actually obtained for the borrower;

(5) Solicit, advertise, or enter into a contract for specific interest rates, points, or other financing terms unless the terms are actually available at the time of soliciting, advertising, or contracting from a person exempt from licensing under RCW 19.146.020(1) (f) or (g) or a lender with whom the mortgage broker maintains a written correspondent or loan brokerage agreement under RCW 19.146.040;

(6) Fail to make disclosures to loan applicants and noninstitutional investors as required by RCW 19.146.030 and any other applicable state or federal law;

(7) Make, in any manner, any false or deceptive statement or representation with regard to the rates, points, or other financing terms or conditions for a residential mortgage loan or engage in bait and switch advertising;

(8) Negligently make any false statement or knowingly and willfully make any omission of material fact in connection with any reports filed by a mortgage broker or in connection with any investigation conducted by the department;

(9) Make any payment, directly or indirectly, to any appraiser of a property, for the purposes of influencing the independent judgment of the appraiser with respect to the value of the property;

(10) Advertise any rate of interest without conspicuously disclosing the annual percentage rate implied by such rate of interest or otherwise fail to comply with any requirement of the truth-in-lending act, 15 U.S.C. Sec. 1601 and Regulation Z, 12 C.F.R. Sec. 226, the real estate settlement procedures act, 12 U.S.C. Sec. 2601 and Regulation X, 24 C.F.R. Sec. 3500, or the equal credit opportunity act, 15 U.S.C. Sec. 1691 and Regulation B, Sec. 202.9, 202.11, and 202.12, as now or hereafter amended, in any advertising of residential mortgage loans or any other mortgage brokerage activity;

(11) Fail to pay third-party providers no later than thirty days after the recording of the loan closing documents or ninety days after completion of the third-party service, whichever comes first, unless otherwise agreed or unless the third-party service provider has been notified in writing that a bona fide dispute exists regarding the performance or quality of the third-party service;

(12) Collect, charge, attempt to collect or charge or use or propose any agreement purporting to collect or charge any fee prohibited by RCW 19.146.030 or 19.146.070;

(13)(a) Except when complying with (b) and (c) of this subsection, to act as a mortgage broker in any transaction (i) in which the mortgage broker acts or has acted as a real estate broker or salesperson or (ii) in which another person doing business under the same licensed real estate broker acts or has acted as a real estate broker or salesperson;

(b) Prior to providing mortgage broker services to the borrower, the mortgage broker, in addition to other disclosures required by this chapter and other laws, shall provide to the borrower the following written disclosure:

THIS IS TO GIVE YOU NOTICE THAT I OR ONE OF MY ASSOCIATES HAVE/HAS ACTED AS A REAL ESTATE BROKER OR SALESPERSON REPRESENTING THE BUYER/SELLER IN THE SALE OF THIS PROPERTY TO YOU. I AM ALSO A LICENSED MORTGAGE BROKER, AND WOULD LIKE TO PROVIDE MORTGAGE BROKERAGE SERVICES TO YOU IN CONNECTION WITH YOUR LOAN TO PURCHASE THE PROPERTY.

YOU ARE NOT REQUIRED TO USE ME AS A MORTGAGE BROKER IN CONNECTION WITH THIS TRANSACTION. YOU ARE FREE TO COMPARISON SHOP WITH OTHER MORTGAGE BROKERS AND LENDERS, AND TO SELECT ANY MORTGAGE BROKER OR LENDER OF YOUR CHOOSING; and

(c) A real estate broker or salesperson licensed under chapter 18.85 RCW who also acts as a mortgage broker shall carry on such mortgage brokerage business activities and shall maintain such person's mortgage brokerage business records separate and apart from the real estate brokerage activities conducted pursuant to chapter 18.85 RCW. Such activities shall be deemed separate and apart even if they are conducted at an office location with a common entrance and mailing address, so long as each business is clearly identified by a sign visible to the public, each business is physically

separated within the office facility, and no deception of the public as to the separate identities of the brokerage business firms results. This subsection (13)(c) shall not require a real estate broker or salesperson licensed under chapter 18.85 RCW who also acts as a mortgage broker to maintain a physical separation within the office facility for the conduct of its real estate and mortgage brokerage activities where the director determines that maintaining such physical separation would constitute an undue financial hardship upon the mortgage broker and is unnecessary for the protection of the public; or

(14) Fail to comply with any provision of RCW 19.146.030 through 19.146.080 or any rule adopted under those sections. [1997 c 106 § 3; 1994 c 33 § 6; 1993 c 468 § 4.]

**Severability—1997 c 106:** See note following RCW 19.146.010.

**Adoption of rules—1993 c 468:** "The director shall take steps and adopt rules necessary to implement the sections of this act by their effective dates." [1993 c 468 § 22.]

**Severability—1993 c 468:** "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." [1993 c 468 § 23.]

**Effective dates—1993 c 468:** See note following RCW 19.146.200.

#### **19.146.030 Written disclosure of fees and costs—**

**Rules—Contents—Lock-in agreement terms—Excess fees limited.** (1) Within three business days following receipt of a loan application or any moneys from a borrower, a mortgage broker shall provide to each borrower a full written disclosure containing an itemization and explanation of all fees and costs that the borrower is required to pay in connection with obtaining a residential mortgage loan, and specifying the fee or fees which inure to the benefit of the mortgage broker and other such disclosures as may be required by rule. A good faith estimate of a fee or cost shall be provided if the exact amount of the fee or cost is not determinable. This subsection shall not be construed to require disclosure of the distribution or breakdown of loan fees, discount, or points between the mortgage broker and any lender or investor.

(2) The written disclosure shall contain the following information:

(a) The annual percentage rate, finance charge, amount financed, total amount of all payments, number of payments, amount of each payment, amount of points or prepaid interest and the conditions and terms under which any loan terms may change between the time of disclosure and closing of the loan; and if a variable rate, the circumstances under which the rate may increase, any limitation on the increase, the effect of an increase, and an example of the payment terms resulting from an increase. Disclosure in compliance with the requirements of the truth-in-lending act, 15 U.S.C. Sec. 1601 and Regulation Z, 12 C.F.R. Sec. 226, as now or hereafter amended, shall be deemed to comply with the disclosure requirements of this subsection;

(b) The itemized costs of any credit report, appraisal, title report, title insurance policy, mortgage insurance, escrow fee, property tax, insurance, structural or pest inspection, and any other third-party provider's costs associated with the residential mortgage loan. Disclosure through good faith estimates of settlement services and

special information booklets in compliance with the requirements of the real estate settlement procedures act, 12 U.S.C. Sec. 2601, and Regulation X, 24 C.F.R. Sec. 3500, as now or hereafter amended, shall be deemed to comply with the disclosure requirements of this subsection;

(c) If applicable, the cost, terms, duration, and conditions of a lock-in agreement and whether a lock-in agreement has been entered, and whether the lock-in agreement is guaranteed by the mortgage broker or lender, and if a lock-in agreement has not been entered, disclosure in a form acceptable to the director that the disclosed interest rate and terms are subject to change;

(d) A statement that if the borrower is unable to obtain a loan for any reason, the mortgage broker must, within five days of a written request by the borrower, give copies of any appraisal, title report, or credit report paid for by the borrower to the borrower, and transmit the appraisal, title report, or credit report to any other mortgage broker or lender to whom the borrower directs the documents to be sent;

(e) Whether and under what conditions any lock-in fees are refundable to the borrower; and

(f) A statement providing that moneys paid by the borrower to the mortgage broker for third-party provider services are held in a trust account and any moneys remaining after payment to third-party providers will be refunded.

(3) If subsequent to the written disclosure being provided under this section, a mortgage broker enters into a lock-in agreement with a borrower or represents to the borrower that the borrower has entered into a lock-in agreement, then no less than three business days thereafter including Saturdays, the mortgage broker shall deliver or send by first-class mail to the borrower a written confirmation of the terms of the lock-in agreement, which shall include a copy of the disclosure made under subsection (2)(c) of this section.

(4) A mortgage broker shall not charge any fee that inures to the benefit of the mortgage broker if it exceeds the fee disclosed on the written disclosure pursuant to this section, unless (a) the need to charge the fee was not reasonably foreseeable at the time the written disclosure was provided and (b) the mortgage broker has provided to the borrower, no less than three business days prior to the signing of the loan closing documents, a clear written explanation of the fee and the reason for charging a fee exceeding that which was previously disclosed. However, if the borrower's closing costs, excluding prepaid escrowed costs of ownership as defined by rule, does not exceed the total closing costs in the most recent good faith estimate, no other disclosures shall be required by this subsection. [1997 c 106 § 4; 1994 c 33 § 18; 1993 c 468 § 12; 1987 c 391 § 5.]

**Severability—1997 c 106:** See note following RCW 19.146.010.

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.

**Effective dates—1993 c 468:** See note following RCW 19.146.200.

#### **19.146.040 Written contract required—Written correspondent or loan brokerage agreement required.**

(1) Every contract between a mortgage broker and a borrower shall be in writing and shall contain the entire agreement of the parties.

(2) A mortgage broker shall have a written correspondent or loan brokerage agreement with a lender before any solicitation of, or contracting with, the public. [1994 c 33 § 19; 1987 c 391 § 6.]

**19.146.050 Moneys for third-party provider services deemed in trust—Deposit of moneys in trust account—Use of trust account—Rules—Tax treatment.** All moneys received by a mortgage broker from a borrower for payment of third-party provider services shall be deemed as held in trust immediately upon receipt by the mortgage broker. A mortgage broker shall deposit, prior to the end of the third business day following receipt of such trust funds, all such trust funds in a trust account of a federally insured financial institution located in this state. All trust account funds collected under this chapter must remain on deposit in a trust account in the state of Washington until disbursement. The trust account shall be designated and maintained for the benefit of borrowers. Moneys maintained in the trust account shall be exempt from execution, attachment, or garnishment. A mortgage broker shall not in any way encumber the corpus of the trust account or commingle any other operating funds with trust account funds. Withdrawals from the trust account shall be only for the payment of bona fide services rendered by a third-party provider or for refunds to borrowers. The director shall make rules which: (1) Direct mortgage brokers how to handle checks and other instruments that are received by the broker and that combine trust funds with other funds; and (2) permit transfer of trust funds out of the trust account for payment of other costs only when necessary and only with the prior express written permission of the borrower. Any interest earned on the trust account shall be refunded or credited to the borrowers at closing. Trust accounts that are operated in a manner consistent with this section and any rules adopted by the director, are not considered gross receipts taxable under chapter 82.04 RCW. [1998 c 311 § 1; 1997 c 106 § 5; 1987 c 391 § 7.]

**Intent—Retroactive application—1998 c 311:** "The intent of sections 1 and 3 of this act is to clarify the original intent of sections 5 and 21, chapter 106, Laws of 1997 and shall not be construed otherwise. Therefore, sections 1 and 3 of this act apply retroactively to July 27, 1997." [1998 c 311 § 30.]

**Severability—1997 c 106:** See note following RCW 19.146.010.

**19.146.060 Accounting requirements.** (1) A mortgage broker shall use generally accepted accounting principles.

(2) Except as otherwise provided in subsection (3) of this section, a mortgage broker shall maintain accurate and current books and records which shall be readily available at the mortgage broker's usual business location until at least twenty-five months have elapsed following the effective period to which the books and records relate.

(3) Where a mortgage broker's usual business location is outside of the state of Washington, the mortgage broker shall, as determined by the director by rule, either maintain its books and records at a location in this state, or reimburse the director for his or her expenses, including but not limited to transportation, food, and lodging expenses, relating to any examination or investigation resulting under this chapter.

(4) "Books and records" includes but is not limited to:

(a) Copies of all advertisements placed by or at the request of the mortgage broker which mention rates or fees. In the case of radio or television advertisements, or advertisements placed on a telephonic information line or other electronic source of information including but not limited to a computer data base or electronic bulletin board, a mortgage broker shall keep copies of the precise script for the advertisement. All advertisement records shall include for each advertisement the date or dates of publication and name of each periodical, broadcast station, or telephone information line which published the advertisement or, in the case of a flyer or other material distributed by the mortgage broker, the dates, methods, and areas of distribution; and

(b) Copies of all documents, notes, computer records if not stored in printed form, correspondence or memoranda relating to a borrower from whom the mortgage broker has accepted a deposit or other funds, or accepted a residential mortgage loan application or with whom the mortgage broker has entered into an agreement to assist in obtaining a residential mortgage loan. [1997 c 106 § 6; 1994 c 33 § 20; 1987 c 391 § 8.]

**Severability—1997 c 106:** See note following RCW 19.146.010.

**19.146.070 Fee, commission, or compensation—When permitted.** (1) Except as otherwise permitted by this section, a mortgage broker shall not receive a fee, commission, or compensation of any kind in connection with the preparation, negotiation, and brokering of a residential mortgage loan unless a borrower actually obtains a loan from a lender on the terms and conditions agreed upon by the borrower and mortgage broker.

(2) A mortgage broker may:

(a) If the mortgage broker has obtained for the borrower a written commitment from a lender for a loan on the terms and conditions agreed upon by the borrower and the mortgage broker, and the borrower fails to close on the loan through no fault of the mortgage broker, charge a fee not to exceed three hundred dollars for services rendered, preparation of documents, or transfer of documents in the borrower's file which were prepared or paid for by the borrower if the fee is not otherwise prohibited by the Truth-in-Lending Act, 15 U.S.C. Sec. 1601, and Regulation Z, 12 C.F.R. Sec. 226, as now or hereafter amended; or

(b) Solicit or receive fees for third party provider goods or services in advance. Fees for any goods or services not provided must be refunded to the borrower and the mortgage broker may not charge more for the goods and services than the actual costs of the goods or services charged by the third party provider. [1993 c 468 § 13; 1987 c 391 § 9.]

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.

**Effective dates—1993 c 468:** See note following RCW 19.146.200

**19.146.080 Borrowers unable to obtain loans—Mortgage broker to provide copies of certain documents—Conditions—Exceptions.** Except as otherwise required by the United States Code or the Code of Federal Regulations, now or as amended, if a borrower is unable to obtain a loan for any reason and the borrower has paid for an appraisal, title report, or credit report in full, the mortgage broker shall give a copy of the appraisal, title report, or

credit report to the borrower and transmit the originals to any other mortgage broker or lender to whom the borrower directs that the documents be transmitted. Regardless of whether the borrower has obtained a loan, the mortgage broker must provide the copies or transmit the documents within five days after the borrower has made the request in writing. [1997 c 106 § 7; 1987 c 391 § 10.]

**Severability—1997 c 106:** See note following RCW 19.146.010.

**19.146.100 Violations of chapter—Application of consumer protection act.** The legislature finds that the practices governed by this chapter are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. Any violation of this chapter is not reasonable in relation to the development and preservation of business and is an unfair or deceptive act or practice and unfair method of competition in the conduct of trade or commerce in violation of RCW 19.86.020. Remedies provided by chapter 19.86 RCW are cumulative and not exclusive. [1994 c 33 § 25; 1987 c 391 § 12.]

**19.146.110 Criminal penalties.** Any person who violates any provision of this chapter other than RCW 19.146.050 or any rule or order of the director shall be guilty of a misdemeanor punishable under chapter 9A.20 RCW. Any person who violates RCW 19.146.050 shall be guilty of a class C felony under chapter 9A.20 RCW. [1993 c 468 § 20; 1987 c 391 § 13.]

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.

**Effective dates—1993 c 468:** See note following RCW 19.146.200.

**19.146.200 License—Required—Independent contractor—Suit or action as mortgage broker—Display of license.** (1) A person may not engage in the business of a mortgage broker, except as an employee of a person licensed or exempt from licensing, without first obtaining and maintaining a license under this chapter. However, a person who independently contracts with a licensed mortgage broker need not be licensed if the licensed mortgage broker and the independent contractor have on file with the director a binding written agreement under which the licensed mortgage broker assumes responsibility for the independent contractor's violations of any provision of this chapter or rules adopted under this chapter; and if the licensed mortgage broker's bond or other security required under this chapter runs to the benefit of the state and any person who suffers loss by reason of the independent contractor's violation of any provision of this chapter or rules adopted under this chapter.

(2) A person may not bring a suit or action for the collection of compensation as a mortgage broker unless the plaintiff alleges and proves that he or she was a duly licensed mortgage broker, or exempt from the license requirement of this chapter, at the time of offering to perform or performing any such an act or service regulated by this chapter. This subsection does not apply to suits or actions for the collection or compensation for services performed prior to October 31, 1993.

(3) The license must be prominently displayed in the mortgage broker's place of business. [1997 c 106 § 8; 1994 c 33 § 7; 1993 c 468 § 5.]

**Severability—1997 c 106:** See note following RCW 19.146.010.

**Effective dates—1993 c 468:** "(1) Sections 2 through 4, 9, 13, and 21 through 23 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [May 17, 1993].

(2) Sections 6 through 8, 10, 18, and 19 of this act shall take effect September 1, 1993.

(3) Sections 1, 5, 11, 12, 14 through 17, and 20 of this act shall take effect October 31, 1993. However, the effective date of section 5 of this act may be delayed thirty days upon an order of the director of licensing under section 7(3) of this act." [1993 c 468 § 26.] The director of licensing did not delay the effective date.

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.

**19.146.205 License—Application—Exchange of fingerprint data with federal bureau of investigation—Fee—Bond or alternative.** (1) Application for a mortgage broker license under this chapter shall be in writing and in the form prescribed by the director. The application shall contain at least the following information:

(a) The name, address, date of birth, and social security number of the applicant, and any other names, dates of birth, or social security numbers previously used by the applicant, unless waived by the director;

(b) If the applicant is a partnership or association, the name, address, date of birth, and social security number of each general partner or principal of the association, and any other names, dates of birth, or social security numbers previously used by the members, unless waived by the director;

(c) If the applicant is a corporation, the name, address, date of birth, and social security number of each officer, director, registered agent, and each principal stockholder, and any other names, dates of birth, or social security numbers previously used by the officers, directors, registered agents, and principal stockholders unless waived by the director;

(d) The street address, county, and municipality where the principal business office is to be located;

(e) The name, address, date of birth, and social security number of the applicant's designated broker, and any other names, dates of birth, or social security numbers previously used by the designated broker and a complete set of the designated broker's fingerprints taken by an authorized law enforcement officer; and

(f) Such other information regarding the applicant's or designated broker's background, financial responsibility, experience, character, and general fitness as the director may require by rule.

(2) The director may exchange fingerprint data with the federal bureau of investigation.

(3) At the time of filing an application for a license under this chapter, each applicant shall pay to the director the appropriate application fee in an amount determined by rule of the director in accordance with RCW 43.24.086 to cover, but not exceed, the cost of processing and reviewing the application. The director shall deposit the moneys in the banking examination fund, unless the consumer services account is created as a dedicated, nonappropriated account,

in which case the director shall deposit the moneys in the consumer services account.

(4)(a) Each applicant for a mortgage broker's license shall file and maintain a surety bond, in an amount of not greater than sixty thousand dollars nor less than twenty thousand dollars which the director deems adequate to protect the public interest, executed by the applicant as obligor and by a surety company authorized to do a surety business in this state as surety. The bonding requirement as established by the director may take the form of a uniform bond amount for all licensees or the director may establish by rule a schedule establishing a range of bond amounts which shall vary according to the annual average number of loan originators or independent contractors of a licensee. The bond shall run to the state of Washington as obligee, and shall run first to the benefit of the borrower and then to the benefit of the state and any person or persons who suffer loss by reason of the applicant's or its loan originator's violation of any provision of this chapter or rules adopted under this chapter. The bond shall be conditioned that the obligor as licensee will faithfully conform to and abide by this chapter and all rules adopted under this chapter, and shall reimburse all persons who suffer loss by reason of a violation of this chapter or rules adopted under this chapter. Borrowers shall be given priority over the state and other persons. The state and other third parties shall be allowed to receive distribution pursuant to a valid claim against the remainder of the bond. In the case of claims made by any person or entity who is not a borrower, no final judgment may be entered prior to one hundred eighty days following the date the claim is filed. The bond shall be continuous and may be canceled by the surety upon the surety giving written notice to the director of its intent to cancel the bond. The cancellation shall be effective thirty days after the notice is received by the director. Whether or not the bond is renewed, continued, reinstated, reissued, or otherwise extended, replaced, or modified, including increases or decreases in the penal sum, it shall be considered one continuous obligation, and the surety upon the bond shall not be liable in an aggregate or cumulative amount exceeding the penal sum set forth on the face of the bond. In no event shall the penal sum, or any portion thereof, at two or more points in time be added together in determining the surety's liability. The bond shall not be liable for any penalties imposed on the licensee, including, but not limited to, any increased damages or attorneys' fees, or both, awarded under RCW 19.86.090. The applicant may obtain the bond directly from the surety or through a group bonding arrangement involving a professional organization comprised of mortgage brokers if the arrangement provides at least as much coverage as is required under this subsection.

(b) In lieu of a surety bond, the applicant may, upon approval by the director, file with the director a certificate of deposit, an irrevocable letter of credit, or such other instrument as approved by the director by rule, drawn in favor of the director for an amount equal to the required bond.

(c) In lieu of the surety bond or compliance with (b) of this subsection, an applicant may obtain insurance or coverage from an association comprised of mortgage brokers that is organized as a mutual corporation for the sole purpose of insuring or self-insuring claims that may arise from a violation of this chapter. An applicant may only substitute

coverage under this subsection for the requirements of (a) or (b) of this subsection if the director, with the consent of the insurance commissioner, has authorized such association to organize a mutual corporation under such terms and conditions as may be imposed by the director to ensure that the corporation is operated in a financially responsible manner to pay any claims within the financial responsibility limits specified in (a) of this subsection. [1997 c 106 § 9; 1994 c 33 § 8; 1993 c 468 § 6.]

**Severability—1997 c 106:** See note following RCW 19.146.010.

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.

**Effective dates—1993 c 468:** See note following RCW 19.146.200.

**19.146.210 License—Requirements for issuance—Denial—Validity—Surrender—Interim license—Rules.**

(1) The director shall issue and deliver a mortgage broker license to an applicant if, after investigation, the director makes the following findings:

(a) The applicant has paid the required license fees;  
 (b) The applicant has complied with RCW 19.146.205;  
 (c) Neither the applicant, any of its principals, or the designated broker have had a license issued under this chapter or any similar state statute suspended or revoked within five years of the filing of the present application;

(d) Neither the applicant, any of its principals, or the designated broker have been convicted of a gross misdemeanor involving dishonesty or financial misconduct or a felony within seven years of the filing of the present application;

(e) The designated broker, (i) has at least two years of experience in the residential mortgage loan industry or has completed the educational requirements established by rule of the director and (ii) has passed a written examination whose content shall be established by rule of the director; and

(f) The applicant has demonstrated financial responsibility, character, and general fitness such as to command the confidence of the community and to warrant a belief that the business will be operated honestly, fairly, and efficiently within the purposes of this chapter.

(2) If the director does not find the conditions of subsection (1) of this section have been met, the director shall not issue the license. The director shall notify the applicant of the denial and return to the applicant the bond or approved alternative and any remaining portion of the license fee that exceeds the department's actual cost to investigate the license.

(3) The director shall issue a license under this chapter to any licensee issued a license under chapter 468, Laws of 1993, that has a valid license and is otherwise in compliance with the provisions of this chapter.

(4) A license issued pursuant to this chapter is valid from the date of issuance with no fixed date of expiration.

(5) A licensee may surrender a license by delivering to the director written notice of surrender, but the surrender does not affect the licensee's civil or criminal liability arising from acts or omissions occurring before such surrender.

(6) To prevent undue delay in the issuance of a license and to facilitate the business of a mortgage broker, an

interim license with a fixed date of expiration may be issued when the director determines that the mortgage broker has substantially fulfilled the requirements for licensing as defined by rule. [1997 c 106 § 10; 1994 c 33 § 10; 1993 c 468 § 7.]

**Severability—1997 c 106:** See note following RCW 19.146.010.

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.

**Effective dates—1993 c 468:** See note following RCW 19.146.200.

**19.146.215 Continuing education—Rules.** The designated broker of every licensee shall complete an annual continuing education requirement, which the director shall define by rule. [1997 c 106 § 11; 1994 c 33 § 11.]

**Severability—1997 c 106:** See note following RCW 19.146.010.

**19.146.220 Director—Powers and duties—Violations as separate violations—Rules.** (1) The director shall enforce all laws and rules relating to the licensing of mortgage brokers, grant or deny licenses to mortgage brokers, and hold hearings.

(2) The director may impose the following sanctions:

(a) Deny applications for licenses for: (i) Violations of orders, including cease and desist orders issued under this chapter; or (ii) any violation of RCW 19.146.050 or 19.146.0201 (1) through (9);

(b) Suspend or revoke licenses for:

(i) False statements or omission of material information on the application that, if known, would have allowed the director to deny the application for the original license;

(ii) Failure to pay a fee required by the director or maintain the required bond;

(iii) Failure to comply with any directive or order of the director; or

(iv) Any violation of RCW 19.146.050, 19.146.060(3), 19.146.0201 (1) through (9) or (12), 19.146.205(4), or 19.146.265;

(c) Impose fines on the licensee, employee or loan originator of the licensee, or other person subject to this chapter for:

(i) Any violations of RCW 19.146.0201 (1) through (9) or (12), 19.146.030 through 19.146.080, 19.146.200, 19.146.205(4), or 19.146.265; or

(ii) Failure to comply with any directive or order of the director;

(d) Issue orders directing a licensee, its employee or loan originator, or other person subject to this chapter to:

(i) Cease and desist from conducting business in a manner that is injurious to the public or violates any provision of this chapter; or

(ii) Pay restitution to an injured borrower; or

(e) Issue orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker or any person subject to licensing under this chapter for:

(i) Any violation of 19.146.0201 (1) through (9) or (12), 19.146.030 through 19.146.080, 19.146.200, 19.146.205(4), or 19.146.265; or

(ii) False statements or omission of material information on the application that, if known, would have allowed the director to deny the application for the original license;

(iii) Conviction of a gross misdemeanor involving dishonesty or financial misconduct or a felony after obtaining a license; or

(iv) Failure to comply with any directive or order of the director.

(3) Each day's continuance of a violation or failure to comply with any directive or order of the director is a separate and distinct violation or failure.

(4) The director shall establish by rule standards for licensure of applicants licensed in other jurisdictions.

(5) The director 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 director's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order. [1997 c 106 § 12; 1997 c 58 § 879; 1996 c 103 § 1; 1994 c 33 § 12; 1993 c 468 § 8.]

**Reviser's note:** \*(1) 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

(2) This section was amended by 1997 c 58 § 879 and by 1997 c 106 § 12, each without reference to the other. Both amendments are incorporated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Severability—1997 c 106:** See note following RCW 19.146.010.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**Effective date—1996 c 103:** "This act shall take effect July 1, 1996." [1996 c 103 § 2.]

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.

**Effective dates—1993 c 468:** See note following RCW 19.146.200.

**19.146.221 Action by director—Hearing—Sanction.** The director may, at his or her discretion and as provided for in \*RCW 19.146.220(2), take any action specified in RCW 19.146.220(1). If the person subject to such action does not appear in person or by counsel at the time and place designated for any administrative hearing that may be held on the action then the person shall be deemed to consent to the action. If the person subject to the action consents, or if after hearing the director finds by a preponderance of the evidence that any grounds for sanctions under this chapter exist, then the director may impose any sanction authorized by this chapter. [1994 c 33 § 13.]

**\*Reviser's note:** RCW 19.146.220 was amended by 1996 c 103 § 1, which deleted subsection (2).

**19.146.223 Director—Administration and interpretation.** The director shall have the power and broad administrative discretion to administer and interpret the provisions of this chapter to fulfill the intent of the legislature as expressed in RCW 19.146.005. [1994 c 33 § 2.]

**19.146.225 Director—Rule-making powers.** In accordance with the administrative procedure act, chapter 34.05 RCW, the director may issue rules under this chapter only after seeking the advice of the mortgage brokerage commission and to govern the activities of licensed mortgage brokers and other persons subject to this chapter. [1994 c 33 § 15; 1993 c 468 § 9.]

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.

**Effective dates—1993 c 468:** See note following RCW 19.146.200.

**19.146.227 Cease and desist order—Action to enjoin and enforce.** Whenever the director determines that the public is likely to be substantially injured by delay in issuing a cease and desist order, the director may immediately issue a temporary cease and desist order. The order shall become effective at the time specified in the order. Every temporary cease and desist order shall include a provision that a hearing will be held, within fourteen days unless otherwise specified in chapter 34.05 RCW, upon request to determine whether the order will become permanent.

If it appears that a person has engaged in an act or practice constituting a violation of a provision of this chapter, or a rule or order under this chapter, the director, with or without prior administrative proceedings, may bring an action in the superior court to enjoin the acts or practices and to enforce compliance with this chapter or any rule or order under this chapter. Upon proper showing, injunctive relief or temporary restraining orders shall be granted. The director shall not be required to post a bond in any court proceedings. [1994 c 33 § 14.]

**19.146.228 Fees—Rules—Exception.** The director shall establish fees by rule in accordance with RCW 43.24.086 sufficient to cover, but not exceed, the costs of administering this chapter. These fees may include:

- (1) An annual assessment paid by each licensee on or before a date specified by rule;
- (2) An investigation fee to cover the costs of any investigation of the books and records of a licensee or other person subject to this chapter; and
- (3) An application fee to cover the costs of processing applications made to the director under this chapter.

Mortgage brokers shall not be charged investigation fees for the processing of complaints when the investigation determines that no violation of this chapter occurred or when the mortgage broker provides a remedy satisfactory to the complainant and the director and no order of the director is issued. All moneys, fees, and penalties collected under the authority of this chapter shall be deposited into the banking examination fund, unless the consumer services account is created as a dedicated, nonappropriated account, in which case all moneys, fees, and penalties collected under this chapter shall be deposited in the consumer services account. [1997 c 106 § 13; 1994 c 33 § 9.]

**Severability—1997 c 106:** See note following RCW 19.146.010.

**19.146.230 Administrative procedure act application.** The proceedings for denying license applications, issuing cease and desist orders, suspending or revoking licenses, and imposing civil penalties or other remedies issued pursuant to this chapter and any appeal therefrom or review thereof shall be governed by the provisions of the administrative procedure act, chapter 34.05 RCW. [1994 c 33 § 16; 1993 c 468 § 10.]

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.

**Effective dates—1993 c 468:** See note following RCW 19.146.200.

**19.146.235 Director—Investigation powers—Duties of person subject to examination or investigation.** For the purposes of investigating complaints arising under this chapter, the director may at any time, either personally or by a designee, examine the business, including but not limited to the books, accounts, records, and files used therein, of every licensee and of every person engaged in the business of mortgage brokering, whether such a person shall act or claim to act under or without the authority of this chapter. For that purpose the director and designated representatives shall have access during regular business hours to the offices and places of business, books, accounts, papers, records, files, safes, and vaults of all such persons. The director or designated person may direct or order the attendance of and examine under oath all persons whose testimony may be required about the loans or the business or subject matter of any such examination or investigation, and may direct or order such person to produce books, accounts, records, files, and any other documents the director or designated person deems relevant to the inquiry. If a person who receives such a directive or order does not attend and testify, or does not produce the requested books, records, files, or other documents within the time period established in the directive or order, then the director or designated person may issue a subpoena requiring attendance or compelling production of books, records, files, or other documents. No person subject to examination or investigation under this chapter shall withhold, abstract, remove, mutilate, destroy, or secrete any books, records, computer records, or other information.

Once during the first two years of licensing, the director may visit, either personally or by designee, the licensee's place or places of business to conduct a compliance examination. The director may examine, either personally or by designee, a sample of the licensee's loan files, interview the licensee or other designated employee or independent contractor, and undertake such other activities as necessary to ensure that the licensee is in compliance with the provisions of this chapter. For those licensees issued licenses prior to March 21, 1994, the cost of such an examination shall be considered to have been prepaid in their license fee. After this one visit within the two-year period subsequent to issuance of a license, the director or a designee may visit the licensee's place or places of business only to ensure that corrective action has been taken or to investigate a complaint. [1997 c 106 § 14; 1994 c 33 § 17; 1993 c 468 § 11.]

**Severability—1997 c 106:** See note following RCW 19.146.010.

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.

**Effective dates—1993 c 468:** See note following RCW 19.146.200.

**19.146.240 Violations—Claims against bond or alternative.** (1) The director or any person injured by a violation of this chapter may bring an action against the surety bond or approved alternative of the licensed mortgage broker who committed the violation or who employed or engaged the loan originator who committed the violation.

(2)(a) The director or any person who is damaged by the licensee's or its loan originator's violation of this chapter, or rules adopted under this chapter, may bring suit upon the surety bond or approved alternative in the superior court of any county in which jurisdiction over the licensee may be obtained. Jurisdiction shall be exclusively in the superior court. Any such action must be brought not later than one year after the alleged violation of this chapter or rules adopted under this chapter. Except as provided in subsection (2)(b) of this section, in the event valid claims of borrowers against a bond or deposit exceed the amount of the bond or deposit, each borrower claimant shall only be entitled to a pro rata amount, based on the amount of the claim as it is valid against the bond or deposit, without regard to the date of filing of any claim or action. If, after all valid borrower claims are paid, valid claims by nonborrower claimants exceed the remaining amount of the bond or deposit, each nonborrower claimant shall only be entitled to a pro rata amount, based on the amount of the claim as it is valid against the bond or deposit, without regard to the date of the filing or any claim or action. A judgment arising from a violation of this chapter or rule adopted under this chapter shall be entered for actual damages and in no case be less than the amount paid by the borrower to the licensed mortgage broker plus reasonable attorneys' fees and costs. In no event shall the surety bond or approved alternative provide payment for any trebled or punitive damages.

(b) Borrowers shall be given priority over the director and other persons in distributions in actions against the surety bond. The director and other third parties shall then be entitled to distribution to the extent of their claims as found valid against the remainder of the bond. In the case of claims made by any person or entity who is not a borrower, no final judgment may be entered prior to one hundred eighty days following the date the claim is filed. This provision regarding priority shall not restrict the right of any claimant to file a claim within one year.

(3) The remedies provided under this section are cumulative and nonexclusive and do not affect any other remedy available at law. [1997 c 106 § 15; 1994 c 33 § 21; 1993 c 468 § 14.]

**Severability—1997 c 106:** See note following RCW 19.146.010.

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.

**Effective dates—1993 c 468:** See note following RCW 19.146.200.

**19.146.245 Violations—Liability.** A licensed mortgage broker is liable for any conduct violating this chapter by the designated broker, a loan originator, or other licensed mortgage broker while employed or engaged by the licensed mortgage broker. [1997 c 106 § 16; 1994 c 33 § 22; 1993 c 468 § 15.]

**Severability—1997 c 106:** See note following RCW 19.146.010.

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.

**Effective dates—1993 c 468:** See note following RCW 19.146.200.

**19.146.250 Authority restricted to person named in license—Exceptions.** No license issued under the provisions of this chapter shall authorize any person other than the person to whom it is issued to do any act by virtue thereof nor to operate in any other manner than under his or her own name except:

(1) A licensed mortgage broker may operate or advertise under a name other than the one under which the license is issued by obtaining the written consent of the director to do so; and

(2) A broker may establish one or more branch offices under a name or names different from that of the main office if the name or names are approved by the director, so long as each branch office is clearly identified as a branch or division of the main office. Both the name of the branch office and of the main office must clearly appear on the sign identifying the office, if any, and in any advertisement or on any letterhead of any stationery or any forms, or signs used by the mortgage firm on which either the name of the main or branch offices appears. [1997 c 106 § 17; 1993 c 468 § 16.]

**Severability—1997 c 106:** See note following RCW 19.146.010.

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.

**Effective dates—1993 c 468:** See note following RCW 19.146.200.

**19.146.260 Registered agent for brokers without physical office in state—Venue.** Every licensed mortgage broker that does not maintain a physical office within the state must maintain a registered agent within the state to receive service of any lawful process in any judicial or administrative noncriminal suit, action, or proceeding against the licensed mortgage broker which arises under this chapter or any rule or order under this chapter, with the same force and validity as if served personally on the licensed mortgage broker. Service upon the registered agent shall not be effective unless the plaintiff, who may be the director in a suit, action, or proceeding instituted by him or her, no later than the next business day sends notice of the service and a copy of the process by registered mail to the defendant or respondent at the last address of the respondent or defendant on file with the director. In any judicial action, suit, or proceeding arising under this chapter or any rule or order adopted under this chapter between the department or director and a licensed mortgage broker who does not maintain a physical office in this state, venue shall be exclusively in the superior court of the [of] Thurston county. [1997 c 106 § 18; 1994 c 33 § 23; 1993 c 468 § 17.]

**Severability—1997 c 106:** See note following RCW 19.146.010.

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.

**Effective dates—1993 c 468:** See note following RCW 19.146.200.

**19.146.265 Branch offices—Fee—Licenses—Rules.** A licensed mortgage broker may apply to the director for authority to establish one or more branch offices under the

same or different name as the main office upon the payment of a fee as prescribed by the director by rule. Provided that the applicant is in good standing with the department, as defined in rule by the director, the director shall promptly issue a duplicate license for each of the branch offices showing the location of the main office and the particular branch. Each duplicate license shall be prominently displayed in the office for which it is issued. [1997 c 106 § 19; 1994 c 33 § 24; 1993 c 468 § 18.]

**Severability—1997 c 106:** See note following RCW 19.146.010.

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.

**Effective dates—1993 c 468:** See note following RCW 19.146.200.

**19.146.280 Mortgage brokerage commission—Code of conduct—Complaint review.** (1) There is established the mortgage brokerage commission consisting of five commission members who shall act in an advisory capacity to the director on mortgage brokerage issues.

(2) The director shall appoint the members of the commission, weighing the recommendations from professional organizations representing mortgage brokers. At least three of the commission members shall be mortgage brokers licensed under this chapter and at least one shall be exempt from licensure under RCW 19.146.020(1)(f). No commission member shall be appointed who has had less than five years' experience in the business of residential mortgage lending. In addition, the director or a designee shall serve as an ex officio, nonvoting member of the commission. Voting members of the commission shall serve for two-year terms with three of the initial commission members serving one-year terms. The department shall provide staff support to the commission.

(3) The commission may establish a code of conduct for its members. Any commissioner may bring a motion before the commission to remove a commissioner for failing to conduct themselves in a manner consistent with the code of conduct. The motion shall be in the form of a recommendation to the director to dismiss a specific commissioner and shall enumerate causes for doing so. The commissioner in question shall recuse himself or herself from voting on any such motion. Any such motion must be approved unanimously by the remaining four commissioners. Approved motions shall be immediately transmitted to the director for review and action.

(4) Members of the commission shall be reimbursed for their travel expenses incurred in carrying out the provisions of this chapter in accordance with RCW 43.03.050 and 43.03.060. All costs and expenses associated with the commission shall be paid from the banking examination fund, unless the consumer services account is created as a dedicated, nonappropriated account, in which case all costs and expenses shall be paid from the consumer services account.

(5) The commission shall advise the director on the characteristics and needs of the mortgage brokerage profession.

(6) The department, in consultation with other applicable agencies of state government, shall conduct a continuing review of the number and type of consumer complaints arising from residential mortgage lending in the state. The

department shall report its findings to the senate committee on financial institutions and house of representatives committee on financial institutions and insurance along with recommendations for any changes in the licensing requirements of this chapter, biennially by December 1st of each even-numbered year. [1997 c 106 § 20; 1994 c 33 § 26; 1993 c 468 § 21.]

**Severability—1997 c 106:** See note following RCW 19.146.010.

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.

**Effective dates—1993 c 468:** See note following RCW 19.146.200.

**19.146.900 Short title.** This act shall be known and cited as the "mortgage broker practices act." [1987 c 391 § 2.]

**19.146.901 Severability—1987 c 391.** 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. [1987 c 391 § 15.]

**19.146.902 Severability—1994 c 33.** 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. [1994 c 33 § 28.]

**19.146.903 Effective dates—1994 c 33.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [March 21, 1994], except section 5 of this act which shall take effect June 1, 1994. [1994 c 33 § 29.]

## Chapter 19.148

### MORTGAGE LOAN SERVICING

#### Sections

19.148.010 Finding—Purpose.

19.148.020 Definitions.

19.148.030 Disclosure requirements—Action for damages.

19.148.900 Effective date—1989 c 98.

**19.148.010 Finding—Purpose.** The ability of individuals to obtain information relating to their residential mortgage loans is vital to the financial needs of mortgagors in Washington. The public interest is adversely affected when a residential mortgage loan's servicing is sold or transferred with insufficient notification given to the mortgagor. In addition, mortgagors may experience difficulty in obtaining various mortgage loan information including information concerning mortgage loan prepayments, reserve accounts, and adjustments to monthly payments. The legislature finds that the legitimate interests of mortgagors and mortgage loan servicers are served if the disclosure of the potential sale of loan servicing is made to the mortgagor, reasonable notification of a residential mortgage loan servicing's sale is made, and continued mortgagor access to

information regarding the mortgage loan is promoted. [1989 c 98 § 1.]

**19.148.020 Definitions.** Unless the context requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Lender" shall mean any person in the business of making a loan.

(2) "Loan" shall mean any loan used to finance the acquisition of a one-to-four family owner occupied residence located in this state.

(3) "Purchasing servicing agent" is any person who purchases, receives through transfer or assignment, or otherwise acquires the responsibility of the servicing for a loan.

(4) "Person" shall include an individual, firm, association, partnership, business, trust, corporation, or any other legal entity whether resident or nonresident. [1989 c 98 § 2.]

**19.148.030 Disclosure requirements—Action for damages.** (1) If the servicing for the loan is subject to sale, transfer, or assignment, a lender shall so disclose in writing at the time of or prior to loan closing and shall also disclose in the same writing that when such servicing is sold, transferred, or assigned, the purchasing servicing agent is required to provide notification to the mortgagor. If a lender, which has not provided the notice required by this subsection, consolidates with, merges with or is acquired by another institution, and thereafter loan servicing becomes subject to sale, transfer, or assignment, that institution shall within thirty days of such transaction make the disclosure in writing to the obligor primarily responsible for repaying each loan according to the records of the lender.

(2) If the servicing of a loan is sold, assigned, transferred, or otherwise acquired by another person, the purchasing servicing agent shall:

(a)(i) Issue corrected coupon or payment books, if used and necessary;

(ii) Provide notification to the mortgagor at least thirty days prior to the due date of the first payment to the purchasing servicing agent, of the name, address, and telephone number of the division from whom the mortgagor can receive information regarding the servicing of the loan; and

(iii) Inform the mortgagor of changes made regarding the servicing requirements including, but not limited to, interest rate, monthly payment amount, and escrow balance; and

(b) Respond within fifteen business days upon receipt of a written request for information from a mortgagor. A written response must include the telephone number of the company division who can assist the mortgagor.

(3) Any person injured by a violation of this chapter may bring an action for actual damages and reasonable attorneys' fees and costs incurred in bringing the action. [1989 c 98 § 3.]

**19.148.900 Effective date—1989 c 98.** This act shall take effect on January 1, 1990. [1989 c 98 § 5.]

## Chapter 19.149

### RESIDENTIAL MORTGAGE LOAN CLOSING— VALUATION DISCLOSURE

#### Sections

19.149.010 Definitions.

19.149.020 Purchase money residential mortgage loans—Provision to borrower of documents used by lender to evaluate value—Written waiver.

**19.149.010 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter:

(1) "Lender" means any person doing business under the laws of this state or the United States relating to banks, savings banks, trust companies, savings and loan associations, credit unions, consumer loan companies, insurance companies, real estate investment trusts as defined in 26 U.S.C. Sec. 856 and the affiliates, subsidiaries, and service corporations thereof, and all other persons who make residential mortgage loans.

(2) "Residential mortgage loan" means any loan used for the purchase of a single-family dwelling or multiple-family dwelling of four or less units secured by a mortgage or deed of trust on the residential real estate. [1994 c 295 § 1.]

**19.149.020 Purchase money residential mortgage loans—Provision to borrower of documents used by lender to evaluate value—Written waiver.** A lender shall provide to the borrower, prior to the closing of a residential mortgage loan, true and complete copies of all appraisals or other documents relied upon by the lender in evaluating the value of the dwelling to be financed. A borrower may waive in writing the lender's duty to provide the appraisals or other documents prior to closing. This written waiver may not be construed to in any way limit the lender's duty to provide the information to the borrower at a reasonable later date. This section shall only apply to purchase money residential mortgage loans. [1994 c 295 § 2.]

## Chapter 19.150

### SELF-SERVICE STORAGE FACILITIES

#### Sections

19.150.010 Definitions.

19.150.020 Lien on personal property.

19.150.030 Unpaid rent—Denial of access to storage space.

19.150.040 Unpaid rent—Termination of occupant's rights—Notice.

19.150.050 Form of notice.

19.150.060 Attachment of lien—Notice of lien sale or notice of disposal.

19.150.070 Sale of property.

19.150.080 Manner of sale—Who may not acquire—Excess proceeds—Accounting.

19.150.090 Claim by persons with a security interest.

19.150.100 Payment prior to sale by persons claiming a right to the property.

19.150.110 Good faith purchasers.

19.150.120 Contract for storage space—Alternative address for notice.

19.150.130 Owner not obligated to provide insurance.

19.150.140 Other rights not impaired.

19.150.900 Short title.

19.150.901 Application of chapter.

19.150.902 Existing rental agreements not affected.

19.150.903 Chapter not applicable to owner subject to Article 62A.7 RCW.  
 19.150.904 Severability—1988 c 240.

**19.150.010 Definitions.** For the purposes of this chapter, the following terms shall have the following meanings:

(1) "Self-service storage facility" means any real property designed and used for the purpose of renting or leasing individual storage space to occupants who are to have access to the space for the purpose of storing and removing personal property on a self-service basis, but does not include a garage or other storage area in a private residence. No occupant may use a self-service storage facility for residential purposes.

(2) "Owner" means the owner, operator, lessor, or sublessor of a self-service storage facility, his or her agent, or any other person authorized by him or her to manage the facility, or to receive rent from an occupant under a rental agreement.

(3) "Occupant" means a person, or his or her sublessee, successor, or assign, who is entitled to the use of the storage space at a self-service storage facility under a rental agreement, to the exclusion of others.

(4) "Rental agreement" means any written agreement or lease which establishes or modifies the terms, conditions, rules or any other provision concerning the use and occupancy of a self-service storage facility.

(5) "Personal property" means movable property not affixed to land, and includes, but is not limited to, goods, merchandise, furniture, and household items.

(6) "Last known address" means that address provided by the occupant in the latest rental agreement, or the address provided by the occupant in a subsequent written notice of a change of address. [1988 c 240 § 2.]

**19.150.020 Lien on personal property.** The owner of a self-service storage facility and his or her heirs, executors, administrators, successors, and assigns have a lien upon all personal property located at a self-service storage facility for rent, labor, or other charges, present or future, incurred pursuant to the rental agreement, and for expenses necessary for the preservation, sale, or disposition of personal property subject to this chapter. The lien may be enforced consistent with this chapter. However, any lien on a motor vehicle or boat which has attached and is set forth in the documents of title to the motor vehicle or boat shall have priority over any lien created pursuant to this chapter. [1988 c 240 § 3.]

**19.150.030 Unpaid rent—Denial of access to storage space.** When any part of the rent or other charges due from an occupant remains unpaid for six consecutive days, and the rental agreement so provides, an owner may deny the occupant access to the storage space at a self-service storage facility. [1988 c 240 § 4.]

**19.150.040 Unpaid rent—Termination of occupant's rights—Notice.** When any part of the rent or other charges due from an occupant remains unpaid for fourteen consecutive days, an owner may terminate the right of the occupant to the use of the storage space at a self-service storage

facility by sending a notice to the occupant's last known address, and to the alternative address specified in RCW 19.150.120(2), by first class mail, postage prepaid, containing all of the following:

(1) An itemized statement of the owner's claim showing the sums due at the time of the notice and the date when the sums become due.

(2) A statement that the occupant's right to use the storage space will terminate on a specified date (not less than fourteen days after the mailing of the notice) unless all sums due and to become due by that date are paid by the occupant prior to the specified date.

(3) A notice that the occupant may be denied or continue to be denied, as the case may be, access to the storage space after the termination date if the sums are not paid, and that an owner's lien, as provided for in RCW 19.150.020 may be imposed thereafter.

(4) The name, street address, and telephone number of the owner, or his or her designated agent, whom the occupant may contact to respond to the notice. [1988 c 240 § 5.]

**19.150.050 Form of notice.** A notice in substantially the following form shall satisfy the requirements of RCW 19.150.040:

"PRELIMINARY LIEN NOTICE  
 to (occupant)  
(address)  
(state)

You owe and have not paid rent and/or other charges for the use of storage (space number) at (name and address of self-service storage facility)

Charges that have been due for more than fourteen days and accruing on or before (date) are itemized as follows:

DUE DATE	DESCRIPTION	AMOUNT
		TOTAL \$ _____

IF this sum is not paid in full before (date at least fourteen days from mailing), your right to use the storage space will terminate, you may be denied, or continue to be denied, access and an owner's lien on any stored property will be imposed. You may pay the sum due and contact the owner at:

(Name)  
(Address)  
(State)  
(Telephone)  
(Date)  
(Owner's Signature) "

[1988 c 240 § 6.]

**19.150.060 Attachment of lien—Notice of lien sale or notice of disposal.** If a notice has been sent, as required by RCW 19.150.040, and the total sum due has not been paid as of the date specified in the preliminary lien notice, the lien proposed by this notice attaches as of that date and the owner may deny an occupant access to the space, enter the space, inventory the goods therein, and remove any property found therein to a place of safe keeping. The owner shall then serve by personal service or send to the

occupant, addressed to the occupant's last known address and to the alternative address specified in RCW 19.150.120(2) by certified mail, postage prepaid, a notice of lien sale or notice of disposal which shall state all of the following:

(1) That the occupant's right to use the storage space has terminated and that the occupant no longer has access to the stored property.

(2) That the stored property is subject to a lien, and the amount of the lien accrued and to accrue prior to the date required to be specified in subsection (3) of this section.

(3) That the property, other than personal papers and personal effects, may be sold to satisfy the lien after a specified date which is not less than fourteen days from the date of mailing the lien sale notice, or a minimum of forty-two days after the date when any part of the rent or other charges due from the occupants remain unpaid, whichever is later, unless the amount of the lien is paid. If the total value of property in the storage space is less than three hundred dollars, the owner may, instead of sale, dispose of the property in any reasonable manner, subject to the restrictions of RCW 19.150.080(4).

(4) That any excess proceeds of the sale or other disposition under RCW 19.150.080(2) over the lien amount and costs of sale will be retained by the owner and may be reclaimed by the occupant, or claimed by another person, at any time for a period of six months from the sale and that thereafter the proceeds will be turned over to the state as abandoned property as provided in RCW 63.29.165.

(5) That any personal papers and personal effects will be retained by the owner and may be reclaimed by the occupant at any time for a period of six months from the sale or other disposition of property and that thereafter the owner may dispose of the personal papers and effects in a reasonable manner, subject to the restrictions of RCW 19.150.080(3).

(6) That the occupant has no right to repurchase any property sold at the lien sale. [1996 c 220 § 1; 1993 c 498 § 5; 1988 c 240 § 7.]

**Application—1996 c 220:** "This act shall only apply to rental agreements entered into, extended, or renewed after June 6, 1996. Rental agreements entered into before June 6, 1996, which provide for monthly rental payments but providing no specific termination date shall be subject to this act on the first monthly rental payment date next succeeding June 6, 1996." [1996 c 220 § 4.]

**19.150.070 Sale of property.** The owner, subject to RCW 19.150.090 and 19.150.100, may sell the property, other than personal papers and personal effects, upon complying with the requirements set forth in RCW 19.150.080. [1988 c 240 § 8.]

**19.150.080 Manner of sale—Who may not acquire—Excess proceeds—Accounting.** (1) After the expiration of the time given in the notice of lien sale pursuant to RCW 19.150.060, the property, other than personal papers and personal effects, may be sold or disposed of in a reasonable manner.

(2)(a) If the property has a value of three hundred dollars or more, the sale shall be conducted in a commercially reasonable manner, and, after deducting the amount of the lien and costs of sale, the owner shall retain any excess

proceeds of the sale on the occupant's behalf. The occupant, or any other person having a court order or other judicial process against the property, may claim the excess proceeds, or a portion thereof sufficient to satisfy the particular claim, at any time within six months of the date of sale.

(b) If the property has a value of less than three hundred dollars, the property may be disposed of in a reasonable manner.

(3) Personal papers and personal effects that are not reclaimed by the occupant within six months of a sale under subsection (2)(a) of this section or other disposition under subsection (2)(b) of this section may be disposed of in a reasonable manner.

(4) No employee or owner, or family member of an employee or owner, may acquire, directly or indirectly, the property sold pursuant to subsection (2)(a) of this section or disposed of pursuant to subsection (2)(b) of this section, or personal papers and personal effects disposed of under subsection (3) of this section.

(5) The owner is entitled to retain any interest earned on the excess proceeds until the excess proceeds are claimed by another person or are turned over to the state as abandoned property pursuant to RCW 63.29.165.

(6) After the sale or other disposition pursuant to this section has been completed, the owner shall provide an accounting of the disposition of the proceeds of the sale or other disposition to the occupant at the occupant's last known address and at the alternative address. [1996 c 220 § 2; 1993 c 498 § 6; 1988 c 240 § 9.]

**Application—1996 c 220:** See note following RCW 19.150.060.

**19.150.090 Claim by persons with a security interest.** Any person who has a perfected security interest under Article 62A.9 RCW of the uniform commercial code may claim any personal property subject to the security interest and subject to a lien pursuant to this chapter by paying the total amount due, as specified in the lien notices, for the storage of the property. Upon payment of the total amount due, the owner shall deliver possession of the particular property subject to the security interest to the person who paid the total amount due. The owner shall not be liable to any person for any action taken pursuant to this section if the owner has fully complied with RCW 19.150.050 and 19.150.060. [1988 c 240 § 10.]

**19.150.100 Payment prior to sale by persons claiming a right to the property.** Prior to any sale pursuant to RCW 19.150.080, any person claiming a right to the goods may pay the amount necessary to satisfy the lien and the reasonable expenses incurred for particular actions taken pursuant to this chapter. In that event, the goods shall not be sold, but shall be retained by the owner subject to the terms of this chapter pending a court order directing a particular disposition of the property. [1988 c 240 § 11.]

**19.150.110 Good faith purchasers.** A purchaser in good faith of goods disposed of pursuant to RCW 19.150.080(2) takes the goods free of any rights of persons against whom the lien was claimed, despite noncompliance by the owner of the storage facility with this chapter. [1996 c 220 § 3; 1988 c 240 § 12.]

**Application—1996 c 220:** See note following RCW 19.150.060.

**19.150.120 Contract for storage space—Alternative address for notice.** (1) Each contract for the rental or lease of individual storage space in a self-service storage facility shall be in writing and shall contain, in addition to the provisions otherwise required or permitted by law to be included, a statement requiring the occupant to disclose any lienholders or secured parties who have an interest in the property that is or will be stored in the self-service storage facility, a statement that the occupant's property will be subject to a claim of lien and may even be sold to satisfy the lien if the rent or other charges due remain unpaid for fourteen consecutive days, and that such actions are authorized by this chapter.

(2) The lien authorized by this chapter shall not attach, unless the rental agreement requests, and provides space for, the occupant to give the name and address of another person to whom the preliminary lien notice and subsequent notices required to be given under this chapter may be sent. Notices sent pursuant to RCW 19.150.040 or 19.150.060 shall be sent to the occupant's address and the alternative address, if both addresses are provided by the occupant. Failure of an occupant to provide an alternative address shall not affect an owner's remedies under this chapter or under any other provision of law. [1988 c 240 § 13.]

**19.150.130 Owner not obligated to provide insurance.** Any insurance protecting the personal property stored within the storage space against fire, theft, or damage is the responsibility of the occupant. The owner is under no obligation to provide insurance. [1988 c 240 § 14.]

**19.150.140 Other rights not impaired.** Nothing in this chapter may be construed to impair or affect the right of the parties to create additional rights, duties, and obligations which do not conflict with the provisions of this chapter. The rights provided by this chapter shall be in addition to all other rights provided by law to a creditor against his or her debtor. [1988 c 240 § 15.]

**19.150.900 Short title.** This chapter shall be known as the "Washington self-service storage facility act." [1988 c 240 § 1.]

**19.150.901 Application of chapter.** This chapter shall only apply to rental agreements entered into, extended, or renewed after June 9, 1988. Rental agreements entered into before June 9, 1988, which provide for monthly rental payments but providing no specific termination date shall be subject to this chapter on the first monthly rental payment date next succeeding June 9, 1988. [1988 c 240 § 16.]

**19.150.902 Existing rental agreements not affected.** All rental agreements entered into before June 9, 1988, and not extended or renewed after that date, or otherwise made subject to this chapter pursuant to RCW 19.150.901, and the rights, duties, and interests flowing from them, shall remain valid, and may be enforced or terminated in accordance with

their terms or as permitted by any other statute or law of this state. [1988 c 240 § 17.]

**19.150.903 Chapter not applicable to owner subject to Article 62A.7 RCW.** If an owner issues any warehouse receipt, bill of lading, or other document of title for the personal property stored, the owner and the occupant are subject to Article 62A.7 RCW (commencing with RCW 62A.7-101) of the uniform commercial code and this chapter does not apply. [1988 c 240 § 18.]

**19.150.904 Severability—1988 c 240.** 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. [1988 c 240 § 23.]

## Chapter 19.154

### IMMIGRATION ASSISTANT PRACTICES ACT

#### Sections

19.154.010	Findings.
19.154.020	Definitions.
19.154.030	Exemptions.
19.154.040	Registration required.
19.154.050	Change of address.
19.154.060	Nonlegal assistance permitted.
19.154.070	Written contract—Requirements—Right to rescind.
19.154.080	Prohibited activities.
19.154.090	Unfair and deceptive act—Unfair method of competition.
19.154.100	Penalty.
19.154.900	Short title.
19.154.901	Severability—1989 c 117.
19.154.902	Effective date—1989 c 117.

**19.154.010 Findings.** The legislature finds and declares that assisting persons regarding immigration matters substantially affects the public interest. The practices of immigration assistants have a significant impact on the residents of the state of Washington. It is the intent of the legislature to establish rules of practice and conduct for immigration assistants to promote honesty and fair dealing with residents and to preserve public confidence. [1989 c 117 § 1.]

**19.154.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Immigration assistant" means every person who, for compensation or the expectation of compensation, gives nonlegal assistance on an immigration matter. That assistance is limited to:

(a) Transcribing responses to a government agency form selected by the customer which is related to an immigration matter, but does not include advising a person as to his or her answers on those forms;

(b) Translating a person's answer to questions posed on those forms;

(c) Securing for a person supporting documents currently in existence, such as birth and marriage certificates, which may be needed to submit with those forms;

(d) Making referrals to attorneys who could undertake legal representation for a person in an immigration matter.

(2) "Immigration matter" means any proceeding, filing, or action affecting the nonimmigrant, immigrant, or citizenship status of any person which arises under immigration and naturalization law, executive order, or presidential proclamation, or which arises under action of the United States immigration and naturalization service, the United States department of labor, or the United States department of state.

(3) "Compensation" means money, property, or anything else of value. [1989 c 117 § 2.]

**19.154.030 Exemptions.** The following persons are exempt from all provisions of this chapter:

(1) An attorney licensed to practice law in this state where such attorney renders services in the course of his or her practice as an attorney and a legal intern, as described by court rule, or paralegal employed by and under the direct supervision of such an attorney;

(2) A nonprofit corporation or clinic affiliated with a law school in this state that provides immigration consulting services to clients without charge beyond a request for reimbursement of the corporation's or clinic's reasonable costs relating to providing immigration services to that client. "Reasonable costs" include, but are not limited to, the costs of photocopying, telephone calls, document requests, and the filing fees for immigration forms. [1989 c 117 § 3.]

**19.154.040 Registration required.** Any person who wishes to engage in the business of an immigration assistant must register with the secretary of state's office and provide his or her name, business address, home address, and business and home telephone numbers. [1989 c 117 § 4.]

**19.154.050 Change of address.** Immigration assistants who have registered must inform the secretary of state of any changes in their name, addresses, or telephone numbers within thirty days of the change. [1989 c 117 § 5.]

**19.154.060 Nonlegal assistance permitted.** Immigration assistants shall offer or provide only nonlegal assistance in an immigration matter as defined in RCW 19.154.020. [1989 c 117 § 6.]

**19.154.070 Written contract—Requirements—Right to rescind.** (1) Before providing any assistance, an immigration assistant who has agreed to provide immigration assistance to a customer shall provide the customer with a written contract that includes the following provisions:

(a) An explanation of the services to be performed;

(b) Identification of all compensation and costs to be charged to the customer for the services to be performed;

(c) A statement that documents submitted in support of an application for nonimmigrant, immigrant, or naturalization status may not be retained by the assistant for any purpose, including payment of compensation or costs;

(d) A statement that the immigration assistant is not an attorney and may not perform legal services. This statement shall be on the face of the contract in ten-point bold type print; and

(e) A statement that the customer has seventy-two hours to rescind the contract. This statement shall be conspicuously set forth in the contract.

(2) The written contract shall be stated in both English and in the language of the customer.

(3) A copy of the written contract shall be provided to the customer by the immigration assistant upon execution of the contract.

(4) A customer has the right to rescind a contract within seventy-two hours of the signing of the contract.

(5) Any documents identified in subsection (1)(c) of this section shall be returned upon demand of the customer. [1989 c 117 § 7.]

**19.154.080 Prohibited activities.** In the course of dealing with customers or prospective customers, an immigration assistant shall not:

(1) Make any statement that the immigration assistant can or will obtain special favors from or has special influence with the United States immigration and naturalization service;

(2) Retain any compensation for services not performed;

(3) Refuse to return documents supplied by, prepared by, or paid for by the customer upon the request of the customer. These documents must be returned upon request even if there is a fee dispute between the immigration assistant and the customer;

(4) Represent or advertise, in connection with the provision of immigration assistance, other titles or credentials, including but not limited to "notary public" or "immigration consultant" that could cause a customer to believe that the immigration assistant possesses special professional skills;

(5) Communicate in any manner, oral or written, that registration under this chapter is an indicator of special skill or expertise or that it allows the person to provide advice on an immigration matter;

(6) Give any legal advice concerning an immigration matter. [1989 c 117 § 8.]

**19.154.090 Unfair and deceptive act—Unfair method of competition.** The legislature finds and declares that any violation of this chapter substantially affects the public interest and is an unfair and deceptive act or practice and unfair method of competition in the conduct of trade or commerce as set forth in RCW 19.86.020. [1989 c 117 § 9.]

**19.154.100 Penalty.** A violation of this chapter shall be punished as a gross misdemeanor according to chapter 9A.20 RCW. [1989 c 117 § 10.]

**19.154.900 Short title.** This chapter shall be known and cited as the "immigration assistant practices act." [1989 c 117 § 11.]

**19.154.901 Severability—1989 c 117.** 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. [1989 c 117 § 14.]

**19.154.902 Effective date—1989 c 117.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1989. [1989 c 117 § 15.]

### Chapter 19.158

#### COMMERCIAL TELEPHONE SOLICITATION

##### Sections

19.158.010	Findings.
19.158.020	Definitions.
19.158.030	Violation an unfair or deceptive act.
19.158.040	Unfair or deceptive acts.
19.158.050	Registration requirements—Suspension of license or certificate for noncompliance with support order—Reinstatement.
19.158.060	Failure to register—Penalty.
19.158.070	Appointment of agent to receive process.
19.158.080	Duties of director.
19.158.090	Injunctive relief—Other applicable law.
19.158.100	Requiring payment by credit card prohibited.
19.158.110	Commercial telephone solicitor—Duties and prohibited acts—Notice to customers.
19.158.120	Cancellation of purchases—Requirements—Notice—Voidable contracts.
19.158.130	Damages, costs, attorneys' fees—Remedies not limited.
19.158.140	Civil penalties.
19.158.150	Registration required—Penalty.
19.158.160	Penalties.
19.158.900	Severability—1989 c 20.
19.158.901	Effective date—1989 c 20.

**19.158.010 Findings.** The use of telephones for commercial solicitation is rapidly increasing. This form of communication offers unique benefits, but entails special risks and poses potential for abuse. The legislature finds that the widespread practice of fraudulent commercial telephone solicitation is a matter vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. For the general welfare of the public and in order to protect the integrity of the telemarketing industry, the commercial use of telephones must be regulated by law. [1989 c 20 § 1.]

**19.158.020 Definitions.** Unless the context requires otherwise, the definitions in this section apply throughout this chapter.

(1) A "commercial telephone solicitor" is any person who engages in commercial telephone solicitation, including service bureaus.

(2) "Commercial telephone solicitation" means:

(a) An unsolicited telephone call to a person initiated by a salesperson and conversation for the purpose of inducing the person to purchase or invest in property, goods, or services;

(b) Other communication with a person where:

(i) A free gift, award, or prize is offered to a purchaser who has not previously purchased from the person initiating the communication; and

(ii) A telephone call response is invited; and

(iii) The salesperson intends to complete a sale or enter into an agreement to purchase during the course of the telephone call;

(c) Other communication with a person which misrepresents the price, quality, or availability of property, goods, or services and which invites a response by telephone or which is followed by a call to the person by a salesperson;

(d) For purposes of this section, "other communication" means a written or oral notification or advertisement transmitted through any means.

(3) A "commercial telephone solicitor" does not include any of the following:

(a) A person engaging in commercial telephone solicitation where:

(i) The solicitation is an isolated transaction and not done in the course of a pattern of repeated transactions of like nature; or

(ii) Less than sixty percent of such person's prior year's sales were made as a result of a commercial telephone solicitation as defined in this chapter. Where more than sixty percent of a seller's prior year's sales were made as a result of commercial telephone solicitations, the service bureau contracting to provide commercial telephone solicitation services to the seller shall be deemed a commercial telephone solicitor.

(b) A person making calls for religious, charitable, political, or other noncommercial purposes.

(c) A person soliciting business solely from purchasers who have previously purchased from the business enterprise for which the person is calling.

(d) A person soliciting:

(i) Without the intent to complete or obtain provisional acceptance of a sale during the telephone solicitation; and

(ii) Who does not make the major sales presentation during the telephone solicitation; and

(iii) Who only makes the major sales presentation or arranges for the major sales presentation to be made at a later face-to-face meeting between the salesperson and the purchaser.

(e) A person selling a security which is exempt from registration under RCW 21.20.310;

(f) A person licensed under RCW 18.85.090 when the solicited transaction is governed by that law;

(g) A person registered under RCW 18.27.060 when the solicited transaction is governed by that law;

(h) A person licensed under RCW 48.17.150 when the solicited transaction is governed by that law;

(i) Any person soliciting the sale of a franchise who is registered under RCW 19.100.140;

(j) A person primarily soliciting the sale of a newspaper of general circulation, a magazine or periodical, or contractual plans, including book or record clubs: (i) Under which the seller provides the consumer with a form which the consumer may use to instruct the seller not to ship the offered merchandise; and (ii) which is regulated by the federal trade commission trade regulation concerning "use of negative option plans by sellers in commerce";

(k) Any supervised financial institution or parent, subsidiary, or affiliate thereof. As used in this section, "supervised financial institution" means any commercial bank, trust company, savings and loan association, mutual savings banks, credit union, industrial loan company, personal property broker, consumer finance lender, commercial finance lender, or insurer, provided that the institution is

subject to supervision by an official or agency of this state or the United States;

(l) A person soliciting the sale of a prearrangement funeral service contract registered under RCW 18.39.240 and 18.39.260;

(m) A person licensed to enter into prearrangement contracts under RCW 68.05.155 when acting subject to that license;

(n) A person soliciting the sale of services provided by a cable television system operating under authority of a franchise or permit;

(o) A person or affiliate of a person whose business is regulated by the utilities and transportation commission or the federal communications commission;

(p) A person soliciting the sale of agricultural products, as defined in RCW 20.01.010 where the purchaser is a business;

(q) An issuer or subsidiary of an issuer that has a class of securities that is subject to section 12 of the securities exchange act of 1934 (15 U.S.C. Sec. 781) and that is either registered or exempt from registration under paragraph (A), (B), (C), (E), (F), (G), or (H) of subsection (g) of that section;

(r) A commodity broker-dealer as defined in RCW 21.30.010 and registered with the commodity futures trading commission;

(s) A business-to-business sale where:

(i) The purchaser business intends to resell the property or goods purchased, or

(ii) The purchaser business intends to use the property or goods purchased in a recycling, reuse, remanufacturing or manufacturing process;

(t) A person licensed under RCW 19.16.110 when the solicited transaction is governed by that law;

(u) A person soliciting the sale of food intended for immediate delivery to and immediate consumption by the purchaser;

(v) A person soliciting the sale of food fish or shellfish when that person is licensed pursuant to the provisions of Title 75 RCW.

(4) "Purchaser" means a person who is solicited to become or does become obligated to a commercial telephone solicitor.

(5) "Salesperson" means any individual employed, appointed, or authorized by a commercial telephone solicitor, whether referred to by the commercial telephone solicitor as an agent, representative, or independent contractor, who attempts to solicit or solicits a sale on behalf of the commercial telephone solicitor.

(6) "Service bureau" means a commercial telephone solicitor who contracts with any person to provide commercial telephone solicitation services.

(7) "Seller" means any person who contracts with any service bureau to purchase commercial telephone solicitation services.

(8) "Person" includes any individual, firm, association, corporation, partnership, joint venture, sole proprietorship, or any other business entity.

(9) "Free gift, award, or prize" means a gratuity which the purchaser believes of a value equal to or greater than the value of the specific product, good, or service sought to be sold to the purchaser by the seller.

(10) "Solicit" means to initiate contact with a purchaser for the purpose of attempting to sell property, goods or services, where such purchaser has expressed no previous interest in purchasing, investing in, or obtaining information regarding the property, goods, or services attempted to be sold. [1989 c 20 § 3.]

#### **19.158.030 Violation an unfair or deceptive act.**

Unfair and deceptive telephone solicitation is not reasonable in relation to the development and preservation of business. A violation of this chapter is an unfair or deceptive act in trade or commerce for the purpose of applying the consumer protection act, chapter 19.86 RCW. [1989 c 20 § 2.]

**19.158.040 Unfair or deceptive acts.** (1) It shall be unlawful for any person to engage in unfair or deceptive commercial telephone solicitation.

(2) A commercial telephone solicitor shall not place calls to any residence which will be received before 8:00 a.m. or after 9:00 p.m. at the purchaser's local time.

(3) A commercial telephone solicitor may not engage in any conduct the natural consequence of which is to harass, intimidate, or torment any person in connection with the telephone call. [1989 c 20 § 4.]

#### **19.158.050 Registration requirements—Suspension of license or certificate for noncompliance with support order—Reinstatement.**

(1) In order to maintain or defend a lawsuit or do any business in this state, a commercial telephone solicitor must be registered with the department of licensing. Prior to doing business in this state, a commercial telephone solicitor shall register with the department of licensing. Doing business in this state includes both commercial telephone solicitation from a location in Washington and solicitation of purchasers located in Washington.

(2) The department of licensing, in registering commercial telephone solicitors, shall have the authority to require the submission of information necessary to assist in identifying and locating a commercial telephone solicitor, including past business history, prior judgments, and such other information as may be useful to purchasers.

(3) The department of licensing shall issue a registration number to the commercial telephone solicitor.

(4) It is a violation of this chapter for a commercial telephone solicitor to:

(a) Fail to maintain a valid registration;

(b) Advertise that one is registered as a commercial telephone solicitor or to represent that such registration constitutes approval or endorsement by any government or governmental office or agency;

(c) Provide inaccurate or incomplete information to the department of licensing when making a registration application; or

(d) Represent that a person is registered or that such person has a valid registration number when such person does not.

(5) An annual registration fee shall be assessed by the department of licensing, the amount of which shall be determined at the discretion of the director of the department of licensing, and which shall be reasonably related to the cost of administering the provisions of this chapter.

(6) 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. [1997 c 58 § 853; 1989 c 20 § 5.]

\*Reviser's note: 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58: See RCW 74.08A.900 through 74.08A.904.

Effective dates—Intent—1997 c 58: See notes following RCW 74.20A.320.

**19.158.060 Failure to register—Penalty.** If the director of the department of licensing determines that a commercial telephone solicitor has failed to register, the director may issue an order in accordance with chapter 34.05 RCW imposing a civil penalty in an amount which may not exceed five thousand dollars. [1989 c 20 § 6.]

**19.158.070 Appointment of agent to receive process.** Each commercial telephone solicitor shall appoint the director of the department of licensing as an agent to receive civil process under this chapter if the commercial telephone solicitor has no properly registered agent, if the agent has resigned, or if the agent cannot, after reasonable diligence, be found. [1989 c 20 § 7.]

**19.158.080 Duties of director.** The director of the department of licensing may make rules, create forms, and issue orders as necessary to carry out the provisions of this chapter, pursuant to chapter 34.05 RCW. [1989 c 20 § 8.]

**19.158.090 Injunctive relief—Other applicable law.** The director of the department of licensing may refer such evidence as may be available concerning violations of this chapter or of any rule or order hereunder to the attorney general or the proper prosecuting attorney, who may in his or her discretion, with or without such a reference, in addition to any other action they might commence, bring an action in the name of the state against any person to restrain and prevent the doing of any act or practice herein prohibited or declared unlawful: PROVIDED, That this chapter shall be considered in conjunction with chapters 9.04 and 19.86 RCW and the powers and duties of the attorney general and the prosecuting attorney as they may appear in chapters 9.04 and 19.86 RCW shall apply against all persons subject to this chapter. [1989 c 20 § 9.]

**19.158.100 Requiring payment by credit card prohibited.** It is a violation of this chapter for a commercial

telephone solicitor to require that payment be by credit card authorization or otherwise to announce a preference for that method of payment over any other for unfair or deceptive reasons. [1989 c 20 § 10.]

**19.158.110 Commercial telephone solicitor—Duties and prohibited acts—Notice to customers.** (1) Within the first minute of the telephone call, a commercial telephone solicitor or salesperson shall:

(a) Identify himself or herself, the company on whose behalf the solicitation is being made, the property, goods, or services being sold; and

(b) Terminate the telephone call within ten seconds if the purchaser indicates he or she does not wish to continue the conversation.

(2) If at any time during the telephone contact, the purchaser states or indicates that he or she does not wish to be called again by the commercial telephone solicitor or wants to have his or her name and individual telephone number removed from the telephone lists used by the commercial telephone solicitor:

(a) The commercial telephone solicitor shall not make any additional commercial telephone solicitation of the called party at that telephone number within a period of at least one year; and

(b) The commercial telephone solicitor shall not sell or give the called party's name and telephone number to another commercial telephone solicitor: PROVIDED, That the commercial telephone solicitor may return the list, including the called party's name and telephone number, to the company or organization from which it received the list.

(3) The utilities and transportation commission shall by rule ensure that telecommunications companies inform their residential customers of the provisions of this section. The notification may be made by:

(a) Annual inserts in the billing statements mailed to residential customers; or

(b) Conspicuous publication of the notice in the consumer information pages of local telephone directories.

(4) If a sale or an agreement to purchase is completed, the commercial telephone solicitor must inform the purchaser of his or her cancellation rights as enunciated in this chapter, state the registration number issued by the department of licensing, and give the street address of the seller.

(5) If, at any time prior to sale or agreement to purchase, the commercial telephone solicitor's registration number is requested by the purchaser, it must be provided.

(6) All oral disclosures required by this section shall be made in a clear and intelligible manner. [1989 c 20 § 11.]

**19.158.120 Cancellation of purchases—Requirements—Notice—Voidable contracts.** (1) A purchase of property, goods, or services ordered as a result of a commercial telephone solicitation as defined in this chapter, if not followed by a written confirmation, is not final. The confirmation must contain an explanation of the consumer's rights under this section and a statement indicating where notice of cancellation should be sent. The purchaser may give notice of cancellation to the seller in writing within three business days after receipt of the confirmation. If the commercial telephone solicitor has not

provided an address for receipt of such notice, cancellation is effective by mailing the notice to the department of licensing.

(2) Notice of cancellation shall be given by certified mail, return receipt requested, and shall be effective when mailed. Notice of cancellation given by the purchaser need not take a particular form and is sufficient if it indicates by any form of written expression the name, address, and telephone number of the purchaser and the purchaser's stated intention not to be bound by the sale.

(3) If a commercial telephone solicitor or a seller, if different, violates this chapter in making a sale, or fails to deliver an item within forty-two calendar days, the contract is voidable by giving written notice to the seller and the purchaser is entitled to a return from the seller within fourteen days of all consideration paid. Upon receipt by the purchaser of the consideration paid to the seller, the purchaser shall make available to the seller, at a reasonable time and place, the items received by the purchaser. Any cost of returning the items received by the purchaser shall be borne by the seller, by providing or guaranteeing payment for return shipping. If such payment is not provided or guaranteed, the purchaser may keep without further obligation the items received.

(4) Any contract, agreement to purchase, or written confirmation executed by a seller which purports to waive the purchaser's rights under this chapter is against public policy and shall be unenforceable: **PROVIDED**, That an agreement between a purchaser and seller to extend the delivery time of an item to more than forty-two days shall be enforceable if the seller has a reasonable basis to expect that he or she will be unable to ship the item within forty-two days and if the agreement is included in the terms of the written confirmation.

(5) Where a contract or agreement to purchase confers on a purchaser greater rights to cancellation, refund, or return than those enumerated in this chapter, such contract shall be enforceable, and not in violation of this chapter: **PROVIDED**, That all rights under such a contract or agreement to purchase must be specifically stated in a written confirmation sent pursuant to this section.

(6) The provisions of this section shall not reduce, restrict, or eliminate any existing rights or remedies available to purchasers. [1989 c 20 § 12.]

**19.158.130 Damages, costs, attorneys' fees—Remedies not limited.** In addition to any other penalties or remedies under chapter 19.86 RCW, a person who is injured by a violation of this chapter may bring an action for recovery of actual damages, including court costs and attorneys' fees. No provision in this chapter shall be construed to limit any right or remedy provided under chapter 19.86 RCW. [1989 c 20 § 13.]

**19.158.140 Civil penalties.** A civil penalty shall be imposed by the court for each violation of this chapter in an amount not less than five hundred dollars nor more than two thousand dollars per violation. [1989 c 20 § 14.]

**19.158.150 Registration required—Penalty.** No salesperson shall solicit purchasers on behalf of a commer-

cial telephone solicitor who is not currently registered with the department of licensing pursuant to this chapter. Any salesperson who violates this section is guilty of a misdemeanor. [1989 c 20 § 15.]

**19.158.160 Penalties.** (1) Except as provided in RCW 19.158.150, any person who knowingly violates any provision of this chapter or who knowingly, directly or indirectly employs any device, scheme or artifice to deceive in connection with the offer or sale by any commercial telephone solicitor shall be guilty of the following:

If the value of a transaction made in violation of RCW 19.158.040(1) is:

(a) Less than fifty dollars, the person shall be guilty of a misdemeanor;

(b) Fifty dollars or more, then such person shall be guilty of a gross misdemeanor; and

(c) Two hundred fifty dollars or more, then such person shall be guilty of a class C felony.

(2) When any series of transactions which constitute a violation of this section would, when considered separately, constitute a series of misdemeanors or gross misdemeanors because of the value of the transactions, and the series of transactions are part of a common scheme or plan, the transactions may be aggregated in one count and the sum of the value of all the transactions shall be the value considered in determining whether the violations are to be punished as a class C felony or a gross misdemeanor. [1989 c 20 § 16.]

**19.158.900 Severability—1989 c 20.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected. [1989 c 20 § 19.]

**19.158.901 Effective date—1989 c 20.** The effective date of this act shall be January 1, 1990. [1989 c 20 § 20.]

## Chapter 19.162

### PAY-PER-CALL INFORMATION DELIVERY SERVICES

#### Sections

- 19.162.010 Application of consumer protection act—Scope.
- 19.162.020 Definitions.
- 19.162.030 Program message preamble.
- 19.162.040 Advertisement of services.
- 19.162.050 Services directed at children.
- 19.162.060 Nonpayment of charges.
- 19.162.070 Violations—Action for damages.

*Information delivery services through exclusive number prefix or service access code: RCW 80.36.500.*

**19.162.010 Application of consumer protection act—Scope.** (1) The legislature finds that the deceptive use of pay-per-call information delivery services is a matter vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW.

(2) The deceptive use of pay-per-call information delivery services is not reasonable in relation to the development and preservation of business. A violation of this chapter is an unfair or deceptive act in trade or commerce for the purpose of applying the consumer protection act, chapter 19.86 RCW, and constitutes an act of deceptive pay-per-call information delivery service.

(3) This chapter applies to a communication made by a person in Washington or to a person in Washington. [1991 c 191 § 1.]

**19.162.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Person" means an individual, corporation, the state or its subdivisions or agencies, business trust, estate, trust, partnership, association, cooperative, or any other legal entity.

(2) "Information delivery services" means telephone-recorded messages, interactive programs, or other information services that are provided for a charge to a caller through an exclusive telephone number prefix or service access code.

(3) "Information provider" means the person who provides the information, prerecorded message, or interactive program for the information delivery service. The information provider generally receives a portion of the revenue from the calls. "Information provider" does not include the medium for advertising information delivery services.

(4) "Interactive program" means a program that allows an information delivery service caller, once connected to the information provider's delivery service, to use the caller's telephone device to access more specific information or further information or to talk to other callers during the call.

(5) "Telecommunications company" includes every corporation, company, association, joint stock association, partnership, and person, their lessees, trustees, or receivers appointed by any court whatsoever, and every city or town owning, operating, or managing any facilities used to provide telecommunications for hire, sale, or resale to the general public within the state of Washington.

(6) "Interexchange carrier" means a carrier providing transmissions between local access and transport areas interstate or intrastate.

(7) "Billing services" means billing and collection services provided to information providers whether by the local exchange company or the interexchange carrier.

(8) "Program message" means the information that a caller hears or receives upon placing a call to an information provider.

(9) "Advertisement" includes all radio, television, or other broadcast, video, newspaper, magazine, or publication, billboard, direct mail, print media, telemarketing, or any promotion of an information delivery service, program, or number, and includes brochures, pamphlets, fliers, coupons, promotions, or the labeling of products or in-store communications circulated or distributed in any manner whatsoever. "Advertisement" does not include any listing in a white page telephone directory. In a yellow page telephone directory, "advertisement" includes only yellow page display advertising.

(10) "Subscriber" means the person in whose name an account is billed.

(11) "Does business in Washington" includes providing information delivery services to Washington citizens, advertising information delivery services in Washington, entering into a contract for billing services in Washington, entering into a contract in Washington with a telecommunications company or interexchange carrier for transmission services, or having a principal place of business in Washington. [1991 c 191 § 2.]

**19.162.030 Program message preamble.** (1) An information provider that does business in Washington must include a preamble in all program messages for:

(a) Programs costing more than five dollars per minute; or

(b) Programs having a total potential cost of greater than ten dollars.

(2) The preamble must:

(a) Accurately describe the service that will be provided by the program;

(b) Advise the caller of the price of the call, including:

(i) Any per minute charge;

(ii) Any flat rate charge; and

(iii) Any minimum charge;

(c) State that billing will begin shortly after the end of the introductory message; and

(d) Be clearly articulated, at a volume equal to that of the program message, in plain English or the language used to promote the information delivery service, and spoken in a normal cadence.

(3) Mechanisms that provide for the option of bypassing the preamble are only permitted when:

(a) The caller has made use of the information provider's service in the past, at which time the preamble required by this section was part of the program message; and

(b) The cost of the call has not changed during the thirty-day period before the call.

(4) When an information provider's program message consists of a polling application that permits the caller to register an opinion or vote on a matter by completing a call, this section does not apply. [1991 c 191 § 3.]

**19.162.040 Advertisement of services.** An information provider that does business in Washington shall comply with the following provisions in its advertisement of information delivery services:

(1) Advertisements for information delivery services that are broadcast by radio or television, contained in home videos, or that appear on movie screens must include a voice-over announcement that is clearly audible and articulates the price of the service provided. The announcement must be made at a volume equal to that used to announce the telephone number, spoken in a normal cadence, and in plain English or the language used in the advertisement.

(2) Advertisements for information delivery services that are broadcast by television, contained in home videos, or that appear on movie screens must include, in clearly visible letters and numbers, the cost of calling the advertised number. This visual disclosure of the cost of the call must

be displayed adjacent to the number to be called whenever the number is shown in the advertisement, and the lettering of the visual disclosure of the cost must be in the same size and typeface as that of the number to be called.

(3)(a) Except as otherwise provided in (b) of this subsection, advertisements for information delivery services that appear in print must include, in clearly visible letters and numbers, the cost of calling the advertised number. The printed disclosure of the cost of the call must be displayed adjacent to the number to be called wherever the number is shown in the advertisement.

(b) In telephone directory yellow page display advertising and in printed materials published not more than three times a year, instead of disclosing the cost of the service, advertisements for information delivery services, shall include the conspicuous disclosure that the call is a pay-per-call service.

(4) The advertised price or cost of the information delivery service must include:

- (a) Any per minute charge;
- (b) Any flat rate charge; and
- (c) Any minimum charge. [1991 c 191 § 4.]

**19.162.050 Services directed at children.** An information provider that does business in the state of Washington shall not direct information delivery services to children under the age of twelve years unless the information provider complies with the following provisions:

(1) Interactive calls where children under the age of twelve years can speak to other children under the age of twelve years are prohibited.

(2) Programs directed to children under the age of twelve where the children are asked to provide their names, addresses, telephone numbers, or other identifying information are prohibited.

(3) Advertisements for information delivery services that are directed to children under the age of twelve years must contain a visual disclosure that clearly and conspicuously in the case of print and broadcast advertising, and audibly in the case of broadcast advertising, states that children under the age of twelve years must obtain parental consent before placing a call to the advertised number.

(4) Program messages that encourage children under the age of twelve years to make increased numbers of calls in order to obtain progressively more valuable prizes, awards, or similarly denominated items are prohibited.

(5) Advertisements for information delivery services that are directed to children under the age of twelve years must contain, in age-appropriate language, an accurate description of the services being provided. In the case of print advertising, the information must be clear and conspicuous and in the case of broadcast advertising, it must be visually displayed clearly and conspicuously and verbally disclosed in an audible, clearly articulated manner.

(6) Program messages that are directed to children under the age of twelve years that employ broadcast advertising where an electronic tone signal is emitted during the broadcast of the advertisement that automatically dials the program message are prohibited. [1991 c 191 § 5.]

**19.162.060 Nonpayment of charges.** An information provider's failure to substantially comply with any of the provisions of RCW 19.162.030 through 19.162.050 is a defense to the nonpayment of charges accrued as a result of using the information provider's services, billed by any entity, including but not limited to telecommunications companies and interexchange carriers. [1991 c 191 § 6.]

**19.162.070 Violations—Action for damages.** A person who suffers damage from a violation of this chapter may bring an action against an information provider. In an action alleging a violation of this chapter, the court may award the greater of three times the actual damages sustained by the person or five hundred dollars; equitable relief, including but not limited to an injunction and restitution of money and property; attorneys' fees and costs; and any other relief that the court deems proper. For purposes of this section, a telecommunications company or interexchange carrier is a person. [1991 c 191 § 7.]

## Chapter 19.166

### INTERNATIONAL STUDENT EXCHANGE

#### Sections

19.166.010	Intent.
19.166.020	Definitions.
19.166.030	Organization registration.
19.166.040	Organization application for registration—Suspension of license or certificate for noncompliance with support order—Reinstatement.
19.166.050	Standards.
19.166.060	Rules—Fee.
19.166.070	Informational document.
19.166.080	Complaints.
19.166.090	Violations—Misdemeanor.
19.166.100	Violations—Consumer protection act.
19.166.900	Severability—1991 c 128.
19.166.901	Effective date—1991 c 128.

**19.166.010 Intent.** It is the intent of the legislature to:

(1) Promote the health, safety, and welfare of international student exchange visitors in Washington in accordance with uniform national standards;

(2) Promote quality education and living experiences for international student exchange visitors living in Washington;

(3) Promote international awareness among Washington residents, by encouraging Washington residents to interact with international student exchange visitors;

(4) Encourage public confidence in international student exchange visitor placement organizations operating in Washington;

(5) Encourage and assist with compliance with United States information agency regulations and nationally established standards; and

(6) Promote the existence and quality of international student visitor exchange programs operating in Washington. [1991 c 128 § 1.]

**19.166.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "International student exchange visitor placement organization" or "organization" means a person, partnership, corporation, or other entity that regularly arranges the placement of international student exchange visitors for the purpose, in whole or in part, of allowing the student an opportunity to attend school in the United States.

(2) "International student exchange visitor" or "student" means any person eighteen years of age or under, or up to age twenty-one if enrolled or to be enrolled in high school in this state, placed by an international student exchange visitor placement organization, who enters the United States with a nonimmigrant visa. [1991 c 128 § 2.]

**19.166.030 Organization registration.** (1) All international student exchange visitor placement organizations that place students in public schools in the state shall register with the secretary of state.

(2) Failure to register is a violation of this chapter.

(3) Information provided to the secretary of state under this chapter is a public record.

(4) Registration shall not be considered or be represented as an endorsement of the organization by the secretary of state or the state of Washington.

(5) On a date established by rule by the secretary of state, the secretary of state shall provide annually to the superintendent of public instruction a list of all currently registered international student placement organizations. The superintendent of public instruction shall distribute annually the list of all currently registered international student placement organizations to all Washington state school districts. [1995 c 60 § 1; 1991 c 128 § 3.]

**19.166.040 Organization application for registration—Suspension of license or certificate for noncompliance with support order—Reinstatement.** (1) An application for registration as an international student exchange visitor placement organization shall be submitted in the form prescribed by the secretary of state. The application shall include:

(a) Evidence that the organization meets the standards established by the secretary of state under RCW 19.166.050;

(b) The name, address, and telephone number of the organization, its chief executive officer, and the person within the organization who has primary responsibility for supervising placements within the state;

(c) The organization's unified business identification number, if any;

(d) The organization's United States Information Agency number, if any;

(e) Evidence of council on standards for international educational travel listing, if any;

(f) Whether the organization is exempt from federal income tax; and

(g) A list of the organization's placements in Washington for the previous academic year including the number of students placed, their home countries, the school districts in which they were placed, and the length of their placements.

(2) The application shall be signed by the chief executive officer of the organization and the person within the organization who has primary responsibility for supervising

placements within Washington. If the secretary of state determines that the application is complete, the secretary of state shall file the application and the applicant is registered.

(3) International student exchange visitor placement organizations that have registered shall inform the secretary of state of any changes in the information required under subsection (1) of this section within thirty days of the change.

(4) Registration shall be renewed annually as established by rule by the office of the secretary of state.

(5) The office of the secretary of state 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 office of the secretary of state's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order. [1997 c 58 § 854; 1995 c 60 § 2; 1991 c 128 § 5.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**19.166.050 Standards.** The secretary of state shall adopt standards for international student exchange visitor placement organizations. In adopting the standards, the secretary of state shall strive to adopt standards established by the United States Information Agency and the council on standards for international educational travel and strive to achieve uniformity with national standards. The secretary of state may incorporate standards established by the United States Information Agency or the council on standards for international educational travel by reference and may accept an organization's designation by the United States Information Agency or acceptance for listing by the council on standards for international educational travel as evidence of compliance with such standards. [1991 c 128 § 4.]

**19.166.060 Rules—Fee.** The secretary of state may adopt rules as necessary to carry out its duties under this chapter. The rules may include providing for a reasonable registration fee, not to exceed fifty dollars, to defray the costs of processing registrations. [1991 c 128 § 6.]

**19.166.070 Informational document.** International student exchange organizations that have agreed to provide services to place students in the state shall provide an informational document, in English, to each student, host family, and superintendent of the school district in which the

student is being placed. The document shall be provided before placement and shall include the following:

(1) An explanation of the services to be performed by the organization for the student, host family, and school district;

(2) A summary of this chapter prepared by the secretary of state;

(3) Telephone numbers that the student, host family, and school district may call for assistance. The telephone numbers shall include, at minimum, an in-state telephone number for the organization, and the telephone numbers of the organization's national headquarters, if any, the United States Information Agency, and the office of the secretary of state. [1991 c 128 § 7.]

**19.166.080 Complaints.** The secretary of state may, upon receipt of a complaint regarding an international student exchange organization, report the matter to the organization involved, the United States Information Agency, or the council on standards for international education travel, as he or she deems appropriate. [1991 c 128 § 8.]

**19.166.090 Violations—Misdemeanor.** Any person who violates any provision of this chapter or who willfully and knowingly gives false or incorrect information to the secretary [of state], attorney general, or county prosecuting attorney in filing statements required by this chapter, whether or not such statement or report is verified, is guilty of a misdemeanor punishable under chapter 9A.20 RCW. [1991 c 128 § 9.]

**19.166.100 Violations—Consumer protection act.** The legislature finds that the practices covered by this chapter are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. Violations of this chapter are not reasonable in relation to the development and preservation of business. A violation of this chapter is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW. [1991 c 128 § 10.]

**19.166.900 Severability—1991 c 128.** 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. [1991 c 128 § 16.]

**19.166.901 Effective date—1991 c 128.** Sections 1 through 11 and 13 through 16 of this act shall take effect January 1, 1992. [1991 c 128 § 17.]

## Chapter 19.170

### PROMOTIONAL ADVERTISING OF PRIZES

#### Sections

- 19.170.010 Finding—Violations—Consumer protection act—Application.
- 19.170.020 Definitions.
- 19.170.030 Disclosures required.
- 19.170.040 Disclosures—Prizes awarded—Rain checks.

(1998 Ed.)

- 19.170.050 Simulated checks—Continuing obligation checks—Notice.
- 19.170.060 Damages—Penalties.
- 19.170.070 Violation—Penalty.
- 19.170.080 Remedies not exclusive.
- 19.170.900 Severability—1991 c 227.

**19.170.010 Finding—Violations—Consumer protection act—Application.** (1) The legislature finds that deceptive promotional advertising of prizes is a matter vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW.

(2) Deceptive promotional advertising of prizes is not reasonable in relation to the development and preservation of business. A violation of this chapter is an unfair or deceptive act in trade or commerce for the purpose of applying the consumer protection act, chapter 19.86 RCW, and constitutes an act of deceptive promotional advertising.

(3) This chapter applies to a promotion offer:

(a) Made to a person in Washington;

(b) Used to induce or invite a person to come to the state of Washington to claim a prize, attend a sales presentation, meet a promoter, sponsor, salesperson, or their agent, or conduct any business in this state; or

(c) Used to induce or invite a person to contact by any means a promoter, sponsor, salesperson, or their agent in this state. [1991 c 227 § 1.]

**19.170.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Person" means an individual, corporation, the state or its subdivisions or agencies, business trust, estate, trust, partnership, association, cooperative, or any other legal entity.

(2) "Prize" means a gift, award, travel coupon or certificate, free item, or any other item offered in a promotion that is different and distinct from the goods, service, or property promoted by a sponsor. "Prize" does not include an item offered in a promotion where all of the following elements are present:

(a) No element of chance is involved in obtaining the item offered in the promotion;

(b) The recipient has the right to review the merchandise offered for sale without obligation for at least seven days, and has a right to obtain a full refund in thirty days for the return of undamaged merchandise;

(c) The recipient may keep the item offered in the promotion without obligation; and

(d) The recipient is not required to attend any sales presentation or spend any sum in order to receive the item offered in the promotion.

(3) "Promoter" means a person conducting a promotion.

(4) "Promotion" means an advertising program, sweepstakes, contest, direct giveaway, or solicitation directed to specific named individuals, that includes the award of or chance to be awarded a prize.

(5) "Offer" means a written notice delivered by hand, mail, or other print medium offering goods, services, or property made as part of a promotion to a person based on a representation that the person has been awarded, or will be awarded, a prize.

(6) "Sponsor" means a person on whose behalf a promotion is conducted to promote or advertise goods, services, or property of that person.

(7) "Simulated check" means a document that is not currency or a check, draft, note, bond, or other negotiable instrument but has the visual characteristics thereof. "Simulated check" does not include a nonnegotiable check, draft, note, or other instrument that is used for soliciting orders for the purchase of checks, drafts, notes, bonds, or other instruments and that is clearly marked as a sample, specimen, or nonnegotiable.

(8) "Continuing obligation check" means a document that is a check, draft, note, bond, or other negotiable instrument that, when cashed, deposited, or otherwise used, imposes on the payee an obligation to enter into a loan transaction. This definition does not include checks, drafts, or other negotiable instruments that are used by consumers to take advances on revolving loans, credit cards, or revolving credit accounts.

(9) "Verifiable retail value" means:

(a) A price at which a promoter or sponsor can demonstrate that a substantial number of prizes have been sold at retail in the local market by a person other than the promoter or sponsor; or

(b) If the prize is not available for retail sale in the local market, the retail fair market value in the local market of an item substantially similar in each significant aspect, including size, grade, quality, quantity, ingredients, and utility; or

(c) If the value of the prize cannot be established under (a) or (b) of this subsection, then the prize may be valued at no more than three times its cost to the promoter or sponsor.

(10) "Financial institution" means any bank, trust company, savings bank, savings and loan association, credit union, industrial loan company, or consumer finance lender subject to regulation by an official agency of this state or the United States, and any subsidiary or affiliate thereof. [1991 c 227 § 2.]

**19.170.030 Disclosures required.** (1) The offer must identify the name and address of the promoter and the sponsor of the promotion.

(2) The offer must state the verifiable retail value of each prize offered in it.

(3)(a) If an element of chance is involved, each offer must state the odds the participant has of being awarded each prize. The odds must be expressed in Arabic numerals, in ratio form, based on the total number of prizes to be awarded and the total number of offers distributed.

(b) If the promotion identified in the offer is part of a collective promotion with more than one participating sponsor, that fact must be clearly and conspicuously disclosed.

(c) The odds must be stated in a manner that will not deceive or mislead a person about that person's chance of being awarded a prize.

(4) The verifiable retail value and odds for each prize must be stated in immediate proximity on the same page with the first listing of each prize in type at least as large as the typeface used in the standard text of the offer.

(5) If a person is required or invited to view, hear, or attend a sales presentation in order to claim a prize that has

been awarded, may have been awarded, or will be awarded, the requirement or invitation must be conspicuously disclosed to the person in the offer in type at least as large as the typeface used in the standard text of the offer on the first page of the offer.

(6) No item in an offer may be denominated a prize, gift, award, premium, or similar term that implies the item is free if, in order to receive the item or use the item for its intended purpose the intended recipient is required to spend any sum of money, including but not limited to shipping fees, deposits, handling fees, payment for one item in order to receive another at no charge, or the purchase of another item or the expenditure of funds in order to make meaningful use of the item awarded in the promotion. The payment of any applicable state or federal taxes by a recipient directly to a government entity is not a violation of this section.

(7) If the receipt of the prize is contingent upon certain restrictions or qualifications that the recipient must meet, or if the use or availability of the prize is restricted or qualified in any way, including, but not limited to restrictions on travel dates, travel times, classes of travel, airlines, accommodations, travel agents, or tour operators, the restrictions or qualifications must be disclosed on the offer in immediate proximity on the same page with the first listing of the prize in type at least as large as the typeface used in the standard text of the offer or, in place thereof, the following statement printed in direct proximity to the prize or prizes awarded in type at least as large as the typeface used in the standard text of the offer:

"Major restrictions may apply to the use, availability, or receipt of the prize(s) awarded."

This statement must be followed by a disclosure, in the same size type as the statement, indicating where in the offer the restrictions may be found. The restrictions must be printed in type at least as large as the typeface used in the standard text of the offer.

(8) If a prize will not be awarded or given unless a winning ticket, the offer itself, a token, number, lot, or other device used to determine winners in a particular promotion is presented to a promoter or a sponsor, this fact must be clearly stated on the first page of the offer. [1991 c 227 § 3.]

**19.170.040 Disclosures—Prizes awarded—Rain checks.** (1) Before a demonstration, seminar, or sales presentation begins, the promoter shall inform the person of the prize, if any, the person will receive.

(2) A prize or a voucher, certificate, or other evidence of obligation given instead of a prize shall be given to a person at the time the person is informed of the prize, if any, the person will receive.

(3) A copy of the offer shall be returned to the person receiving the prize at the time the prize is awarded.

(4) It is a violation of this chapter for a promoter or sponsor to include a prize in an offer when the promoter or sponsor knows or has reason to know that the prize will not be available in a sufficient quantity based upon the reasonably anticipated response to the offer.

(5)(a) If the prize is not available for immediate delivery to the recipient, the recipient shall be given, at the promoter

or sponsor's option, a rain check for the prize, the verifiable retail value of the prize in cash, or a substitute item of equal or greater verifiable retail value.

(b) If the rain check cannot be honored within thirty days, the promoter or sponsor shall mail to the person a valid check or money order for the verifiable retail value of the prize described in this chapter.

(6) A sponsor shall fulfill the rain check within thirty days if the person named as being responsible fails to honor it.

(7) The offer shall contain the following clear and conspicuous statement of recipients' rights printed in type at least as large as the typeface used in the standard text of the offer:

"If you receive a rain check in lieu of the prize, you are entitled by law to receive the prize, an item of equal or greater value, or the cash equivalent of the offered prize within thirty days of the date on which you claimed the prize."

(8) It is a violation of this chapter to misrepresent the quality, type, value, or availability of a prize. [1991 c 227 § 4.]

**19.170.050 Simulated checks—Continuing obligation checks—Notice.** (1) No person may produce, advertise, offer for sale, sell, distribute, or otherwise transfer for use in this state a simulated check unless the document bears the phrase "THIS IS NOT A CHECK," diagonally printed in type at least as large as the predominant typeface in the simulated check on the front of the check itself.

(2) No person, other than a financial institution, may produce, advertise, offer for sale, sell, distribute, or otherwise transfer for use in this state a continuing obligation check unless the document bears the phrase "THIS IS A LOAN" or "CASHING THIS REQUIRES REPAYMENT," diagonally printed in type at least as large as the predominant typeface in the continuing obligation check on the front of the check itself. [1991 c 227 § 5.]

**19.170.060 Damages—Penalties.** (1) A person who suffers damage from an act of deceptive promotional advertising may bring an action against the sponsor or promoter of the advertising, or both. Damages include, but are not limited to, fees paid in violation of RCW 19.170.030(6) and the dollar value of a prize represented to be awarded to a person, but not received by that person.

(2) In an action for deceptive promotional advertising, the court may award the greater of five hundred dollars or three times the actual damages sustained by the person, not to exceed ten thousand dollars; equitable relief, including, but not limited to an injunction and restitution of money and property; attorneys' fees and costs; and any other relief that the court deems proper. [1991 c 227 § 6.]

**19.170.070 Violation—Penalty.** A person who knowingly violates any provision of this chapter is guilty of a gross misdemeanor. [1991 c 227 § 7.]

**19.170.080 Remedies not exclusive.** The remedies prescribed in this chapter do not limit or bar any existing remedies at law or equity. [1991 c 227 § 8.]

**19.170.900 Severability—1991 c 227.** 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. [1991 c 227 § 11.]

## Chapter 19.174

### AUTOMATED TELLER MACHINES AND NIGHT DEPOSITORIES SECURITY

#### Sections

19.174.010	Intent.
19.174.020	Definitions.
19.174.030	Safety procedures—Requirements.
19.174.040	Lighting requirements—Compliance.
19.174.050	Lighting requirements.
19.174.060	Notice to customer.
19.174.070	Exceptions.
19.174.080	Chapter supersedes local government actions.
19.174.090	Compliance evidence of adequate safety measures.
19.174.900	Effective date—1993 c 324.

**19.174.010 Intent.** The intent of the legislature in enacting this chapter is to enhance the safety of consumers using automated teller machines and night deposit facilities in Washington without discouraging the siting of automated teller machines and night deposit facilities in locations convenient to consumers' homes and workplaces. Because decisions concerning safety at automated teller machines and night deposit facilities are inherently subjective, the legislature establishes as the standard of care applicable to operators of automated teller machines and night deposit facilities, in connection with user safety, compliance with the objective standards and information requirements of this chapter. It is not the intent of the legislature in enacting this chapter to impose a duty to relocate or modify automated teller machines or night deposit facilities upon the occurrence of a particular event or circumstance, but rather to establish a means for the evaluation of all automated teller machines and night deposit facilities as provided in this chapter. The legislature further recognizes the need for uniformity as to the establishment of safety standards for automated teller machines and night deposit facilities and intends with this chapter to supersede and preempt a rule, regulation, code, or ordinance of a city, county, municipality, or local agency regarding customer safety at automated teller machines and night deposit facilities in Washington. [1993 c 324 § 2.]

**19.174.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Access area" means a paved walkway or sidewalk that is within fifty feet of an automated teller machine or night deposit facility. "Access area" does not include publicly maintained sidewalks or roads.

(2) "Access device" means:

(a) "Access device" as defined in federal reserve board Regulation E, 12 C.F.R. Part 205, promulgated under the

Electronic Fund Transfer Act, 15 U.S.C. Sec. 1601, et seq.; or

(b) A key or other mechanism issued by a banking institution to its customer to give the customer access to the banking institution's night deposit facility.

(3) "Automated teller machine" means an electronic information processing device located in this state that accepts or dispenses cash in connection with a credit, deposit, or convenience account. "Automatic [automated] teller machine" does not include a device used primarily to facilitate check guarantees or check authorizations, used in connection with the acceptance or dispensing of cash on a person-to-person basis such as by a store cashier, or used for payment of goods and services.

(4) "Banking institution" means a state or federally chartered bank, trust company, savings bank, savings and loan association, and credit union.

(5) "Candle-foot power" means a light intensity of candles on a horizontal plane at thirty-six inches above ground level and five feet in front of the area to be measured.

(6) "Control of an access area or defined parking area" means to have the present authority to determine how, when, and by whom it is to be used, and how it is to be maintained, lighted, and landscaped.

(7) "Defined parking area" means that portion of a parking area open for customer parking that is:

(a) Contiguous to an access area with respect to an automated teller machine or night deposit facility;

(b) Regularly, principally, and lawfully used for parking by users of the automated teller machine or night deposit facility while conducting transactions during hours of darkness; and

(c) Owned or leased by the operator of the automated teller machine or night deposit facility or owned or controlled by the party leasing the automated teller machine or night deposit facility site to the operator. "Defined parking area" does not include a parking area that is not open or regularly used for parking by users of the automated teller machine or night deposit facility who are conducting transactions during hours of darkness. A parking area is not open if it is physically closed to access or if conspicuous signs indicate that it is closed. If a multiple level parking area satisfies the conditions of this subsection (7)(c) and would therefore otherwise be a defined parking area, only the single parking level deemed by the operator of the automated teller machine and night deposit facility to be the most directly accessible to the users of the automated teller machine and night deposit facility is a defined parking area.

(8) "Hours of darkness" means the period that commences thirty minutes after sunset and ends thirty minutes before sunrise.

(9) "Night deposit facility" means a receptacle that is provided by a banking institution for the use of its customers in delivering cash, checks, and other items to the banking institution.

(10) "Operator" means a banking institution or other business entity or a person who operates an automated teller machine or night deposit facility. [1993 c 324 § 1.]

**19.174.030 Safety procedures—Requirements.** On or before July 1, 1994, with respect to an existing installed automated teller machine and night deposit facility in this state, and an automated teller machine or night deposit facility installed after July 1, 1994, the operator shall adopt procedures for evaluating the safety of the automated teller machine or night deposit facility. These procedures must pertain to the following:

(1) The extent to which the lighting for the automated teller machine or night deposit facility complies or will comply with the standards required by RCW 19.174.050;

(2) The presence of landscaping, vegetation, or other obstructions in the area of the automated teller machine or night deposit facility, the access area, and the defined parking area; and

(3) The incidence of crimes of violence in the immediate neighborhood of the automated teller machine or night deposit facility, as reflected in the records of the local law enforcement agency and of which the operator has actual knowledge. [1993 c 324 § 3.]

**19.174.040 Lighting requirements—Compliance.**

(1) An operator of an automated teller machine or night deposit facility installed on or after July 1, 1994, shall comply with RCW 19.174.050 beginning on the date the automated teller machine or night deposit facility is installed. Compliance with RCW 19.174.050 by an operator as to an automated teller machine and night deposit facility existing as of July 1, 1994, is optional until July 1, 1996, and mandatory thereafter. This section applies to an operator of an automated teller machine or night deposit facility only to the extent that the operator controls the access area or defined parking area to be lighted.

(2) If an access area or a defined parking area is not controlled by the operator of an automated teller machine or night deposit facility, and if the person who leased the automated teller machine or night deposit facility site to the operator controls the access area or defined parking area, the person who controls the access area or defined parking area shall comply with RCW 19.174.050 for an automated teller machine or night deposit facility installed on or after July 1, 1994, beginning on the date the automated teller machine or night deposit facility is installed and for an automated teller machine or night deposit facility existing as of July 1, 1994, by or on July 1, 1996. [1993 c 324 § 4.]

**19.174.050 Lighting requirements.** The operator, owner, or other person responsible for an automated teller machine or night deposit facility shall provide lighting during hours of darkness with respect to an open and operating automated teller machine or night deposit facility and a defined parking area, access area, and the exterior of an enclosed automated teller machine or night deposit facility installation according to the following standards:

(1) There must be a minimum of ten candle-foot power at the face of the automated teller machine or night deposit facility and extending in an unobstructed direction outward five feet;

(2) There must be a minimum of two candle-foot power within fifty feet from all unobstructed directions from the face of the automated teller machine or night deposit facility.

In the event the automated teller machine or night deposit facility is located within ten feet of the corner of the building and the automated teller machine or night deposit facility is generally accessible from the adjacent side, there must be a minimum of two candle-foot power along the first forty unobstructed feet of the adjacent side of the building; and

(3) There must be a minimum of two candle-foot power in that portion of the defined parking area within fifty feet of the automated teller machine or night deposit facility. [1993 c 324 § 5.]

**19.174.060 Notice to customer.** The issuer of an access device shall furnish a customer receiving the device with a notice of basic safety precautions that the customer should employ while using an automated teller machine or night deposit facility. This information must be furnished by personally delivering or by mailing the information to each customer whose mailing address is in this state for the account to which the access device relates. This information must be furnished for an access device issued on or after July 1, 1994, at or before the time the customer is furnished with his or her access device. For a customer to whom an access device was issued before July 1, 1994, the information must be delivered or mailed to the customer on or before December 31, 1994. Only one notice must be furnished per household, and if an access device is furnished to more than one customer for a single account or set of accounts or on the basis of a single application or other request for the access devices, only a single notice must be furnished in satisfaction of the notification responsibilities as to all those customers. The information may be included with other disclosures related to the access device furnished to the customer, such as with an initial or periodic disclosure statement furnished under the Electronic Fund Transfer Act, 15 U.S.C. Sec. 1601, et seq. [1993 c 324 § 6.]

**19.174.070 Exceptions.** This chapter does not apply to an automated teller machine or night deposit facility that is:

(1) Located inside of a building, unless it is a freestanding installation that exists for the sole purpose of providing an enclosure for the automated teller machine or night deposit facility;

(2) Located inside a building, except to the extent a transaction can be conducted from outside the building; or

(3) Located in an area, including an access area, building, enclosed space, or parking area that is not controlled by the operator. [1993 c 324 § 7.]

**19.174.080 Chapter supersedes local government actions.** This chapter supersedes and preempts all rules, regulations, codes, statutes, or ordinances of all cities, counties, municipalities, and local agencies regarding customer safety at automated teller machines or night deposit facilities located in this state. [1993 c 324 § 8.]

**19.174.090 Compliance evidence of adequate safety measures.** Compliance with the objective standards and information requirements of this chapter is prima facie evidence that the operator of the automated teller machine or

night deposit facility in question has provided adequate measures for the safety of users of the automated teller machine or night depository. [1993 c 324 § 9.]

**19.174.900 Effective date—1993 c 324.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [May 12, 1993]. [1993 c 324 § 15.]

## Chapter 19.178

### GOING OUT OF BUSINESS SALES

#### Sections

19.178.010	Definitions.
19.178.020	Notice—Recording—Display—Service on attorney general.
19.178.030	Notice—Recording—Procedure.
19.178.040	Inventory list—Compilation of purchase orders.
19.178.050	Business identification number—Ownership interest purposes limited—Application of consumer protection act.
19.178.060	Time limit.
19.178.070	Merchandise—Consigned or not owned by seller—Transfer—Additional.
19.178.080	Continuing business prohibited—Exception.
19.178.090	Means for continuation of closing business location prohibited.
19.178.100	Advertising—Moving sale.
19.178.110	Violations—Application of consumer protection act.
19.178.120	Violation—False or incorrect notice—Penalty.
19.178.130	Proceedings instituted by attorney general or prosecuting attorney.
19.178.140	State preemption.
19.178.900	Application of chapter—Exceptions.
19.178.901	Severability—1993 c 456.

**19.178.010 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Affiliated business" means a business or business location that is directly or indirectly controlled by or under common control with the business location or locations listed in the notice of the sale or that has a common ownership interest in the merchandise to be sold with the business location or locations listed in the notice of the sale.

(2) "Going out of business sale" means a sale or auction advertised or held out to the public as the disposal of merchandise in anticipation of cessation of business. This includes but is not limited to a sale or auction advertised or held out to the public as a "going out of business sale," a "closing out sale," a "quitting business sale," a "loss of lease sale," a "must vacate sale," a "liquidation sale," a "bankruptcy sale," a "sale to prevent bankruptcy," or another description suggesting price reduction due to the imminent closure of the business.

(3) "Merchandise" means goods, wares, or other property or services capable of being the object of a sale regulated under this chapter.

(4) "Moving sale" means a sale or auction advertised or held out to the public in anticipation of a relocation of the business to within a thirty-mile radius of its existing location.

(5) "Person" means, where applicable, natural persons, corporations, trusts, unincorporated associations, partnerships, or other legal entities. [1993 c 456 § 2.]

**19.178.020 Notice—Recording—Display—Service on attorney general.** (1) It is unlawful for a person to sell, offer for sale, or advertise for sale merchandise at a going out of business sale without first recording a notice of the going out of business sale and executing an affidavit of inventory under this chapter.

(2) The notice of the sale must be displayed in a prominent place on the premises where a going out of business sale is being conducted.

(3) Where a going out of business sale is part of a bankruptcy, receivership, or other court-ordered action, a person required by this chapter to record a notice of the sale shall serve a copy of the petition, motion, proposed order, or other pleading requesting court approval of the sale on the attorney general no less than seven days before the date on which an action may be taken related to the conduct of the sale by a court. [1993 c 456 § 3.]

**19.178.030 Notice—Recording—Procedure.** (1) A person conducting a going out of business sale shall record a notice of the sale with the county auditor at least fourteen days before the beginning date of the sale.

(2) The notice must be signed under oath and acknowledged and must require, and the person signing the notice shall set forth, the following facts and information regarding the sale:

(a) The name, address, telephone number, and Washington state business identification number of the owner of the merchandise to be sold. If the owner is a corporation, trust, unincorporated association, partnership, or other legal entity, the person signing the notice must be an officer of the entity and must identify his or her title;

(b) The name, address, and telephone number of the person who will be in charge and responsible for the conduct of the sale;

(c) The descriptive name, location or locations, and beginning and ending dates of the sale;

(d) Whether a person who has an ownership interest in the business or in the merchandise to be sold has conducted a going out of business sale within one year of recording the notice;

(e) Whether a person who has an ownership interest in the business or in the merchandise to be sold established or acquired an ownership interest in the business within six months of recording the notice; and

(f) A statement that:

(i) The merchandise ordered during the thirty days before recording the notice consists only of bona fide orders made in the usual course of business and does not contain merchandise taken on consignment or otherwise;

(ii) No merchandise transferred from an affiliated business was transferred in contemplation of conducting the sale;

(iii) No merchandise will be ordered, taken on consignment, or transferred from an affiliated business after the notice is recorded or during the sale;

(iv) No person who has an ownership interest in the business or in the merchandise to be sold established or acquired an interest in the business or in the merchandise to be sold solely or principally for the purpose of conducting a going out of business sale;

(v) The business will be discontinued after the ending date of the sale and no merchandise held out for sale will be subsequently offered for sale to the public by anyone who had an ownership interest in the business or in the merchandise offered for sale; and

(vi) No person who has an ownership interest in the business or in the merchandise to be sold is subject to a court order resulting from a civil enforcement action under the consumer protection act for a violation of this chapter or the type of conduct prohibited by this chapter. [1993 c 456 § 5.]

**19.178.040 Inventory list—Compilation of purchase orders.** (1) A person conducting a going out of business sale shall, before recording the notice, make either an inventory list of the merchandise to be sold or a compilation of purchase orders issued by the business in the thirty days before recording the notice of the sale.

(2) If a person elects to make an inventory list:

(a) The inventory list must identify the merchandise and include the quantity of each item and the price at which each item was offered for sale within one week of recording the notice;

(b) The inventory list must identify items ordered within thirty days of recording the notice but not yet received by the business;

(c) The inventory list must be permanently attached to an affidavit executed by the person recording the notice of the sale stating that the inventory list is a true and correct inventory of merchandise owned by the business conducting the sale as of the date the affidavit is executed; and

(d) No item may be offered for sale at a going out of business sale unless the item is included in the inventory list for the sale.

(3) If a person elects to make a purchase order compilation, the compilation must be permanently attached to an affidavit executed by the person recording the notice of the sale stating that the compilation is a true and correct compilation of the purchase orders issued by the business in the thirty days before recording the notice of the sale.

(4) The affidavit must be signed under oath and acknowledged before a notary public. Each page of the inventory list or purchase order compilation must be marked in some form by a notary public to verify its identity as part of the inventory list or purchase order compilation for the going out of business sale.

(5) A person conducting a going out of business sale shall maintain possession of the affidavit and attached inventory list or purchase order compilation for three years after the ending date of the sale. The inventory list or purchase order compilation is admissible evidence of compliance or noncompliance with this chapter. [1993 c 456 § 6.]

**19.178.050 Business identification number—Ownership interest purposes limited—Application of consumer protection act.** (1) No person may conduct a going out of business sale except a person with a valid Washington state business identification number.

(2) No person may conduct a going out of business sale if a person who has an ownership interest in the business or

in the merchandise to be sold established or acquired an ownership interest in the business solely or principally for the purpose of conducting a going out of business sale. A person who has either conducted a going out of business sale within one year or established or acquired an interest in the business conducting the sale within six months of recording the notice is presumed to have established or acquired an interest in the business solely or principally for the purpose of conducting a going out of business sale.

(3) No person may conduct a going out of business sale if a person who has an ownership interest in the business or in the merchandise to be sold is subject to a court order resulting from a civil enforcement action under the consumer protection act for a violation of this chapter or the type of conduct prohibited by this chapter. [1993 c 456 § 7.]

**19.178.060 Time limit.** No person may conduct a going out of business sale for more than sixty days from the beginning date of the sale. [1993 c 456 § 8.]

**19.178.070 Merchandise—Consigned or not owned by seller—Transfer—Additional.** (1) No person may sell consigned merchandise or other merchandise not owned by the person signing the notice at a going out of business sale. Merchandise ordered within thirty days of recording the notice of the sale may consist only of bona fide orders made in the usual course of business and may contain no merchandise taken on consignment or otherwise.

(2) No person in contemplation of conducting a going out of business sale may transfer merchandise from an affiliated business or business location to the location or locations of the sale.

(3) No person, after recording the notice of a going out of business sale, may buy or order merchandise, take merchandise on consignment, or receive a transfer of merchandise from an affiliated business or business location for the purpose of selling it at the sale or sell the merchandise in a going out of business sale. [1993 c 456 § 9.]

**19.178.080 Continuing business prohibited—Exception.** (1) No person may continue to conduct a going out of business sale beyond the ending date listed in the notice of the sale.

(2) No person after conducting a going out of business sale may remain in business under any of the same ownership, or under the same or substantially the same trade name, or continue to offer for sale the same type of merchandise for a period of one year after the ending date of the sale unless the continuing business location was in operation before recording the notice for the closing business location.

(3) For the purposes of this section, if a business entity that is prohibited from continuing a business under this section reformulates itself as a new entity or as an individual, whether by sale, merger, acquisition, bankruptcy, dissolution, or other transaction, for the purpose of continuing the business or profiting from the business, the successor entity or individual is considered the same person as the original entity. If an individual who is prohibited from continuing a business under this section forms a new business entity to continue the business, participate in the business, or profit

from the business, that entity is considered the same person as the individual. [1993 c 456 § 10.]

**19.178.090 Means for continuation of closing business location prohibited.** No person may conduct a going out of business sale if any means have been established for continuation of the closing business location by the same owner, directly or indirectly, by corporation, trust, unincorporated association, partnership, or other legal entity under the same name or under a different name. [1993 c 456 § 11.]

**19.178.100 Advertising—Moving sale.** (1) No person may advertise a going out of business sale more than fourteen days before the beginning date of the sale. All advertising of the sale must state the beginning date and must clearly and prominently state the ending date of the sale. Except as provided in subsection (2) of this section, all advertising must be confined to or refer to the address or addresses and place or places of business specified in the notice as going out of business and may not state that other locations or affiliated businesses are cooperating with or participating in the sale unless the other locations or affiliated businesses are included in the notice.

(2) Advertising broadcast on radio is not required to refer to the address or addresses of the business specified in the notice as going out of business, but must meet all other conditions of this section.

(3) No advertising may contain false, misleading, or deceptive statements regarding the nature, duration, merchandise, or other terms of a going out of business sale.

(4) Representations in advertising regarding price savings or discounts on sale merchandise must be bona fide and substantiated.

(5) A moving sale may not be advertised for more than ninety days and may not occur more than once within a twenty-four month period. [1993 c 456 § 12.]

**19.178.110 Violations—Application of consumer protection act.** The legislature finds that the practices covered by this chapter are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. Violations of this chapter are not reasonable in relation to the development and preservation of business. A violation of this chapter is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW. [1993 c 456 § 1.]

**19.178.120 Violation—False or incorrect notice—Penalty.** A person who knowingly violates this chapter or who knowingly gives false or incorrect information in a notice required by this chapter is guilty of a gross misdemeanor punishable under chapter 9A.20 RCW. [1993 c 456 § 13.]

**19.178.130 Proceedings instituted by attorney general or prosecuting attorney.** The attorney general or the proper prosecuting attorney may institute proceedings under this chapter. [1993 c 456 § 14.]

**19.178.140 State preemption.** The state of Washington fully occupies and preempts the entire field of regulating going out of business sales. [1993 c 456 § 15.]

**19.178.900 Application of chapter—Exceptions.** (1) This chapter shall apply only to persons who engage in the retail sale of merchandise in their regular course of business.

(2) This chapter does not apply to:

(a) Persons acting in accordance with their powers and duties as public officers, such as county sheriffs;

(b) Bulk transfers as defined in \*RCW 62A.6-102; or

(c) Moving sales, except for RCW 19.178.100(5).

(3) Going out of business sales of perishable merchandise or merchandise damaged by fire, smoke, or water are exempt from the requirement that the notice of the sale be recorded at least fourteen days before the beginning date of the sale. [1993 c 456 § 4.]

\*Reviser's note: RCW 62A.6-102 was repealed by 1993 c 395 § 6-101.

**19.178.901 Severability—1993 c 456.** If any provision of this chapter or its application to any person or circumstance is held invalid, the remainder of the chapter or the application of the provision to other persons or circumstances is not affected. [1993 c 456 § 16.]

## Chapter 19.182

### FAIR CREDIT REPORTING ACT

#### Sections

19.182.005	Findings—Declaration.
19.182.010	Definitions.
19.182.020	Consumer report—Furnishing—Procuring.
19.182.030	Consumer report—Credit action not initiated by consumer—Exclusion by consumer.
19.182.040	Consumer report—Prohibited information—Exceptions.
19.182.050	Investigative consumer report—Procurement, preparation—Disclosure—Use—Liability—Record.
19.182.060	Consumer report—Procedures for compliance—Information for governmental agency—Record.
19.182.070	Disclosures to consumer.
19.182.080	Disclosures to consumer—Procedures.
19.182.090	Consumer file—Dispute—Procedure—Notice—Statement of dispute—Toll-free information number.
19.182.100	Consumer reporting agency—Consumer fees and charges for required information—Exceptions.
19.182.110	Adverse action based on report—Procedure—Notice.
19.182.120	Limitation on action—Exception.
19.182.130	Obtaining information under false pretenses—Penalty.
19.182.140	Provision of information to unauthorized person—Penalty.
19.182.150	Application of consumer protection act—Limitation—Awards—Penalties—Attorneys' fees.
19.182.900	Short title—1993 c 476.
19.182.901	Severability—1993 c 476.
19.182.902	Effective date—1993 c 476.

**19.182.005 Findings—Declaration.** The legislature finds and declares that consumers have a vital interest in establishing and maintaining creditworthiness. The legislature further finds that an elaborate mechanism using credit reports has developed for investigating and evaluating a consumer's creditworthiness, credit capacity, and general reputation and character. As such, credit reports are used for evaluating credit card, loan, mortgage, and small business financing applications, as well as for decisions regarding

employment and the rental or leasing of dwellings. Moreover, financial institutions and other creditors depend upon fair and accurate credit reports to efficiently and accurately evaluate creditworthiness. Unfair or inaccurate reports undermine both public and creditor confidences in the reliability of credit granting systems.

Therefore, this chapter is necessary to assure accurate credit data collection, maintenance, and reporting on the citizens of the state. It is the policy of the state that credit reporting agencies maintain accurate credit reports, resolve disputed reports promptly and fairly, and adopt reasonable procedures to promote consumer confidentiality and the proper use of credit data in accordance with this chapter. [1993 c 476 § 1.]

**19.182.010 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1)(a) "Adverse action" includes:

(i) Denial of, increase in any charge for, or reduction in the amount of insurance for personal, family, or household purposes;

(ii) Denial of employment or any other decision for employment purposes that adversely affects a current or prospective employee;

(iii) Action or determination with respect to a consumer's application for credit that is adverse to the interests of the consumer; and

(iv) Action or determination with respect to a consumer's application for the rental or leasing of residential real estate that is adverse to the interests of the consumer.

(b) "Adverse action" does not include:

(i) A refusal to extend additional credit under an existing credit arrangement if:

(A) The applicant is delinquent or otherwise in default with respect to the arrangement; or

(B) The additional credit would exceed a previously established credit limit; or

(ii) A refusal or failure to authorize an account transaction at a point of sale.

(2) "Attorney general" means the office of the attorney general.

(3) "Consumer" means an individual.

(4)(a) "Consumer report" means a written, oral, or other communication of information by a consumer reporting agency bearing on a consumer's creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living that is used or expected to be used or collected in whole or in part for:

(i) The purpose of serving as a factor in establishing the consumer's eligibility for credit or insurance to be used primarily for personal, family, or household purposes;

(ii) Employment purposes; or

(iii) Other purposes authorized under RCW 19.182.020.

(b) "Consumer report" does not include:

(i) A report containing information solely as to transactions or experiences between the consumer and the person making the report;

(ii) An authorization or approval of a specific extension of credit directly or indirectly by the issuer of a credit card or similar device;

(iii) A report in which a person who has been requested by a third party to make a specific extension of credit directly or indirectly to a consumer conveys his or her decision with respect to the request, if the third party advises the consumer of the name and address of the person to whom the request was made and the person makes the disclosures to the consumer required under RCW 19.182.070;

(iv) A list compiled by a consumer reporting agency to be used by its client for direct marketing of goods or services not involving an offer of credit;

(v) A report solely conveying a decision whether to guarantee a check in response to a request by a third party; or

(vi) A report furnished for use in connection with a transaction that consists of an extension of credit to be used for a commercial purpose.

(5) "Consumer reporting agency" means a person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the business of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties, and who uses any means or facility of commerce for the purpose of preparing or furnishing consumer reports. "Consumer reporting agency" does not include a person solely by reason of conveying a decision whether to guarantee a check in response to a request by a third party or a person who obtains a consumer report and provides the report or information contained in it to a subsidiary or affiliate of the person.

(6) "Credit transaction that is not initiated by the consumer" does not include the use of a consumer report by an assignee for collection or by a person with which the consumer has an account, for purposes of (a) reviewing the account, or (b) collecting the account. For purposes of this subsection "reviewing the account" includes activities related to account maintenance and monitoring, credit line increases, and account upgrades and enhancements.

(7) "Direct solicitation" means the process in which the consumer reporting agency compiles or edits for a client a list of consumers who meet specific criteria and provides this list to the client or a third party on behalf of the client for use in soliciting those consumers for an offer of a product or service.

(8) "Employment purposes," when used in connection with a consumer report, means a report used for the purpose of evaluating a consumer for employment, promotion, reassignment, or retention as an employee.

(9) "File," when used in connection with information on any consumer, means all of the information on that consumer recorded and retained by a consumer reporting agency regardless of how the information is stored.

(10) "Investigative consumer report" means a consumer report or portion of it in which information on a consumer's character, general reputation, personal characteristics, or mode of living is obtained through personal interviews with neighbors, friends, or associates of the consumer reported on or with others with whom the consumer is acquainted or who may have knowledge concerning any items of information. However, the information does not include specific factual information on a consumer's credit record obtained directly from a creditor of the consumer or from a consumer

reporting agency when the information was obtained directly from a creditor of the consumer or from the consumer.

(11) "Medical information" means information or records obtained, with the consent of the individual to whom it relates, from a licensed physician or medical practitioner, hospital, clinic, or other medical or medically related facility.

(12) "Person" includes an individual, corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, and any other legal or commercial entity.

(13) "Prescreening" means the process in which the consumer reporting agency compiles or edits for a client a list of consumers who meet specific credit criteria and provides this list to the client or a third party on behalf of the client for use in soliciting those consumers for an offer of credit. [1993 c 476 § 3.]

**19.182.020 Consumer report—Furnishing—Procuring.** (1) A consumer reporting agency may furnish a consumer report only under the following circumstances:

(a) In response to the order of a court having jurisdiction to issue the order;

(b) In accordance with the written instructions of the consumer to whom it relates; or

(c) To a person that the agency has reason to believe:

(i) Intends to use the information in connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer;

(ii) Intends to use the information for employment purposes;

(iii) Intends to use the information in connection with the underwriting of insurance involving the consumer;

(iv) Intends to use the information in connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status; or

(v) Otherwise has a legitimate business need for the information in connection with a business transaction involving the consumer.

(2)(a) A person may not procure a consumer report, or cause a consumer report to be procured, for employment purposes with respect to any consumer who is not an employee at the time the report is procured or caused to be procured unless:

(i) A clear and conspicuous disclosure has been made in writing to the consumer before the report is procured or caused to be procured that a consumer report may be obtained for purposes of considering the consumer for employment. The disclosure may be contained in a written statement contained in employment application materials; or

(ii) The consumer authorizes the procurement of the report.

(b) A person may not procure a consumer report, or cause a consumer report to be procured, for employment purposes with respect to any employee unless the employee has received, at any time after the person became an employee, written notice that consumer reports may be used for employment purposes. A written statement that consum-

er reports may be used for employment purposes that is contained in employee guidelines or manuals available to employees or included in written materials provided to employees constitutes written notice for purposes of this subsection. This subsection does not apply with respect to a consumer report of an employee who the employer has reasonable cause to believe has engaged in specific activity that constitutes a violation of law.

(c) In using a consumer report for employment purposes, before taking any adverse action based in whole or part on the report, a person shall provide to the consumer to whom the report relates: (i) The name, address, and telephone number of the consumer reporting agency providing the report; (ii) a description of the consumer's rights under this chapter pertaining to consumer reports obtained for employment purposes; and (iii) a reasonable opportunity to respond to any information in the report that is disputed by the consumer. [1993 c 476 § 4.]

**19.182.030 Consumer report—Credit action not initiated by consumer—Exclusion by consumer.** (1) A consumer reporting agency may provide a consumer report relating to a consumer under RCW 19.182.020(1)(c)(i) in connection with a credit transaction that is not initiated by the consumer only if:

(a) The consumer authorized the consumer reporting agency to provide the report to such a person; or

(b) The consumer has not elected in accordance with subsection (3) of this section to have the consumer's name and address excluded from such transactions.

(2) A consumer reporting agency may provide only the following information under subsection (1) of this section:

(a) The name and address of the consumer; and

(b) Information pertaining to a consumer that is not identified or identifiable with particular accounts or transactions of the consumer.

(3)(a) A consumer may elect to have his or her name and address excluded from any list provided by a consumer reporting agency through prescreening under subsection (1) of this section or from any list provided by a consumer reporting agency for direct solicitation transactions that are not initiated by the consumer by notifying the consumer reporting agency. The notice must be made in writing through the notification system maintained by the consumer reporting agency under subsection (4) of this section and must state that the consumer does not consent to any use of consumer reports relating to the consumer in connection with any transaction that is not initiated by the consumer.

(b) An election of a consumer under (a) of this subsection is effective with respect to a consumer reporting agency and any affiliate of the consumer reporting agency, within five business days after the consumer reporting agency receives the consumer's notice.

(4) A consumer reporting agency that provides information intended to be used in a prescreened credit transaction or direct solicitation transaction that is not initiated by the consumer shall:

(a) Maintain a notification system that facilitates the ability of a consumer in the agency's data base to notify the agency to promptly withdraw the consumer's name from lists

compiled for prescreened credit transactions and direct solicitation transactions not initiated by the consumer; and

(b) Publish at least annually in a publication of general circulation in the area served by the agency, the address for consumers to use to notify the agency of the consumer's election under subsection (3) of this section.

(5) A consumer reporting agency that maintains consumer reports on a nation-wide basis shall establish a system meeting the requirements of subsection (4) of this section on a nation-wide basis, and may operate such a system jointly with any other consumer reporting agencies.

(6) Compliance with the requirements of this section by any consumer reporting agency constitutes compliance by the agency's affiliates. [1993 c 476 § 5.]

**19.182.040 Consumer report—Prohibited information—Exceptions.** (1) Except as authorized under subsection (2) of this section, no consumer reporting agency may make a consumer report containing any of the following items of information:

(a) Bankruptcies that, from date of adjudication of the most recent bankruptcy, antedate the report by more than ten years;

(b) Suits and judgments that, from date of entry, antedate the report by more than seven years or until the governing statute of limitations has expired, whichever is the longer period;

(c) Paid tax liens that, from date of payment, antedate the report by more than seven years;

(d) Accounts placed for collection or charged to profit and loss that antedate the report by more than seven years;

(e) Records of arrest, indictment, or conviction of crime that, from date of disposition, release, or parole, antedate the report by more than seven years;

(f) Any other adverse item of information that antedates the report by more than seven years.

(2) Subsection (1) of this section is not applicable in the case of a consumer report to be used in connection with:

(a) A credit transaction involving, or that may reasonably be expected to involve, a principal amount of fifty thousand dollars or more;

(b) The underwriting of life insurance involving, or that may reasonably be expected to involve, a face amount of fifty thousand dollars or more; or

(c) The employment of an individual at an annual salary that equals, or that may reasonably be expected to equal, twenty thousand dollars or more. [1993 c 476 § 6.]

**19.182.050 Investigative consumer report—Procurement, preparation—Disclosure—Use—Liability—Record.** (1) A person may not procure or cause to be prepared an investigative consumer report on a consumer unless:

(a) It is clearly and accurately disclosed to the consumer that an investigative consumer report including information as to the consumer's character, general reputation, personal characteristics, and mode of living, whichever are applicable, may be made, and the disclosure:

(i) Is made in a writing mailed, or otherwise delivered, to the consumer not later than three days after the date on which the report was first requested; and

(ii) Includes a statement informing the consumer of the consumer's right to request the additional disclosures provided for under subsection (2) of this section and the written summary of the rights of the consumer prepared under RCW 19.182.080(7); or

(b) The report is to be used for employment purposes for which the consumer has not specifically applied.

(2) A person who procures or causes to be prepared an investigative consumer report on a consumer shall make, upon written request made by the consumer within a reasonable period of time after the receipt by the consumer of the disclosure required in subsection (1)(a) of this section, a complete and accurate disclosure of the nature and scope of the investigation requested. This disclosure must be made in a writing mailed, or otherwise delivered, to the consumer not later than the latter of five days after the date on which the request for the disclosure was either received from the consumer or the report was first requested.

(3) No person may be held liable for a violation of subsection (1) or (2) of this section if the person shows by a preponderance of the evidence that at the time of the violation the person maintained reasonable procedures to assure compliance with subsection (1) or (2) of this section.

(4) A consumer reporting agency shall maintain a detailed record of:

(a) The identity of the person to whom an investigative consumer report or information from a consumer report is provided by the consumer reporting agency; and

(b) The certified purpose for which an investigative consumer report on a consumer, or any other information relating to a consumer, is requested by the person.

For purposes of this subsection, "person" does not include an individual who requests the report unless the individual obtains the report or information for his or her own individual purposes. [1993 c 476 § 7.]

**19.182.060 Consumer report—Procedures for compliance—Information for governmental agency—Record.** (1) A consumer reporting agency shall maintain reasonable procedures designed to avoid violations of RCW 19.182.040 and to limit the furnishing of consumer reports to the purposes listed under RCW 19.182.020. These procedures must require that prospective users of the information identify themselves, certify the purposes for which the information is sought, and certify that the information will be used for no other purpose. A consumer reporting agency shall make a reasonable effort to verify the identity of a new prospective user and the uses certified by the prospective user before furnishing the user a consumer report. No consumer reporting agency may furnish a consumer report to a person if the agency has reasonable grounds for believing that the consumer report will not be used for a purpose listed in RCW 19.182.020.

(2) Whenever a consumer reporting agency prepares a consumer report it shall follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates.

(3) Notwithstanding RCW 19.182.020, a consumer reporting agency may furnish identifying information about a consumer, limited to the consumer's name, address, former

addresses, places of employment, or former places of employment, to a governmental agency.

(4) A consumer reporting agency shall maintain a detailed record of:

(a) The identity of any person to whom a consumer report or information from a consumer report is provided by the consumer reporting agency; and

(b) The certified purpose for which a consumer report on a consumer, or any other information relating to a consumer, is requested by any person.

For purposes of this subsection, "person" does not include an individual who requests the report unless the individual obtains the report or information for his or her own purposes. [1993 c 476 § 8.]

**19.182.070 Disclosures to consumer.** A consumer reporting agency shall, upon request by the consumer, clearly and accurately disclose:

(1) All information in the file on the consumer at the time of request, except that medical information may be withheld. The agency shall inform the consumer of the existence of medical information, and the consumer has the right to have that information disclosed to the health care provider of the consumer's choice. Nothing in this chapter prevents, or authorizes a consumer reporting agency to prevent, the health care provider from disclosing the medical information to the consumer. The agency shall inform the consumer of the right to disclosure of medical information at the time the consumer requests disclosure of his or her file.

(2) All items of information in its files on that consumer, including disclosure of the sources of the information, except that sources of information acquired solely for use in an investigative report may only be disclosed to a plaintiff under appropriate discovery procedures.

(3) Identification of (a) each person who for employment purposes within the two-year period before the request, and (b) each person who for any other purpose within the six-month period before the request, procured a consumer report.

(4) A record identifying all inquiries received by the agency in the six-month period before the request that identified the consumer in connection with a credit transaction that is not initiated by the consumer.

(5) An identification of a person under subsection (3) or (4) of this section must include (a) the name of the person or, if applicable, the trade name under which the person conducts business; and (b) upon request of the consumer, the address of the person. [1993 c 476 § 9.]

**19.182.080 Disclosures to consumer—Procedures.** (1) A consumer reporting agency shall make the disclosures required under RCW 19.182.070 during normal business hours and on reasonable notice.

(2) The consumer reporting agency shall make the disclosures required under RCW 19.182.070 to the consumer:

(a) In person if the consumer appears in person and furnishes proper identification;

(b) By telephone if the consumer has made a written request, with proper identification, for telephone disclosure

and the toll charge, if any, for the telephone call is prepaid by or charged directly to the consumer; or

(c) By any other reasonable means that are available to the consumer reporting agency if that means is authorized by the consumer.

(3) A consumer reporting agency shall provide trained personnel to explain to the consumer, information furnished to the consumer under RCW 19.182.070.

(4) The consumer reporting agency shall permit the consumer to be accompanied by one other person of the consumer's choosing, who shall furnish reasonable identification. A consumer reporting agency may require the consumer to furnish a written statement granting permission to the consumer reporting agency to discuss the consumer's file in the other person's presence.

(5) If a credit score is provided by a consumer reporting agency to a consumer, the agency shall provide an explanation of the meaning of the credit score.

(6) Except as provided in RCW 19.182.150, no consumer may bring an action or proceeding in the nature of defamation, invasion of privacy, or negligence with respect to the reporting of information against a consumer reporting agency or a user of information, based on information disclosed under this section or RCW 19.182.070, except as to false information furnished with malice or willful intent to injure the consumer. Except as provided in RCW 19.182.150, no consumer may bring an action or proceeding against a person who provides information to a consumer reporting agency in the nature of defamation, invasion of privacy, or negligence for unintentional error.

(7)(a) A consumer reporting agency must provide to a consumer, with each written disclosure by the agency to the consumer under RCW 19.182.070, a written summary of all rights and remedies the consumer has under this chapter.

(b) The summary of the rights and remedies of consumers under this chapter must include:

(i) A brief description of this chapter and all rights and remedies of consumers under this chapter;

(ii) An explanation of how the consumer may exercise the rights and remedies of the consumer under this chapter; and

(iii) A list of all state agencies, including the attorney general's office, responsible for enforcing any provision of this chapter and the address and appropriate phone number of each such agency. [1993 c 476 § 10.]

**19.182.090 Consumer file—Dispute—Procedure—Notice—Statement of dispute—Toll-free information number.**

(1) If the completeness or accuracy of an item of information contained in a consumer's file at a consumer reporting agency is disputed by the consumer and the consumer notifies the agency directly of the dispute, the agency shall reinvestigate without charge and record the current status of the disputed information before the end of thirty business days, beginning on the date the agency receives the notice from the consumer.

(2) Before the end of the five business-day period beginning on the date a consumer reporting agency receives notice of a dispute from a consumer in accordance with subsection (1) of this section, the agency shall notify any person who provided an item of information in dispute.

(3)(a) Notwithstanding subsection (1) of this section, a consumer reporting agency may terminate a reinvestigation of information disputed by a consumer under subsection (1) of this section if the agency determines that the dispute by the consumer is frivolous or irrelevant, including by reason of a failure of the consumer to provide sufficient information.

(b) Upon making a determination in accordance with (a) of this subsection that a dispute is frivolous or irrelevant, a consumer reporting agency shall notify the consumer within five business days of the determination. The notice shall be made in writing or any other means authorized by the consumer that are available to the agency, but the notice shall include the reasons for the determination and a notice of the consumer's rights under subsection (6) of this section.

(4) In conducting a reinvestigation under subsection (1) of this section with respect to disputed information in the file of any consumer, the consumer reporting agency shall review and consider all relevant information submitted by the consumer in the period described in subsection (1) of this section with respect to the disputed information.

(5)(a) If, after a reinvestigation under subsection (1) of this section of information disputed by a consumer, the information is found to be inaccurate or cannot be verified, the consumer reporting agency shall promptly delete the information from the consumer's file.

(b)(i) If information is deleted from a consumer's file under (a) of this subsection, the information may not be reinserted in the file after the deletion unless the person who furnishes the information verifies that the information is complete and accurate.

(ii) If information that has been deleted from a consumer's file under (a) of this subsection is reinserted in the file in accordance with (b)(i) of this subsection, the consumer reporting agency shall notify the consumer of the reinsertion within thirty business days. The notice shall be in writing or any other means authorized by the consumer that are available to the agency.

(6) If the reinvestigation does not resolve the dispute or if the consumer reporting agency determines the dispute is frivolous or irrelevant, the consumer may file a brief statement setting forth the nature of the dispute. The consumer reporting agency may limit these statements to not more than one hundred words if it provides the consumer with assistance in writing a clear summary of the dispute.

(7) After the deletion of information from a consumer's file under this section or after the filing of a statement of dispute under subsection (6) of this section, the consumer reporting agency shall, at the request of the consumer, furnish notification that the item of information has been deleted or that item of information is disputed. In the case of disputed information, the notification shall include the statement filed under subsection (6) of this section. The notification shall be furnished to any person specifically designated by the consumer, who has, within two years before the deletion or filing of a dispute, received a consumer report concerning the consumer for employment purposes, or who has, within six months of the deletion or the filing of the dispute, received a consumer report concerning the consumer for any other purpose, if these consumer reports contained the deleted or disputed information.

(8)(a) Upon completion of the reinvestigation under this section, a consumer reporting agency shall provide notice, in writing or by any other means authorized by the consumer, of the results of a reinvestigation within five business days.

(b) The notice required under (a) of this subsection must include:

(i) A statement that the reinvestigation is completed;

(ii) A consumer report that is based upon the consumer's file as that file is revised as a result of the reinvestigation;

(iii) A description or indication of any changes made in the consumer report as a result of those revisions to the consumer's file;

(iv) If requested by the consumer, a description of the procedure used to determine the accuracy and completeness of the information shall be provided to the consumer by the agency, including the name, business address, and telephone number of any person contacted in connection with the information;

(v) If the reinvestigation does not resolve the dispute, a summary of the consumer's right to file a brief statement as provided in subsection (6) of this section; and

(vi) If information is deleted or disputed after reinvestigation, a summary of the consumer's right to request notification to persons who have received a consumer report as provided in subsection (7) of this section.

(9) In the case of a consumer reporting agency that compiles and maintains consumer reports on a nation-wide basis, the consumer reporting agency must provide to a consumer who has undertaken to dispute the information contained in his or her file a toll-free telephone number that the consumer can use to communicate with the agency. A consumer reporting agency that provides a toll-free number required by this subsection shall also provide adequately trained personnel to answer basic inquiries from consumers using the toll-free number. [1993 c 476 § 11.]

**19.182.100 Consumer reporting agency—Consumer fees and charges for required information—Exceptions.** (1) Except as provided in subsections (2) and (3) of this section, a consumer reporting agency may charge the following fees to the consumer:

(a) For making a disclosure under RCW 19.182.070 and 19.182.080, the consumer reporting agency may charge a fee not exceeding eight dollars. Beginning January 1, 1995, the eight-dollar charge may be adjusted on January 1st of each year based on corresponding changes in the consumer price index with fractional changes rounded to the nearest half dollar.

(b) For furnishing a notification, statement, or summary to a person under RCW 19.182.090(7), the consumer reporting agency may charge a fee not exceeding the charge that the agency would impose on each designated recipient for a consumer report. The amount of any charge must be disclosed to the consumer before furnishing the information.

(2) A consumer reporting agency shall make all disclosures under RCW 19.182.070 and 19.182.080 and furnish all consumer reports under RCW 19.182.090 without charge, if requested by the consumer within sixty days after receipt by the consumer of a notification of adverse action under RCW 19.182.110 or of a notification from a debt collection agency

affiliated with that consumer reporting agency stating that the consumer's credit rating may be or has been adversely affected.

(3) A consumer reporting agency shall not impose any charge for (a) providing notice to a consumer required under RCW 19.182.090, or (b) notifying a person under RCW 19.182.090(7) of the deletion of information that is found to be inaccurate or that can no longer be verified, if the consumer designates that person to the agency before the end of the thirty-day period beginning on the date of notice under RCW 19.182.090(8). [1993 c 476 § 12.]

**19.182.110 Adverse action based on report—Procedure—Notice.** If a person takes an adverse action with respect to a consumer that is based, in whole or in part, on information contained in a consumer report, the person shall:

(1) Provide written notice of the adverse action to the consumer, except verbal notice may be given by a person in an adverse action involving a business regulated by the Washington utilities and transportation commission or involving an application for the rental or leasing of residential real estate if such verbal notice does not impair a consumer's ability to obtain a credit report without charge under RCW 19.182.100(2); and

(2) Provide the consumer with the name, address, and telephone number of the consumer reporting agency that furnished the report to the person. [1993 c 476 § 13.]

**19.182.120 Limitation on action—Exception.** An action to enforce a liability created under this chapter is permanently barred unless commenced within two years after the cause of action accrues, except that where a defendant has materially and willfully misrepresented information required under this chapter to be disclosed to an individual and the information so misrepresented is material to the establishment of the defendant's liability to that individual under this chapter, the action may be brought at any time within two years after discovery by the individual of the misrepresentation. [1993 c 476 § 14.]

**19.182.130 Obtaining information under false pretenses—Penalty.** A person who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretenses is subject to a fine of up to five thousand dollars or imprisonment for up to one year, or both. [1993 c 476 § 15.]

**19.182.140 Provision of information to unauthorized person—Penalty.** An officer or employee of a consumer reporting agency who knowingly and willfully provides information concerning an individual from the agency's files to a person not authorized to receive that information is subject to a fine of up to five thousand dollars or imprisonment for up to one year, or both. [1993 c 476 § 16.]

**19.182.150 Application of consumer protection act—Limitation—Awards—Penalties—Attorneys' fees.** The legislature finds that the practices covered by this chapter are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter

19.86 RCW. Violations of this chapter are not reasonable in relation to the development and preservation of business. A violation of this chapter is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW. The burden of proof in an action alleging a violation of this chapter shall be by a preponderance of the evidence, and the applicable statute of limitation shall be as set forth in RCW 19.182.120. For purposes of a judgment awarded pursuant to an action by a consumer under chapter 19.86 RCW, the consumer shall be awarded actual damages and costs of the action together with reasonable attorney's fees as determined by the court. However, where there has been willful failure to comply with any requirement imposed under this chapter, the consumer shall be awarded actual damages, a monetary penalty of one thousand dollars, and the costs of the action together with reasonable attorneys' fees as determined by the court. [1993 c 476 § 17.]

**19.182.900 Short title—1993 c 476.** This chapter shall be known as the Fair Credit Reporting Act. [1993 c 476 § 2.]

**19.182.901 Severability—1993 c 476.** 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. [1993 c 476 § 18.]

**19.182.902 Effective date—1993 c 476.** This act takes effect January 1, 1994. [1993 c 476 § 20.]

## Chapter 19.184 WHEELCHAIRS

### Sections

19.184.010	Definitions.
19.184.020	Warranty—Implied.
19.184.030	Failure to conform with warranty—Remedy—Disclosure of returned wheelchair.
19.184.040	Rights or remedies not limited.
19.184.050	Consumer waiver void.
19.184.060	Action for damages—Pecuniary loss doubled—Costs, disbursements, attorneys' fees, equitable relief.

**19.184.010 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Collateral costs" means expenses incurred by a consumer in connection with the repair of a nonconformity, including the costs of obtaining an alternative wheelchair or other device assisting mobility.

(2) "Consumer" means any of the following:

(a) The purchaser of a wheelchair, if the wheelchair was purchased from a wheelchair dealer or manufacturer for purposes other than resale;

(b) A person to whom a wheelchair is transferred for purposes other than resale, if the transfer occurs before the expiration of an express warranty applicable to the wheelchair;

(c) A person who may enforce a warranty on a wheelchair; or

(d) A person who leases a wheelchair from a wheelchair lessor under a written lease.

(3) "Demonstrator" means a wheelchair used primarily for the purpose of demonstration to the public.

(4) "Early termination cost" means an expense or obligation that a wheelchair lessor incurs as a result of both the termination of a written lease before the termination date set forth in the lease and the return of a wheelchair to a manufacturer under RCW 19.184.030(2)(b). "Early termination cost" includes a penalty for prepayment under a finance arrangement.

(5) "Early termination savings" means an expense or obligation that a wheelchair lessor avoids as a result of both the termination of a written lease before the termination date set forth in the lease and the return of a wheelchair to a manufacturer under RCW 19.184.030(2)(b). "Early termination savings" includes an interest charge that the wheelchair lessor would have paid to finance the wheelchair or, if the wheelchair lessor does not finance the wheelchair, the difference between the total amount for which the lease obligates the consumer during the period of the lease term remaining after the early termination and the present value of that amount at the date of the early termination.

(6) "Manufacturer" means a person who manufactures or assembles wheelchairs and agents of the person, including an importer, a distributor, factory branch, distributor branch, and a warrantor of the manufacturer's wheelchairs, but does not include a wheelchair dealer.

(7) "Nonconformity" means a condition or defect that substantially impairs the use, value, or safety of a wheelchair, and that is covered by an express warranty applicable to the wheelchair or to a component of the wheelchair, but does not include a condition or defect that is the result of abuse, neglect, or unauthorized modification or alteration of the wheelchair by a consumer.

(8) "Reasonable attempt to repair" means any of the following occurring within the term of an express warranty applicable to a new wheelchair or within one year after first delivery of a wheelchair to a consumer, whichever is sooner:

(a) An attempted repair by the manufacturer, wheelchair lessor, or the manufacturer's authorized dealer is made to the same warranty nonconformity at least four times and the nonconformity continues; or

(b) The wheelchair is out of service for an aggregate of at least thirty days because of warranty nonconformity.

(9) "Wheelchair" means a wheelchair, including a demonstrator, that a consumer purchases or accepts transfer of in this state.

(10) "Wheelchair dealer" means a person who is in the business of selling wheelchairs.

(11) "Wheelchair lessor" means a person who leases a wheelchair to a consumer, or who holds the lessor's rights, under a written lease. [1995 c 14 § 1; 1994 c 104 § 1.]

**19.184.020 Warranty—Implied.** A manufacturer who sells a wheelchair to a consumer, either directly or through a wheelchair dealer, shall furnish the consumer with an express warranty for the wheelchair. The duration of the express warranty must be for at least one year after the first

delivery of the wheelchair to the consumer. If the manufacturer fails to furnish an express warranty as required under this section, the wheelchair is covered by an implied warranty as if the manufacturer had furnished an express warranty to the consumer as required under this section. [1995 c 14 § 2; 1994 c 104 § 2.]

**19.184.030 Failure to conform with warranty—Remedy—Disclosure of returned wheelchair.** (1) If a new wheelchair does not conform to an applicable express warranty and the consumer reports the nonconformity to the manufacturer, the wheelchair lessor, or any of the manufacturer's authorized wheelchair dealers and makes the wheelchair available for repair before one year after first delivery of the wheelchair to the consumer, the nonconformity must be repaired.

(2) If, after a reasonable attempt to repair, the nonconformity is not repaired, the manufacturer shall do one of the following, whichever is appropriate:

(a) At the direction of a consumer described under RCW 19.184.010(2) (a), (b), or (c), do one of the following:

(i) Accept return of the wheelchair and replace the wheelchair with a comparable new wheelchair and refund any collateral costs; or

(ii) Accept return of the wheelchair and refund to the consumer and to a holder of a perfected security interest in the consumer's wheelchair, as their interest may appear, the full purchase price plus any finance charge, amount paid by the consumer at the point of sale, and collateral costs, less a reasonable allowance for use. Under this subsection (2)(a)(ii), a reasonable allowance for use may not exceed the amount obtained by multiplying the full purchase price of the wheelchair by a fraction, the denominator of which is one thousand eight hundred twenty-five and the numerator of which is the number of days that the wheelchair was driven before the consumer first reported the nonconformity to the wheelchair dealer; or

(b)(i) For a consumer described in RCW 19.184.010(2)(d), accept return of the wheelchair, refund to the wheelchair lessor and to a holder of a perfected security interest in the wheelchair, as their interest may appear, the current value of the written lease and refund to the consumer the amount that the consumer paid under the written lease plus any collateral costs, less a reasonable allowance for use.

(ii) Under this subsection (2)(b), the current value of the written lease equals the total amount for which the lease obligates the consumer during the period of the lease remaining after its early termination, plus the wheelchair dealer's early termination costs and the value of the wheelchair at the lease expiration date if the lease sets forth the value, less the wheelchair lessor's early termination savings.

(iii) Under this subsection (2)(b), a reasonable allowance for use may not exceed the amount obtained by multiplying the total amount for which the written lease obligates the consumer by a fraction, the denominator of which is one thousand eight hundred twenty-five and the numerator of which is the number of days that the consumer drove the wheelchair before first reporting the nonconformity to the manufacturer, wheelchair lessor, or wheelchair dealer.

(3) To receive a comparable new wheelchair or a refund due under subsection (2)(a) of this section, a consumer

described under RCW 19.184.010(2) (a), (b), or (c) shall offer to the manufacturer of the wheelchair having the nonconformity to transfer possession of the wheelchair to the manufacturer. Within thirty days after the offer, the manufacturer shall provide the consumer with a comparable new wheelchair or a refund. When the manufacturer provides a new wheelchair or refund under this subsection, the consumer shall return to the manufacturer the wheelchair having the nonconformity.

(4)(a) To receive a refund due under subsection (2)(b) of this section, a consumer described under RCW 19.184.010(2)(d) shall offer to return the wheelchair having the nonconformity to its manufacturer. Within thirty days after the offer, the manufacturer shall provide the refund to the consumer. When the manufacturer provides the refund, the consumer shall return to the manufacturer the wheelchair having the nonconformity.

(b) To receive a refund due under subsection (2)(b) of this section, a wheelchair lessor shall offer to transfer possession of the wheelchair having the nonconformity to the manufacturer. Within thirty days after the offer, the manufacturer shall provide a refund to the wheelchair lessor. When the manufacturer provides the refund, the wheelchair lessor shall provide to the manufacturer the endorsements necessary to transfer legal possession to the manufacturer.

(c) A person may not enforce the lease against the consumer after the consumer receives a refund due under subsection (2)(b) of this section.

(5) A person may not sell or lease again in this state a wheelchair returned by a consumer or wheelchair lessor in this state under subsection (2) of this section or by a consumer or wheelchair lessor in another state under a similar law of that state, unless full disclosure of the reasons for return is made to a prospective buyer or lessee. [1995 c 14 § 3; 1994 c 104 § 3.]

**19.184.040 Rights or remedies not limited.** This chapter does not limit rights or remedies available under other law to a consumer. [1994 c 104 § 4.]

**19.184.050 Consumer waiver void.** A waiver by a consumer of rights under this section is void. [1994 c 104 § 5.]

**19.184.060 Action for damages—Pecuniary loss doubled—Costs, disbursements, attorneys' fees, equitable relief.** In addition to pursuing another remedy, a consumer may bring an action to recover damages caused by a violation of this chapter. The court shall award a consumer who prevails in an action under this section twice the amount of pecuniary loss, together with costs, disbursements, reasonable attorneys' fees, and equitable relief that the court determines is appropriate. [1994 c 104 § 6.]

## Chapter 19.186

## ROOFING AND SIDING CONTRACTORS AND SALESPERSONS

## Sections

19.186.005	Findings—Intent.
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19.186.020	Written contract—Requirements—Right to rescind—Notice.
19.186.030	Waiting period to begin work if customer obtaining loan—Effect.
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19.186.050	Violation—Consumer protection act.
19.186.060	Liability for failure to comply with chapter.

**19.186.005 Findings—Intent.** The legislature finds that many homeowners are solicited by siding and roofing contractors to purchase home improvements. Some contractors misrepresent the financing terms or the cost of the improvements, preventing the homeowner from making an informed decision about whether the improvements are affordable. The result is that many homeowners face financial hardship including the loss of their homes through foreclosure. The legislature declares that this is a matter of public interest. It is the intent of the legislature to establish rules of business practice for roofing and siding contractors to promote honesty and fair dealing with homeowners. [1994 c 285 § 1.]

**19.186.010 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Roofing or siding contract" means an agreement between a roofing or siding contractor or salesperson and a homeowner that includes, in part, an agreement to install, repair or replace residential roofing or siding for a total cost including labor and materials in excess of one thousand dollars.

This chapter does not apply to the following contracts:

(a) Residential remodel or repair contracts where the cost specified for roofing or siding is less than twenty percent of the total contract price;

(b) Contracts where the roofing or siding is part of a contract to build a new dwelling or an addition that provides additional living space;

(c) Contracts for emergency repairs made necessary by a natural disaster such as an earthquake, wind storm, or hurricane, or after a fire in the dwelling;

(d) Homes being prepared for resale; or

(e) Roofing or siding contracts in which the homeowner was not directly solicited by a roofing or siding contractor or salesperson. If a roofing or siding contractor or roofing or siding salesperson generally does business by soliciting, it shall be a rebuttable presumption that any roofing or siding contract entered into with a homeowner shall have been the result of a solicitation.

(2) "Roofing or siding contractor" means a person who owns or operates a contracting business that purports to install, repair, or replace or subcontracts to install, repair, or replace residential roofing or siding.

(3) "Roofing or siding salesperson" means a person who solicits, negotiates, executes, or otherwise endeavors to procure a contract with a homeowner to install, repair, or

replace residential roofing or siding on behalf of a roofing or siding contractor.

(4) "Residential roofing or siding" means roofing or siding installation, repair or replacement for an existing single-family dwelling or multiple family dwelling of four or less units, provided that this does not apply to a residence under construction.

(5) "Person" includes an individual, corporation, company, partnership, joint venture, or a business entity.

(6) "Siding" means material used to cover the exterior walls of a residential dwelling, excluding paint application.

(7)(a) "Solicit" means to initiate contact with the homeowner for the purpose of selling or installing roofing or siding by one of the following methods:

(i) Door-to-door contact;

(ii) Telephone contact;

(iii) Flyers left at a residence; or

(iv) Other promotional advertisements which offer gifts, cash, or services if the homeowner contacts the roofing or siding contractor or salesperson, except for newspaper advertisements which offer a seasonal discount.

(b) "Solicit" does not include:

(i) Calls made in response to a request or inquiry by the homeowner; or

(ii) Calls made to homeowners who have prior business or personal contact with the residential roofing or siding contractor or salesperson. [1994 c 285 § 2.]

**19.186.020 Written contract—Requirements—Right to rescind—Notice.** A roofing or siding contract shall be in writing. A copy of the contract shall be given to the homeowner at the time the homeowner signs the contract. The contract shall be typed or printed legibly and contain the following provisions:

(1) An itemized list of all work to be performed;

(2) The grade, quality, or brand name of materials to be used;

(3) The dollar amount of the contract;

(4) The name and address of the roofing or siding salesperson;

(5) The name, address, and contractor's registration number of the roofing or siding contractor;

(6) A statement as to whether all or part of the work is to be subcontracted to another person;

(7) The contract shall require the homeowner to disclose whether he or she intends to obtain a loan in order to pay for all or part of the amount due under the contract;

(8) If the customer indicates that he or she intends to obtain a loan to pay for a portion of the roofing or siding contract, the homeowner shall have the right to rescind the contract within three business days of receiving truth-in-lending disclosures or three business days of receiving written notification that the loan application was denied, whichever date is later; and

(9) The contract shall provide the following notice in ten-point boldface type in capital letters:

**"CUSTOMER'S RIGHT TO CANCEL**

**IF YOU HAVE INDICATED IN THIS CONTRACT THAT YOU INTEND TO OBTAIN A LOAN TO PAY FOR ALL OR PART OF THE**

**WORK SPECIFIED IN THE CONTRACT, YOU HAVE THE RIGHT TO CHANGE YOUR MIND AND CANCEL THIS CONTRACT WITHIN THREE DAYS OF THE DATE WHEN THE LENDER PROVIDES YOU WITH YOUR TRUTH-IN-LENDING DISCLOSURE STATEMENT OR THE DATE WHEN YOU RECEIVE WRITTEN NOTIFICATION THAT YOUR LOAN WAS DENIED.**

**BE SURE THAT ALL PROMISES MADE BY YOUR CONTRACTOR ARE PUT IN WRITING BEFORE YOU SIGN THIS CONTRACT."**

[1994 c 285 § 3.]

**19.186.030 Waiting period to begin work if customer obtaining loan—Effect.** If the customer indicates that he or she intends to obtain a loan to pay for all or part of the cost of the roofing or siding contract, the roofing or siding contractor shall not begin work until after the homeowner's rescission rights provided in RCW 19.186.020(9) have expired. If the roofing or siding contractor commences work under the contract before the homeowner's rescission rights have expired, the roofing or siding contractor or salesperson shall be prohibited from enforcing terms of the contract, including claims for labor or materials, in a court of law and shall terminate any security interest or statutory lien created under the transaction within twenty days of receiving written rescission of the contract from the customer. [1994 c 285 § 4.]

**19.186.040 Liability of contract purchaser or assignee—Notice.** A person who purchases or is otherwise assigned a roofing or siding contract shall be subject to all claims and defenses with respect to the contract that the homeowner could assert against the siding or roofing contractor or salesperson. A person who sells or otherwise assigns a roofing or siding contract shall include a prominent notice of the potential liability under this section. [1994 c 285 § 5.]

**19.186.050 Violation—Consumer protection act.** The legislature finds and declares that a violation of this chapter substantially affects the public interest and is an unfair and deceptive act or practice and unfair method of competition in the conduct of trade or commerce as set forth under chapter 19.86 RCW. [1994 c 285 § 6.]

**19.186.060 Liability for failure to comply with chapter.** A roofing or siding contractor or salesperson who fails to comply with the requirements of this chapter shall be liable to the homeowner for any actual damages sustained by the person as a result of the failure. Nothing in this section shall limit any cause of action or remedy available under RCW 19.186.050 or chapter 19.86 RCW. [1994 c 285 § 7.]

## Chapter 19.188

### ELECTRONIC MEDIA VIOLENCE

#### Sections

- 19.188.010 Finding.
- 19.188.020 Television time/channel locks.
- 19.188.030 Library access policies.

**19.188.010 Finding.** The legislature finds that, to the extent that electronic media, including television, motion pictures, video games, and entertainment uses of virtual reality are conducive to increased violent behaviors, especially in children, the state has a duty to protect the public health and safety.

Many parents, educators, and others are concerned about protecting children and youth from the negative influences of the media, and want more information about media content and more control over media contact with their children. [1994 sp.s. c 7 § 801.]

**Finding—Intent—Severability—1994 sp.s. c 7:** See notes following RCW 43.70.540.

**19.188.020 Television time/channel locks.** All new televisions sold in this state after January 1, 1995, shall be equipped with a time/channel lock or shall be sold with an offer to the customer to purchase a channel blocking device, or other device that enables a person to regulate a child's access to unwanted television programming. All cable television companies shall make available to all customers at the company's cost the opportunity to purchase a channel blocking device, or other device that enables a person to regulate a child's access to unwanted television programming. The commercial television sellers and cable television companies shall offer time/channel locks to their customers, when these devices are available. Notice of this availability shall be clearly made to all existing customers and to all new customers at the time of their signing up for service. [1994 sp.s. c 7 § 803.]

**Finding—Intent—Severability—1994 sp.s. c 7:** See notes following RCW 43.70.540.

**19.188.030 Library access policies.** The legislature finds that, as a matter of public health and safety, access by minors to violent videos and violent video games is the responsibility of parents and guardians.

Public libraries, with the exception of university, college, and community college libraries, shall establish policies on minors' access to violent videos and violent video games. Libraries shall make their policies known to the public in their communities.

Each library system shall formulate its own policies, and may, in its discretion, include public hearings, consultation with community networks as defined under chapter 70.190 RCW, or consultation with the Washington library association in the development of its policies. [1994 sp.s. c 7 § 806.]

**Finding—Intent—Severability—1994 sp.s. c 7:** See notes following RCW 43.70.540.

**Chapter 19.190**  
**COMMERCIAL ELECTRONIC MAIL**

## Sections

- 19.190.005 Findings.  
 19.190.010 Definitions.  
 19.190.020 Unsolicited or misleading electronic mail—Prohibition.  
 19.190.030 Unsolicited or misleading electronic mail—Violation of consumer protection act.  
 19.190.040 Violations—Damages.  
 19.190.050 Blocking of commercial electronic mail by interactive computer service—Immunity from liability.

**19.190.005 Findings.** The legislature finds that the volume of commercial electronic mail is growing, and the consumer protection division of the attorney general's office reports an increasing number of consumer complaints about commercial electronic mail. Interactive computer service providers indicate that their systems sometimes cannot handle the volume of commercial electronic mail being sent and that filtering systems fail to screen out unsolicited commercial electronic mail messages when senders use a third party's internet domain name without the third party's permission, or otherwise misrepresent the message's point of origin. The legislature seeks to provide some immediate relief to interactive computer service providers by prohibiting the sending of commercial electronic mail messages that use a third party's internet domain name without the third party's permission, misrepresent the message's point of origin, or contain untrue or misleading information in the subject line.

The legislature also finds that the utilization of electronic mail messages for commercial purposes merits further study. A select task force should be created to explore technical, legal, and cost issues surrounding the usage of electronic mail messages for commercial purposes and to recommend to the legislature any potential legislation needed for regulating commercial electronic mail messages. [1998 c 149 § 1.]

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

(1) "Commercial electronic mail message" means an electronic mail message sent for the purpose of promoting real property, goods, or services for sale or lease.

(2) "Electronic mail address" means a destination, commonly expressed as a string of characters, to which electronic mail may be sent or delivered.

(3) "Initiate the transmission" refers to the action by the original sender of an electronic mail message, not to the action by any intervening interactive computer service that may handle or retransmit the message.

(4) "Interactive computer service" means any information service, system, or access software provider that provides or enables computer access by multiple users to a computer server, including specifically a service or system that provides access to the internet and such systems operated or services offered by libraries or educational institutions.

(5) "Internet domain name" refers to a globally unique, hierarchical reference to an internet host or service, assigned through centralized internet naming authorities, comprising a series of character strings separated by periods, with the

right-most string specifying the top of the hierarchy. [1998 c 149 § 2.]

**19.190.020 Unsolicited or misleading electronic mail—Prohibition.** (1) No person, corporation, partnership, or association may initiate the transmission of a commercial electronic mail message from a computer located in Washington or to an electronic mail address that the sender knows, or has reason to know, is held by a Washington resident that:

(a) Uses a third party's internet domain name without permission of the third party, or otherwise misrepresents any information in identifying the point of origin or the transmission path of a commercial electronic mail message; or

(b) Contains false or misleading information in the subject line.

(2) For purposes of this section, a person, corporation, partnership, or association knows that the intended recipient of a commercial electronic mail message is a Washington resident if that information is available, upon request, from the registrant of the internet domain name contained in the recipient's electronic mail address. [1998 c 149 § 3.]

**19.190.030 Unsolicited or misleading electronic mail—Violation of consumer protection act.** (1) It is a violation of the consumer protection act, chapter 19.86 RCW, to initiate the transmission of a commercial electronic mail message that:

(a) Uses a third party's internet domain name without permission of the third party, or otherwise misrepresents any information in identifying the point of origin or the transmission path of a commercial electronic mail message; or

(b) Contains false or misleading information in the subject line.

(2) The legislature finds that the practices covered by this chapter are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. A violation of this chapter is not reasonable in relation to the development and preservation of business and is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW. [1998 c 149 § 4.]

**19.190.040 Violations—Damages.** (1) Damages to the recipient of a commercial electronic mail message sent in violation of this chapter are five hundred dollars, or actual damages, whichever is greater.

(2) Damages to an interactive computer service resulting from a violation of this chapter are one thousand dollars, or actual damages, whichever is greater. [1998 c 149 § 5.]

**19.190.050 Blocking of commercial electronic mail by interactive computer service—Immunity from liability.**

(1) An interactive computer service may, upon its own initiative, block the receipt or transmission through its service of any commercial electronic mail that it reasonably believes is, or will be, sent in violation of this chapter.

(2) No interactive computer service may be held liable for any action voluntarily taken in good faith to block the receipt or transmission through its service of any commercial

electronic mail which it reasonably believes is, or will be, sent in violation of this chapter. [1998 c 149 § 6.]

### Chapter 19.192 PROOF OF IDENTITY

#### Sections

19.192.010 Identification cards—Distinguishing official and not official proofs of identification—Penalties.

#### 19.192.010 Identification cards—Distinguishing official and not official proofs of identification—Penalties.

(1) Any person or entity, other than those listed in subsection (2) of this section, issuing an identification card that purports to identify the holder as a resident of this or any other state and that contains at least a name, photograph, and date of birth, must label the card "not official proof of identification" in fluorescent yellow ink, on the face of the card, and in not less than fourteen-point font. The background color of the card must be a color other than the color used for official Washington state driver's licenses and identicards.

(2) This section does not apply to the following persons and entities:

- (a) Department of licensing;
- (b) Any federal, state, or local government agency;
- (c) The Washington state liquor control board;
- (d) Private employers issuing cards identifying employees;
- (e) Banks and credit card companies issuing credit, debit, or bank cards containing a person's photograph; and
- (f) Retail or wholesale stores issuing membership cards containing a person's photograph.

(3) Failure to comply with this section is a class 1 civil infraction. [1998 c 24 § 1.]

### Chapter 19.194 TRADE-IN OR EXCHANGE OF COMPUTER HARDWARE

#### Sections

19.194.010 Recordkeeping by retail establishments—Contents—Inspection—Definitions.

19.194.020 Record of transactions—Provided upon request—Forms and format—Lost or stolen hardware.

19.194.030 Prohibited acts—Gross misdemeanor.

19.194.040 Application.

**19.194.010 Recordkeeping by retail establishments—Contents—Inspection—Definitions.** (1) Any retail establishment doing business in this state that accepts for trade-in or exchange any computer hardware for the purchase of other computer hardware of greater value shall maintain, at the time of each transaction, a record of the following information:

- (a) The signature of the person with whom the transaction is made;
- (b) The date of the transaction;
- (c) The name of the person or employee or the identification number of the person or employee conducting the transaction; and

(d) The name, date of birth, and address and telephone number of the person with whom the transaction is made.

(2) This record is open to the inspection of any commissioned law enforcement officer of the state or any of its political subdivisions, and will be maintained for a period of one year following the date of the transaction.

(3) As used in this section:

(a) "Computer" means a programmable electronic machine that performs high-speed mathematical or logical operation or that assembles, stores, correlates, or otherwise processes information.

(b) "Computer hardware" means a computer and the associated physical equipment involved in the performance of data processing or communications functions. The term does not include computer software. [1998 c 134 § 1.]

**Reviser's note:** 1998 c 134 § 5 directed that sections 1 through 4 be added to chapter 62A.2 RCW. The placement into the uniform code appears inappropriate and sections 1 through 4 have been codified as chapter 19.194 RCW.

#### 19.194.020 Record of transactions—Provided upon request—Forms and format—Lost or stolen hardware.

(1) Upon request, every retailer doing business in this state that accepts for trade-in or exchange computer hardware shall furnish a full, true, and correct transcript of the record of all transactions conducted, under RCW 19.194.010, on the proceeding [preceding] day. These transactions shall be recorded on such forms as may be provided and in such format as may be required by the chief of police or the county's chief law enforcement officer within a specified time but not less than twenty-four hours.

(2) If a retailer has good cause to believe that any computer hardware in their possession has been previously lost or stolen, the retailer shall promptly report that fact to the applicable chief of police or the county's chief law enforcement officer, together with the name of the owner, if known, and the date when, and the name of the person from whom, it was received. [1998 c 134 § 2.]

**Reviser's note:** 1998 c 134 § 5 directed that sections 1 through 4 be added to chapter 62A.2 RCW. The placement into the uniform code appears inappropriate and sections 1 through 4 have been codified as chapter 19.194 RCW.

#### 19.194.030 Prohibited acts—Gross misdemeanor.

It is a gross misdemeanor under chapter 9A.20 RCW for:

(1) Any person to remove, alter, or obliterate any manufacturer's make, model, or serial number, personal identification number, or identifying marks engraved or etched upon the computer hardware that is received as a trade-in or in exchange on the purchase of other computer hardware of greater value. In addition a retailer shall not accept any computer hardware as a trade-in or in exchange on the purchase of other computer hardware of greater value where the manufacturer's make, model, or serial number, personal identification number, or identifying marks engraved or etched upon the computer hardware has been removed, altered, or obliterated;

(2) Any person to knowingly make, cause, or allow to be made any false entry or misstatement of any material matter in any book, record, or writing required to be kept under this chapter; or

(3) Any person to knowingly violate any other provision of this chapter. [1998 c 134 § 3.]

**Reviser's note:** 1998 c 134 § 5 directed that sections 1 through 4 be added to chapter 62A.2 RCW. The placement into the uniform code appears inappropriate and sections 1 through 4 have been codified as chapter 19.194 RCW.

**19.194.040 Application.** RCW 19.194.010 through 19.194.030 do not apply to trade-in or exchange of computers, or computer hardware, between consumers and retailers, or their branch facilities, when the computer or computer hardware was originally purchased from that same retailer. [1998 c 134 § 4.]

**Reviser's note:** 1998 c 134 § 5 directed that sections 1 through 4 be added to chapter 62A.2 RCW. The placement into the uniform code appears inappropriate and sections 1 through 4 have been codified as chapter 19.194 RCW.

# Title 20

## COMMISSION MERCHANTS—AGRICULTURAL PRODUCTS

### Chapters

#### 20.01 Agricultural products—Commission merchants, dealers, brokers, buyers, agents.

*Sales of personal property: Title 62A RCW.*

*Washington wholesome eggs and egg products act: Chapter 69.25 RCW.*

#### Chapter 20.01

#### AGRICULTURAL PRODUCTS— COMMISSION MERCHANTS, DEALERS, BROKERS, BUYERS, AGENTS

#### Sections

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20.01.930 Repealer.

20.01.940 Repealer—Savings—1979 ex.s. c 115.

*Administrative Procedure Act: Chapter 34.05 RCW.*

*Lien for transportation, storage, advancements, etc.: Chapter 60.60 RCW.*

**20.01.010 Definitions.** As used in this title the terms defined in this section have the meanings indicated unless the context clearly requires otherwise.

(1) "Director" means the director of agriculture or his duly authorized representative.

(2) "Person" means any natural person, firm, partnership, exchange, association, trustee, receiver, corporation, and any member, officer, or employee thereof or assignee for the benefit of creditors.

(3) "Agricultural product" means any unprocessed horticultural, vermicultural and its byproducts, viticultural, berry, poultry, poultry product, grain, bee, or other agricultural products, and includes mint or mint oil processed by or for the producer thereof and hay and straw baled or prepared for market in any manner or form and livestock.

(4) "Producer" means any person engaged in the business of growing or producing any agricultural product, whether as the owner of the products, or producing the products for others holding the title thereof.

(5) "Consignor" means any producer, person, or his agent who sells, ships, or delivers to any commission merchant, dealer, cash buyer, or agent, any agricultural product for processing, handling, sale, or resale.

(6) "Commission merchant" means any person who receives on consignment for sale or processing and sale from the consignor thereof any agricultural product for sale on commission on behalf of the consignor, or who accepts any farm product in trust from the consignor thereof for the purpose of resale, or who sells or offers for sale on commission any agricultural product, or who in any way handles for the account of or as an agent of the consignor thereof, any agricultural product.

(7) "Dealer" means any person other than a cash buyer, as defined in subsection (10) of this section, who solicits, contracts for, or obtains from the consignor thereof for reselling or processing, title, possession, or control of any agricultural product, or who buys or agrees to buy any agricultural product from the consignor thereof for sale or processing and includes any person, other than one who acts solely as a producer, who retains title in an agricultural product and delivers it to a producer for further production or increase. For the purposes of this chapter, the term dealer includes any person who purchases livestock on behalf of and for the account of another, or who purchases cattle in another state or country and imports these cattle into this state for resale.

(8) "Limited dealer" means any person operating under the alternative bonding provision in RCW 20.01.211.

(9) "Broker" means any person other than a commission merchant, dealer, or cash buyer who negotiates the purchase or sale of any agricultural product, but no broker may handle the agricultural products involved or proceeds of the sale.

(10) "Cash buyer" means any person other than a commission merchant, dealer, or broker, who obtains from the consignor thereof for the purpose of resale or processing,

title, possession, or control of any agricultural product or who contracts for the title, possession, or control of any agricultural product, or who buys or agrees to buy for resale any agricultural product by paying to the consignor at the time of obtaining possession or control of any agricultural product the full agreed price of the agricultural product, in coin or currency, lawful money of the United States. However, a cashier's check, certified check, or bankdraft may be used for the payment. For the purposes of this subsection, "agricultural product," does not include hay, grain, straw, or livestock.

(11) "Agent" means any person who, on behalf of any commission merchant, dealer, broker, or cash buyer, acts as liaison between a consignor and a principal, or receives, contracts for, or solicits any agricultural product from the consignor thereof or who negotiates the consignment or purchase of any agricultural product on behalf of any commission merchant, dealer, broker, or cash buyer and who transacts all or a portion of that business at any location other than at the principal place of business of his employer. With the exception of an agent for a commission merchant or dealer handling horticultural products, an agent may operate only in the name of one principal and only to the account of that principal.

(12) "Retail merchant" means any person operating from a bona fide or established place of business selling agricultural products twelve months of each year.

(13) "Fixed or established place of business" for the purpose of this chapter means any permanent warehouse, building, or structure, at which necessary and appropriate equipment and fixtures are maintained for properly handling those agricultural products generally dealt in, and at which supplies of the agricultural products being usually transported are stored, offered for sale, sold, delivered, and generally dealt with in quantities reasonably adequate for and usually carried for the requirements of such a business, and that is recognized as a permanent business at such place, and carried on as such in good faith and not for the purpose of evading this chapter, and where specifically designated personnel are available to handle transactions concerning those agricultural products generally dealt in, which personnel are available during designated and appropriate hours to that business, and shall not mean a residence, barn, garage, tent, temporary stand or other temporary quarters, any railway car, or permanent quarters occupied pursuant to any temporary arrangement.

(14) "Processor" means any person, firm, company, or other organization that purchases agricultural crops from a consignor and that cans, freezes, dries, dehydrates, cooks, presses, powders, or otherwise processes those crops in any manner whatsoever for eventual resale.

(15) "Pooling contract" means any written agreement whereby a consignor delivers a horticultural product to a commission merchant under terms whereby the commission merchant may commingle the consignor's horticultural products for sale with others similarly agreeing, which must include all of the following:

(a) A delivery receipt for the consignor that indicates the variety of horticultural product delivered, the number of containers, or the weight and tare thereof;

(b) Horticultural products received for handling and sale in the fresh market shall be accounted for to the consignor

with individual pack-out records that shall include variety, grade, size, and date of delivery. Individual daily packing summaries shall be available within forty-eight hours after packing occurs. However, platform inspection shall be acceptable by mutual contract agreement on small deliveries to determine variety, grade, size, and date of delivery;

(c) Terms under which the commission merchant may use his judgment in regard to the sale of the pooled horticultural product;

(d) The charges to be paid by the consignor as filed with the state of Washington;

(e) A provision that the consignor shall be paid for his pool contribution when the pool is in the process of being marketed in direct proportion, not less than eighty percent of his interest less expenses directly incurred, prior liens, and other advances on the grower's crop unless otherwise mutually agreed upon between grower and commission merchant.

(16) "Date of sale" means the date agricultural products are delivered to the person buying the products.

(17) "Conditioner" means any person, firm, company, or other organization that receives turf, forage, or vegetable seeds from a consignor for drying or cleaning.

(18) "Seed bailment contract" means any contract meeting the requirements of chapter 15.48 RCW.

(19) "Proprietary seed" means any seed that is protected under the Federal Plant Variety Protection Act.

(20) "Licensed public weighmaster" means any person, licensed under the provisions of chapter 15.80 RCW, who weighs, measures, or counts any commodity or thing and issues therefor a signed certified statement, ticket, or memorandum of weight, measure, or count upon which the purchase or sale of any commodity or upon which the basic charge of payment for services rendered is based.

(21) "Certified weight" means any signed certified statement or memorandum of weight, measure or count issued by a licensed public weighmaster in accordance with the provisions of chapter 15.80 RCW. [1991 c 174 § 1; 1989 c 354 § 37; 1986 c 178 § 6; 1985 c 412 § 8; 1983 c 305 § 1; 1982 c 194 § 1; 1981 c 296 § 30; 1979 ex.s. c 115 § 1; 1977 ex.s. c 304 § 1; 1974 ex.s. c 102 § 2; 1971 ex.s. c 182 § 1; 1967 c 240 § 40; 1963 c 232 § 1; 1959 c 139 § 1.]

**Severability—1989 c 354:** See note following RCW 15.36.012.

**Severability—1983 c 305:** "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." [1983 c 305 § 78.]

**Severability—1981 c 296:** See note following RCW 15.08.010.

**20.01.020 Rules and regulations—Enforcement of chapter—Interference prohibited.** The director, but not his duly authorized representative, may adopt such rules and regulations as are necessary to carry out the purpose of this chapter. It shall be the duty of the director to enforce and carry out the provisions of this chapter, rules and regulations adopted hereunder. No person shall interfere with the director when he is performing or carrying out duties imposed on him by this chapter, rules and regulations adopted hereunder. [1959 c 139 § 2.]

**20.01.030 Exemptions.** This chapter does not apply to:

(1) Any cooperative marketing associations or federations incorporated under, or whose articles of incorporation and bylaws are equivalent to, the requirements of chapter 23.86 RCW, except as to that portion of the activities of the association or federation that involve the handling or dealing in the agricultural products of nonmembers of the organization: **PROVIDED**, That the associations or federations may purchase up to fifteen percent of their gross from nonmembers for the purpose of filling orders: **PROVIDED FURTHER**, That if the cooperative or association acts as a processor as defined in RCW 20.01.500(2) and markets the processed agricultural crops on behalf of the grower or its own behalf, the association or federation is subject to the provisions of RCW 20.01.500 through 20.01.560 and the license provision of this chapter excluding bonding provisions: **PROVIDED FURTHER**, That none of the foregoing exemptions in this subsection apply to any such cooperative or federation dealing in or handling grain in any manner, and not licensed under the provisions of chapter 22.09 RCW;

(2) Any person who sells exclusively his or her own agricultural products as the producer thereof;

(3) Any public livestock market operating under a bond required by law or a bond required by the United States to secure the performance of the public livestock market's obligation. However, any such market operating as a livestock dealer or order buyer, or both, is subject to all provisions of this chapter except for the payment of the license fee required in RCW 20.01.040;

(4) Any retail merchant having a bona fide fixed or permanent place of business in this state, but only for the retail merchant's retail business conducted at such fixed or established place of business;

(5) Any person buying farm products for his or her own use or consumption;

(6) Any warehouseman or grain dealer licensed under the state grain warehouse act, chapter 22.09 RCW, with respect to his or her handling of any agricultural product as defined under that chapter;

(7) Any nurseryman who is required to be licensed under the horticultural laws of the state with respect to his or her operations as such licensee;

(8) Any person licensed under the now existing dairy laws of the state with respect to his or her operations as such licensee;

(9) Any producer who purchases less than fifteen percent of his or her volume to complete orders;

(10) Any person, association, or corporation regulated under chapter 67.16 RCW and the rules adopted thereunder while performing acts regulated by that chapter and the rules adopted thereunder;

(11) Any domestic winery, as defined in RCW 66.04.010, licensed under Title 66 RCW, with respect to its transactions involving agricultural products used by the domestic winery in making wine. [1993 c 104 § 1. Prior: 1989 c 354 § 38; 1989 c 307 § 37; 1988 c 254 § 10; 1983 c 305 § 2; 1982 c 194 § 2; 1981 c 296 § 31; 1979 ex.s. c 115 § 2; 1977 ex.s. c 304 § 2; 1975 1st ex.s. c 7 § 18; 1971 ex.s. c 182 § 2; 1969 ex.s. c 132 § 1; 1967 c 240 § 41; 1959 c 139 § 3.]

**Severability—1989 c 354:** See note following RCW 15.36.012.

**Legislative finding—1989 c 307:** See note following RCW 23.86.007.

**Application—1989 c 307:** See RCW 23.86.900.

**Severability—1983 c 305:** See note following RCW 20.01.010.

**Severability—1981 c 296:** See note following RCW 15.08.010.

**20.01.038 License required of persons dealing in livestock, hay, grain, or straw.** Any person who deals in livestock, hay, grain or straw, other than the producer or grower thereof, shall license as a dealer or commission merchant and shall be subject to all the provisions of this chapter regulating such a licensee. [1963 c 232 § 9.]

**20.01.040 License—Generally.** No person may act as a commission merchant, dealer, broker, cash buyer, or agent without a license. Any person applying for such a license shall file an application with the director prior to conducting business pursuant to this chapter. No application shall be considered complete unless an effective bond or other acceptable form of security is also filed with the director, as provided under RCW 20.01.210, 20.01.211, or 20.01.212. Each license issued under this chapter shall require renewal on or before the renewal date prescribed by the director by rule. License fees shall be prorated where necessary to accommodate staggered renewals of a license or licenses. The application shall be accompanied by a license fee as prescribed by the director by rule. [1991 c 109 § 16; 1989 c 354 § 39; 1987 c 393 § 13; 1983 c 305 § 3; 1979 ex.s. c 115 § 3; 1974 ex.s. c 102 § 3; 1971 ex.s. c 182 § 3; 1959 c 139 § 4.]

**Severability—1989 c 354:** See note following RCW 15.36.012.

**Severability—1983 c 305:** See note following RCW 20.01.010.

**20.01.050 License renewals.** If an application for renewal of a commission merchant, dealer, broker or cash buyer license is not filed prior to the prescribed renewal date a penalty of twenty-five percent shall be assessed and added to the original fee and shall be paid by the applicant before the renewal license shall be issued. [1991 c 109 § 17; 1959 c 139 § 5.]

**20.01.060 Licensee in one class may obtain license in another—Additional fee.** Any person licensed as a commission merchant, dealer, or broker, in the manner prescribed in this chapter, may apply for and secure a license in any or all of the remaining such classifications upon payment of an additional fee of twenty-five dollars for each such additional classification: PROVIDED, That the applicant's principal license shall be in that classification requiring the greatest license fee. Such applicant shall further comply with those parts of this chapter regulating the licensing of the other particular classifications involved. [1979 ex.s. c 115 § 4; 1977 ex.s. c 304 § 3; 1974 ex.s. c 102 § 4; 1971 ex.s. c 182 § 4; 1959 c 139 § 6.]

**20.01.070 Application for license—Contents.** Application for a license shall be on a form prescribed by the director and shall state the full name of the person applying for such license and if the applicant is an individual, receiver, trustee, firm, exchange, partnership, association or corporation, the full name of each member of the firm or

partnership, or the names of the officers of the exchange, association or corporation shall be given in the application. Such application shall further state the principal business address of the applicant in the state and elsewhere and the name or names of the person authorized to receive and accept service of summons and legal notices of all kinds for the applicant and any other necessary information prescribed by the director. [1959 c 139 § 7.]

**20.01.080 Commission merchant's schedule of commissions and charges—Changes, posting.** Any person applying for a commission merchant's license shall include in his or her application a schedule of commissions, together with an itemized list of all charges for services to be rendered to a consignor and shall post a copy of such charges on his or her premises in a conspicuous place where it is clearly visible and available to consignors. In addition to the posting of the itemized list of charges, such list shall be distributed to each consignor along with each contract entered into between the consignor and the commission merchant. Such commissions and charges shall not be changed or varied for the license period except by written contract between the consignor or his or her agent and the licensee or thirty days after written notice to the director, and proper posting of such changes, as prescribed by the director, on the licensee's premises. Charges for services rendered and not listed on the schedule of commissions and charges filed with the director, or for increases in charges listed and filed which are directly caused by increases in labor rates or in cost of materials which occur after the signing of the contract by the grower, shall be rendered only on an actual cost to the licensee basis. [1988 c 254 § 16; 1977 ex.s. c 304 § 4; 1971 ex.s. c 182 § 5; 1959 c 139 § 8.]

**20.01.086 Waiver of reporting, accounting, and record-keeping requirements prohibited.** Except where specifically provided in this chapter, the reporting, accounting, and record-keeping requirements of this chapter, being matters of public interest, may not be waived by contract between the consignor and/or the commission merchant or dealer. [1977 ex.s. c 304 § 5; 1974 ex.s. c 102 § 8.]

**20.01.090 Agent to disclose principal licensee and his endorsement.** Any person applying for an agent's license shall include the name and address of the principal licensee represented or sought to be represented by such agent and the written endorsement or nomination of such principal licensee. [1959 c 139 § 9.]

**20.01.100 Issuance of license—Expiration date—Fraudulent application grounds for refusal, revocation.** The director, upon his satisfaction that the applicant has met the requirements of this chapter and rules and regulations adopted hereunder, shall issue a license entitling the applicant to carry on the business described on the application. Such license shall expire on December 31st following the issuance of the license, provided that it has not been revoked or suspended prior thereto, by the director, after due notice and hearing. Fraud and misrepresentation in making an application for a license shall be cause for refusal to grant a license or revocation of license granted pursuant to a

fraudulent application after due notice and hearing. [1959 c 139 § 10.]

**20.01.110 Publication of list of licensees and rules—Posting license.** The director may publish a list, as often as he deems necessary, of all persons licensed under this chapter together with all the necessary rules and regulations concerning the enforcement of this chapter. Each person licensed under [the] provisions of this chapter shall post his license or a copy thereof in his place or places of business in plain view of the public. [1959 c 139 § 11.]

**20.01.120 Vehicle license plates.** The licensee shall prominently display license plates issued by the director on the front and back of any vehicle used by the licensee to transport upon public highways unprocessed agricultural products which he has not produced as a producer of such agricultural products. If the licensee operates more than one vehicle to transport unprocessed agricultural products on public highways he shall apply to the director for license plates for each such additional vehicle. Such additional license plates shall be issued to the licensee at the actual cost to the department for such license plates and necessary handling charges. Such license plates are not transferable to any other person and may be used only on the licensee's vehicle or vehicles. The display of such license plates on the vehicle or vehicles of a person whose license has been revoked, or the failure to surrender such license plates forthwith to the department after such revocation, shall be deemed a violation of this chapter. [1959 c 139 § 12.]

**20.01.125 Hay or straw—Certified vehicle tare and load weights—Violations.** Every dealer and commission merchant dealing in hay or straw shall obtain a certified vehicle tare weight and a certified vehicle gross weight for each load hauled and shall furnish the consignor with a copy of such certified weight ticket within seventy-two hours after taking delivery. It shall be a violation of this chapter for any licensee to transport hay or straw which has been purchased by weight without having obtained a certified weight ticket from the first licensed public weighmaster which would be encountered on the ordinary route to the destination where the hay or straw is to be unloaded. [1986 c 178 § 7; 1971 ex.s. c 182 § 6; 1963 c 232 § 8.]

**20.01.130 Disposition of moneys.** All fees and other moneys received by the department under the provisions of this chapter shall be paid to the director and shall be used solely for the purpose of carrying out the provisions of this chapter and rules adopted hereunder or for departmental administrative expenses during the 1993-95 biennium. All civil fines received by the courts as the result of notices of infractions issued by the director shall be paid to the director, less any mandatory court costs and assessments. [1993 sp.s. c 24 § 929; 1986 c 178 § 8; 1973 c 142 § 1; 1971 ex.s. c 182 § 7; 1959 c 139 § 13.]

**Severability—Effective dates—1993 sp.s. c 24:** See notes following RCW 28A.165.070.

**20.01.140 Change in organization of firm to be reported.** Any change in the organization of any firm, (1998 Ed.)

association, exchange, corporation, or partnership licensed under the provisions of this chapter shall be reported to the director and the licensee's surety or sureties. [1959 c 139 § 14.]

**20.01.150 Denial, suspension, revocation of licenses, probationary orders—Authority.** The director is authorized to deny, suspend, or revoke a license or issue conditional or probationary orders in the manner prescribed herein, in any case in which he finds that there has been a failure and/or refusal to comply with the requirements of this chapter, rules or regulations adopted hereunder. [1959 c 139 § 15.]

**20.01.160 Denial, suspension, revocation of licenses, probationary orders—Procedure.** In all proceedings for revocation, suspension, or denial of a license, or the issuance of a conditional or probationary order, the licensee or applicant shall be given an opportunity to be heard and may be represented by counsel. The director shall give the licensee or applicant twenty days' notice in writing and such notice shall specify the charges or reasons for the hearing for such revocation, suspension, denial or the issuance of a conditional or probationary order. The notice shall also state the date, time and place where such hearing is to be held. A copy of such notice shall be mailed to the licensee's surety. Such hearings shall be held in the city of Olympia, unless a different place is fixed by the director. [1959 c 139 § 16.]

**20.01.170 Denial, suspension, revocation of licenses, probationary orders—Subpoenas, witnesses, testimony, fees.** The director may issue subpoenas to compel the attendance of witnesses, and/or the production of books or documents, anywhere in the state. The licensee or applicant shall have opportunity to make his defense, and may have such subpoenas issued as he desires. Subpoenas shall be served in the same manner as in civil cases in the superior court. Witnesses shall testify under oath which may be administered by the director. Testimony shall be recorded and may be taken by deposition under such rules as the director may prescribe. Witnesses, except complaining witnesses, shall be entitled to fees for attendance and travel, as provided for in chapter 2.40 RCW, as enacted or hereafter amended. [1963 c 232 § 2; 1959 c 139 § 17.]

**20.01.180 Denial, suspension, revocation of licenses, probationary orders—Findings and conclusions—Record.** The director shall hear and determine the charges, make findings and conclusions upon the evidence produced, and file them in his office, together with a record of all of the evidence, and serve upon the accused a copy of such findings and conclusions. [1959 c 139 § 18.]

**20.01.190 Denial, suspension, revocation of licenses, probationary orders—Final action in writing—Appeal to superior court.** The revocation, suspension or denial of a license, or the issuance of conditional or probationary orders, shall be in writing signed by the director, stating the grounds upon which such order is based and the aggrieved person shall have the right to appeal from such order within fifteen

days after a copy thereof is served upon him, to the superior court of Thurston county or the county in which the hearing was held. A copy of such findings shall be mailed to the licensee's surety. In such appeal the entire record shall be certified by the director to the court, and the review on appeal shall be confined to the evidence adduced at the hearing before the director. [1959 c 139 § 19.]

**20.01.200 Denial, suspension, revocation of licenses, probationary orders—Appellate review.** Appellate review of the judgment of the superior court may be sought as provided in other civil cases. [1988 c 202 § 24; 1971 c 81 § 66; 1959 c 139 § 20.]

**Severability—1988 c 202:** See note following RCW 2.24.050.

**20.01.205 License suspension—Noncompliance with support order—Reissuance.** The director 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 director's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order. [1997 c 58 § 855.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**20.01.210 Commission merchants, dealers—Bonds.**

(1) Before the license is issued to any commission merchant or dealer, or both, the applicant shall execute and deliver to the director a surety bond executed by the applicant as principal and by a surety company qualified and authorized to do business in this state as surety. Said bond shall be to the state for the benefit of qualified consignors of agricultural products in this state. All such sureties on a bond, as provided herein, shall be released and discharged from all liability to the state accruing on such bond by giving notice to the principal and the director by certified mail. Upon receipt of such notice the director shall notify the surety and the principal of the effective date of termination which shall be thirty days from the receipt of such notice by the director, but this shall not relieve, release, or discharge the surety from any liability already accrued or which shall accrue before the expiration period provided for above.

(2) The bond for a commission merchant or dealer in hay, straw or turf, forage or vegetable seed shall be not less than fifteen thousand dollars. The actual amount of such bond shall be determined by dividing the annual dollar volume of the licensee's net proceeds or net payments due

consignors by twelve and increasing that amount to the next multiple of five thousand dollars, except that the bond amount for dollar volume arising from proprietary seed bailment contracts shall be computed as provided in subsection (4) of this section. Such bond for a new commission merchant or dealer in hay, straw or turf, forage or vegetable seed shall be subject to increase at any time during the licensee's first year of operation based on the average of business volume for any three months. Except as provided in subsection (3) of this section, the bond shall be not less than ten thousand dollars for any other dealer.

(3) The bond for a commission merchant or dealer in livestock shall be not less than ten thousand dollars. The actual amount of such bond shall be determined in accordance with the formula set forth in the packers and stockyard act of 1921 (7 U.S.C. 181), except that a commission merchant or dealer in livestock shall increase the commission merchant's or dealer's bond by five thousand dollars for each agent the commission merchant or dealer has endorsed under RCW 20.01.090. A dealer who also acts as an order buyer for other persons who are also licensed and bonded under this chapter or under the packers and stockyards act (7 U.S.C. 181) may subtract that amount of business from the annual gross volume of purchases reported to the director in determining the amount of bond coverage that must be provided and maintained for the purposes of this chapter.

(4) The bond for a commission merchant handling agricultural products other than livestock, hay, straw or turf, forage or vegetable seed shall not be less than ten thousand dollars. The bond for a dealer handling agricultural products other than livestock, hay, straw or turf, forage or vegetable seed shall not be less than ten thousand dollars. The actual amount of such bond shall be determined by dividing the annual dollar volume of the licensee's net proceeds or net payments due consignors by fifty-two and increasing that amount to the next multiple of two thousand dollars. However, bonds above twenty-six thousand dollars shall be increased to the next multiple of five thousand dollars.

(5) When the annual dollar volume of any commission merchant or dealer reaches two million six hundred thousand dollars, the amount of the bond required above this level shall be on a basis of ten percent of the amount arrived at by applying the appropriate formula. [1991 c 109 § 18; 1986 c 178 § 9; 1983 c 305 § 4; 1982 c 194 § 3; 1977 ex.s. c 304 § 6; 1974 ex.s. c 102 § 5; 1971 ex.s. c 182 § 8; 1963 c 232 § 5. Prior: 1959 c 139 § 21.]

**Severability—1983 c 305:** See note following RCW 20.01.010.

*Cash or other security in lieu of surety bond:* RCW 20.01.570.

**20.01.211 Alternative bonding provision for certain dealers.** In lieu of the bonding provision required by RCW 20.01.210, any dealer who buys, agrees to buy, or pays for the production or increase of any agricultural product by paying to the consignor at the time of obtaining possession or control of any agricultural product the full agreed price of the agricultural product may file a bond in an amount equal to the dealer's maximum monthly purchases, divided by fifteen, but the minimum bond provided by this section shall be in a minimum of seven thousand five hundred dollars.

Any dealer using the bonding provisions of this section shall file an affidavit with the director that sets forth the

dealer's maximum monthly purchases from or payments to consignors. The affidavit shall be filed at the time of application and with each renewal.

Any dealer bonded under this section who is found to be in violation of this chapter shall be required to comply with the bonding requirements of RCW 20.01.210 for a minimum of two years. [1983 c 305 § 5; 1977 ex.s. c 304 § 16.]

**Severability—1983 c 305:** See note following RCW 20.01.010.

**20.01.212 Livestock dealers bonded under federal law.** If an applicant for a commission merchant's and/or dealer's license is bonded as a livestock dealer or packer under the provisions of the Packers and Stockyards Act of 1921 (7 U.S.C. 181), as amended, on June 13, 1963, and acts as a commission merchant, packer, and/or a dealer only in livestock as defined in said Packers and Stockyards Act of 1921 (7 U.S.C. 181), the director may accept such bond in lieu of the bond required in RCW 20.01.210 as good and sufficient and issue the applicant a license limited solely to dealing in livestock. A dealer buying and selling livestock who has furnished a bond as required by the packers and stockyards administration to cover acting as order buyer as well as dealer may also act as an order buyer for others under the provisions of this chapter, and all persons who act as order buyers of livestock shall license under this chapter as a livestock dealer: **PROVIDED,** That the applicant shall furnish the director with a bond approved by the United States secretary of agriculture. Such bond shall be in a minimum amount of ten thousand dollars. It shall be a violation for the licensee to act as a commission merchant and/or dealer in any other agricultural commodity without first having notified the director and furnishing him with a bond as required under the provisions of RCW 20.01.210, and failure to furnish the director with such bond shall be cause for the immediate suspension of the licensee's license, and revocation subject to a hearing. [1991 c 109 § 19; 1977 ex.s. c 304 § 7; 1971 ex.s. c 182 § 9; 1963 c 232 § 6.]

**20.01.214 Appeal from rejected bond claim.** Upon any bond claim being denied by the director the claimant must appeal such action to the superior court in the county where this claimant resides in this state or Thurston county, within sixty days after receipt of written notice of such rejection or such rejection shall become final and binding upon the claimant. [1971 ex.s. c 182 § 10; 1963 c 232 § 7.]

**20.01.220 Action on bond for fraud.** Any consignor of an agricultural product claiming to be injured by the fraud of any commission merchant and/or dealer or their agents may bring action upon said bond against principal, surety, and agent in any court of competent jurisdiction to recover the damages caused by such fraud. Any consignor undertaking such an action shall name the director as a party. [1986 c 178 § 10; 1982 c 194 § 4; 1959 c 139 § 22.]

**20.01.230 Action on bond for failure to comply with chapter.** The director or any consignor of an agricultural product may also bring action upon said bond against both principal and surety in any court of competent jurisdiction to recover the damages caused by any failure to comply with

the provisions of this chapter or the rules adopted hereunder. Any consignor undertaking such an action shall name the director as a party. [1986 c 178 § 11; 1959 c 139 § 23.]

**20.01.240 Claims against commission merchant, dealer.** (1) Except as provided in subsection (2) of this section, any consignor who believes he or she has a valid claim against the bond of a commission merchant or dealer shall file a claim with the director. Upon the filing of a claim under this subsection against any commission merchant or dealer handling any agricultural product, the director may, after investigation, proceed to ascertain the names and addresses of all consignor creditors of such commission merchant and dealer, together with the amounts due and owing to them by such commission merchant and dealer, and shall request all such consignor creditors to file a verified statement of their respective claims with the director. Such request shall be addressed to each known consignor creditor at his last known address.

(2) Any consignor who believes he or she has a valid claim against the bond of a commission merchant or dealer in hay or straw, shall file a claim with the director within twenty days of the licensee's default. In the case of a claim against the bond of a commission merchant or unlimited dealer in hay or straw, default occurs when the licensee fails to make payment within thirty days of the date the licensee took possession of the hay or straw. In the case of a claim against a limited dealer in hay or straw, default occurs when the licensee fails to make payment upon taking possession of the hay or straw. Upon verifying the consignor's claim either through investigation or, if necessary, an administrative action, the director shall, within ten working days of the filing of the claim, make demand for payment of the claim by the licensee's surety without regard to any other potentially valid claim. Any subsequent claim will likewise result in a demand against the licensee's surety, subject to the availability of any remaining bond proceeds. [1986 c 178 § 12; 1959 c 139 § 24.]

**20.01.250 Failure of consignor to file claim, time limitation.** If a consignor creditor so addressed fails, refuses or neglects to file in the office of the director his verified claim as requested by the director within sixty days from the date of such request, the director shall thereupon be relieved of further duty or action hereunder on behalf of said consignor creditor. [1959 c 139 § 25.]

**20.01.260 Director not liable if circumstances prevent ascertainment of creditors—Demand on bond.** Where by reason of the absence of records, or other circumstances making it impossible or unreasonable for the director to ascertain the names and addresses of all said consignor creditors, the director after exerting due diligence and making reasonable inquiry to secure said information from all reasonable and available sources, may make demand on said bond on the basis of information then in his possession, and thereafter shall not be liable or responsible for claims or the handling of claims which may subsequently appear or be discovered. [1959 c 139 § 26.]

**20.01.270 Demand on bond after claims ascertained—Power of director to settle, compromise.** Upon ascertaining all claims and statements in the manner herein set forth, the director may then make demand upon the bond on behalf of those claimants whose statements have been filed, and shall have the power to settle or compromise said claims with the surety company on the bond, and is empowered in such cases to execute and deliver a release and discharge of the bond involved. [1959 c 139 § 27.]

**20.01.280 Action on bond after refusal to pay—New bond, failure to file.** Upon the refusal of the surety company to pay the demand the director may thereupon bring an action on the bond in behalf of said consignors creditors. Upon any action being commenced on said bond the director may require the filing of a new bond and immediately upon the recovery in any action on such bond such commission merchant and/or dealer shall file a new bond and upon failure to file the same within ten days in either case such failure shall constitute grounds for the suspension or revocation of his license. [1959 c 139 § 28.]

**20.01.300 Verified complaints of consignor—Investigations.** For the purpose of enforcing the provisions of this chapter the director is authorized to receive verified complaints from any consignor against any commission merchant, dealer, broker, cash buyer, or agent or any person, assuming or attempting to act as such, and upon receipt of such verified complaint shall have full authority to make any and all necessary investigations relative to the said complaint. [1959 c 139 § 30.]

**20.01.310 Oaths, testimony, witnesses, subpoenas—Contempt proceedings—Records as evidence.** The director or his authorized agents are empowered to administer oaths of verification on said complaints. He shall have full authority to administer oaths and take testimony thereunder, to issue subpoenas in the manner prescribed in RCW 20.01.170 requiring attendance of witnesses before him, together with all books, memoranda, papers, and other documents, articles or instruments; to compel the disclosure by such witnesses of all facts known to them relative to the matters under investigation, and all parties disobeying the orders or subpoenas of said director shall be guilty of contempt and shall be certified to the superior court of the state for punishment for such contempt. Copies of records, audits and reports of audits, inspection certificates, certified reports, findings and all papers on file in the office of the director shall be prima facie evidence of the matters therein contained, and may be admitted into evidence in any hearing provided in this chapter. [1959 c 139 § 31.]

**20.01.320 Investigations, examinations, inspections.** The director on his own motion or upon the verified complaint of any interested party may investigate, examine or inspect (1) any transaction involving solicitation, receipt, sale or attempted sale of agricultural products by any person or persons acting or assuming to act as a commission merchant, dealer, broker, cash buyer, or agent; (2) failure to make proper and true account of sales and settlement thereof as required under this chapter and/or rules and regulations

adopted hereunder; (3) the intentional making of false statements as to conditions and quantity of any agricultural products received or in storage; (4) the intentional making of false statements as to market conditions; (5) the failure to make payment for products within the time required by this chapter; (6) any and all other injurious transactions. In furtherance of any such investigation, examination, or inspection, the director or his authorized representative, may examine that portion of the ledgers, books, accounts, memoranda and other documents, agricultural products, scales, measures and other articles and things used in connection with the business of such person relating to the transactions involved. For the purpose of such investigation the director shall at all times have free and unimpeded access to all buildings, yards, warehouses, storage, and transportation facilities or any other place where agricultural products are kept, stored, handled or transported. The director may also, for the purpose of such investigation, issue subpoenas to compel the attendance of witnesses, as provided in RCW 20.01.170, and/or the production of books or documents, anywhere in the state. [1959 c 139 § 32.]

**20.01.330 Denial, revocation, suspension, or condition of licenses, probationary orders—Grounds.** The director may refuse to grant a license or renew a license and may revoke or suspend a license or issue a conditional or probationary order if he is satisfied after a hearing, as herein provided, of the existence of any of the following facts, which are hereby declared to be a violation of this chapter:

(1) That fraudulent charges or returns have been made by the applicant, or licensee, for the handling, sale or storage of, or for rendering of any service in connection with the handling, sale or storage of any agricultural product.

(2) That the applicant, or licensee, has failed or refused to render a true account of sales, or to make a settlement thereon, or to pay for agricultural products received, within the time and in the manner required by this chapter.

(3) That the applicant, or licensee, has made any false statement as to the condition, quality or quantity of agricultural products received, handled, sold or stored by him.

(4) That the applicant, or licensee, directly or indirectly has purchased for his own account agricultural products received by him upon consignment without prior authority from the consignor together with the price fixed by consignor or without promptly notifying the consignor of such purchase. This shall not prevent any commission merchant from taking to account of sales, in order to close the day's business, miscellaneous lots or parcels of agricultural products remaining unsold, if such commission merchant shall forthwith enter such transaction on his account of sales.

(5) That the applicant, or licensee, has intentionally made any false or misleading statement as to the conditions of the market for any agricultural products.

(6) That the applicant, or licensee, has made fictitious sales or has been guilty of collusion to defraud the consignor.

(7) That a commission merchant to whom any consignment is made has reconsigned such consignment to another commission merchant and has received, collected, or charged by such means more than one commission for making the

sale thereof, for the consignor, unless by written consent of such consignor.

(8) That the licensee was guilty of fraud or deception in the procurement of such license.

(9) That the licensee or applicant has failed or refused to file with the director a schedule of his charges for services in connection with agricultural products handled on account of or as an agent of another, or that the applicant, or licensee, has indulged in any unfair practice.

(10) That the licensee has rejected, without reasonable cause, or has failed or refused to accept, without reasonable cause, any agricultural product bought or contracted to be bought from a consignor by such licensee; or failed or refused, without reasonable cause, to furnish or provide boxes or other containers, or hauling, harvesting, or any other service contracted to be done by licensee in connection with the acceptance, harvesting, or other handling of said agricultural products bought or handled or contracted to be bought or handled; or has used any other device to avoid acceptance or unreasonably to defer acceptance of agricultural products bought or handled or contracted to be bought or handled.

(11) That the licensee has otherwise violated any provision of this chapter and/or rules and regulations adopted hereunder.

(12) That the licensee has knowingly employed an agent, as defined in this chapter, without causing said agent to comply with the licensing requirements of this chapter applicable to agents.

(13) That the applicant or licensee has, in the handling of any agricultural products, been guilty of fraud, deceit, or negligence.

(14) That the licensee has failed or refused, upon demand, to permit the director or his agents to make the investigations, examination or audits, as provided in this chapter, or that the licensee has removed or sequestered any books, records, or papers necessary to any such investigations, examination, or audits, or has otherwise obstructed the same.

(15) That the licensee, without reasonable cause, has failed or refused to execute or carry out a lawful contract with a consignor.

(16) That the licensee has failed or refused to keep and maintain the records as required by this chapter and/or rules and regulations adopted hereunder.

(17) That the licensee has attempted payment by a check the licensee knows not to be backed by sufficient funds to cover such check.

(18) That the licensee has been guilty of fraud or deception in his dealings with purchasers including misrepresentation of goods as to grade, quality, weights, quantity, or any other essential fact in connection therewith.

(19) That the licensee has permitted a person to in fact operate his own separate business under cover of the licensee's license and bond.

(20) That a commission merchant or dealer has failed to furnish additional bond coverage within fifteen days of when it was requested in writing by the director.

(21) That the licensee has discriminated in the licensee's dealings with consignors on the basis of race, creed, color, national origin, sex, or the presence of any sensory, mental, or physical handicap. [1989 c 354 § 40; 1982 c 20 § 1;

1981 c 296 § 32; 1977 ex.s. c 304 § 8; 1971 ex.s. c 182 § 11; 1959 c 139 § 33.]

**Severability—1989 c 354:** See note following RCW 15.36.012.

**Severability—1981 c 296:** See note following RCW 15.08.010.

**20.01.340 Denial, revocation, suspension of licenses, probationary orders—Previous violations as grounds.** Previous violation by the applicant or licensee, or by any person connected with him, of any of the provisions of this chapter and/or rules and regulations adopted hereunder, shall be good and sufficient ground for denial, suspension or revocation of a license, or the issuance of a conditional or probationary order. [1959 c 139 § 34.]

**20.01.350 Denial, revocation, suspension of licenses, probationary orders—Hearing, investigation—Findings required—Notices.** The director, after hearing or investigation, may refuse to grant a license or renewal thereof and may revoke or suspend any license or issue a conditional or probationary order, as the case may require, when he is satisfied that the licensee has executory or executed contracts for the purchase of agricultural products, or for the handling of agricultural products on consignment.

In such cases, if the director is satisfied that to permit the dealer or commission merchant to continue to purchase or to receive further shipments or deliveries of agricultural products would be likely to cause serious and irreparable loss to said consignor-creditors, or to consignors with whom the said dealer or commission merchant has said contracts, then the director within his discretion may thereupon and forthwith shorten the time herein provided for hearing upon an order to show cause why the license of said dealer or commission merchant should not be forthwith suspended, or revoked: **PROVIDED**, That the time of notice of said hearing, shall in no event be less than twenty-four hours, and the director shall, within that period, call a hearing at which the dealer or commission merchant proceeded against shall be ordered to show cause why the license should not be suspended, or revoked, or continued under such conditions and provisions, if any, as the director may consider just and proper and for the protection of the best interests of the producer-creditors involved. Said hearing, in the case of such emergency, may be called upon written notice, said notice to be served personally or by mail on the dealer or commission merchant involved, and may be held at the nearest office of the director or at such place as may be most convenient at the discretion of the director, for the attendance of all parties involved. [1959 c 139 § 35.]

**20.01.360 Order of revocation, suspension.** Any order revoking or suspending a license may, within the discretion of the director, be made conditional upon the settlement, adjustment or satisfaction of the consequence of the violation or violations as specified, and the operation of such an order may be deferred for such purpose. Any such order may contain provisions for modification or dismissal thereof upon presentation to the director of evidence that the matter of complaint has been settled, adjusted or withdrawn at any time before such order becomes final. [1959 c 139 § 36.]

**20.01.370 Commission merchants—Recordkeeping.**

Every commission merchant taking control of any agricultural products for sale as such commission merchant, shall promptly make and keep for a period of three years, beginning on the day the sale of the product is complete, a correct record showing in detail the following with reference to the handling, sale, or storage of such agricultural products:

- (1) The name and address of the consignor.
- (2) The date received.
- (3) The quality and quantity delivered by the consignor, and where applicable the dockage, tare, grade, size, net weight, or quantity.
- (4) An accounting of all sales, including dates, terms of sales, quality and quantity of agricultural products sold, and proof of payments received on behalf of the consignor.
- (5) The terms of payment to the producer.
- (6) An itemized statement of the charges to be paid by consignor in connection with the sale.
- (7) The names and addresses of all purchasers if said commission merchant has any financial interest in the business of said purchasers, or if said purchasers have any financial interest in the business of said commission merchant, directly or indirectly, as holder of the other's corporate stock, as copartner, as lender or borrower of money to or from the other, or otherwise. Such interest shall be noted in said records following the name of any such purchaser.
- (8) A lot number or other identifying mark for each consignment, which number or mark shall appear on all sales tags and other essential records needed to show what the agricultural products actually sold for.
- (9) Any claim or claims which have been or may be filed by the commission merchant against any person for overcharges or for damages resulting from the injury or deterioration of such agricultural products by the act, neglect or failure of such person and such records shall be open to the inspection of the director and the consignor of agricultural products for whom such claim or claims are made.

Before a commission merchant may handle an agricultural product in a pooling arrangement or accounting, the consignor must have agreed in writing to allow the pooling.

Where a pooling arrangement is agreed to in writing between the consignor and commission merchant, the reporting requirements of subsections (4), (5), (6), and (8) of this section shall apply to the pool rather than to the individual consignor or consignment and the records of the pool shall be available for inspection by any consignor to that pool.

For individual accounting, the commission merchant shall transmit a copy of the record required by this section to the consignor on the same day the final remittance is made to the consignor as required by RCW 20.01.430. For a consignor who is participating in a pooling arrangement, the commission merchant shall, on the same day final remittance and accounting are made to the consignor as required by RCW 20.01.430, transmit to the consignor a summary of the records which are available for inspection by any consignor to that pool. [1991 c 109 § 20; 1989 c 354 § 41; 1988 c 254 § 18; 1979 ex.s. c 115 § 5; 1977 ex.s. c 304 § 9; 1974 ex.s. c 102 § 6; 1963 c 232 § 3; 1959 c 139 § 37.]

**Severability—1989 c 354:** See note following RCW 15.36.012.

**20.01.380 Dealers, cash buyers, livestock dealers—Recordkeeping.** Every dealer or cash buyer purchasing any agricultural products from the consignor thereof shall promptly make and keep for three years a correct record showing in detail the following:

- (1) The name and address of the consignor.
- (2) The date received.
- (3) The terms of the sale.
- (4) The quality and quantity delivered by the consignor, and where applicable the dockage, tare, grade, size, net weight, or quantity.
- (5) An itemized statement of any charges paid by the dealer or cash buyer for the account of the consignor.
- (6) The name and address of the purchaser: **PROVIDED,** That the name and address of the purchaser may be deleted from the record furnished to the consignor.

A copy of such record containing the above matters shall be forwarded to the consignor forthwith.

Livestock dealers must also maintain individual animal identification and disposition records as may be required by law, or regulation adopted by the director. [1991 c 109 § 21; 1989 c 354 § 42; 1988 c 254 § 17; 1981 c 296 § 33; 1963 c 232 § 4; 1959 c 139 § 38.]

**Severability—1989 c 354:** See note following RCW 15.36.012.

**Severability—1981 c 296:** See note following RCW 15.08.010.

**20.01.385 Failure to comply—Construction of transaction.** Whenever a commission merchant or dealer handling any agricultural products fails to carry out the provisions of RCW 20.01.370 as now or hereafter amended or RCW 20.01.380, whichever is applicable, it shall be prima facie evidence that the transaction involving the handling of any agricultural products between the consignor and the commission merchant or dealer was either a commission type transaction, or dealer transaction constituting an outright sale by the consignor, whichever is most favorable to the consignor. Such determination in favor of the consignor shall be based on the market price of the agricultural product in question at the time the complaint is filed against said commission merchant or dealer by the consignor: **PROVIDED,** That if the return to the consignor is determined most favorably on a commission basis, the total commission shall not exceed ten percent, and all other charges for handling the agricultural product in question shall be figured on the basis of the actual cost of said handling. [1977 ex.s. c 304 § 10; 1974 ex.s. c 102 § 7; 1967 c 240 § 42.]

**20.01.390 When dealer must pay for products delivered to him.** (1) Every dealer must pay for agricultural products, except livestock, delivered to him at the time and in the manner specified in the contract with the producer, but if no time is set by such contract, or at the time of said delivery, then within thirty days from the delivery or taking possession of such agricultural products.

(2) Every dealer must pay for livestock delivered to him at the time and in the manner specified in the contract, but if no time is set by such contract, or at the time of said delivery, then within seven days from the delivery or taking possession of such livestock. Where payment for livestock is made by mail, payment is timely if mailed within seven days of the date of sale. [1982 c 20 § 2; 1959 c 139 § 39.]

**20.01.400 Broker's memorandum of sale.** Every broker, upon negotiating the sale of agricultural products, shall issue to both buyer and seller a written memorandum of sale, showing price, date of delivery, quality, and other details concerned in the transaction. A copy of this memorandum shall be retained by the broker for a period of one year. [1959 c 139 § 40.]

**20.01.410 Manifest of cargo.** A copy of a manifest of cargo, on a form prescribed by the director, shall be carried on any vehicle transporting agricultural products purchased by a dealer or cash buyer, or consigned to a commission merchant from the consignor thereof when prescribed by the director. The commission merchant, dealer or cash buyer shall issue a copy of such manifest to the consignor of such agricultural products and the original shall be retained by the licensee for a period of one year during which time it shall be surrendered upon request to the director. Such manifest of cargo shall be valid only when signed by the licensee or his agent and the consignor of such agricultural products. [1971 ex.s. c 182 § 12; 1959 c 139 § 41.]

**20.01.420 Commission merchant's report of sale to consignor.** When requested by a consignor, a commission merchant shall promptly make available to the consignor or to the director all records of the ongoing sales of the consignor's agricultural products showing the amount sold, the selling price, and any other information required under RCW 20.01.370. [1991 c 109 § 22; 1959 c 139 § 42.]

**20.01.430 Commission merchant's remittance to consignor.** Every commission merchant shall remit to the consignor of any agricultural product the full price for which such agricultural product was sold within thirty days of the date of sale, or in the case of livestock within seven days of the date of sale unless otherwise mutually agreed between grower and commission merchant. The remittance to the consignor shall include all collections, overcharges, and damages, less the agreed commission and other charges and advances, and a complete account of the sale. Where payment for livestock is made by mail, payment is timely if mailed within seven days of the date of sale unless otherwise specified in an agreement between the producer and the dealer in livestock. [1982 c 20 § 3; 1977 ex.s. c 304 § 11; 1974 ex.s. c 102 § 9; 1959 c 139 § 43.]

**20.01.440 Commission merchant's copy of records to be retained—Inspection—Department's certificate of condition, quality, etc.** Every commission merchant shall retain a copy of all records covering each transaction for a period of three years from the date thereof, which copy shall at all times be available for, and open to, the confidential inspection of the director and the consignor, or authorized representative of either. In the event of any dispute or disagreement between a consignor and a commission merchant arising at the time of delivery as to condition, quality, grade, pack, quantity, or weight of any lot, shipment or consignment of agricultural products, the department shall furnish, upon the payment of a reasonable fee therefor by the requesting party, a certificate establishing the condition,

quality, grade, pack, quantity, or weight of such lot, shipment or consignment. Such certificate shall be prima facie evidence in all courts of this state as to the recitals thereof. The burden of proof shall be upon the commission merchant to prove the correctness of his accounting as to any transaction which may be questioned. [1991 c 109 § 23; 1959 c 139 § 44.]

**20.01.450 Claims against seller by dealer, cash buyer—Credit to dealer, cash buyer against consignor—Certificate of proof.** No claim may be made as against the seller of agricultural products by a dealer or cash buyer under this chapter, and no credit may be allowed to such dealer or cash buyer as against a consignor of agricultural products by reason of damage to, or loss, dumping, or disposal of agricultural products sold to said dealer or cash buyer, in any payment, accounting or settlement made by said dealer or cash buyer to said consignor, unless said dealer or cash buyer has secured and is in possession of a certificate, issued by an agricultural inspector, county health officer, director, a duly authorized officer of the state department of social and health services, or by some other official now or hereafter authorized by law, to the effect that the agricultural products involved have been damaged, dumped, destroyed or otherwise disposed of as unfit for the purpose intended. Such certificate will not be valid as proof of proper claim, credit or offset unless issued within twenty-four hours, or a reasonable time as prescribed by the director, of the receipt by the dealer or cash buyer of the agricultural products involved. [1979 c 141 § 33; 1959 c 139 § 45.]

**20.01.460 Prohibited acts—Penalties.** (1) Any person who violates the provisions of this chapter or fails to comply with the rules adopted under this chapter is guilty of a gross misdemeanor, except as provided in subsections (2) and (3) of this section.

(2) Any commission merchant, dealer, or cash buyer, or any person assuming or attempting to act as a commission merchant, dealer, or cash buyer without a license is guilty of a class C felony who:

(a) Imposes false charges for handling or services in connection with agricultural products.

(b) Makes fictitious sales or is guilty of collusion to defraud the consignor.

(c) Intentionally makes false statement or statements as to the grade, conditions, markings, quality, or quantity of goods shipped or packed in any manner.

(d) With the intent to defraud the consignor, fails to comply with the requirements set forth under RCW 20.01.010(10), 20.01.390 or 20.01.430.

(3) Any person who violates the provisions of RCW 20.01.040, 20.01.080, 20.01.120, 20.01.125, 20.01.410 or 20.01.610 has committed a civil infraction. [1989 c 354 § 43; 1988 c 254 § 19; 1986 c 178 § 13; 1982 c 20 § 4; 1959 c 139 § 46.]

**Severability—1989 c 354:** See note following RCW 15.36.012.

**20.01.465 Time of sale requirement—Unlawful.** In the preparation and use of written contracts, it is unlawful for a commission merchant to include in such contracts a

requirement that a consignor give up all involvement in determining the time the consignor's agricultural products will be sold. This provision does not apply to agricultural products consigned to a commission merchant under a written pooling agreement. [1991 c 109 § 24.]

**20.01.470 Action to enjoin violation of chapter.** The director may bring an action to enjoin the violation or the threatened violation of any provision of this chapter or of any order made pursuant to this chapter in the superior court in the county in which such violation occurs or is about to occur. [1959 c 139 § 47.]

**20.01.475 Licensee under chapter—Prima facie evidence acting as licensee handling agricultural products.** It shall be prima facie evidence that a licensee licensed under the provisions of \*this 1971 amendatory act is acting as such in the handling of any agricultural product. [1971 ex.s. c 182 § 13; 1967 c 240 § 43.]

**\*Reviser's note:** The term "this 1971 amendatory act" [1971 ex.s. c 182] refers to the 1971 amendments to RCW 20.01.010, 20.01.030, 20.01.040, 20.01.060, 20.01.080, 20.01.125, 20.01.130, 20.01.210, 20.01.212, 20.01.214, 20.01.330, 20.01.410, 20.01.475, and the enactment of RCW 20.01.480, 20.01.500 through 20.01.560.

**20.01.480 Violations resulting in improper or nonpayment—Charges.** When a violation has occurred which results in improper payment or nonpayment and a claim is made to the department and the payment is secured through the actions of the department, the charges made to the consignor for the action of the department in the matter will depend upon the delay of reporting after such improper payment or nonpayment would normally become obvious to the consignor as follows:

- (1) When reported within thirty days, no charge.
- (2) When reported thirty days to one hundred eighty days, five percent.
- (3) When reported after one hundred eighty days, ten percent. [1977 ex.s. c 304 § 13; 1971 ex.s. c 182 § 14.]

**20.01.482 Civil infractions—Notice—Promise to appear or respond—Misdemeanors.** The director shall have the authority to issue a notice of civil infraction if an infraction is committed in his or her presence or, if after investigation, the director has reasonable cause to believe an infraction has been committed. It shall be a misdemeanor for any person to refuse to properly identify himself or herself for the purpose of issuance of a notice of infraction or to refuse to sign the written promise to appear or respond to a notice of infraction. Any person wilfully violating a written and signed promise to respond to a notice of infraction shall be guilty of a misdemeanor regardless of the disposition of the notice of infraction. [1986 c 178 § 1.]

**20.01.484 Civil infractions—Response to notice.** (1) Any person who receives a notice of infraction shall respond to such notice as provided in this section within fifteen days of the date of the notice.

(2) Any employee or agent of a licensee under this chapter is fully authorized to accept a notice of infraction on behalf of the licensee. The director shall also furnish a copy

of the notice of infraction to the licensee by certified mail within five days of issuance.

(3) If the person determined to have committed the infraction does not contest the determination, that person shall respond by completing the appropriate portion of the notice of infraction and submitting it, either by mail or in person, to the court specified on the notice. A check or money order in the amount of the penalty prescribed for the infraction must be submitted with the response. When a response, which does not contest the determination, is received, an appropriate order shall be entered into the courts record and a record of the response shall be furnished to the director.

(4) If a person determined to have committed the infraction wishes to contest the determination, that person shall respond by completing the portion of the notice of the infraction requesting a hearing and submitted either by mail or in person to the court specified in the notice. The court shall notify the person in writing of the time, place, and the date of the hearing which shall not be sooner than fifteen days from the date of the notice, except by agreement.

(5) If the person determined to have committed the infraction does not contest the determination, but wishes to explain mitigating circumstances surrounding the infraction, the person shall respond by completing the portion of the notice of infraction requesting a hearing for that purpose and submitting it either by mail or in person to the court specified in the notice. The court shall notify the person in writing of the time, place and date of the hearing.

(6) If a person issued a notice of infraction fails to respond to the notice of infraction or fails to appear at the hearing requested pursuant to this section, the court shall enter an appropriate order in assessing the monetary penalty prescribed in the schedule of penalties submitted to the court by the director and shall notify the director of the failure to respond to the notice of infraction or to appear at a requested hearing. [1986 c 178 § 2.]

**20.01.486 Civil infractions—Hearing to contest charge—Order—Appeal.** A hearing held for the purpose of contesting the determination that an infraction has been committed shall be held without jury. The court may consider the notice of infraction and any other written report submitted by the director. The person named in the notice may subpoena witnesses and has the right to present evidence and examine witnesses present in court. The burden of proof is upon the state to establish the commission of the infraction by preponderance of evidence.

After consideration of the evidence and argument, the court shall determine whether the infraction was committed. Where it is not established that the infraction was committed, an order dismissing the notice shall be entered in the court's record. When it is established that the infraction was committed, an appropriate order shall be entered in the court's record, a copy of which shall be furnished to the director. Appeal from the court's determination or order shall be to the superior court and must be appealed within ten days. The decision of the superior court is subject only to discretionary review pursuant to Rule 2.3 of the rules of appellate procedure. [1986 c 178 § 3.]

**20.01.488 Civil infractions—Informal hearing on mitigating circumstances—Order—No appeal.** A hearing held for the purpose of allowing a person to explain mitigating circumstances surrounding the commission of an infraction shall be an informal proceeding. The person named in the notice may not subpoena witnesses. The determination that the infraction has been committed may not be contested at a hearing held for the purpose of explaining circumstances. After the court has heard the explanation of the circumstances surrounding the commission of the infraction, an appropriate order shall be entered in the court's record. A copy of the order shall be furnished to the director. There may be no appeal from the court's determination or order. [1986 c 178 § 4.]

**20.01.490 Civil infractions—Monetary penalty—Failure to pay, misdemeanor.** Any person found to have committed a civil infraction under this chapter shall be assessed a monetary penalty. No monetary penalty so assessed may exceed one thousand dollars. The director shall adopt a schedule of monetary penalties for each violation of this chapter classified as a civil infraction and shall submit the schedule to the proper courts. Whenever a monetary penalty is imposed by the court, the penalty is immediately due and payable. The court may, at its discretion, grant an extension of time, not to exceed thirty days, in which the penalty must be paid. Failure to pay any monetary penalties imposed under this chapter shall be punishable as a misdemeanor. [1986 c 178 § 5.]

**20.01.500 "Grower," "processor" defined—Application of exemption contained in RCW 20.01.030(1).** Notwithstanding any other provision of law, for the purposes of RCW 20.01.510 through 20.01.550 the term "grower" and the term "processor" shall have the meanings ascribed thereto by this section:

(1) "Grower" means any person, firm, company, or other organization that is engaged in the production of agricultural crops which must be planted, cultivated, and harvested within a twelve month period.

(2)(a) "Processor" means any person, firm, company, or other organization that purchases agricultural crops from a grower and who cans, freezes, dries, dehydrates, cooks, presses, powders, or otherwise processes such crops in any manner whatsoever for eventual resale.

(b) The exemption provided for in RCW 20.01.030(1) shall not apply to a cooperative or association as defined therein, which acts as a processor defined herein, and markets such agricultural crops on behalf of the grower or on its own behalf. [1977 ex.s. c 304 § 14; 1971 ex.s. c 182 § 15.]

**20.01.510 Processor's form showing maximum processing capacity.** In order to carry out the purposes of \*this 1971 amendatory act, the director may require a processor to annually complete a form prescribed by the director, which, when completed, will show the maximum processing capacity of each plant operated by the processor in the state of Washington. Such completed form shall be returned to the director by a date prescribed by him. [1971 ex.s. c 182 § 16.]

\*Reviser's note: For "this 1971 amendatory act," see note following RCW 20.01.475.

**20.01.520 Processor to have grower contracts and commitments on file.** By a date or dates prescribed prior to planting time by the director, the director, in order to carry out the purposes of \*this 1971 amendatory act, may require a processor to have filed with him:

(1) A copy of each contract he has entered into with a grower for the purchase of acres of crops and/or quantity of crops to be harvested during the present or next growing season; and

(2) A notice of each oral commitment he has given to growers for the purchase of acres of crops and/or quantity of crops to be harvested during the present or next growing season, and such notice shall disclose the amount of acres and/or quantity to which the processor has committed himself. [1971 ex.s. c 182 § 17.]

\*Reviser's note: For "this 1971 amendatory act," see note following RCW 20.01.475.

**20.01.530 Grower may file form showing crops processor is committed to purchase.** Any grower may file with the director on a form prescribed by him the acres of crops and/or quantity of crops to be harvested during the present or next growing season, which he understands a processor has orally committed himself to purchase. [1971 ex.s. c 182 § 18.]

**20.01.540 Committing to purchase more crops than plants can process—Violation.** Any processor who, from the information filed with the director, appears to or has committed himself either orally or in writing to purchase more crops than his plants are capable of processing shall be in violation of this chapter and his dealer's license subject to denial, suspension, or revocation as provided for in RCW 20.01.330. [1971 ex.s. c 182 § 19.]

**20.01.550 Discrimination by processor.** Any processor who discriminates between growers with whom he contracts as to price, conditions for production, harvesting, and delivery of crops which is not supportable by economic cost factors shall be in violation of this chapter and the director may subsequent to a hearing deny, suspend, or revoke such processor's license to act as a dealer. [1977 ex.s. c 304 § 15; 1971 ex.s. c 182 § 20.]

**20.01.560 Effective date of RCW 20.01.500 through 20.01.550.** RCW 20.01.500 through 20.01.550 shall take effect beginning on September 1, 1972. [1971 ex.s. c 182 § 21.]

**20.01.570 Cash or other security in lieu of surety bond.** In lieu of the surety bond required under the provisions of this chapter, an applicant or licensee may file with the director a deposit consisting of cash or other security acceptable to the director. The director may adopt rules and regulations necessary for the administration of such security. [1973 c 142 § 2.]

**20.01.610 Authority to stop vehicle violating chapter—Failure to stop, civil infraction.** The director or his appointed officers may stop a vehicle transporting hay or straw upon the public roads of this state if there is reasonable cause to believe the carrier, seller, or buyer may be in violation of this chapter. Any operator of a vehicle failing or refusing to stop when directed to do so has committed a civil infraction. [1986 c 178 § 14; 1983 c 305 § 8.]

**Severability—1983 c 305:** See note following RCW 20.01.010.

**20.01.900 Chapter cumulative and nonexclusive.** The provisions of this chapter shall be cumulative and nonexclusive and shall not affect any other remedy. [1959 c 139 § 48.]

**20.01.910 Severability—1959 c 139.** If any section or provision of this chapter shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the chapter as a whole, or any section, provision or part thereof, not adjudged invalid or unconstitutional. [1959 c 139 § 49.]

**20.01.911 Severability—1963 c 232.** See RCW 15.61.900.

**20.01.912 Severability—1967 c 240.** See note following RCW 43.23.010.

**20.01.913 Severability—1979 ex.s. c 115.** If any provision of this 1979 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. [1979 ex.s. c 115 § 7.]

**20.01.920 Effective date—1959 c 139.** The effective date of this chapter shall be January 1, 1960. [1959 c 139 § 50.]

**20.01.930 Repealer.** Chapter 14, Laws of 1955 as amended by section 4, chapter 262, Laws of 1955, section 3, chapter 262, Laws of 1955, sections 1 and 2, chapter 262, Laws of 1955 and RCW 20.04.010 through 20.04.120, 20.08.010 through 20.08.110, 20.12.020 through 20.12.040, 20.16.010 through 20.16.040, 20.20.010 through 20.20.060, 20.24.010 through 20.24.070 and 20.98.010 through 20.98.060 are hereby repealed. [1959 c 139 § 51.]

**20.01.940 Repealer—Savings—1979 ex.s. c 115.** Section 10, chapter 102, Laws of 1974 ex. sess., section 12, chapter 304, Laws of 1977 ex. sess. and RCW 20.01.445 are each repealed.

Such repeals shall not be construed as affecting any existing right acquired under the statutes repealed, nor as affecting any proceeding instituted thereunder, nor any rule, regulation, or order promulgated thereunder, nor any administrative action taken thereunder. [1979 ex.s. c 115 § 6.]

# Title 21

## SECURITIES AND INVESTMENTS

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### Chapter 21.20

#### SECURITIES ACT OF WASHINGTON

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21.20.940 Short title.

**Reviser's note:** Powers, duties, and functions of the department of licensing relating to securities were transferred to the department of financial institutions by 1993 c 472, effective October 1, 1993. See RCW 43.320.011.

*"Bucket shop": RCW 9.47.080, 9.47.090.*

*Business corporations: Title 23B RCW.*

*Camping resort contracts—Nonapplicability of certain laws to: RCW 19.105.510.*

*Corporate seals, effect of nonuse: RCW 64.04.105.*

*Exemption of timeshares from chapter: RCW 64.36.290.*

*False stock subscriptions: RCW 9.24.010.*

*Fraudulent issue of stock: RCW 9.24.020.*

*Negotiable instruments: Title 62A RCW.*

*Permit to sell stock of domestic insurance company: Chapter 48.06 RCW.*

*Public service company securities: Chapter 81.08 RCW.*

*Sale of capital notes and debentures by banks and trust companies: Chapter 30.36 RCW.*

*Securities of public utilities: Chapter 80.08 RCW.*

*Trust receipts: Title 62A RCW.*

*Uniform Commercial Code—Investment securities: Article 62A.8 RCW.*

*Viatical settlements: Chapter 48.102 RCW.*

*Written statement of purchase or sale to be furnished market trader: RCW 9.47.100.*

#### DEFINITIONS

**21.20.005 Definitions.** The definitions set forth in this section shall apply throughout this chapter, unless the context otherwise requires:

(1) "Director" means the director of financial institutions of this state.

(2) "Salesperson" means any individual other than a broker-dealer who represents a broker-dealer or issuer in

effecting or attempting to effect sales of securities. "Salesperson" does not include an individual who represents an issuer in (a) effecting a transaction in a security exempted by RCW 21.20.310 (1), (2), (3), (4), (9), (10), (11), (12), or (13), (b) effecting transactions exempted by RCW 21.20.320 unless otherwise expressly required by the terms of the exemption, or (c) effecting transactions with existing employees, partners, or directors of the issuer if no commission or other remuneration is paid or given directly or indirectly for soliciting any person in this state.

(3) "Broker-dealer" means any person engaged in the business of effecting transactions in securities for the account of others or for that person's own account. "Broker-dealer" does not include (a) a salesperson, issuer, bank, savings institution, or trust company, (b) a person who has no place of business in this state if the person effects transactions in this state exclusively with or through the issuers of the securities involved in the transactions, other broker-dealers, or banks, savings institutions, trust companies, insurance companies, investment companies as defined in the investment company act of 1940, pension or profit-sharing trusts, or other financial institutions or institutional buyers, whether acting for themselves or as trustees, or (c) a person who has no place of business in this state if during any period of twelve consecutive months that person does not direct more than fifteen offers to sell or to buy into or make more than five sales in this state in any manner to persons other than those specified in (b) of this subsection.

(4) "Guaranteed" means guaranteed as to payment of principal, interest, or dividends.

(5) "Full business day" means all calendar days, excluding therefrom Saturdays, Sundays, and all legal holidays, as defined by statute.

(6) "Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. "Investment adviser" also includes financial planners and other persons who, as an integral component of other financially related services, (a) provide the foregoing investment advisory services to others for compensation as part of a business or (b) hold themselves out as providing the foregoing investment advisory services to others for compensation. Investment adviser shall also include any person who holds himself out as a financial planner.

"Investment adviser" does not include (a) a bank, savings institution, or trust company, (b) a lawyer, accountant, certified public accountant licensed under chapter 18.04 RCW, engineer, or teacher whose performance of these services is solely incidental to the practice of his or her profession, (c) a broker-dealer or its salesperson whose performance of these services is solely incidental to the conduct of its business as a broker-dealer and who receives no special compensation for them, (d) a publisher of any bona fide newspaper, news magazine, news column, newsletter, or business or financial publication or service, whether communicated in hard copy form, by electronic means, or otherwise, that does not consist of the rendering of advice on the basis of the specific investment situation of each client,

(e) a radio or television station, (f) a person whose advice, analyses, or reports relate only to securities exempted by RCW 21.20.310(1), (g) an investment adviser representative, or (h) such other persons not within the intent of this paragraph as the director may by rule or order designate.

(7) "Issuer" means any person who issues or proposes to issue any security, except that with respect to certificates of deposit, voting trust certificates, or collateral-trust certificates, or with respect to certificates of interest or shares in an unincorporated investment trust not having a board of directors (or persons performing similar functions) or of the fixed, restricted management, or unit type; the term "issuer" means the person or persons performing the acts and assuming the duties of depositor or manager pursuant to the provisions of the trust or other agreement or instrument under which the security is issued.

(8) "Nonissuer" means not directly or indirectly for the benefit of the issuer.

(9) "Person" means an individual, a corporation, a partnership, a limited liability company, a limited liability partnership, an association, a joint-stock company, a trust where the interest of the beneficiaries are evidenced by a security, an unincorporated organization, a government, or a political subdivision of a government.

(10) "Sale" or "sell" includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security for value. "Offer" or "offer to sell" includes every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security for value.

Any security given or delivered with, or as a bonus on account of, any purchase of securities or any other thing is considered to constitute part of the subject of the purchase and to have been offered and sold for value. A purported gift of assessable stock is considered to involve an offer and sale. Every sale or offer of a warrant or right to purchase or subscribe to another security of the same or another issuer, as well as every sale or offer of a security which gives the holder a present or future right or privilege to convert into another security of the same or another issuer, is considered to include an offer of the other security.

(11) "Securities Act of 1933," "Securities Exchange Act of 1934," "Public Utility Holding Company Act of 1935," "Investment Company Act of 1940," and "Investment Advisers Act of 1940" means the federal statutes of those names as amended before or after June 10, 1959.

(12) "Security" means any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement; collateral-trust certificate; preorganization certificate or subscription; transferable share; investment contract; investment of money or other consideration in the risk capital of a venture with the expectation of some valuable benefit to the investor where the investor does not receive the right to exercise practical and actual control over the managerial decisions of the venture; voting-trust certificate; certificate of deposit for a security; certificate of interest or participation in an oil, gas or mining title or lease or in payments out of production under such a title or lease; charitable gift annuity; any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities, including any interest therein or based on the value thereof; or any put, call, straddle, option, or privilege entered into on a

national securities exchange relating to foreign currency; or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing; or any sale of or indenture, bond or contract for the conveyance of land or any interest therein where such land is situated outside of the state of Washington and such sale or its offering is not conducted by a real estate broker licensed by the state of Washington. "Security" does not include any insurance or endowment policy or annuity contract under which an insurance company promises to pay money either in a lump sum or periodically for life or some other specified period.

(13) "State" means any state, territory, or possession of the United States, as well as the District of Columbia and Puerto Rico.

(14) "Investment adviser representative" means any partner, officer, director, or a person occupying similar status or performing similar functions, or other individual, who is employed by or associated with an investment adviser, and who does any of the following:

- (a) Makes any recommendations or otherwise renders advice regarding securities;
- (b) Manages accounts or portfolios of clients;
- (c) Determines which recommendation or advice regarding securities should be given;
- (d) Solicits, offers, or negotiates for the sale of or sells investment advisory services; or
- (e) Supervises employees who perform any of the functions under (a) through (d) of this subsection.

(15) "Relatives," as used in RCW 21.20.310(11) includes:

- (a) A member's spouse;
- (b) Parents of the member or the member's spouse;
- (c) Grandparents of the member or the member's spouse;
- (d) Natural or adopted children of the member or the member's spouse;
- (e) Aunts and uncles of the member or the member's spouse; and
- (f) First cousins of the member or the member's spouse.

(16) "Customer" means a person other than a broker-dealer or investment adviser.

(17) "Federal covered security" means any security defined as a covered security in the Securities Act of 1933.

(18) "Federal covered adviser" means any person registered as an investment adviser under section 203 of the Investment Advisers Act of 1940. [1998 c 15 § 1; 1994 c 256 § 3. Prior: 1993 c 472 § 14; 1993 c 470 § 4; 1989 c 391 § 1; 1979 ex.s. c 68 § 1; 1979 c 130 § 3; 1977 ex.s. c 188 § 1; 1975 1st ex.s. c 84 § 1; 1967 c 199 § 1; 1961 c 37 § 1; 1959 c 282 § 60.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**Effective date—Implementation—1993 c 472:** See RCW 43.320.900 and 43.320.901.

**Severability—1979 c 130:** See note following RCW 28B.10.485.

## FRAUDULENT AND OTHER PROHIBITED PRACTICES

**21.20.010 Unlawful offers, sales, purchases.** It is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly:

(1) To employ any device, scheme, or artifice to defraud;

(2) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or

(3) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person. [1959 c 282 § 1.]

**21.20.020 Unlawful acts of person advising another.** It is unlawful for any person who receives any consideration from another party primarily for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise:

(1) To employ any device, scheme, or artifice to defraud the other person;

(2) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person;

(3) To act as principal for his or her own account, knowingly to sell any security to or purchase any security from a client, or act as a broker for a person other than such client, knowingly to effect any sale or purchase of any security for the account of such client, without disclosing to such client in writing before the execution of such transaction the capacity in which he or she is acting and obtaining the consent of the client to such transaction; or

(4) To engage in any dishonest or unethical practice as the director may define by rule. [1998 c 15 § 2; 1959 c 282 § 2.]

**21.20.030 Unlawful acts of investment adviser.** It is unlawful for any investment adviser to enter into, extend, or renew any investment advisory contract unless it provides in writing:

(1) That the investment adviser shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client; however, this subsection does not prohibit: (a) An investment advisory contract which provides for compensation based upon the total of a fund averaged over a definite period, or as of definite dates or taken as of a definite date; or (b) performance compensation arrangements permitted under any rule the director may adopt in order to allow performance compensation arrangements permitted under the Investment Advisers Act of 1940 and regulations promulgated by the securities and exchange commission thereunder;

(2) That no assignment of the contract may be made by the investment adviser without the consent of the other party to the contract; and

(3) That the investment adviser, if a partnership, shall notify the other party to the contract of any change in the membership of the partnership within a reasonable time after the change.

"Assignment", as used in subsection (2) of this section, includes any direct or indirect transfer or hypothecation of an investment advisory contract by the assignor or of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor; but, if the investment adviser is a partnership, no assignment of an investment advisory contract is considered to result from the death or withdrawal of a minority of the members of the investment adviser having only a minority interest in the business of the investment adviser, or from the admission to the investment adviser of one or more members who, after admission, will be only a minority of the members and will have only a minority interest in the business. [1993 c 114 § 1; 1959 c 282 § 3.]

**21.20.035 Unlawful purchases or sales for customer's account.** It is unlawful for a broker-dealer, salesperson, investment adviser, or investment adviser representative knowingly to effect or cause to be effected, with or for a customer's account, transactions of purchase or sale (1) that are excessive in size or frequency in view of the financial resources and character of the account and (2) that are effected because the broker-dealer, salesperson, investment adviser, or investment adviser representative is vested with discretionary power or is able by reason of the customer's trust and confidence to influence the volume and frequency of the trades. [1994 c 256 § 4; 1993 c 470 § 1.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**REGISTRATION AND NOTICE FOR BROKER-DEALERS, SALESPERSONS, INVESTMENT ADVISERS, AND INVESTMENT ADVISER SALESPERSONS**

**21.20.040 Registration and notification required—Exemptions.** (1) It is unlawful for any person to transact business in this state as a broker-dealer or salesperson, unless: (a) The person is registered under this chapter; (b) the person is exempted from registration as a broker-dealer or salesperson to sell or resell condominium units sold in conjunction with an investment contract as may be provided by rule or order of the director as to persons who are licensed pursuant to the provisions of chapter 18.85 RCW; (c) the person is a salesperson who satisfies the requirements of section 15(h)(2) of the Securities Exchange Act of 1934 and effects in this state no transactions other than those described by section 15(h)(3) of the Securities Exchange Act of 1934; or (d) the person is a salesperson effecting transactions in open-end investment company securities sold at net asset value without any sales charges.

(2) It is unlawful for any broker-dealer or issuer to employ a salesperson unless the salesperson is registered or exempted from registration.

(3) It is unlawful for any person to transact business in this state as an investment adviser or investment adviser representative unless: (a) The person is so registered or exempt from registration under this chapter; (b) the person has no place of business in this state and (i) the person's only clients in this state are investment advisers registered under this chapter, federal covered advisers, broker-dealers, banks, savings institutions, trust companies, insurance

companies, investment companies as defined in the Investment Company Act of 1940, employee benefit plans with assets of not less than one million dollars, or governmental agencies or instrumentalities, whether acting for themselves or as trustees with investment control, or (ii) during the preceding twelve-month period the person has had fewer than six clients who are residents of this state other than those specified in (b)(i) of this subsection; (c) the person is an investment adviser to an investment company registered under the Investment Company Act of 1940; (d) the person is a federal covered adviser and the person has complied with requirements of RCW 21.20.050; or (e) the person is excepted from the definition of investment adviser under section 202(a)(11) of the Investment Advisers Act of 1940.

(4) It is unlawful for any person, other than a federal covered adviser, to hold himself or herself out as, or otherwise represent that he or she is a "financial planner", "investment counselor", or other similar term, as may be specified in rules adopted by the director, unless the person is registered as an investment adviser or investment adviser representative, is exempt from registration under RCW 21.20.040(1), or is excluded from the definition of investment adviser under RCW 21.20.005(6).

(5)(a) It is unlawful for any person registered or required to be registered as an investment adviser under this chapter to employ, supervise, or associate with an investment adviser representative unless such investment adviser representative is registered as an investment adviser representative under this chapter.

(b) It is unlawful for any federal covered adviser or any person required to be registered as an investment adviser under section 203 of the Investment Advisers Act of 1940 to employ, supervise, or associate with an investment adviser representative having a place of business located in this state, unless such investment adviser representative is registered or is exempted from registration under this chapter. [1998 c 15 § 3; 1994 c 256 § 5; 1989 c 391 § 2; 1979 ex.s. c 68 § 2; 1975 1st ex.s. c 84 § 2; 1974 ex.s. c 77 § 1; 1959 c 282 § 4.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**Effective date—1974 ex.s. c 77:** "This 1974 amendatory act shall take effect on July 1, 1974." [1974 ex.s. c 77 § 14.]

*Insurance, solicitation permits for sale of securities:* RCW 48.06.090.

**21.20.050 Application for registration—Filing of documents—Consent to service of process—Fee.** (1) A broker-dealer, salesperson, investment adviser, or investment adviser representative may apply for registration by filing with the director or his authorized agent an application together with a consent to service of process in such form as the director shall prescribe and payment of the fee prescribed in RCW 21.20.340.

(2) A federal covered adviser shall file such documents as the director may, by rule or otherwise, require together with a consent to service of process and the payment of the fee prescribed in RCW 21.20.340. [1998 c 15 § 4; 1994 c 256 § 6; 1981 c 272 § 1; 1979 ex.s. c 68 § 3; 1975 1st ex.s. c 84 § 3; 1961 c 37 § 2; 1959 c 282 § 5.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**21.20.060 Contents of application for registration—Capital requirements.** The application shall contain whatever information the director requires concerning such matters as:

- (1) The applicant's form and place of organization;
- (2) The applicant's proposed method of doing business;
- (3) The qualifications and business history of the applicant and in the case of a broker-dealer or investment adviser; any partner, officer, or director, or any person occupying a similar status or performing similar functions; or any person directly or indirectly controlling the broker-dealer or investment adviser;
- (4) Any injunction or administrative order or conviction of a misdemeanor involving a security or any aspect of the securities business and any conviction of a felony;
- (5) The applicant's financial condition and history;
- (6) The address of the principal place of business of the applicant and the addresses of all branch offices of the applicant in this state; and
- (7) Any information to be furnished or disseminated to any client or prospective client, if the applicant is an investment adviser.

The director may by rule or otherwise require a minimum capital for registered broker-dealers, not to exceed the limitations provided in section 15 of the Securities Exchange Act of 1934, and establish minimum financial requirements for investment advisers, not to exceed the limitations provided in section 222 of the Investment Advisers Act of 1940, which may include different requirements for investment advisers who maintain custody of clients' funds or securities or who have discretionary authority over those funds or securities, and may allow registrants to maintain a surety bond of appropriate amount as an alternative method of compliance with minimum capital or financial requirements. [1998 c 15 § 5; 1995 c 46 § 1; 1994 c 256 § 7; 1965 c 17 § 1; 1959 c 282 § 6.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**21.20.070 When registration effective—Requirements determined by rule.** If the application meets the requirements for registration, as the director may by rule or otherwise determine, and no denial order is in effect and no proceeding is pending under RCW 21.20.110, the director shall make the registration effective. [1998 c 15 § 6; 1981 c 272 § 2; 1979 ex.s. c 68 § 4; 1975 1st ex.s. c 84 § 4; 1974 ex.s. c 77 § 2; 1959 c 282 § 7.]

**Effective date—1974 ex.s. c 77:** See note following RCW 21.20.040.

**21.20.080 Duration of registration—Association with issuer, broker-dealer, federal covered adviser, or investment adviser—Notice to director—Extension of licensing period.** Registration of a broker-dealer, salesperson, investment adviser representative, or investment adviser shall be effective for a one-year period unless the director by rule or order provides otherwise. The director by rule or order may schedule registration or renewal so that all registrations and renewals expire December 31st. The director may adjust the fee for registration or renewal proportionately. The registration of a salesperson or investment adviser representative is not effective during any period when the salesperson is not employed by or associat-

ed with an issuer or a registered broker-dealer or when the investment adviser representative is not employed by or associated with an investment adviser registered under this chapter or a federal covered adviser who has made a notice filing pursuant to RCW 21.20.050. To be employed by or associated with an issuer, broker-dealer, federal covered adviser, or investment adviser within the meaning of this section notice, either in writing or in some other format as the director may by rule or otherwise specify, must be given to the director. When a salesperson begins or terminates employment or association with an issuer or registered broker-dealer, the salesperson and the issuer or broker-dealer shall promptly notify the director. When an investment adviser representative registered under this chapter begins or terminates employment or association with an investment adviser registered under this chapter or a federal covered adviser required to make a notice filing pursuant to RCW 21.20.050, the investment adviser representative and investment adviser or federal covered adviser shall promptly notify the director.

Notwithstanding any provision of law to the contrary, the director may, from time to time, extend the duration of a licensing period for the purpose of staggering renewal periods. Such extension of a licensing period shall be by rule adopted in accordance with the provisions of chapter 34.05 RCW. Such rules may provide a method for imposing and collecting such additional proportional fee as may be required for the extended period. [1998 c 15 § 7; 1994 c 256 § 8; 1981 c 272 § 3; 1979 ex.s. c 68 § 5; 1975 1st ex.s. c 84 § 5; 1959 c 282 § 8.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**21.20.090 Renewal of registration—Financial reports—Application for a successor.** Registration of a broker-dealer, salesperson, investment adviser representative, or investment adviser may be renewed by filing with the director or his or her authorized agent prior to the expiration thereof an application containing such information as the director may require to indicate any material change in the information contained in the original application or any renewal application for registration as a broker-dealer, salesperson, investment adviser representative, or investment adviser filed with the director or his or her authorized agent by the applicant, payment of the prescribed fee, and, in the case of a broker-dealer or investment adviser such financial reports as the director may prescribe by rule or otherwise. The reporting requirements so prescribed for a broker-dealer may not exceed the limitations provided in section 15 of the Securities Exchange Act of 1934. A registered broker-dealer or investment adviser may file an application for registration of a successor, and the director may at his or her discretion grant or deny the application. [1998 c 15 § 8; 1995 c 46 § 2; 1994 c 256 § 9; 1981 c 272 § 4; 1979 ex.s. c 68 § 6; 1975 1st ex.s. c 84 § 6; 1961 c 37 § 3; 1959 c 282 § 9.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**21.20.100 Accounts, correspondence, memoranda, papers, books, and other records—Release of information—Correction of filed document—Examination.** (1) Every registered broker-dealer and investment adviser shall make and keep such accounts, correspondence, memoranda,

papers, books, and other records, except with respect to securities exempt under RCW 21.20.310(1), which books and other records shall be prescribed by the director by rule or otherwise. The recordmaking and recordkeeping requirements prescribed for a broker-dealer shall not exceed the limitations provided in section 15 of the Securities Exchange Act of 1934. The recordmaking and recordkeeping requirements prescribed for a registered investment adviser shall not exceed the limitations provided in section 222 of the Investment Advisers Act of 1940. All records required to be made and kept by a registered investment adviser shall be preserved for such a period as the director prescribes by rule or otherwise.

(2) With respect to investment advisers, the director may require that certain information be furnished or disseminated as necessary or appropriate in the public interest or for the protection of investors and advisory clients.

(3) If the information contained in any document filed with the director is or becomes inaccurate or incomplete in any material respect, the registrant shall promptly file a correcting amendment unless notification of the correction has been given under RCW 21.20.090.

(4) All the records of a registered broker-dealer or investment adviser are subject at any time or from time to time to such reasonable periodic, special or other examinations by representatives of the director, within or without this state, as the director deems necessary or appropriate in the public interest or for the protection of investors. [1998 c 15 § 9; 1959 c 282 § 10.]

*Examination reports and information from financial institutions exempt: RCW 42.17.31911.*

**21.20.110 Denial, suspension, revocation of registration—Censure, fine, restrict the registrant—Grounds.** (1) The director may by order deny, suspend, or revoke registration of any broker-dealer, salesperson, investment adviser representative, or investment adviser; censure or fine the registrant or an officer, director, partner, or person occupying similar functions for a registrant; or restrict or limit a registrant's function or activity of business for which registration is required in this state; if the director finds that the order is in the public interest and that the applicant or registrant or, in the case of a broker-dealer or investment adviser, any partner, officer, or director:

(a) Has filed an application for registration under this section which, as of its effective date, or as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect or contained any statement which was, in the light of the circumstances under which it was made, false, or misleading with respect to any material fact;

(b) Has willfully violated or willfully failed to comply with any provision of this chapter or a predecessor act or any rule or order under this chapter or a predecessor act, or any provision of chapter 21.30 RCW or any rule or order thereunder;

(c) Has been convicted, within the past five years, of any misdemeanor involving a security, or a commodity contract or commodity option as defined in RCW 21.30.010, or any aspect of the securities or investment commodities business, or any felony involving moral turpitude;

(d) Is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the securities or investment commodities business;

(e) Is the subject of an order of the director denying, suspending, or revoking registration as a broker-dealer, salesperson, investment adviser, or investment adviser representative;

(f) Is the subject of an order entered within the past five years by the securities administrator of any other state or by the federal securities and exchange commission denying or revoking registration as a broker-dealer or salesperson, or a commodity broker-dealer or sales representative, or the substantial equivalent of those terms as defined in this chapter or by the commodity futures trading commission denying or revoking registration as a commodity merchant as defined in RCW 21.30.010, or is the subject of an order of suspension or expulsion from membership in or association with a self-regulatory organization registered under the securities exchange act of 1934 or the federal commodity exchange act, or is the subject of a United States post office fraud order; but (i) the director may not institute a revocation or suspension proceeding under this clause more than one year from the date of the order relied on, and (ii) the director may not enter any order under this clause on the basis of an order unless that order was based on facts which would currently constitute a ground for an order under this section;

(g) Has engaged in dishonest or unethical practices in the securities or investment commodities business;

(h) Is insolvent, either in the sense that his or her liabilities exceed his or her assets or in the sense that he or she cannot meet his or her obligations as they mature; but the director may not enter an order against a broker-dealer or investment adviser under this clause without a finding of insolvency as to the broker-dealer or investment adviser;

(i) Has not complied with a condition imposed by the director under RCW 21.20.100, or is not qualified on the basis of such factors as training, experience, or knowledge of the securities business; or

(j) Has failed to supervise reasonably a salesperson or an investment adviser representative. For the purposes of this subsection, no person fails to supervise reasonably another person, if:

(i) There are established procedures, and a system for applying those procedures, that would reasonably be expected to prevent and detect, insofar as practicable, any violation by another person of this chapter, or a rule or order under this chapter; and

(ii) The supervising person has reasonably discharged the duties and obligations required by these procedures and system without reasonable cause to believe that another person was violating this chapter or rules or orders under this chapter.

(2) The director may issue a summary order pending final determination of a proceeding under this section upon a finding that it is in the public interest and necessary or appropriate for the protection of investors.

(3) The director may not impose a fine under this section except after notice and opportunity for hearing. The fine imposed under this section may not exceed five thousand dollars for each act or omission that constitutes the basis for issuing the order. If a petition for judicial review

has not been timely filed under RCW 34.05.542(2), a certified copy of the director's order requiring payment of the fine may be filed in the office of the clerk of the superior court in any county of this state. The clerk shall treat the order of the director in the same manner as a judgment of the superior court. The director's order so filed has the same effect as a judgment of the superior court and may be recorded, enforced, or satisfied in like manner.

The director 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 director's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order. [1998 c 15 § 10; 1997 c 58 § 856; 1994 c 256 § 10; 1993 c 470 § 3; 1986 c 14 § 45; 1979 ex.s. c 68 § 7; 1975 1st ex.s. c 84 § 7; 1965 c 17 § 2; 1959 c 282 § 11.]

**\*Reviser's note:** 1997 c 58 § 887 requiring a court to order certification of noncompliance with residential provisions of a court-ordered parenting plan was vetoed. Provisions ordering the department of social and health services to certify a responsible parent based on a court order to certify for noncompliance with residential provisions of a parenting plan were vetoed. See RCW 74.20A.320.

**Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58:** See RCW 74.08A.900 through 74.08A.904.

**Effective dates—Intent—1997 c 58:** See notes following RCW 74.20A.320.

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**Severability—Effective date—1986 c 14:** See RCW 21.30.900 and 21.30.901.

**21.20.120 Denial, suspension, revocation of registration—Order—Request for, notice of hearing—Findings and conclusions.** Upon the entry of an order under RCW 21.20.110, the director shall promptly notify the applicant or registrant, as well as the employer or prospective employer if the applicant or registrant is a salesperson or investment adviser representative, that it has been entered and of the reasons therefor and that if requested by the applicant or registrant within fifteen days after the receipt of the director's notification the matter will be promptly set down for hearing. If no hearing is requested and none is ordered by the director, the order will remain in effect until it is modified or vacated by the director. If a hearing is requested or ordered, the director, after notice of and opportunity for hearing, may modify or vacate the order or extend it until final determination. No order may be entered under RCW 21.20.110 denying or revoking registration without appropriate prior notice to the applicant or registrant (as well as the employer or prospective employer if the applicant or registrant is a salesperson or an investment adviser representative), opportunity for hearing, and written findings of fact and conclusions of law. [1994 c 256 § 11; 1979 ex.s. c 68 § 8; 1975 1st ex.s. c 84 § 8; 1959 c 282 § 12.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**21.20.130 Cancellation of registration or application—Grounds.** If the director finds that any registrant or applicant for registration is no longer in existence or has ceased to do business as a broker-dealer, investment adviser, investment adviser representative, or salesperson, or is subject to an adjudication of mental incompetence or to the control of a committee, conservator, or guardian, or cannot be located after reasonable search, the director may by order cancel the registration or application. [1994 c 256 § 12; 1979 ex.s. c 68 § 9; 1975 1st ex.s. c 84 § 9; 1959 c 282 § 13.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**21.20.135 License as salesperson or broker-dealer prerequisite to suit for commission.** No suit or action shall be brought for the collection of a commission for the sale of a security, as defined within this chapter without alleging and proving that the plaintiff was a duly licensed salesperson for an issuer or a broker-dealer, or exempt under the provisions of RCW 21.20.040, or a duly licensed broker-dealer in this state or another state at the time the alleged cause of action arose. [1979 ex.s. c 68 § 10; 1974 ex.s. c 77 § 3; 1961 c 37 § 10.]

**Effective date—1974 ex.s. c 77:** See note following RCW 21.20.040.

## REGISTRATION OF SECURITIES

**21.20.140 Unlawful to offer or sell unregistered securities—Exceptions.** It is unlawful for any person to offer or sell any security in this state unless: (1) The security is registered by coordination or qualification under this chapter; (2) the security or transaction is exempted under RCW 21.20.310 or 21.20.320; or (3) the security is a federal covered security, and, if required, the filing is made and a fee is paid in accordance with RCW 21.20.327. [1998 c 15 § 11; 1975 1st ex.s. c 84 § 10; 1959 c 282 § 14.]

## REGISTRATION BY COORDINATION

**21.20.180 Registration by coordination—Requirements—Statement, contents.** Any security for which a registration statement has been filed under the securities act of 1933 or any securities for which filings have been made pursuant to regulation A pursuant to subsection (b) of Sec. 3 of the securities act in connection with the same offering may be registered by coordination. A registration statement under this section shall contain the following information and be accompanied by the following documents, in addition to payment of the registration fee prescribed in RCW 21.20.340 and, if required under RCW 21.20.330, a consent to service of process meeting the requirements of that section:

(1) One copy of the prospectus, offering circular and/or letters of notification, filed under the securities act of 1933 together with all amendments thereto;

(2) The amount of securities to be offered in this state;

(3) The states in which a registration statement or similar document in connection with the offering has been or is expected to be filed;

(4) Any adverse order, judgment or decree previously entered in connection with the offering by any court or the securities and exchange commission;

(5) If the director, by rule or otherwise, requires a copy of the articles of incorporation and bylaws (or their substantial equivalents) currently in effect, a copy of any agreements with or among underwriters, a copy of any indenture or other instrument governing the issuance of the security to be registered, and a specimen or copy of the security;

(6) If the director requests, any other information, or copies of any other documents, filed under the securities act of 1933;

(7) An undertaking to forward promptly all amendments to the federal registration statement, offering circular and/or letters of notification, other than an amendment which merely delays the effective date; and

(8) If the aggregate sales price of the offering exceeds one million dollars, audited financial statements and other financial information prepared as to form and content under rules adopted by the director. [1994 c 256 § 13; 1979 ex.s. c 68 § 11; 1961 c 37 § 4; 1959 c 282 § 18.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**21.20.190 Time of taking effect of registration statement by coordination—Conditions—"Price amendment", notification.** A registration statement by coordination under RCW 21.20.180 automatically becomes effective at the moment the federal registration statement or other filing becomes effective if all the following conditions are satisfied:

(1) No stop order is in effect and no proceeding is pending under RCW 21.20.280 and 21.20.300;

(2) The registration statement has been on file with the director for at least ten full business days; and

(3) A statement of the maximum and minimum proposed offering prices and the maximum underwriting discounts and commissions has been on file for two full business days or such shorter period as the director permits by rule or otherwise and the offering is made within those limitations. The registrant shall promptly notify the director or such person as the director may by rule or order designate by facsimile, electronic transmission, or telegram of the date and time when the federal registration statement or other filing became effective and the content of the price amendment, if any, and shall promptly file a post-effective amendment containing the information and documents in the price amendment. "Price amendment" means the final federal amendment which includes a statement of the offering price, underwriting and selling discounts or commissions, amount of proceeds, conversion rates, call prices, and other matters dependent upon the offering price. [1994 c 256 § 14; 1961 c 37 § 5; 1959 c 282 § 19.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**21.20.200 Failure to notify of price amendment, proof of compliance—Stop order—Waiver of certain conditions.** Upon failure to receive the required notification and post-effective amendment with respect to the price amendment referred to in RCW 21.20.190, the director may enter a stop order, without notice of hearing, retroactively denying effectiveness to the registration statement or

suspending its effectiveness until compliance with RCW 21.20.190, if the director promptly notified the registrant by telephone, facsimile, or electronic transmission (and promptly confirms by letter or facsimile when the director notifies by telephone) of the issuance of the order. If the registrant proves compliance with the requirements as to notice and post-effective amendment, the stop order is void as of the time of its entry. The director may by rule or otherwise waive either or both of the conditions specified in RCW 21.20.190(2) and (3). If the federal registration statement or other filing becomes effective before all these conditions are satisfied and they are not waived, the registration statement automatically becomes effective as soon as all the conditions are satisfied. If the registrant advises the director of the date when the federal registration statement or other filing is expected to become effective the director shall promptly advise the registrant by telephone, electronic transmission, or facsimile, at the registrant's expense, whether all the conditions are satisfied and whether the director then contemplates the institution of a proceeding under RCW 21.20.280 and 21.20.300; but this advice by the director does not preclude the institution of such a proceeding at any time. [1994 c 256 § 15; 1979 ex.s. c 68 § 12; 1959 c 282 § 20.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

## REGISTRATION BY QUALIFICATION

**21.20.210 Registration by qualification—Statements—Requirements—Audits.** Any security may be registered by qualification. A registration statement under this section shall contain the following information and be accompanied by the following documents, in addition to payment of the registration fee prescribed in RCW 21.20.340, and, if required under RCW 21.20.330, a consent to service of process meeting the requirements of that section:

(1) With respect to the issuer and any significant subsidiary: Its name, address, and form of organization; the state or foreign jurisdiction and date of its organization; the general character and location of its business; and a description of its physical properties and equipment.

(2) With respect to every director and officer of the issuer, or person occupying a similar status or performing similar functions: His or her name, address, and principal occupation for the past five years; the amount of securities of the issuer held by him or her as of a specified date within ninety days of the filing of the registration statement; the remuneration paid to all such persons in the aggregate during the past twelve months, and estimated to be paid during the next twelve months, directly or indirectly, by the issuer (together with all predecessors, parents and subsidiaries).

(3) With respect to any person not named in RCW 21.20.210(2), owning of record, or beneficially if known, ten percent or more of the outstanding shares of any class of equity security of the issuer: The information specified in RCW 21.20.210(2) other than his or her occupation.

(4) With respect to every promoter, not named in RCW 21.20.210(2), if the issuer was organized within the past three years: The information specified in RCW 21.20.210(2), any amount paid to that person by the issuer

within that period or intended to be paid to that person, and the consideration for any such payment.

(5) The capitalization and long-term debt (on both a current and a pro forma basis) of the issuer and any significant subsidiary, including a description of each security outstanding or being registered or otherwise offered, and a statement of the amount and kind of consideration (whether in the form of cash, physical assets, services, patents, goodwill, or anything else) for which the issuer or any subsidiary has issued any of its securities within the past two years or is obligated to issue any of its securities.

(6) The kind and amount of securities to be offered; the amount to be offered in this state; the proposed offering price and any variation therefrom at which any portion of the offering is to be made to any persons except as underwriting and selling discounts and commissions; the estimated aggregate underwriting and selling discounts or commissions and finders' fees (including separately cash, securities, or anything else of value to accrue to the underwriters in connection with the offering); the estimated amounts of other selling expenses, and legal, engineering, and accounting expenses to be incurred by the issuer in connection with the offering; the name and address of every underwriter and every recipient of a finders' fee; a copy of any underwriting or selling group agreement pursuant to which the distribution is to be made, or the proposed form of any such agreement whose terms have not yet been determined; and a description of the plan of distribution of any securities which are to be offered otherwise than through an underwriter.

(7) The estimated cash proceeds to be received by the issuer from the offering; the purposes for which the proceeds are to be used by the issuer; the amount to be used for each purpose; the order or priority in which the proceeds will be used for the purposes stated; the amounts of any funds to be raised from other sources to achieve the purposes stated, and the sources of any such funds; and, if any part of the proceeds is to be used to acquire any property (including goodwill) otherwise than in the ordinary course of business, the names and addresses of the vendors and the purchase price.

(8) A description of any stock options or other security options outstanding, or to be created in connection with the offering, together with the amount of any such options held or to be held by every person required to be named in RCW 21.20.210(2), (3), (4), (5) or (7) and by any person who holds or will hold ten percent or more in the aggregate of any such options.

(9) The states in which a registration statement or similar document in connection with the offering has been or is expected to be filed.

(10) Any adverse order, judgment, or decree previously entered in connection with the offering by any court or the securities and exchange commission; a description of any pending litigation or proceeding to which the issuer is a party and which materially affects its business or assets (including any such litigation or proceeding known to be contemplated by governmental authorities).

(11) A copy of any prospectus or circular intended as of the effective date to be used in connection with the offering.

(12) A specimen or copy of the security being registered; a copy of the issuer's articles of incorporation and

bylaws, as currently in effect; and a copy of any indenture or other instrument covering the security to be registered.

(13) A signed or conformed copy of an opinion of counsel, if available, as to the legality of the security being registered.

(14)(a) The following financial statements:

(i)(A) Balance sheets as of the end of each of the three most recent fiscal years; and, if the date of the most recent fiscal year end is more than four months prior to the date of filing, (B) a balance sheet of the issuer as of a date within four months prior to the filing of the registration statement.

(ii)(A) Statements of income, shareholders' equity, and cash flows for each of the three fiscal years preceding the date of the latest balance sheet or for the period of the issuer's and any predecessor's existence if less than three years and (B) statements of income, shareholders' equity, and cash flows for any period between the close of the last fiscal year and the date of the latest balance sheet.

(iii) If any part of the proceeds of the offering is to be applied to the purchase of any business whose annual sales or revenues are in excess of fifteen percent of the registrant's sales or revenues or involves acquisition of assets in excess of fifteen percent of the registrant's assets, except as specifically exempted by the director, financial statements shall be filed which would be required if that business were the registrant.

(b)(i) If the estimated proceeds to be received from the offering, together with the proceeds from securities registered under this section during the year preceding the date of the filing of this registration statement, exceed one million dollars, the balance sheet specified in (a)(i)(A) of this subsection as of the end of the last fiscal year and the related financial statements specified in (a)(ii)(A) of this subsection for the last fiscal year shall be audited.

(ii) If such proceeds exceed one million dollars but are not more than five million dollars, the balance sheet specified in (a)(i)(A) of this subsection as of the end of the most recent fiscal year and the financial statements specified in (a)(ii)(A) of this subsection for the last fiscal year shall be audited.

(iii) If such proceeds exceed five million dollars but are not more than twenty-five million dollars, the balance sheets specified in (a)(i)(A) of this subsection as of the end of the last two fiscal years and the related financial statements specified in (a)(ii)(A) of this subsection for the last two fiscal years shall be audited.

(iv) If such proceeds exceed twenty-five million dollars, the balance sheets specified in (a)(i)(A) of this subsection and the related financial statements specified in (a)(ii)(A) of this subsection for the last three fiscal years shall be audited.

(c) The financial statements of this subsection and such other financial information as may be prescribed by the director shall be prepared as to form and content in accordance with generally accepted accounting principles and with the rules prescribed by the director, and when applicable, shall be audited by an independent certified public accountant who is registered and in good standing as a certified public accountant under the laws of the place of his or her residence or principal office and who is not an employee, officer, or member of the board of directors of the issuer or a holder of the securities of the issuer. An audit report of such independent certified public accountant shall be based

upon an audit made in accordance with generally accepted auditing standards. The audit report shall have no limitations on its scope unless expressly authorized in writing by the director. The director may also verify such statements by examining the issuer's books and records.

(15) The written consent of any accountant, engineer, appraiser, attorney, or any person whose profession gives authority to a statement made by him or her, who is named as having prepared or audited any part of the registration statement or is named as having prepared or audited a report or valuation for use in connection with the registration statement. [1994 c 256 § 16; 1979 ex.s. c 68 § 13; 1973 1st ex.s. c 171 § 1; 1959 c 282 § 21.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**Effective date—Construction—Severability—1973 1st ex.s. c 171:** See RCW 21.20.800 and 21.20.805.

**21.20.220 Information not required when nonissuer distribution.** In the case of a nonissuer distribution, information may not be required under RCW 21.20.210 unless it is known to the person filing the registration statement or to the persons on whose behalf the distribution is to be made, or can be furnished by them without unreasonable effort or expense. [1959 c 282 § 22.]

**21.20.230 Time of taking effect of registration statement by qualification—Conditions.** A registration statement by qualification under RCW 21.20.210 becomes effective if no stop order is in effect and no proceeding is pending under RCW 21.20.280 and 21.20.300, at three o'clock Pacific standard time in the afternoon of the fifteenth full business day after the filing of the registration statement or the last amendment, or at such earlier time as the director determines. The director may require as a condition of registration under this section that a prospectus containing any information necessary for complete disclosure of any material fact relating to the security offering be sent or given to each person to whom an offer is made before or concurrently with (1) the first written offer made to him or her (other than by means of a public advertisement) by or for the account of the issuer or any other person on whose behalf the offering is being made, or by any underwriter or broker-dealer who is offering part of an unsold allotment or subscription taken by him or her as a participant in the distribution, (2) the confirmation of any sale made by or for the account of any such person, (3) payment pursuant to any such sale, or (4) delivery of the security pursuant to any such sale, whichever first occurs; but the director may accept for use under any such requirement a current prospectus or offering circular regarding the same securities filed under the Securities Act of 1933 or regulations thereunder. [1979 ex.s. c 68 § 14; 1975 1st ex.s. c 84 § 11; 1974 ex.s. c 77 § 4; 1961 c 37 § 6; 1959 c 282 § 23.]

**Effective date—1974 ex.s. c 77:** See note following RCW 21.20.040.

#### GENERAL PROVISIONS REGARDING REGISTRATION OF SECURITIES

**21.20.240 Registration statements—Generally.** A registration statement may be filed by the issuer, any other person on whose behalf the offering is to be made, or a

registered broker-dealer. The director may by rule or otherwise permit the omission of any item of information or document from any registration statement. [1975 1st ex.s. c 84 § 12; 1959 c 282 § 24.]

**21.20.250 Registration by qualification or coordination—Escrow—Impounding proceeds.** The director may by rule or order require as a condition of registration by qualification or coordination (1) that any security issued within the past three years or to be issued to a promoter for a consideration substantially different from the public offering price, or to any person for a consideration other than cash, be deposited in escrow; and (2) that the proceeds from the sale of the registered security in this state be impounded until the issuer receives a specified amount from the sale of the security either in this state or elsewhere. The director may by rule or order determine the conditions of any escrow or impounding required hereunder but the director may not reject a depository solely because of location in another state. [1979 ex.s. c 68 § 15; 1959 c 282 § 25.]

**21.20.260 Registration by coordination or qualification—Offer and sale—Duration of effectiveness.** When securities are registered by coordination or qualification, they may be offered and sold by the issuer, any other person on whose behalf they are registered or by any registered broker-dealer or any person acting within the exemption provided in RCW 21.20.040. Every registration shall remain effective until its expiration date or until revoked by the director or until terminated upon request of the registrant with the consent of the director. All outstanding securities of the same class as a registered security are considered to be registered for the purpose of any nonissuer transaction. [1975 1st ex.s. c 84 § 13; 1974 ex.s. c 77 § 5; 1959 c 282 § 26.]

**Effective date—1974 ex.s. c 77:** See note following RCW 21.20.040.

**21.20.270 Reports by filer of statement—Annual financial statements.** (1) The director may require the person who filed the registration statement to file reports, not more often than quarterly to keep reasonably current the information contained in the registration statement and to disclose the progress of the offering with respect to registered securities which (a) are issued by a face-amount certificate company or a redeemable security issued by an open-end management company or unit investment trust as those terms are defined in the investment company act of 1940, or (b) are being offered and sold directly by or for the account of the issuer.

(2) During the period of public offering of securities registered under the provisions of this chapter by qualification financial data or statements corresponding to those required under the provisions of RCW 21.20.210 and to the issuer's fiscal year shall be filed with the director annually, not more than one hundred twenty days after the end of each such year. Such statements at the discretion of the director or administrator shall be certified by a certified public accountant who is not an employee of the issuer, and the director may verify them by examining the issuer's books and records. The certificate of such independent certified

public accountant shall be based upon an audit of not less in scope or procedures followed than that which independent public accountants would ordinarily make for the purpose of presenting comprehensive and dependable financial statements, and shall contain such information as the director may prescribe, by rules in the public interest or for the protection of investors, as to the nature and scope of the audit and the findings and opinions of the accountants. Each such report shall state that such independent certified public accountant has verified securities owned, either by actual examination, or by receipt of a certificate from the custodian, as the director may prescribe by rules. [1995 c 46 § 3; 1975 1st ex.s. c 84 § 14; 1965 c 17 § 3; 1961 c 37 § 7; 1959 c 282 § 27.]

**21.20.275 Pending registration—Notice of termination—Application for continuation.** The director may in his or her discretion send notice to the registrant in any pending registration in which no action has been taken for nine months immediately prior to the sending of such notice, advising such registrant that the pending registration will be terminated thirty days from the date of sending unless on or before the termination date the registrant makes application in writing to the director showing good cause why it should be continued as a pending registration. If such application is not made or good cause shown, the director shall terminate the pending registration. [1994 c 256 § 17; 1979 ex.s. c 68 § 16; 1974 ex.s. c 77 § 12.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**Effective date—1974 ex.s. c 77:** See note following RCW 21.20.040.

#### DENIAL, SUSPENSION AND REVOCATION OF REGISTRATION OF SECURITIES

**21.20.280 Stop orders—Grounds.** The director may issue a stop order denying effectiveness to, or suspending or revoking the effectiveness of, any registration statement if the director finds that the order is in the public interest and that:

(1) The registration statement as of its effective date or as of any earlier date in the case of an order denying effectiveness, is incomplete in any material respect or contains any statement which was, in the light of the circumstances under which it was made, false or misleading with respect to any material fact;

(2) Any provision of this chapter or any rule, order, or condition lawfully imposed under this chapter has been wilfully violated, in connection with the offering by (a) the person filing the registration statement, (b) the issuer, any partner, officer, or director of the issuer, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling or controlled by the issuer, but only if the person filing the registration statement is directly or indirectly controlled by or acting for the issuer, or (c) any underwriter;

(3) The security registered or sought to be registered is the subject of a permanent or temporary injunction of any court of competent jurisdiction entered under any other federal or state act applicable to the offering; but (a) the director may not institute a proceeding against an effective registration statement under this clause more than one year

from the date of the injunction relied on, and (b) the director may not enter an order under this clause on the basis of an injunction entered under any other state act unless that order or injunction was based on facts which would currently constitute a ground for a stop order under this section;

(4) The issuer's enterprise or method of business includes or would include activities which are illegal where performed;

(5) The offering has worked or tended to work a fraud upon purchasers or would so operate;

(6) When a security is sought to be registered by coordination, there has been a failure to comply with the undertaking required by RCW 21.20.180(7), or

(7) The applicant or registrant has failed to pay the proper registration fee; but the director may enter only a denial order under this subsection and shall vacate any such order when the deficiency has been corrected;

(8) The offering has been or would be made with unreasonable amounts of underwriters' and sellers' discounts, commissions, or compensation or promoters' profits or participation, or unreasonable amounts or kinds of options. [1979 ex.s. c 68 § 17; 1975 1st ex.s. c 84 § 15; 1959 c 282 § 28.]

**21.20.290 Stop order prohibited if facts known on effective date of statement.** The director may not enter a stop order against an effective registration statement on the basis of a fact or transaction known to the director when the registration statement became effective. [1979 ex.s. c 68 § 18; 1959 c 282 § 29.]

**21.20.300 Notification of entry of stop order—Hearing—Findings, conclusions, modification, etc.** Upon the entry of a stop order under any part of RCW 21.20.280, the director shall promptly notify the issuer of the securities and the applicant or registrant that the order has been entered and of the reasons therefor and that within fifteen days after the receipt of a written request the matter will be set down for hearing. If no hearing is requested within fifteen days and none is ordered by the director, the director shall enter written findings of fact and conclusions of law and the order will remain in effect until it is modified or vacated by the director. If a hearing is requested or ordered, the director, after notice of and opportunity for hearings to the issuer and to the applicant or registrant, shall enter written findings of fact and conclusions of law and may modify or vacate the order. The director may modify or vacate a stop order if the director finds that the conditions which prompted its entry have changed or that it is otherwise in the public interest to do so. [1979 ex.s. c 68 § 19; 1959 c 282 § 30.]

#### EXEMPT SECURITIES

**21.20.310 Securities exempt from registration.** RCW 21.20.140 through 21.20.300, inclusive, and 21.20.327 do not apply to any of the following securities:

(1) Any security (including a revenue obligation) issued or guaranteed by the United States, any state, any political subdivision of a state, or any agency or corporate or other instrumentality of one or more of the foregoing; or any certificate of deposit for any of the foregoing; but this exemp-

tion does not include any security payable solely from revenues to be received from a nongovernmental industrial or commercial enterprise unless such payments are made or unconditionally guaranteed by a person whose securities are exempt from registration by subsections (7) or (8) of this section: PROVIDED, That the director, by rule or order, may exempt any security payable solely from revenues to be received from a nongovernmental industrial or commercial enterprise if the director finds that registration with respect to such securities is not necessary in the public interest and for the protection of investors.

(2) Any security issued or guaranteed by Canada, any Canadian province, any political subdivision of any such province, any agency or corporate or other instrumentality of one or more of the foregoing, or any other foreign government with which the United States currently maintains diplomatic relations, if the security is recognized as a valid obligation by the issuer or guarantor; but this exemption does not include any security payable solely from revenues to be received from a nongovernmental industrial or commercial enterprise unless such payments shall be made or unconditionally guaranteed by a person whose securities are exempt from registration by subsections (7) or (8) of this section.

(3) Any security issued by and representing an interest in or a debt of, or guaranteed by, any bank organized under the laws of the United States, or any bank or trust company organized or supervised under the laws of any state.

(4) Any security issued by and representing an interest in or a debt of, or guaranteed by, any federal savings and loan association, or any building and loan or similar association organized under the laws of any state and authorized to do business in this state.

(5) Any security issued by and representing an interest in or a debt of, or guaranteed by, any insurance company organized under the laws of this state and authorized to do and actually doing business in this state.

(6) Any security issued or guaranteed by any federal credit union or any credit union, industrial loan association, or similar association organized and supervised under the laws of this state.

(7) Any security issued or guaranteed by any railroad, other common carrier, public utility, or holding company which is (a) subject to the jurisdiction of the interstate commerce commission; (b) a registered holding company under the public utility holding company act of 1935 or a subsidiary of such a company within the meaning of that act; (c) regulated in respect of its rates and charges by a governmental authority of the United States or any state or municipality; or (d) regulated in respect of the issuance or guarantee of the security by a governmental authority of the United States, any state, Canada, or any Canadian province; also equipment trust certificates in respect of equipment conditionally sold or leased to a railroad or public utility, if other securities issued by such railroad or public utility would be exempt under this subsection.

(8) Any security which meets the criteria for investment grade securities that the director may adopt by rule.

(9) Any prime quality negotiable commercial paper not intended to be marketed to the general public and not advertised for sale to the general public that is of a type eligible for discounting by federal reserve banks, that arises

out of a current transaction or the proceeds of which have been or are to be used for a current transaction, and that evidences an obligation to pay cash within nine months of the date of issuance, exclusive of days of grace, or any renewal of such paper which is likewise limited, or any guarantee of such paper or of any such renewal.

(10) Any security issued in connection with an employee's stock purchase, savings, pension, profit-sharing, or similar benefit plan if: (a) The plan meets the requirements for qualification as a pension, profit sharing, or stock bonus plan under section 401 of the internal revenue code, as an incentive stock option plan under section 422 of the internal revenue code, as a nonqualified incentive stock option plan adopted with or as a supplement to an incentive stock option plan under section 422 of the internal revenue code, or as an employee stock purchase plan under section 423 of the internal revenue code; or (b) the director is notified in writing with a copy of the plan thirty days before offering the plan to employees in this state. In the event of late filing of notification the director may upon application, for good cause excuse such late filing if he or she finds it in the public interest to grant such relief.

(11) Any security issued by any person organized and operated as a nonprofit organization as defined in RCW 84.36.800(4) exclusively for religious, educational, fraternal, or charitable purposes and which nonprofit organization also possesses a current tax exempt status under the laws of the United States, which security is offered or sold only to persons who, prior to their solicitation for the purchase of said securities, were members of, contributors to, or listed as participants in, the organization, or their relatives, if such nonprofit organization first files a notice specifying the terms of the offering and the director does not by order disallow the exemption within the next ten full business days: PROVIDED, That no offerings may be made until expiration of the ten full business days. Every such nonprofit organization which files a notice of exemption of such securities shall pay a filing fee as set forth in RCW 21.20.340(11) as now or hereafter amended.

The notice shall consist of the following:

- (a) The name and address of the issuer;
- (b) The names, addresses, and telephone numbers of the current officers and directors of the issuer;
- (c) A short description of the security, price per security, and the number of securities to be offered;
- (d) A statement of the nature and purposes of the organization as a basis for the exemption under this section;
- (e) A statement of the proposed use of the proceeds of the sale of the security; and

(f) A statement that the issuer shall provide to a prospective purchaser written information regarding the securities offered prior to consummation of any sale, which information shall include the following statements: (i) "ANY PROSPECTIVE PURCHASER IS ENTITLED TO REVIEW FINANCIAL STATEMENTS OF THE ISSUER WHICH SHALL BE FURNISHED UPON REQUEST."; (ii) "RECEIPT OF NOTICE OF EXEMPTION BY THE WASHINGTON ADMINISTRATOR OF SECURITIES DOES NOT SIGNIFY THAT THE ADMINISTRATOR HAS APPROVED OR RECOMMENDED THESE SECURITIES, NOR HAS THE ADMINISTRATOR PASSED UPON THE OFFERING. ANY REPRESENTATION TO THE

CONTRARY IS A CRIMINAL OFFENSE."; and (iii) "THE RETURN OF THE FUNDS OF THE PURCHASER IS DEPENDENT UPON THE FINANCIAL CONDITION OF THE ORGANIZATION."

(12) Any charitable gift annuities issued by a board of a state university, regional university, or of the state college.

(13) Any charitable gift annuity issued by an insurer or institution holding a certificate of exemption under RCW 48.38.010. [1998 c 15 § 13; 1995 c 46 § 4; 1994 c 256 § 18; 1981 c 272 § 5; 1979 ex.s. c 68 § 20; 1979 c 130 § 4; 1979 c 8 § 1. Prior: 1977 ex.s. c 188 § 2; 1977 ex.s. c 172 § 1; 1975 1st ex.s. c 84 § 16; 1959 c 282 § 31.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**Severability—1979 c 130:** See note following RCW 28B.10.485.

### EXEMPT TRANSACTIONS

**21.20.320 Exempt transactions.** The following transactions are exempt from RCW 21.20.040 through 21.20.300 and 21.20.327 except as expressly provided:

(1) Any isolated transaction, or sales not involving a public offering, whether effected through a broker-dealer or not; or any transaction effected in accordance with any rule by the director establishing a nonpublic offering exemption pursuant to this subsection where registration is not necessary or appropriate in the public interest or for the protection of investors.

(2) Any nonissuer transaction by a registered salesperson of a registered broker-dealer, and any resale transaction by a sponsor of a unit investment trust registered under the Investment Company Act of 1940 pursuant to any rule adopted by the director.

(3) Any nonissuer transaction effected by or through a registered broker-dealer pursuant to an unsolicited order or offer to buy; but the director may by rule require that the customer acknowledge upon a specified form that the sale was unsolicited, and that a signed copy of each such form be preserved by the broker-dealer for a specified period.

(4) Any transaction between the issuer or other person on whose behalf the offering is made and an underwriter, or among underwriters.

(5) Any transaction in a bond or other evidence of indebtedness secured by a real or chattel mortgage or deed of trust, or by an agreement for the sale of real estate or chattels, if the entire mortgage, deed of trust, or agreement, together with all the bonds or other evidences of indebtedness secured thereby, is offered and sold as a unit. A bond or other evidence of indebtedness is not offered and sold as a unit if the transaction involves:

(a) A partial interest in one or more bonds or other evidences of indebtedness secured by a real or chattel mortgage or deed of trust, or by an agreement for the sale of real estate or chattels; or

(b) One of multiple bonds or other evidences of indebtedness secured by one or more real or chattel mortgages or deeds of trust, or agreements for the sale of real estate or chattels, sold to more than one purchaser as part of a single plan of financing; or

(c) A security including an investment contract other than the bond or other evidence of indebtedness.

(6) Any transaction by an executor, administrator, sheriff, marshal, receiver, trustee in bankruptcy, guardian, or conservator.

(7) Any transaction executed by a bona fide pledgee without any purpose of evading this chapter.

(8) Any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity.

(9) Any transaction effected in accordance with the terms and conditions of any rule adopted by the director if:

(a) The aggregate offering amount does not exceed five million dollars; and

(b) The director finds that registration is not necessary in the public interest and for the protection of investors.

(10) Any offer or sale of a preorganization certificate or subscription if (a) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective subscriber, (b) the number of subscribers does not exceed ten, and (c) no payment is made by any subscriber.

(11) Any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within not more than ninety days of their issuance, if (a) no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state, or (b) the issuer first files a notice specifying the terms of the offer and the director does not by order disallow the exemption within the next five full business days.

(12) Any offer (but not a sale) of a security for which registration statements have been filed under both this chapter and the Securities Act of 1933 if no stop order or refusal order is in effect and no public proceeding or examination looking toward such an order is pending under either act.

(13) The issuance of any stock dividend, whether the corporation distributing the dividend is the issuer of the stock or not, if nothing of value is given by stockholders for the distribution other than the surrender of a right to a cash dividend where the stockholder can elect to take a dividend in cash or stock.

(14) Any transaction incident to a right of conversion or a statutory or judicially approved reclassification, recapitalization, reorganization, quasi reorganization, stock split, reverse stock split, merger, consolidation, or sale of assets.

(15) The offer or sale by a registered broker-dealer, or a person exempted from the registration requirements pursuant to RCW 21.20.040, acting either as principal or agent, of securities previously sold and distributed to the public: PROVIDED, That:

(a) Such securities are sold at prices reasonably related to the current market price thereof at the time of sale, and, if such broker-dealer is acting as agent, the commission collected by such broker-dealer on account of the sale thereof is not in excess of usual and customary commissions collected with respect to securities and transactions having comparable characteristics;

(b) Such securities do not constitute the whole or a part of an unsold allotment to or subscription or participation by such broker-dealer as an underwriter of such securities or as a participant in the distribution of such securities by the issuer, by an underwriter or by a person or group of persons in substantial control of the issuer or of the outstanding securities of the class being distributed; and

(c) The security has been lawfully sold and distributed in this state or any other state of the United States under this or any act regulating the sale of such securities.

(16) Any transaction by a mutual or cooperative association meeting the requirements of (a) and (b) of this subsection:

(a) The transaction:

(i) Does not involve advertising or public solicitation; or

(ii) Involves advertising or public solicitation, and:

(A) The association first files a notice of claim of exemption on a form prescribed by the director specifying the terms of the offer and the director does not by order deny the exemption within the next ten full business days; or

(B) The association is an employee cooperative and identifies itself as an employee cooperative in advertising or public solicitation.

(b) The transaction involves an instrument or interest, that:

(i)(A) Qualifies its holder to be a member or patron of the association;

(B) Represents a contribution of capital to the association by a person who is or intends to become a member or patron of the association;

(C) Represents a patronage dividend or other patronage allocation; or

(D) Represents the terms or conditions by which a member or patron purchases, sells, or markets products, commodities, or services from, to, or through the association; and

(ii) Is nontransferable except in the case of death, operation of law, bona fide transfer for security purposes only to the association, a bank, or other financial institution, intrafamily transfer, or transfer to an existing member or person who will become a member and, in the case of an instrument, so states conspicuously on its face.

(17) Any transaction effected in accordance with any rule adopted by the director establishing a limited offering exemption which furthers objectives of compatibility with federal exemptions and uniformity among the states, provided that in adopting any such rule the director may require that no commission or other remuneration be paid or given to any person, directly or indirectly, for effecting sales unless the person is registered under this chapter as a broker-dealer or salesperson. [1998 c 15 § 14; 1989 c 307 § 34. Prior: 1987 c 457 § 13; 1987 c 421 § 9; 1986 c 90 § 1; 1981 c 272 § 6; 1979 ex.s. c 68 § 21; 1977 ex.s. c 172 § 2; 1975 1st ex.s. c 84 § 17; 1974 ex.s. c 77 § 6; 1972 ex.s. c 79 § 1; 1961 c 37 § 8; 1959 c 282 § 32.]

**Legislative finding—1989 c 307:** See note following RCW 23.86.007.

**Application—1989 c 307:** See RCW 23.86.900.

**Severability—1987 c 457:** See RCW 23.78.902.

**Application—Severability—1987 c 421:** See notes following RCW 21.20.705.

**Effective date—1986 c 90:** "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1986." [1986 c 90 § 3.]

**Effective date—1974 ex.s. c 77:** See note following RCW 21.20.040.

## EXEMPT SECURITIES AND TRANSACTIONS

**21.20.325 Denial, revocation, condition, of exemptions—Authority—Procedure.** The director or administrator may by order deny, revoke, or condition any exemption specified in subsections (10), (11), (12) or (13) of RCW 21.20.310 or in RCW 21.20.320, as now or hereafter amended, with respect to a specific security or transaction. No such order may be entered without appropriate prior notice to all interested parties, opportunity for hearing, and written findings of fact and conclusions of law, except that the director or administrator may by order summarily deny, revoke, or condition any of the specified exemptions pending final determination of any proceeding under this section. Upon the entry of a summary order, the director or administrator shall promptly notify all interested parties that it has been entered and of the reasons therefor and that within fifteen days of the receipt of a written request the matter will be set down for hearing. If no hearing is requested and none is ordered by the director or administrator, the order will remain in effect until it is modified or vacated by the director or administrator. If a hearing is requested or ordered, the director or administrator, after notice of and opportunity for hearing to all interested persons, may modify or vacate the order or extend it until final determination. No order under this section may operate retroactively. No person may be considered to have violated RCW 21.20.140 as now or hereafter amended by reason of any offer or sale effected after the entry of an order under this section if he or she sustains the burden of proof that he or she did not know, and in the exercise of reasonable care could not have known, of the order. [1979 ex.s. c 68 § 22; 1979 c 130 § 14; 1977 ex.s. c 188 § 3; 1975 1st ex.s. c 84 § 18; 1974 ex.s. c 77 § 7; 1967 c 199 § 3.]

**Severability—1979 c 130:** See note following RCW 28B.10.485.

## FEDERAL COVERED SECURITY

**21.20.327 Required filings—Consent to service—Failure to comply—Rules—Fees.** (1) The director, by rule or otherwise, may require the filing of any or all of the following documents and the payment of the following fees with respect to a federal covered security under section 18(b)(2) of the Securities Act of 1933:

(a) Prior to the initial offer of such a federal covered security in this state, all documents that are part of the current federal registration statement filed with the U.S. securities and exchange commission under the Securities Act of 1933, together with a consent to service of process signed by the issuer and the fee prescribed by RCW 21.20.340;

(b) After the initial offer of such a federal covered security in this state, all documents that are part of an amendment to a current federal registration statement filed with the U.S. securities and exchange commission under the

Securities Act of 1933 and all fees prescribed by RCW 21.20.340; and

(c) An annual or periodic report of the value of such federal covered securities offered in this state, together with the fee prescribed by RCW 21.20.340.

(2) With respect to any security that is a federal covered security under section 18(b)(4)(D) of the Securities Act of 1933, the director, by rule or otherwise, may require the issuer to file a notice on SEC Form D, together with a consent to service of process signed by the issuer and the fee prescribed pursuant to RCW 21.20.340, no later than fifteen days after the first sale of such a federal covered security in this state.

(3) The director, by rule or otherwise, may require the filing of any document filed with the U.S. securities and exchange commission under the Securities Act of 1933, with respect to a federal covered security under section 18(b) (3) or (4) of the Securities Act of 1933 and/or the payment of the fee prescribed pursuant to RCW 21.20.340.

(4) The director may issue a stop order suspending the offer and sale of a federal covered security, except a federal covered security under section 18(b)(1) of the Securities Act of 1933, if the director finds that there is a failure to comply with any requirement established under this section.

(5) The director, by rule or otherwise, may waive any or all of the provisions of this section. [1998 c 15 § 12.]

#### CONSENT TO SERVICE OF PROCESS

**21.20.330 Consent to service of process—Service, how made.** Every applicant for registration as a broker-dealer, investment adviser, investment adviser representative, or salesperson under this chapter, every issuer that files an application to register or files a claim of exemption from registration to offer a security in this state through any person acting on an agency basis in the common law sense, and every person filing pursuant to RCW 21.20.050 or 21.20.327 shall file with the director or with such person as the director may by rule or order designate, in such form as the director by rule prescribes, an irrevocable consent appointing the director or the director's successor in office to be the attorney of the applicant to receive service of any lawful process in any noncriminal suit, action, or proceeding against the applicant or the applicant's successor, executor or administrator which arises under this chapter or any rule or order hereunder after the consent has been filed, with the same force and validity as if served personally on the person filing the consent. A person who has filed such a consent in connection with a previous registration, or notice filing pursuant to RCW 21.20.050 or 21.20.327, need not file another. Service may be made by leaving a copy of the process in the office of the director, but it is not effective unless (1) the plaintiff, who may be the director in a suit, action, or proceeding instituted by him or her, forthwith sends notice of the service and a copy of the process by registered mail to the defendant or respondent at the last address of the respondent or defendant on file with the director, and (2) the plaintiff's affidavit of compliance with this section is filed in the case on or before the return day of the process, if any, or within such further time as the court

allows. [1998 c 15 § 15; 1994 c 256 § 19; 1979 ex.s. c 68 § 23; 1975 1st ex.s. c 84 § 19; 1959 c 282 § 33.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007

#### FEES

**21.20.340 Fees—Disposition.** The following fees shall be paid in advance under the provisions of this chapter:

(1)(a) For registration of securities by qualification, the fee shall be one hundred dollars for the first one hundred thousand dollars of initial issue, or portion thereof in this state, based on offering price, plus one-twentieth of one percent for any excess over one hundred thousand dollars which are to be offered during that year: **PROVIDED, HOWEVER,** That an issuer may upon the payment of a fifty-dollar fee renew for one additional twelve-month period only the unsold portion for which the registration fee has been paid.

(b) For the offer of a federal covered security that (i) is an exempt security pursuant to section 3(2) of the Securities Act of 1933, and (ii) would not qualify for the exemption or a discretionary order of exemption pursuant to RCW 21.20.310(1), the fee shall be one hundred dollars for the first one hundred thousand dollars of initial issue, or portion thereof in this state, based on offering price, plus one-twentieth of one percent for any excess over one hundred thousand dollars which are to be offered during that year: **PROVIDED, HOWEVER,** That an issuer may upon the payment of a fifty-dollar fee renew for one additional twelve-month period only the unsold portion for which the filing fee has been paid.

(2)(a) For registration by coordination of securities issued by an investment company, other than a closed-end company, as those terms are defined in the Investment Company Act of 1940, the fee shall be one hundred dollars for the first one hundred thousand dollars of initial issue, or portion thereof in this state, based on offering price, plus one-twentieth of one percent for any excess over one hundred thousand dollars which are to be offered in this state during that year: **PROVIDED, HOWEVER,** That an issuer may upon the payment of a fifty-dollar fee renew for one additional twelve-month period the unsold portion for which the registration fee has been paid.

(b) For each offering by an investment company, other than a closed-end company, as those terms are defined in the Investment Company Act of 1940, making a notice filing pursuant to RCW 21.20.327(1), the initial filing fee shall be one hundred dollars for the first one hundred thousand dollars of initial issue, or portion thereof in this state, based on offering price, plus one-twentieth of one percent for any excess over one hundred thousand dollars which are to be offered in this state during that year. The amount offered in this state during the year may be increased by paying one-twentieth of one percent of the desired increase, based on offering price, prior to the sale of securities to be covered by the fee: **PROVIDED, HOWEVER,** That an issuer may upon the payment of a fifty-dollar fee renew for one additional twelve-month period the unsold portion for which the filing fee has been paid.

(3)(a) For registration by coordination of securities not covered by subsection (2) of this section, the initial filing fee

shall be one hundred dollars for the first one hundred thousand dollars of initial issue, or portion thereof in this state, based on offering price, plus one-fortieth of one percent for any excess over one hundred thousand dollars for the first twelve-month period plus one hundred dollars for each additional twelve months in which the same offering is continued. The amount offered in this state during the year may be increased by paying one-fortieth of one percent of the desired increase, based on offering price, prior to the sale of securities to be covered by the fee.

(b) For each offering by a closed-end investment company, making a notice filing pursuant to RCW 21.20.327(1), the initial filing fee shall be one hundred dollars for the first one hundred thousand dollars of initial issue, or portion thereof in this state, based on offering price, plus one-fortieth of one percent for any excess over one hundred thousand dollars for the first twelve-month period plus one hundred dollars for each additional twelve months in which the same offering is continued. The amount offered in this state during the year may be increased by paying one-fortieth of one percent of the desired increase, based on offering price, prior to the sale of securities to be covered by the fee.

(4) For filing annual financial statements, the fee shall be twenty-five dollars.

(5)(a) For filing an amended offering circular after the initial registration permit has been granted or pursuant to RCW 21.20.327(1)(b), the fee shall be ten dollars.

(b) For filing a report under RCW 21.20.270(1) or 21.20.327(1)(c), the fee shall be ten dollars.

(6)(a) For registration of a broker-dealer or investment adviser, the fee shall be one hundred fifty dollars for original registration and seventy-five dollars for each annual renewal. When an application is denied or withdrawn the director shall retain one-half of the fee.

(b) For a federal covered adviser filing pursuant to RCW 21.20.050, the fee shall be one hundred fifty dollars for original notification and seventy-five dollars for each annual renewal. A fee shall not be assessed in connection with converting an investment adviser registration to a notice filing when the investment adviser becomes a federal covered adviser.

(7) For registration of a salesperson or investment adviser representative, the fee shall be forty dollars for original registration with each employer and twenty dollars for each annual renewal. When an application is denied or withdrawn the director shall retain one-half of the fee.

(8) If a registration, or filing pursuant to RCW 21.20.050, of a broker-dealer, salesperson, investment adviser, federal covered adviser, or investment adviser representative is not renewed on or before December 31st of each year the renewal is delinquent. The director by rule or order may set and assess a fee for delinquency not to exceed two hundred dollars. Acceptance by the director of an application for renewal after December 31st is not a waiver of delinquency. A delinquent application for renewal will not be accepted for filing after March 1st.

(9)(a) For the transfer of a broker-dealer license to a successor, the fee shall be fifty dollars.

(b) For the transfer of a salesperson license from a broker-dealer or issuer to another broker-dealer or issuer, the transfer fee shall be twenty-five dollars.

(c) For the transfer of an investment adviser representative license from an investment adviser to another investment adviser, the transfer fee shall be twenty-five dollars.

(d) For the transfer of an investment adviser license to a successor, the fee shall be fifty dollars.

(10)(a) The director may provide by rule for the filing of notice of claim of exemption under RCW 21.20.320 (1), (9), and (17) and set fees accordingly not to exceed three hundred dollars.

(b) For the filing required by RCW 21.20.327(2), the fee shall be three hundred dollars.

(11) For filing of notification of claim of exemption from registration pursuant to RCW 21.20.310(11), as now or hereafter amended, the fee shall be fifty dollars for each filing.

(12) For rendering interpretative opinions, the fee shall be thirty-five dollars.

(13) For certified copies of any documents filed with the director, the fee shall be the cost to the department.

(14) For a duplicate license the fee shall be five dollars.

All fees collected under this chapter shall be turned in to the state treasury and are not refundable, except as herein provided. [1998 c 15 § 16; 1995 c 46 § 5; 1994 c 256 § 20; 1988 c 244 § 17; 1986 c 90 § 2; 1981 c 272 § 7; 1979 ex.s. c 68 § 24. Prior: 1977 ex.s. c 188 § 4; 1977 ex.s. c 172 § 3; 1975 1st ex.s. c 84 § 20; 1974 ex.s. c 77 § 8; 1965 c 17 § 4; 1961 c 37 § 9; 1959 c 282 § 34.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**Severability—Effective date—Implementation—Application—1988 c 244:** See notes following RCW 21.20.700.

**Effective date—1986 c 90:** See note following RCW 21.20.320.

**Effective date—1974 ex.s. c 77:** See note following RCW 21.20.040.

**Effective date—1965 c 17:** "Section 4 of this amendatory act shall take effect July 1, 1965." [1965 c 17 § 6.]

## MISLEADING FILINGS

**21.20.350 False or misleading statements in filed documents.** It is unlawful for any person to make or cause to be made, in any document filed with the director or in any proceeding under this chapter, any statement which is, at the time and in the light of the circumstances under which it is made, false or misleading in any material respect. [1959 c 282 § 35.]

## UNLAWFUL REPRESENTATIONS CONCERNING REGISTRATION OR EXEMPTION

**21.20.360 Filing, registration, statement, exemption not conclusive as to truth or completeness—Unlawful representations.** Neither the fact that an application for registration under RCW 21.20.050, a registration statement under RCW 21.20.180 or 21.20.210 has been filed, nor the fact that a person or security is effectively registered, constitutes a finding by the director that any document filed under this chapter is true, complete, and not misleading. Neither any such fact nor the fact that an exemption or exception is available for a security or a transaction means that the director has passed in any way upon the merits of qualifications of, or recommended or given approval to, any person, security, or transaction. It is unlawful to make, or

cause to be made, to any prospective purchaser, customer, or client any representation inconsistent with this section. [1975 1st ex.s. c 84 § 21; 1959 c 282 § 36.]

#### INVESTIGATIONS AND SUBPOENAS

**21.20.370 Investigations—Statement of facts relating to investigation may be permitted—Publication of information.** The director in his or her discretion (1) may annually, or more frequently, make such public or private investigations within or without this state as the director deems necessary to determine whether any registration should be granted, denied or revoked or whether any person has violated or is about to violate any provision of this chapter or any rule or order hereunder, or to aid in the enforcement of this chapter or in the prescribing of rules and forms hereunder, (2) may engage in the detection and identification of criminal activities subject to this chapter, (3) may require or permit any person to file a statement in writing, under oath or otherwise as the director may determine, as to all the facts and circumstances concerning the matter to be investigated, and (4) may publish information concerning any violation of this chapter or any rule or order hereunder. [1998 c 15 § 17; 1994 c 256 § 21; 1979 ex.s. c 68 § 25; 1973 1st ex.s. c 171 § 2; 1959 c 282 § 37.]

*Findings—Construction—1994 c 256:* See RCW 43.320.007.

**Effective date—Construction—Severability—1973 1st ex.s. c 171:** See RCW 21.20.800 and 21.20.805.

*Investigations, additional authority, scope:* RCW 21.20.700.

**21.20.380 Oaths—Subpoenas—Assisting another state—Compelling obedience—Punishment.** (1) For the purpose of any investigation or proceeding under this chapter, the director or any officer designated by the director may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which the director deems relevant or material to the inquiry.

(2) If the activities constituting an alleged violation for which the information is sought would be a violation of this chapter had the activities occurred in this state, the director may issue and apply to enforce subpoenas in this state at the request of a securities agency or administrator of another state.

(3) In case of disobedience on the part of any person to comply with any subpoena lawfully issued by the director, or on the refusal of any witness to testify to any matters regarding which the witness may be lawfully interrogated, a court of competent jurisdiction of any county or the judge thereof, on application of the director, and after satisfactory evidence of wilful disobedience, may compel obedience by proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued from such a court on a refusal to testify therein. [1995 c 46 § 6; 1994 c 256 § 22; 1979 ex.s. c 68 § 26; 1975 1st ex.s. c 84 § 22; 1974 ex.s. c 77 § 9; 1959 c 282 § 38.]

*Findings—Construction—1994 c 256:* See RCW 43.320.007.

**Effective date—1974 ex.s. c 77:** See note following RCW 21.20.040.

#### INJUNCTIONS AND OTHER REMEDIES

**21.20.390 Injunction, cease and desist order, restraining order, mandamus—Appointment of receiver or conservator for insolvent—Restitution or damages.** Whenever it appears to the director that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order hereunder, the director may in his or her discretion:

(1) Issue an order directing the person to cease and desist from continuing the act or practice and to take appropriate affirmative action within a reasonable period of time, as prescribed by the director, to correct conditions resulting from the act or practice including, without limitation, a requirement to provide restitution: PROVIDED, That reasonable notice of and opportunity for a hearing shall be given: PROVIDED, FURTHER, That the director may issue a temporary order pending the hearing which shall remain in effect until ten days after the hearing is held and which shall become final if the person to whom notice is addressed does not request a hearing within fifteen days after the receipt of notice; or

(2) The director may without issuing a cease and desist order, bring an action in any court of competent jurisdiction to enjoin any such acts or practices and to enforce compliance with this chapter or any rule or order hereunder. The court may grant such ancillary relief as it deems appropriate. Upon a proper showing a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted and a receiver or conservator may be appointed for the defendant or the defendant's assets. The director may not be required to post a bond. If the director prevails, the director shall be entitled to a reasonable attorney's fee to be fixed by the court.

(3) Whenever it appears to the director that any person who has received a permit to issue, sell, or otherwise dispose of securities under this chapter, whether current or otherwise, has become insolvent, the director may petition a court of competent jurisdiction to appoint a receiver or conservator for the defendant or the defendant's assets. The director may not be required to post a bond.

(4) The director may bring an action for restitution or damages on behalf of the persons injured by a violation of this chapter, if the court finds that private civil action would be so burdensome or expensive as to be impractical. [1995 c 46 § 7; 1994 c 256 § 23; 1981 c 272 § 8; 1979 ex.s. c 68 § 27; 1975 1st ex.s. c 84 § 23; 1974 ex.s. c 77 § 10; 1959 c 282 § 39.]

*Findings—Construction—1994 c 256:* See RCW 43.320.007.

**Effective date—1974 ex.s. c 77:** See note following RCW 21.20.040.

**21.20.395 Administrative action—Hearing—Judicial review—Judgment.** (1) A person who, in an administrative action by the director, is found to have knowingly or recklessly violated any provision of this chapter, or any rule or order under this chapter, may be fined, after notice and opportunity for hearing, in an amount not to exceed five thousand dollars for each violation.

(2) If a petition for judicial review has not been timely filed under RCW 34.05.542(2), a certified copy of the director's order requiring payment of the fine may be filed

in the office of the clerk of the superior court in any county of this state. The clerk shall treat the order of the director in the same manner as a judgment of the superior court. The director's order so filed has the same effect as a judgment of the superior court and may be recorded, enforced, or satisfied in like manner. [1998 c 15 § 18.]

### CRIMINAL LIABILITIES

**21.20.400 Penalty for violation of chapter—Limitation of actions.** Any person who wilfully violates any provision of this chapter except RCW 21.20.350, or who wilfully violates any rule or order under this chapter, or who wilfully violates RCW 21.20.350 knowing the statement made to be false or misleading in any material respect, shall upon conviction be fined not more than five thousand dollars or imprisoned not more than ten years, or both; but no person may be imprisoned for the violation of any rule or order if that person proves that he or she had no knowledge of the rule or order. No indictment or information may be returned under this chapter more than five years after the alleged violation. [1979 ex.s. c 68 § 28; 1965 c 17 § 5; 1959 c 282 § 40.]

**21.20.410 Attorney general, prosecuting attorney may institute criminal proceeding—Referral of evidence by director.** (1) The director may refer such evidence as may be available concerning violations of this chapter or of any rule or order hereunder to the attorney general or the proper prosecuting attorney, who may in his or her discretion, with or without such a reference, institute the appropriate criminal proceedings under this chapter.

(2) The director may render such assistance as the prosecuting attorney requests regarding a reference. [1998 c 15 § 19; 1979 ex.s. c 68 § 29; 1959 c 282 § 41.]

**21.20.420 Criminal punishment, chapter not exclusive.** Nothing in this chapter limits the power of the state to punish any person for any conduct which constitutes a crime by statute or at common law. [1959 c 282 § 42.]

### CIVIL LIABILITIES

**21.20.430 Civil liabilities—Survival, limitation of actions—Waiver of chapter void—Scienter.** (1) Any person, who offers or sells a security in violation of any provisions of RCW 21.20.010, 21.20.140 (1) or (2), or 21.20.180 through 21.20.230, is liable to the person buying the security from him or her, who may sue either at law or in equity to recover the consideration paid for the security, together with interest at eight percent per annum from the date of payment, costs, and reasonable attorneys' fees, less the amount of any income received on the security, upon the tender of the security, or for damages if he or she no longer owns the security. Damages are the amount that would be recoverable upon a tender less (a) the value of the security when the buyer disposed of it and (b) interest at eight percent per annum from the date of disposition.

(2) Any person who buys a security in violation of the provisions of RCW 21.20.010 is liable to the person selling

the security to him or her, who may sue either at law or in equity to recover the security, together with any income received on the security, upon tender of the consideration received, costs, and reasonable attorneys' fees, or if the security cannot be recovered, for damages. Damages are the value of the security when the buyer disposed of it, and any income received on the security, less the consideration received for the security, plus interest at eight percent per annum from the date of disposition, costs, and reasonable attorneys' fees.

(3) Every person who directly or indirectly controls a seller or buyer liable under subsection (1) or (2) above, every partner, officer, director or person who occupies a similar status or performs a similar function of such seller or buyer, every employee of such a seller or buyer who materially aids in the transaction, and every broker-dealer, salesperson, or person exempt under the provisions of RCW 21.20.040 who materially aids in the transaction is also liable jointly and severally with and to the same extent as the seller or buyer, unless such person sustains the burden of proof that he or she did not know, and in the exercise of reasonable care could not have known, of the existence of the facts by reason of which the liability is alleged to exist. There is contribution as in cases of contract among the several persons so liable.

(4)(a) Every cause of action under this statute survives the death of any person who might have been a plaintiff or defendant.

(b) No person may sue under this section more than three years after the contract of sale for any violation of the provisions of RCW 21.20.140 (1) or (2) or 21.20.180 through 21.20.230, or more than three years after a violation of the provisions of RCW 21.20.010, either was discovered by such person or would have been discovered by him or her in the exercise of reasonable care. No person may sue under this section if the buyer or seller receives a written rescission offer, which has been passed upon by the director before suit and at a time when he or she owned the security, to refund the consideration paid together with interest at eight percent per annum from the date of payment, less the amount of any income received on the security in the case of a buyer, or plus the amount of income received on the security in the case of a seller.

(5) No person who has made or engaged in the performance of any contract in violation of any provision of this chapter or any rule or order hereunder, or who has acquired any purported right under any such contract with knowledge of the facts by reason of which its making or performance was in violation, may base any suit on the contract. Any condition, stipulation, or provision binding any person acquiring any security to waive compliance with any provision of this chapter or any rule or order hereunder is void.

(6) Any tender specified in this section may be made at any time before entry of judgment.

(7) Notwithstanding subsections (1) through (6) of this section, if an initial offer or sale of securities that are exempt from registration under RCW 21.20.310 is made by this state or its agencies, political subdivisions, municipal or quasi-municipal corporations, or other instrumentality of one or more of the foregoing and is in violation of RCW 21.20.010(2), and any such issuer, member of the governing

body, committee member, public officer, director, employee, or agent of such issuer acting on its behalf, or person in control of such issuer, member of the governing body, committee member, public officer, director, employee, or agent of such person acting on its behalf, materially aids in the offer or sale, such person is liable to the purchaser of the security only if the purchaser establishes scienter on the part of the defendant. The word "employee" or the word "agent," as such words are used in this subsection, do not include a bond counsel or an underwriter. Under no circumstances whatsoever shall this subsection be applied to require purchasers to establish scienter on the part of bond counsels or underwriters. The provisions of this subsection are retroactive and apply to any action commenced but not final before July 27, 1985. In addition, the provisions of this subsection apply to any action commenced on or after July 27, 1985. [1998 c 15 § 20; 1986 c 304 § 1; 1985 c 171 § 1; 1981 c 272 § 9; 1979 ex.s. c 68 § 30; 1977 ex.s. c 172 § 4; 1975 1st ex.s. c 84 § 24; 1974 ex.s. c 77 § 11; 1967 c 199 § 2; 1959 c 282 § 43.]

**Severability—1986 c 304:** "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." [1986 c 304 § 2.]

**Effective date—1974 ex.s. c 77:** See note following RCW 21.20.040.

#### DISCONTINUANCE OF VIOLATIONS

**21.20.435 Assurance of discontinuance of violations—Acceptance—Filing.** In the enforcement of this chapter, the director may accept an assurance of discontinuance of violations of the provisions of this chapter from any person deemed by the director to be in violation hereof. Any such assurance shall be in writing, may state that the person giving such assurance does not admit to any violation of this chapter, and shall be filed with and subject to the approval of the superior court of the county in which the alleged violator resides or has his or her principal place of business, or in Thurston county. Proof of failure to comply with the assurance of discontinuance shall be prima facie evidence of a violation of this chapter. [1979 ex.s. c 68 § 31; 1974 ex.s. c 77 § 13.]

**Effective date—1974 ex.s. c 77:** See note following RCW 21.20.040.

#### JUDICIAL REVIEW OF ORDERS

**21.20.440 Judicial review of order—Modification of order by director on additional evidence.** Any person aggrieved by a final order of the director may obtain a review of the order in the county in which that person resides or in any other court of competent jurisdiction by filing in court, within sixty days after the entry of the order, a written petition praying that the order be modified or set aside in whole or in part. A copy of the petition shall be forthwith served upon the director, and thereupon the director shall certify and file in court a copy of the filing, testimony, and other evidence upon which the order was entered. When these have been filed, the court has exclusive jurisdiction to affirm, modify, enforce, or set aside the order, in whole or in part. No objection to the order may be considered by the court unless it was urged before the

director or there were reasonable grounds for failure to do so. The findings of the director as to the facts, if supported by substantial evidence, are conclusive. If either party applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that the additional evidence is material and that there were reasonable grounds for failure to adduce the evidence in the hearing before the director, the court may order the additional evidence to be taken before the director and to be adduced upon the hearing in such manner and upon such conditions as the court may consider proper. The director may modify his or her findings by reason of the additional evidence so taken; and the director shall file any modified or new findings, which if supported by substantial evidence shall be conclusive, and any recommendation for the modification or setting aside of the original order. The commencement of proceedings under this section does not, unless specifically ordered by the court, operate as a stay of the director's order. [1979 ex.s. c 68 § 32; 1959 c 282 § 44.]

#### ADMINISTRATION OF CHAPTER

**21.20.450 Administration of chapter—Rules and forms, publication—Cooperation with other state and federal authorities.** (1) The administration of the provisions of this chapter shall be under the department of financial institutions. The director may from time to time make, amend, and repeal such rules, forms, and orders as are necessary to carry out the provisions of this chapter, including rules defining any term, whether or not such term is used in the Washington securities law. The director may classify securities, persons, and matters within the director's jurisdiction, and prescribe different requirements for different classes. No rule, form, or order may be made unless the director finds that the action is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of this chapter. In prescribing rules and forms the director may cooperate with the securities administrators of the other states and the securities and exchange commission with a view to effectuating the policy of this statute to achieve maximum uniformity in the form and content of registration statements, applications, and reports wherever practicable. All rules and forms of the director shall be published.

(2) To encourage uniform interpretation and administration of this chapter and effective securities regulation and enforcement, the director may cooperate with the securities agencies or administrators of one or more states, Canadian provinces or territories, or another country, the securities and exchange commission, the commodity futures trading commission, the securities investor protection corporation, any self-regulatory organization, any national or international organization of securities officials or agencies, and any governmental law enforcement or regulatory agency.

(3) The cooperation authorized by subsection (2) of this section includes:

(a) Establishing a central depository for licensing or registration under this chapter and for documents or records required or allowed to be maintained under this chapter;

(b) Making a joint license or registration examination or investigation;

(c) Holding a joint administrative hearing;

(d) Filing and prosecuting a joint civil or administrative hearing;

(e) Sharing and exchanging personnel;

(f) Sharing and exchanging information and documents; and

(g) Formulating under chapter 34.05 RCW, rules or proposed rules on matters such as statements of policy, guidelines, and interpretative opinions and releases. [1994 c 256 § 24; 1993 c 472 § 15; 1979 ex.s. c 68 § 33; 1979 c 158 § 86; 1975 1st ex.s. c 84 § 25; 1959 c 282 § 45.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**Effective date—Implementation—1993 c 472:** See RCW 43.320.900 and 43.320.901.

**21.20.460 Administrator of securities—Appointment, qualifications, term, etc.** The director shall appoint a competent person to administer this chapter who shall be designated administrator of securities. The director shall delegate to the administrator such powers, subject to the authority of the director, as may be necessary to carry out the provisions of this chapter. The administrator shall hold office at the pleasure of the director. [1959 c 282 § 46.]

**21.20.470 Compensation, travel expenses of administrator and employees.** The administrator, and any person employed by the administrator, shall be paid, in addition to regular compensation, travel expenses incurred by each of them in the performance of their duties under this chapter in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended. [1979 ex.s. c 68 § 34; 1975-'76 2nd ex.s. c 34 § 64; 1959 c 282 § 47.]

**Effective date—Severability—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

**21.20.480 Unlawful use or disclosure of filed information.** It is unlawful for the director or any of the director's officers or employees to use for personal benefit any information which is filed with or obtained by the director and which is not made public. The director or any of the director's officers or employees shall not disclose any such information or the fact that any investigation is being made except among themselves or when necessary or appropriate in a proceeding or investigation under this chapter. No provision of this chapter either creates or derogates from any privilege which exists at common law or otherwise when documentary or other evidence is sought under a subpoena directed to the director or any of the director's officers or employees. [1979 ex.s. c 68 § 35; 1959 c 282 § 48.]

**21.20.490 No liability under chapter for act in good faith.** No provision of this chapter imposing any liability applies to any act done or omitted in good faith in conformity with any rule, form, or order of the director, notwithstanding that the rule or form may later be amended or rescinded or be determined by judicial or other authority to be invalid for any reason. [1959 c 282 § 49.]

**21.20.500 Administrative hearings public—Exception.** Every hearing in an administrative proceeding shall be public unless the director in his or her discretion grants a request joined in by all the respondents that the hearing be conducted privately. [1979 ex.s. c 68 § 36; 1959 c 282 § 50.]

**21.20.510 Document filed when received—Register—Inspection of register, information, etc.** A document is filed with the director when it is received by the director or by a person as the director designates by rule or order. The director or the director's designee shall keep a register of all applications for registration and registration statements which are or have ever been effective under this chapter and all denial, suspension, or revocation orders which have ever been entered under this chapter. The register shall be open for public inspection. The information contained in or filed with any registration statement, application, or report may be made available to the public under such rules as the director prescribes. [1994 c 256 § 25; 1959 c 282 § 51.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**21.20.520 Copies of entries, documents to be furnished—Copies as prima facie evidence.** Upon request and at such reasonable charges as the director prescribes, the director shall furnish to any person photostatic or other copies (certified under his seal of office if requested) of any entry in the register or any document which is a matter of public record. In any proceeding or prosecution under this chapter, any copy so certified is prima facie evidence of the contents of the entry or document certified. [1979 ex.s. c 68 § 37; 1959 c 282 § 52.]

**21.20.530 Interpretative opinions by director.** The director in his or her discretion may honor requests from interested persons for interpretative opinions. [1979 ex.s. c 68 § 38; 1959 c 282 § 53.]

#### PROOF OF EXEMPTION

**21.20.540 Exemptions, exceptions, and preemptions—Burden of proof.** In any proceeding under this chapter, the burden of proving an exemption, an exception from a definition, or a preemption of a provision of this chapter is upon the person claiming it. [1998 c 15 § 21; 1959 c 282 § 54.]

#### ADVISORY COMMITTEE

**21.20.550 State advisory committee—Composition, appointment, qualifications.** There is hereby created a state advisory committee which shall consist of seven members to be appointed by the governor on the basis of their experience and qualifications. The membership shall be selected, insofar as possible, on the basis of giving both geographic representation and representation to all phases of the securities business including the legal and accounting professions. [1973 1st ex.s. c 171 § 3; 1959 c 282 § 55.]

**Effective date—Construction—Severability—1973 1st ex.s. c 171:** See RCW 21.20.800 and 21.20.805.

**21.20.560 State advisory committee—Chairperson, secretary—Meetings.** (1) The committee shall select a chairperson and a secretary from their group.

(2) Regular meetings may be held quarterly, or semiannually, and special meetings may be called by the chairperson upon at least seven days' written notice to each committee member sent by regular mail. [1979 ex.s. c 68 § 39; 1973 1st ex.s. c 171 § 4; 1959 c 282 § 56.]

**Effective date—Construction—Severability—1973 1st ex.s. c 171:** See RCW 21.20.800 and 21.20.805.

**21.20.570 State advisory committee—Terms—Vacancies.** The first members of the committee shall hold office as follows: Two members to serve two years; two members to serve three years; and three members to serve four years. Upon the expiration of said original terms subsequent appointment shall be for four years except in the case of a vacancy, in which event appointment shall be only for the remainder of the unexpired term in which the vacancy occurs. [1959 c 282 § 57.]

**21.20.580 State advisory committee—Duties.** The advisory committee shall:

(1) Serve in an advisory capacity to the director on all matters pertaining to this chapter.

(2) Acquaint themselves fully with the operations of the director's office as to the administration of securities, broker-dealers, salespersons, and investment advisers, and periodically recommend to the director such changes in the rules and regulations of the department in connection therewith as they deem advisable.

(3) Prepare and publish a mimeographed report on their recommendations. [1981 c 272 § 10; 1979 ex.s. c 68 § 40; 1959 c 282 § 58.]

**21.20.590 State advisory committee—Reimbursement of travel expenses.** The advisory committee shall be reimbursed for their travel expenses in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended. [1981 c 272 § 11; 1975-'76 2nd ex.s. c 34 § 65; 1959 c 282 § 59.]

**Effective date—Severability—1975-'76 2nd ex.s. c 34:** See notes following RCW 2.08.115.

#### ADDITIONAL PROVISIONS

**21.20.700 Investigations and examinations—Additional authority—Scope.** (1) In addition to the authority conferred in RCW 21.20.370 the director at any time during a public offering whether registered or not, or one year thereafter or at any time that any debt or equity securities which have been sold to the public pursuant to registration under this chapter are still an outstanding obligation of the issuer: (a) May investigate the issuer for the purpose of ascertaining whether there have been violations of this chapter, rules adopted under this chapter, or any conditions imposed by the director expressed in any permit for a public offering or otherwise; (b) may visit and examine

the issuer for the purpose of assuring compliance with this chapter, rules adopted under this chapter, or any conditions imposed by the director whether expressed in the permit for the public offering or otherwise; (c) may require or permit any person to file a statement in writing, under oath or otherwise as the director may determine, as to all the facts and circumstances concerning the matter to be investigated; and (d) may publish information concerning any violation of this chapter, or any rule, order, or condition adopted or imposed under this chapter.

(2) The examination or investigation, whether conducted within or without this state, shall include the right to reasonably examine the issuer's books, accounts, records, files, papers, feasibility reports, other pertinent information and obtain written permission from the issuer to consult with the independent accountant who audited the financial statements of the issuer. The reasonable costs of the examination shall be paid by the issuer to the director. The issuer shall not be liable for the costs of second or subsequent examinations during a calendar year. [1988 c 244 § 1; 1973 1st ex.s. c 171 § 5.]

**Severability—1988 c 244:** "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." [1988 c 244 § 18.]

**Effective date—1988 c 244:** "Sections 1 through 16 of this act shall take effect July 1, 1988." [1988 c 244 § 20.]

**Implementation—Application—1988 c 244:** "The director of licensing may take whatever action is necessary to implement this act on its effective date. This act applies to any person, individual, corporation, partnership, or association whether or not in existence on or prior to July 1, 1988. The director of licensing may adopt transition rules in order to allow debenture companies in existence prior to July 1, 1988, a reasonable amount of time to comply with the requirements of this act. Transition rules shall require compliance with this act not later than January 1, 1990." [1988 c 244 § 21.]

**Effective date—Construction—Severability—1973 1st ex.s. c 171:** See RCW 21.20.800 and 21.20.805.

*Investigations: RCW 21.20.370.*

**21.20.702 Suitability of recommendation—Reasonable grounds required.** (1) In recommending to a customer the purchase, sale, or exchange of a security, a broker-dealer, salesperson, investment adviser, or investment adviser representative must have reasonable grounds for believing that the recommendation is suitable for the customer upon the basis of the facts, if any, disclosed by the customer as to his or her other security holdings and as to his or her financial situation and needs.

(2) Before the execution of a transaction recommended to a noninstitutional customer, other than transactions with customers where investments are limited to money market mutual funds, a broker-dealer, salesperson, investment adviser, or investment adviser representative shall make reasonable efforts to obtain information concerning:

- (a) The customer's financial status;
- (b) The customer's tax status;
- (c) The customer's investment objectives; and

(d) Such other information used or considered to be reasonable by the broker-dealer, salesperson, investment adviser, or investment adviser representative in making recommendations to the customer. [1994 c 256 § 26; 1993 c 470 § 2.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**21.20.705 Debenture companies—Definitions.** When used in this chapter, unless the context otherwise requires:

(1) "Debenture company" means an issuer of any note, debenture, or other debt obligation for money used or to be used as capital or operating funds of the issuer, which is offered or sold in this state, and which issuer is engaged or proposes to engage in the business of investing, reinvesting, owning, holding, or trading in: (a) Notes, or other debt obligations, whether or not secured by real or personal property; (b) vendors' interests in real estate contracts; (c) real or personal property to be leased to third parties; or (d) real or personal property. The term "debenture company" does not include an issuer by reason of any of its securities which are exempt from registration under RCW 21.20.310 or offered or sold in transactions exempt from registration under RCW 21.20.320 (1) or (8); and

(2) "Acquiring party" means any person becoming or attempting to become a controlling person under RCW 21.20.717. [1988 c 244 § 2; 1987 c 421 § 1; 1979 c 140 § 1; 1973 1st ex.s. c 171 § 6.]

**Severability—Effective date—Implementation—Application—1988 c 244:** See notes following RCW 21.20.700.

**Effective date—Application—1987 c 421:** "Sections 1 through 8 of this act shall take effect January 1, 1988. The director of licensing may take whatever action is necessary to implement this act on its effective date. This act applies to any person, individual, corporation, partnership, or association whether or not in existence on or prior to January 1, 1988." [1987 c 421 § 12.] For codification of 1987 c 421, see Codification Tables, Volume 0.

**Severability—1987 c 421:** "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." [1987 c 421 § 10.]

**Effective date—Construction—Severability—1973 1st ex.s. c 171:** See RCW 21.20.800 and 21.20.805.

**21.20.710 Debenture companies—Capital requirements.** (1) Except as provided in subsection (2) of this section, a debenture company shall not offer for sale any security other than capital stock if such sale would result in the violation of the following capital requirements:

(a) For outstanding securities other than capital stock totaling from \$1 to \$1,000,000, a debenture company shall have a net worth of at least \$200,000.

(b) In addition to the requirement set forth in (a) of this subsection:

(i) A debenture company with outstanding securities other than capital stock totaling in excess of \$1,000,000 but not over \$100,000,000 shall have additional net worth equal to at least ten percent of the outstanding securities in excess of \$1,000,000 but not over \$100,000,000; and

(ii) A debenture company with outstanding securities other than capital stock totaling in excess of \$100,000,000 shall have additional net worth equal to at least five percent of the outstanding securities in excess of \$100,000,000.

(c) Every debenture company shall hold at least one-half the amount of its required net worth in cash or comparable liquid assets as defined by rule, or shall demonstrate comparable liquidity to the satisfaction of the director.

(2) The director may for good cause in the interest of the existing investors, waive the requirements of subsection (1) of this section. If the director waives the minimum requirements set forth in subsection (1) of this section, the

debenture company shall increase its new [net] worth or liquidity in accordance with conditions imposed by the director until such time as the debenture company can meet the requirements of this section without waiver from the director. [1988 c 244 § 3; 1973 1st ex.s. c 171 § 7.]

**Severability—Effective date—Implementation—Application—1988 c 244:** See notes following RCW 21.20.700

**Effective date—Construction—Severability—1973 1st ex.s. c 171:** See RCW 21.20.800 and 21.20.805.

**21.20.715 Debenture companies—Maturity date requirements.** Any debenture company offering debt securities to the public shall provide that at least fifty percent of the amount of those securities sold have maturity dates of two years or more. [1987 c 421 § 2; 1973 1st ex.s. c 171 § 8.]

**Effective date—Application—Severability—1987 c 421:** See notes following RCW 21.20.705.

**Effective date—Construction—Severability—1973 1st ex.s. c 171:** See RCW 21.20.800 and 21.20.805.

**21.20.717 Debenture companies—Controlling person—Exceptions.** (1) For purposes of the provisions of this chapter relating to debenture companies a person shall be deemed a controlling person if:

(a) Such person directly or indirectly, or acting through one or more other persons owns, controls, or has power to vote twenty-five percent or more of any class of voting securities of a debenture company;

(b) Such person controls in any manner the election of a majority of the directors or trustees of a debenture company; or

(c) The director determines, after notice and opportunity for hearing, that such person, directly or indirectly, exercises a controlling influence over the management or policies of a debenture company.

(2) The director may except, by order, for good cause shown, any person from subsection (1) of this section if the director finds the exception to be in the public interest and that the exception does not threaten the protection of investors. [1987 c 421 § 3.]

**Effective date—Application—Severability—1987 c 421:** See notes following RCW 21.20.705.

**21.20.720 Debenture companies—Prohibited activities by directors, officers, or controlling persons.**

(1) A director, officer, or controlling person of a debenture company shall not:

(a) Have any interest, direct or indirect, in the gains or profits of the debenture company, except to receive dividends upon the amounts contributed by him or her, the same as any other investor or shareholder and under the same regulations and conditions: PROVIDED, That nothing in this subsection shall be construed to prohibit salaries as may be approved by the debenture company's board of directors;

(b) Become a member of the board of directors or a controlling shareholder of another debenture company or a bank, trust company, or national banking association, of which board enough other directors or officers of the debenture company are members so as to constitute with him or her a majority of the board of directors.

(2) A director, an officer, or controlling person shall not:

(a) For himself or herself or as agent or partner of another, directly or indirectly use any of the funds held by the debenture company, except to make such current and necessary payments as are authorized by the board of directors;

(b) Receive directly or indirectly and retain for his or her own use any commission on or benefit from any loan made by the debenture company, or any pay or emolument for services rendered to any borrower from the debenture company in connection with such loan;

(c) Become an indorser, surety, or guarantor, or in any manner an obligor, for any loan made from the debenture company and except when approval has been given by the director of financial institutions or the director's administrator of securities upon recommendation by the company's board of directors.

(d) For himself or herself or as agent or partner of another, directly or indirectly borrow any of the funds held by the debenture company, or become the owner of real or personal property upon which the debenture company holds a mortgage, deed of trust, or property contract. A loan to or a purchase by a corporation in which he or she is a stockholder to the amount of fifteen percent of the total outstanding stock, or in which he or she and other directors, officers, or controlling persons of the debenture company hold stock to the amount of twenty-five percent of the total outstanding stock, shall be deemed a loan to or a purchase by such director or officer within the meaning of this section, except when the loan to or purchase by such corporation occurred without his or her knowledge or against his or her protest. [1993 c 472 § 16; 1987 c 421 § 4; 1979 ex.s. c 68 § 41; 1979 c 158 § 87; 1973 1st ex.s. c 171 § 9.]

**Effective date—Implementation—1993 c 472:** See RCW 43.320.900 and 43.320.901.

**Effective date—Application—Severability—1987 c 421:** See notes following RCW 21.20.705.

**Effective date—Construction—Severability—1973 1st ex.s. c 171:** See RCW 21.20.800 and 21.20.805.

### **21.20.725 Debenture companies—Debentures payable on demand—Interest—Certificates of debenture.**

(1) A debenture company shall not issue any debenture payable on demand nor pay or accrue interest beyond the maturity date of any debenture.

(2) Debenture companies shall not issue certificates of debentures in passbook form, or in any other form which suggests to the holder that such moneys may be withdrawn on demand.

(3) Each certificate of debenture or an application for a certificate shall specify on the face of the certificate or application therefor, in twelve point bold face type or larger, that such debenture is not insured by the United States government, the state of Washington, or any agency thereof. [1988 c 244 § 4; 1973 1st ex.s. c 171 § 10.]

**Severability—Effective date—Implementation—Application—1988 c 244:** See notes following RCW 21.20.700.

**Effective date—Construction—Severability—1973 1st ex.s. c 171:** See RCW 21.20.800 and 21.20.805.

**21.20.727 Debenture companies—Acquisition of control—Requirements—Violation—Penalty.** (1) It is unlawful for any person to acquire control of a debenture company until thirty days after filing with the director a copy of the notice of change of control on the form specified by the director. The notice or application shall be under oath and contain substantially all of the following information plus any additional information that the director may prescribe as necessary or appropriate in the particular instance for the protection of investors, borrowers, or shareholders and the public interest:

(a) The identity and business experience of each person by whom or on whose behalf acquisition is to be made;

(b) The financial and managerial resources and future prospects of each person involved in the acquisition;

(c) The terms and conditions of any proposed acquisition and the manner in which the acquisition is to be made;

(d) The source and amount of the funds or other consideration used or to be used in making the acquisition, and a description of the transaction and the names of the parties if any part of these funds or other consideration has been or is to be borrowed or otherwise obtained for the purpose of making the acquisition;

(e) Any plan or proposal which any person making the acquisition may have to liquidate the debenture company, to sell its assets, to merge it with any other company, or to make any other major change in its business or corporate structure or management;

(f) The identification of any person employed, retained, or to be compensated by the acquiring party, or by any person on its behalf, who makes solicitations or recommendations to shareholders for the purpose of assisting in the acquisition and a brief description of the terms of the employment, retainer, or arrangement for compensation; and

(g) Copies of all invitations for tenders or advertisements making a tender offer to shareholders for the purchase of their stock to be used in connection with the proposed acquisition.

(2) When a person, other than an individual or corporation, is required to file an application under this section, the director may require that the information required by subsection (1)(a), (b), and (f) of this section be given with respect to each person who has an interest in or controls a person filing an application under this subsection.

(3) When a corporation is required to file an application under this section, the director may require that the information required by subsection (1)(a), (b), and (f) of this section be given for the company, each officer and director of the company, and each person who is directly or indirectly the beneficial owner of twenty-five percent or more of the outstanding voting securities of the company.

(4) If any tender offer, request, or invitation for tenders or other agreements to acquire control is proposed to be made by means of a registration statement under the Securities Act of 1933 (48 Stat. 74; 15 U.S.C. Sec. 77(a)), as amended, or in circumstances requiring the disclosure of similar information under the Securities Exchange Act of 1934 (48 Stat. 881; 15 U.S.C. Sec. 78(a)), as amended, the registration statement or application may be filed with the director in lieu of the requirements of this section.

(5) Any acquiring party shall also deliver a copy of any notice or application required by this section to the debenture

company proposed to be acquired within two days after the notice or application is filed with the director.

(6) Any acquisition of control in violation of this section shall be ineffective and void.

(7) Any person who wilfully or intentionally violates this section or any rule adopted pursuant thereto is guilty of a gross misdemeanor and shall be punished pursuant to chapter 9A.20 RCW. Each day's violation shall be considered a separate violation. [1987 c 421 § 5.]

**Effective date—Application—Severability—1987 c 421:** See notes following RCW 21.20.705.

**21.20.730 Debenture companies—Acquisition of control—Grounds for disapproval.** The director may disapprove the acquisition of a debenture company within thirty days after the filing of a complete application under RCW 21.20.727 or an extended period not exceeding an additional fifteen days if:

(1) The poor financial condition of any acquiring party might jeopardize the financial stability of the debenture company or might prejudice the interests of the investors, borrowers, or shareholders;

(2) The plan or proposal of the acquiring party to liquidate the debenture company, to sell its assets, to merge it with any person, or to make any other major change in its business or corporate structure or management is not fair and reasonable to the debenture company's investors, borrowers, or stockholders or is not in the public interest;

(3) The business experience and integrity of any acquiring party who would control the operation of the debenture company indicates that approval would not be in the interest of the debenture company's investors, borrowers, or shareholders;

(4) The information provided by the application is insufficient for the director to make a determination or there has been insufficient time to verify the information provided and conduct an examination of the qualification of the acquiring party; or

(5) The acquisition would not be in the public interest. [1987 c 421 § 6.]

**Effective date—Application—Severability—1987 c 421:** See notes following RCW 21.20.705.

**21.20.732 Debenture companies—Notice of charges—Hearing—Cease and desist orders.** (1) The director may issue and serve upon a debenture company a notice of charges if in the opinion of the director any debenture company:

(a) Is engaging or has engaged in an unsafe or unsound practice in conducting the business of the debenture company;

(b) Is violating or has violated RCW 21.20.815, 21.20.820, or 21.20.830, or any rule, order, or condition adopted or imposed thereunder; or

(c) Is about to do the acts prohibited in (a) or (b) of this subsection when the opinion that the threat exists is based upon reasonable cause.

(2) The notice shall contain a statement of the facts constituting the alleged violation or violations or act or acts or the practice or practices and shall fix a time and place at which a hearing will be held to determine whether an order

to cease and desist should issue against the debenture company. The hearing shall be set in accordance with chapter 34.05 RCW.

Unless the debenture company appears at the hearing by a duly authorized representative, it shall be considered to have consented to the issuance of the cease and desist order. If the debenture company is deemed to have consented or if upon the record made at the hearing the director finds that any violation, act, or practice specified in the notice of charges has been established, the director may issue and serve upon the debenture company an order to cease and desist from the violation, act, or practice. The order may require the debenture company and its directors, officers, controlling persons, employees, and agents to cease and desist from the violation, act, or practice and may require the debenture company to take affirmative action to correct the conditions resulting from the violation, act, or practice.

(3) A cease and desist order shall become effective at the expiration of ten days after the service of the order upon the debenture company concerned except that a cease and desist order issued upon consent shall become effective at the time specified in the order and shall remain effective as provided therein unless it is stayed, modified, terminated, or set aside by action of the director or a reviewing court. [1988 c 244 § 5; 1987 c 421 § 7.]

**Severability—Effective date—Implementation—Application—1988 c 244:** See notes following RCW 21.20.700.

**Effective date—Application—Severability—1987 c 421:** See notes following RCW 21.20.705.

**21.20.734 Debenture companies—Temporary cease and desist orders.** Whenever the director determines that any violation, act, or practice specified in RCW 21.20.732 or its continuation is likely to cause insolvency or substantial dissipation of assets or earnings of the debenture company or to otherwise seriously prejudice the interests of its security holders, the director may also issue a temporary order requiring the debenture company and its directors, officers, controlling persons, employees, and agents to cease and desist from the violation, act, or practice. The order shall become effective upon service on the debenture company and shall remain effective pending the completion of the administrative proceedings under the notice and until such time as the director dismisses the charges specified in the notice or until the effective date of a cease and desist order issued against the debenture company under RCW 21.20.732. [1988 c 244 § 6; 1987 c 421 § 8.]

**Severability—Effective date—Implementation—Application—1988 c 244:** See notes following RCW 21.20.700.

**Effective date—Application—Severability—1987 c 421:** See notes following RCW 21.20.705.

**21.20.740 Reports—Requirements.** (1) Every issuer which has registered securities under Washington state securities law shall file with the director reports described in subsection (2) of this section. Such reports shall be filed with the director not more than one hundred twenty days (unless extension of time is granted by the director) after the end of the issuer's fiscal year.

(2) The reports required by subsection (1) of this section shall contain such information, statements and documents regarding the financial and business conditions of the issuer

and the number and description of securities of the issuer held by its officers, directors and controlling shareholders and shall be in such form and filed at such annual times as the director may require by rule or order. For the purposes of RCW 21.20.720, 21.20.740 and 21.20.745, a "controlling shareholder" shall mean a person who is directly or indirectly the beneficial holder of more than ten percent of the outstanding voting securities of an issuer.

(3)(a) The reports described in subsection (2) of this section shall include financial statements corresponding to those required under the provisions of RCW 21.20.210 and to the issuer's fiscal year setting forth in comparative form the corresponding information for the preceding year and such financial statements shall be furnished to all shareholders within one hundred twenty days (unless extension of time is granted by the director) after the end of such year, but at least twenty days prior to the date of the annual meeting of shareholders.

(b) Such financial statements shall be prepared as to form and content in accordance with rules prescribed by the director and shall be audited (except that financial statements filed prior to July 1, 1976 need be audited only as to the most recent fiscal year) by an independent certified public accountant who is not an employee, officer or member of the board of directors of the issuer or a holder of securities of the issuer. The report of such independent certified public accountant shall be based upon an audit made in accordance with generally accepted auditing standards with no limitations on its scope.

(4) The director may by rule or order exempt any issuer or class of issuers from this section for a period of up to one year if the director finds that the filing of any such report by a specific issuer or class of issuers is not necessary for the protection of investors and the public interest.

(5) For the purposes of RCW 21.20.740 and 21.20.745, "issuer" does not include issuers of:

(a) Securities registered by the issuer pursuant to section 12 of the securities and exchange act of 1934 as now or hereafter amended or exempted from registration under that act on a basis other than the number of shareholders and total assets.

(b) Securities which are held of record by less than two hundred persons or whose total assets are less than \$500,000 at the close of the issuer's fiscal year.

(6) Any issuer who has been required to file under RCW 21.20.740 and who subsequently becomes excluded from the definition of "issuer" by virtue of RCW 21.20.740(5) must file a certification setting forth the basis on which they claim to no longer be an issuer within the meaning of this chapter.

(7) The reports filed under this section shall be filed and maintained by the director for public inspection. Any person is entitled to receive copies thereof from the director upon payment of the reasonable costs of duplication.

(8) Filing of reports pursuant to this section shall not constitute an approval thereof by the director or a finding by the director that the report is true, complete and not misleading. It shall be unlawful to make, or cause to be made, to any prospective purchaser, seller, customer or client, any representation inconsistent with this subsection. [1997 c 101 § 1; 1979 ex.s. c 68 § 42; 1973 1st ex.s. c 171 § 11.]

**Effective date—Construction—Severability—1973 1st ex.s. c 171:** See RCW 21.20.800 and 21.20.805.

**21.20.745 Reports—Violations of reporting requirements—Penalties—Contribution.** (1) It is unlawful for any person, including the officers and directors of any issuer, to fail to file a report required by RCW 21.20.740 or to file any such report which contains an untrue statement of a material fact or an omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading unless such person did not know, and in the exercise of reasonable care could not have known, of the failure, untruth or omission. In addition to any other penalties or remedies provided by chapter 21.20 RCW, each officer and director of an issuer which violates this subsection shall be personally liable for damages as provided in subsection (2) of this section if such officer or director:

(a) Had actual notice of the issuer's duty to file reports;

(b) Knew, or in the exercise of reasonable care could have known of the violation; and

(c) Could have prevented the violation.

(2) Any issuer and other person who violate subsection (1) of this section shall be liable jointly and severally for the damages occasioned by such violation, together with reasonable attorney fees and costs to any person who, during the continuation of the violation and without actual notice of the violation, purchases or sells any securities of the issuer within six months following the date the violation commenced.

(3) No suit or action may be commenced under subsection (2) of this section more than one year after the purchase or sale.

(4) Any person held liable under this section shall be entitled to contribution from those jointly and severally liable with that person. [1979 ex.s. c 68 § 43; 1973 1st ex.s. c 171 § 12.]

**Effective date—Construction—Severability—1973 1st ex.s. c 171:** See RCW 21.20.800 and 21.20.805.

**21.20.750 Reports—Suspension of sale of securities until reporting requirements complied with.** In case of a violation of RCW 21.20.740 and 21.20.745, the director may suspend sale or trading by or through a broker-dealer of the securities of the issuer until the failure to file a report or statement or the inaccuracy or omissions in any report or statement are remedied as determined by the director. [1973 1st ex.s. c 171 § 13.]

**Effective date—Construction—Severability—1973 1st ex.s. c 171:** See RCW 21.20.800 and 21.20.805.

**21.20.800 Severability—1973 1st ex.s. c 171.** If any provision of this 1973 amendatory 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. [1973 1st ex.s. c 171 § 15.]

**21.20.805 Effective date—Construction—1973 1st ex.s. c 171.** \*This 1973 amendatory act shall take effect on January 1, 1975: PROVIDED HOWEVER, That debenture

companies registered pursuant to chapter 21.20 RCW as of January 1, 1974, and for which there are no stop orders outstanding shall have until January 1, 1975, to comply with the requirements of section 7 of this 1973 amendatory act. [1973 1st ex.s. c 171 § 14.]

**\*Reviser's note:** "This 1973 amendatory act," see note following RCW 21.20.740.

**21.20.810 Application of chapter not limited.**

Nothing in RCW 21.20.700 through 21.20.750 and 21.20.815 through 21.20.855 limits the application of other provisions of this chapter. [1988 c 244 § 7.]

**Severability—Effective date—Implementation—Application—1988 c 244:** See notes following RCW 21.20.700.

**21.20.815 Debenture companies—Equity investments.** (1) A debenture company shall not, without prior written consent of the director:

(a) Make equity investments in a single project or subsidiary of more than ten percent of its assets or of more than its net worth, whichever is greater; or

(b) Make equity investments, including investments in subsidiaries, other than investments in income-producing real property, which in the aggregate exceed twenty percent of its assets.

(2) For the purposes of this section, an equity investment does not include any acquisition of real property in satisfaction, or on account, of debts previously contracted in the regular course of the debenture company's business, or in satisfaction of judgments, vendors' interests in real property contracts, or liens if the real property has not been held by the debenture company for more than three years from the date it was acquired and any additional time permitted by the director. [1988 c 244 § 8.]

**Severability—Effective date—Implementation—Application—1988 c 244:** See notes following RCW 21.20.700.

**21.20.820 Debenture companies—Loans to any one borrower—Limitations.** (1) Except as provided in subsection (3) of this section, a debenture company shall not loan or invest in a loan or loans to any one borrower more than two and one-half percent of the debenture company's assets without prior written consent of the director.

(2) For the purpose of this section, loans made to affiliates of the borrower are deemed to have been made to the borrower.

(3)(a) If good cause is shown, the director may waive in whole or in part the limitation in subsection (1) of this section.

(b) A loan or obligation shall not be subject to the limitation in subsection (1) of this section to the extent that the loan is secured or covered by guarantee, or by commitment or agreement to take over or to purchase the loan, made by any federal reserve bank or by the United States or any department, bureau, board, commission, or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States. [1988 c 244 § 9.]

**Severability—Effective date—Implementation—Application—1988 c 244:** See notes following RCW 21.20.700.

**21.20.825 Debenture companies—Bad debts.** (1)

Any debt due a debenture company on which interest is one year or more past due and unpaid shall be considered a bad debt and shall be charged off the books of the debenture company unless:

(a) Such debt is well-secured and in the course of collection by legal process or probate proceedings; or

(b) Such debt is represented or secured by bonds having a determinable market value currently quoted on a national securities exchange, provided that in such case, such bonds shall be carried on the books of the debenture company at such value as the director may from time to time direct, but in no event may such carrying value exceed the market value thereof.

(2) A final judgment held by a debenture company shall not be considered an asset of the debenture company after two years from the date of its entry excluding any time for appeal unless extended by the director in writing for a specified period. [1988 c 244 § 10.]

**Severability—Effective date—Implementation—Application—1988 c 244:** See notes following RCW 21.20.700.

**21.20.830 Debenture companies—Investments in unsecured loans.** (1) A debenture company shall not invest more than twenty percent of its assets in unsecured loans.

(2)(a) Except as provided in (b) of this subsection, a loan shall be deemed unsecured if the ascertained market value of the collateral securing the loan does not exceed one hundred twenty-five percent of the loan and all senior indebtedness.

(b) A loan shall not be deemed unsecured to the extent that the loan is guaranteed or insured by the federal housing administration, the administrator of veterans' affairs, the farmers home administration, or an insurer authorized to do business in this state, or any other guarantor or insurer approved by the director. [1988 c 244 § 11.]

**Severability—Effective date—Implementation—Application—1988 c 244:** See notes following RCW 21.20.700.

**21.20.835 Debenture companies—Debenture holders—Notice of maturity date of debenture.** Every debenture company shall notify each of its debenture holders of the maturity date of the holder's debenture by sending a notice to the holder not more than forty-five days nor less than fifteen days prior to the maturity date of the debenture at the holder's last known address. [1988 c 244 § 12.]

**Severability—Effective date—Implementation—Application—1988 c 244:** See notes following RCW 21.20.700.

**21.20.840 Debenture companies—Annual financial statement.** A debenture company shall send annually and in a timely manner either a copy of its annual financial statements or a summary of its financial statements for the most recent fiscal year to each debenture holder at the debenture holder's last known address. If a summary is sent, the debenture company shall make available to any debenture holder upon request a copy of its complete annual financial statements for its most recent fiscal year. [1988 c 244 § 13.]

**Severability—Effective date—Implementation—Application—1988 c 244:** See notes following RCW 21.20.700.

**21.20.845 Debenture companies—Rules.** The director may adopt rules to govern examinations and reports of debenture companies and to otherwise govern the administration of debenture companies under this chapter. [1988 c 244 § 14.]

**Severability—Effective date—Implementation—Application—1988 c 244:** See notes following RCW 21.20.700.

**21.20.850 Debenture companies—Record maintenance and preservation—Examination.** Every debenture company shall make and keep such accounts and other records as shall be prescribed by the director. All records so required shall be preserved for three years unless the director prescribes otherwise for particular types of records. All the records of a debenture company are subject at any time or from time to time to such reasonable periodic, special, or other examinations by representatives of the director, within or without this state, as the director deems necessary or appropriate in the public interest or for protection of investors. [1988 c 244 § 15.]

**Severability—Effective date—Implementation—Application—1988 c 244:** See notes following RCW 21.20.700.

**21.20.855 Debenture companies—Examination reports and information—Exempt from public disclosure—Use in civil actions.** (1) Examination reports and information obtained by the director or the director's representatives in conducting examinations pursuant to RCW 21.20.700 shall not be subject to public disclosure under chapter 42.17 RCW.

(2) In any civil action in which the reports are sought to be discovered or used as evidence, any party may, upon notice to the director, petition the court for an in camera review of the report. The court may permit discovery and introduction of only those portions of the report which are relevant and otherwise unobtainable by the requesting party. This subsection shall not apply to an action brought or defended by the director. [1988 c 244 § 16.]

**Severability—Effective date—Implementation—Application—1988 c 244:** See notes following RCW 21.20.700.

#### STATUTORY POLICY

**21.20.900 Construction to secure uniformity.** This chapter shall be so construed as to effectuate its general purpose to make uniform the law of those states which enact it and to coordinate the interpretation and administration of this chapter with the related federal regulation. [1959 c 282 § 61.]

#### SEVERABILITY OF PROVISIONS

**21.20.905 Severability—1959 c 282.** If any provision of this chapter or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable. [1959 c 282 § 62.]

#### REPEAL AND SAVING PROVISIONS

**21.20.910 Saving—Civil, criminal proceedings.** Prior law exclusively governs all suits, actions, prosecutions, or proceedings which are pending or may be initiated on the basis of facts or circumstances occurring before the effective date of this chapter, except that no civil suit or action may be maintained to enforce any liability under prior law unless brought within any period of limitation which applied when the cause of action accrued and in any event within two years after the \*effective date of this chapter. [1959 c 282 § 63.]

**\*Reviser's note:** The "effective date of this chapter" is midnight June 10, 1959, see preface 1959 session laws.

**21.20.915 Saving—Prior effective registrations.** All effective registrations under prior law and all conditions imposed upon such registrations remain in effect so long as they would have remained in effect if they had become effective under this chapter. They are considered to have been filed, entered, or imposed under this chapter. All dealers who are duly registered as brokers and all salespersons and issuers' agents who are duly registered as agents under said securities act, mining act or oil and mining leases act, on the \*effective date of this chapter shall be deemed to be duly registered under and subject to the provisions of this chapter, such registration to expire on the 30th day of June of the year in which this chapter becomes effective and to be subject to renewal as provided in this chapter. [1979 ex.s. c 68 § 44; 1959 c 282 § 64.]

**\*Reviser's note:** The "effective date of this chapter" is midnight June 10, 1959, see preface 1959 session laws.

**21.20.920 Application of prior law.** Prior law applies in respect to any offer or sale made within one year after the \*effective date of this chapter pursuant to an offering begun in good faith before its effective date on the basis of an exemption available under prior law. [1959 c 282 § 65.]

**\*Reviser's note:** The "effective date of this chapter" is midnight June 10, 1959, see preface 1959 session laws.

**21.20.925 Judicial review of prior administrative orders.** Judicial review of all administrative orders as to which review proceedings have not been instituted by the \*effective date of this chapter are governed by RCW 21.20.440 except that no review proceeding may be instituted unless the petition is filed within any period of limitation which applied to a review proceeding when the order was entered and in any event within sixty days after the \*effective date of this chapter. [1959 c 282 § 66.]

**\*Reviser's note:** The "effective date of this chapter" is midnight June 10, 1959, see preface 1959 session laws.

**21.20.930 Solicitation permits under insurance laws not limited.** Nothing in this chapter shall in any way limit the provisions of RCW 48.06.030. [1959 c 282 § 67.]

**21.20.935 Repealer.** The following acts and parts of acts are hereby repealed:

(1) Chapter 69, Laws of 1923; chapter 97, Laws of 1935; chapter 182, Laws of 1937; chapter 124, Laws of 1939; chapter 169, Laws of 1943; chapter 231, Laws of 1943; chapter 189, Laws of 1947; chapter 150, Laws of 1949; chapter 230, Laws of 1951; and RCW 21.04.010 through 21.04.220; and

(2) Chapter 178, Laws of 1937; chapter 64, Laws of 1951; and RCW 21.08.010 through 21.08.120; and

(3) Chapter 110, Laws of 1939 and RCW 21.12.010 through 21.12.080. [1959 c 282 § 68.]

### SHORT TITLE

**21.20.940 Short title.** This chapter shall be known as "The Securities Act of Washington." [1959 c 282 § 69.]

## Chapter 21.30 COMMODITY TRANSACTIONS

### Sections

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**Reviser's note:** Powers, duties, and functions of the department of licensing relating to chapter 21.30 RCW were transferred to the department of financial institutions by 1993 c 472, effective October 1, 1993. See RCW 43.320.011.

*Agricultural commodities: Chapter 22.09 RCW.*

**21.30.005 Intent.** The legislature intends that this chapter, and any rules, regulations, or orders promulgated pursuant hereto, apply to transactions in commodities which constitute commodity contracts or commodity options as defined in this chapter, unless the context clearly requires otherwise. [1987 c 243 § 1.]

**21.30.010 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Administrator" means the person designated by the director in accordance with the provisions of RCW 21.30.390.

(2) "Board of trade" means any person or group of persons engaged in buying or selling any commodity or receiving any commodity for sale on consignment, whether such person or group of persons is characterized as a board of trade, exchange, or other form of marketplace.

(3) "Director" means the director of financial institutions.

(4) "Commodity broker-dealer" means, for the purposes of registration in accordance with this chapter, any person engaged in the business of making offers, sales, or purchases of commodities under commodity contracts or under commodity options.

(5) "Commodity sales representative" means, for the purposes of registration in accordance with this chapter, any person authorized to act and acting for a commodity broker-dealer in effecting or attempting to effect a transaction in a commodity contract or commodity option.

(6) "Commodity exchange act" means the act of congress known as the commodity exchange act, as amended, codified at 7 U.S.C. Sec. 1 et seq.

(7) "Commodity futures trading commission" means the independent regulatory agency established by congress to administer the commodity exchange act.

(8) "CFTC rule" means any rule, regulation, or order of the commodity futures trading commission in effect on October 1, 1986, and all subsequent amendments, additions, or other revisions thereto, unless the administrator, within ten days following the effective date of any such amendment, addition, or revision, disallows the application thereof by rule or order.

(9) "Commodity" means, except as otherwise specified by the director by rule or order, any agricultural, grain, or livestock product or by-product, any metal or mineral (including a precious metal set forth in subsection (17) of this section), any gem or gemstone (whether characterized as precious, semiprecious, or otherwise), any fuel (whether liquid, gaseous, or otherwise), any foreign currency, and all other goods, articles, products, or items of any kind. However, the term commodity does not include (a) a numismatic coin whose fair market value is at least fifteen percent higher than the value of the metal it contains, (b) real property or any timber, agricultural, or livestock product grown or raised on real property and offered or sold by the owner or lessee of such real property, or (c) any work of art offered or sold by art dealers, at public auction, or offered or sold through a private sale by the owner thereof.

(10) "Commodity contract" means any account, agreement, or contract for the purchase or sale, primarily for speculation or investment purposes and not for use or consumption by the offeree or purchaser, of one or more commodities, whether for immediate or subsequent delivery or whether delivery is intended by the parties, and whether characterized as a cash contract, deferred shipment or deferred delivery contract, forward contract, futures contract, installment or margin contract, leverage contract, or otherwise. Any commodity contract offered or sold shall, in the absence of evidence to the contrary, be presumed to be offered or sold for speculation or investment purposes. A commodity contract shall not include any contract or agreement which requires, and under which the purchaser receives, within twenty-eight calendar days from the payment in good funds of any portion of the purchase price, physical delivery of the total amount of each commodity to be purchased under the contract or agreement.

(11) "Commodity option" means any account, agreement, or contract giving a party thereto the right to purchase or sell one or more commodities and/or one or more commodity contracts, whether characterized as an option, privilege, indemnity, bid, offer, put, call, advance guaranty, decline guaranty or otherwise, but does not include a commodity option traded on a national securities exchange registered with the United States securities and exchange commission.

(12) "Commodity merchant" means any of the following, as defined or described in the commodity exchange act or by CFTC rule:

- (a) Futures commission merchant;
- (b) Commodity pool operator;
- (c) Commodity trading advisor;
- (d) Introducing broker;
- (e) Leverage transaction merchant;
- (f) An associated person of any of the foregoing;
- (g) Floor broker; and
- (h) Any other person (other than a futures association) required to register with the commodity futures trading commission.

(13) "Financial institution" means a bank, savings institution, or trust company organized under, or supervised pursuant to, the laws of the United States or of any state.

(14) "Offer" or "offer to sell" includes every offer, every attempt to offer to dispose of, or solicitation of an offer to buy, to purchase, or to acquire, for value.

(15) "Sale" or "sell" includes every sale, contract of sale, contract to sell, or disposition, for value.

(16) "Person" means an individual, a corporation, a partnership, an association, a joint-stock company, a trust where the interests of the beneficiaries are evidenced by a security, an unincorporated organization, a government, or a political subdivision of a government, but does not include a contract market designated by the commodity futures trading commission or any clearinghouse thereof or a national securities exchange registered with the United States securities and exchange commission (or any employee, officer, or director of such contract market, clearinghouse, or exchange acting solely in that capacity).

(17) "Precious metal" means:

- (a) Silver, in either coin, bullion, or other form;
- (b) Gold, in either coin, bullion, or other form;
- (c) Platinum, in either coin, bullion, or other form; and
- (d) Such other items as the director may specify by rule or order. [1997 c 101 § 2; 1994 c 92 § 5; 1987 c 243 § 2; 1986 c 14 § 1.]

**21.30.020 Transactions involving commodity contract or option—Prohibition—Exceptions.** Except as otherwise provided in RCW 21.30.030 and 21.30.040, no person may sell or purchase or offer to sell or purchase any commodity under any commodity contract or under any commodity option or offer to enter into or enter into as seller or purchaser any commodity contract or any commodity option. [1986 c 14 § 2.]

**21.30.030 Transactions conducted by certain persons exempt from prohibition under RCW 21.30.020.** The prohibition in RCW 21.30.020 does not apply to any transaction offered by and in which any of the following persons (or any employee, officer, or director thereof acting solely in that capacity) is the purchaser or seller:

- (1) A person registered with the commodity futures trading commission as a futures commission merchant or as a leverage transaction merchant but only as to those activities that require such registration;
- (2) A person affiliated with, and whose obligations and liabilities are guaranteed by, a person referred to in subsection (1) or (5) of this section;
- (3) A person who is a member of a contract market designated by the commodity futures trading commission (or any clearinghouse thereof);
- (4) A financial institution;
- (5) A person registered under chapter 21.20 RCW as a securities broker-dealer holding a general securities license whose activities require such registration;
- (6) A person registered as a commodity broker-dealer or commodity sales representative in accordance with this chapter; or
- (7) Any person who meets all of the following conditions:

- (a) Prior to engaging in any transaction which would otherwise be prohibited under RCW 21.30.020, the person:
  - (i) Files a claim of exemption on a form prescribed by the director; and
  - (ii) Files a consent to service of process pursuant to RCW 21.30.190;

(b) The person files a renewal of a claim for exemption not less than every two years on a form prescribed by the director;

(c) The person engages only in those commodity transactions in which the purchaser pays, and the seller receives, one hundred percent of the purchase price in cash or cash equivalent within ten days of the contract of sale;

(d) The person receives no more than twenty-five percent of the total dollar amount of its gross sales of commodities in any fiscal year from commodity contracts or commodity options;

(e) The person's gross profit on all transactions in commodity contracts or commodity options does not exceed five hundred thousand dollars in the fiscal year immediately preceding any year for which the person claims the exemption contained in this subsection, or one million dollars in the two fiscal years immediately preceding any year for which the person claims the exemption;

(f) The person maintains standard property and casualty insurance in an amount sufficient to cover the value of commodities stored for customers.

"Registered," for the purposes of this section, means holding a registration that has not expired, been suspended, or been revoked. The exemptions under this section shall not apply to any transaction or activity which is prohibited by the commodity exchange act or CFTC rule. [1987 c 243 § 3; 1986 c 14 § 3.]

**21.30.040 Transactions and contracts exempt from prohibition under RCW 21.30.020—Rules.** (1) The prohibition in RCW 21.30.020 does not apply to the following:

(a) An account, agreement, or transaction within the exclusive jurisdiction of the commodity futures trading commission as granted under the commodity exchange act;

(b) A commodity contract for the purchase of one or more precious metals in which, within seven calendar days from the payment in good funds of any portion of the purchase price, the quantity of precious metals purchased by the payment is delivered (whether in specifically segregated or fungible bulk form) into the possession of a depository (other than the seller) which is either (i) a financial institution, (ii) a depository the warehouse receipts of which are recognized for delivery purposes for any commodity on a contract market designated by the commodity futures trading commission, (iii) a storage facility licensed or regulated by the United States or any agency thereof, or (iv) a depository designated by the director, and the depository (or other person which itself qualifies as a depository as aforesaid) issues and the purchaser receives, a certificate, document of title, confirmation, or other instrument evidencing that the quantity of precious metals has been delivered to the depository and is being and will continue to be held by the depository on the purchaser's behalf, free and clear of all liens and encumbrances, other than liens of the purchaser, tax liens, liens agreed to by the purchaser, or liens of the depository for fees and expenses, which have previously been disclosed to the purchaser;

(c) A commodity contract solely between persons engaged in producing, processing, using commercially, or

handling as merchants each commodity subject thereto, or any by-products thereof; or

(d) A commodity contract under which the offeree or the purchaser is a person referred to in RCW 21.30.030, a person registered with the federal securities and exchange commission as a broker-dealer, an insurance company, an investment company as defined in the federal investment company act of 1940, or an employee pension and profit sharing or benefit plan (other than a self-employed individual retirement plan, or individual retirement account).

(2) The director may issue rules or orders prescribing the terms and conditions of all transactions and contracts covered by this chapter which are not within the exclusive jurisdiction of the commodity futures trading commission as granted by the commodity exchange act, exempting any person or transaction from any provision of this chapter conditionally or unconditionally and otherwise implementing this chapter for the protection of purchasers and sellers of commodities. [1987 c 243 § 4; 1986 c 14 § 4.]

**21.30.050 Commodity merchants—Place for trading commodity contract or option—Requirements.** (1) No person may engage in a trade or business or otherwise act as a commodity merchant unless the person (a) is registered or temporarily licensed with the commodity futures trading commission for each activity constituting the person as a commodity merchant and the registration or temporary license has not expired, been suspended, or been revoked; or

(b) is exempt from such registration by virtue of the commodity exchange act or a CFTC rule.

(2) No board of trade may trade, or provide a place for the trading of, any commodity contract or commodity option required to be traded on or subject to the rules of a contract market designated by the commodity futures trading commission unless the board of trade has been so designated for the commodity contract or commodity option and the designation has not been vacated, suspended, or revoked. [1986 c 14 § 5.]

**21.30.060 Prohibited practices.** No person may directly or indirectly, in or in connection with the purchase or sale of, the offer to sell, the offer to enter into, or the entry into of, any commodity contract or commodity option subject to RCW 21.30.020, 21.30.030, 21.30.040(1)(b), or 21.30.040(1)(d):

(1) Cheat or defraud, or attempt to cheat or defraud, any other person or employ any device, scheme, or artifice to defraud any other person:

(2) Make any false report, enter any false record, or make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading;

(3) Engage in any transaction, act, practice, or course of business, including, without limitation, any form of advertising or solicitation, that operates or would operate as a fraud or deceit upon any person: or

(4) Misappropriate or convert the funds, security, or property of any other person. [1986 c 14 § 6.]

**21.30.070 Responsibility for acts or omissions—Liability—Burden of proof.** (1) The act, omission, or failure of any official, agent, or other person acting for any individual, association, partnership, corporation, or trust within the scope of the person's employment or office shall be deemed the act, omission, or failure of such individual, association, partnership, corporation, or trust, as well as of such official, agent, or other person.

(2) Every person who directly or indirectly controls another person liable under any provision of this chapter, every partner, officer, or director of such other person, every person occupying a similar status or performing similar functions, every employee of such other person who materially aids in the violation is also liable jointly and severally with and to the same extent as such other person, unless the person who is also liable by virtue of this provision sustains the burden of proof that he or she did not know, and in exercise of reasonable care could not have known, of the existence of the facts by reason of which the liability is alleged to exist. [1986 c 14 § 7.]

**21.30.080 Offers to sell or buy in this state—Application of RCW 21.30.020, 21.30.050, and 21.30.060.**

(1) RCW 21.30.020, 21.30.050, and 21.30.060 apply to persons who sell or offer to sell when an offer to sell is made in this state or an offer to buy is made and accepted in this state.

(2) RCW 21.30.020, 21.30.050, and 21.30.060 apply to persons who buy or offer to buy when an offer to buy is made in this state or an offer to sell is made and accepted in this state.

(3) For the purpose of this section, an offer to sell or to buy is made in this state, whether or not either party is then present in this state, when the offer originates from this state or is directed by the offeror to this state and received at the place to which it is directed, or at any post office in this state in the case of a mailed offer.

(4) For the purpose of this section, an offer to buy or to sell is accepted in this state when acceptance is communicated to the offeror in this state and has not previously been communicated to the offeror, orally or in writing, outside this state, or whether or not either party is then present in this state, when the offeree directs it to the offeror in this state reasonably believing the offeror to be in this state and it is received at the place to which it is directed, or at any post office in this state in the case of a mailed acceptance. [1986 c 14 § 8.]

**21.30.090 When publications or electronic communications not deemed offers to sell or buy in this state.**

(1) For the purpose of RCW 21.30.080, an offer to sell or to buy is not made in this state when the publisher circulates or there is circulated on his behalf in this state in any bona fide newspaper or other publication of general, regular, and paid circulation, which is not published in this state, an offer to sell or to buy that is reasonably calculated to solicit only persons outside this state and not to solicit persons in this state.

(2) For the purpose of RCW 21.30.080, an offer to sell or to buy is not made in this state when a radio or television program or other electronic communication originating

outside this state is received in this state and the offer to sell or to buy is reasonably calculated to solicit only persons outside this state and not to solicit persons in this state. [1986 c 14 § 9.]

**21.30.100 Investigations—Statements—Publication of information.** The director in the director's discretion:

(1) May make such public or private investigations, within or without the state, as the director finds necessary or appropriate to determine whether any person has violated, or is about to violate, any provision of this chapter or any rule or order of the director or to aid in enforcement of this chapter;

(2) May require or permit any person to file a statement in writing, under oath or otherwise as the director may determine; and

(3) May publish information concerning any violation of this chapter or any rule or order under this chapter. [1986 c 14 § 10.]

**21.30.110 Investigations—Evidence—Subpoenas—Court orders of compliance.**

(1) For purposes of any investigation or proceeding under this chapter, the director or any officer or employee designated by the director, may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which the director finds to be relevant or material to the inquiry.

(2) If a person does not give testimony or produce the documents required by the director or a designated employee pursuant to a lawfully issued administrative subpoena, the director or designated employee may apply for a court order compelling compliance with the subpoena or the giving of the required testimony. The request for an order of compliance may be addressed to either: (a) The superior court of Thurston county or the superior court where service may be obtained on the person refusing to testify or produce, if the person is within this state; or (b) the appropriate court of the state having jurisdiction over the person refusing to testify or produce, if the person is outside the state. [1986 c 14 § 11.]

**21.30.120 Violations—Director's authority—Court actions—Penalties.**

(1) If the director believes, whether or not based upon an investigation conducted under RCW 21.30.100 or 21.30.110, that a person has engaged or is about to engage in an act or practice constituting a violation of this chapter or any rule or order hereunder, the director may:

(a) Issue a cease and desist order;

(b) Initiate any of the actions specified in subsection (2) of this section;

(c) Issue an order imposing a civil penalty in an amount which may not exceed ten thousand dollars for any single violation or one hundred thousand dollars for multiple violations in a single proceeding or a series of related proceedings; or

(d) Take disciplinary action against a licensed person as specified in RCW 21.30.350.

(2) The director may institute any of the following actions in the appropriate courts of the state, or in the

appropriate courts of another state, in addition to any legal or equitable remedies otherwise available:

- (a) A declaratory judgment;
- (b) An action for a prohibitory or mandatory injunction to enjoin the violation and to ensure compliance with this chapter or any rule or order of the director;
- (c) An action for disgorgement; or
- (d) An action for appointment of a receiver or conservator for the defendant or the defendant's assets.

(3) In any action under subsection (2) of this section if the director prevails, the director shall be entitled to costs and to reasonable attorneys' fees to be fixed by the court. [1986 c 14 § 12.]

**21.30.130 Violations—Court-ordered remedies—Penalties—Bond by director not required.** (1)(a) Upon a proper showing by the director that a person has violated, or is about to violate, this chapter or any rule or order of the department, the superior court may grant appropriate legal or equitable remedies.

(b) Upon showing of violation of this chapter or a rule or order of the director or administrator, the court, in addition to legal and equitable remedies otherwise available, including temporary restraining orders, permanent or temporary prohibitory or mandatory injunctions, and writs of prohibition or mandamus, may grant the following special remedies:

- (i) Imposition of a civil penalty in an amount which may not exceed ten thousand dollars for any single violation or one hundred thousand dollars for multiple violations in a single proceeding or a series of related proceedings;
- (ii) Disgorgement;
- (iii) Declaratory judgment;
- (iv) Restitution to investors wishing restitution; and
- (v) Appointment of a receiver or conservator for the defendant or the defendant's assets.

(c) Appropriate remedies when the defendant is shown only about to violate this chapter or a rule or order of the department shall be limited to:

- (i) A temporary restraining order;
- (ii) A temporary or permanent injunction; or
- (iii) A writ of prohibition or mandamus.

(2) The court shall not require the director to post a bond in any official action under this chapter. [1986 c 14 § 13.]

**21.30.140 Wilful violations—Penalty—Limitation on actions.** A person who wilfully violates this chapter, or who wilfully violates a rule or order under this chapter, shall upon conviction be fined not more than twenty thousand dollars or imprisoned not more than ten years, or both. However, no person may be imprisoned for the violation of a rule or order if the person proves that he or she had no knowledge of the rule or order. No indictment or information may be returned under this chapter more than five years after the alleged violation. [1986 c 14 § 14.]

**21.30.150 No liability under chapter for act in good faith.** No provision of this chapter imposing any liability applies to any act done or omitted in good faith in conformity with a rule, order, or form adopted by the director, not-

withstanding that the rule, order, or form may later be amended, or rescinded, or be determined by judicial or other authority to be invalid for any reason. [1986 c 14 § 15.]

**21.30.160 Unlawful use or disclosure of information.** Neither the director nor any employee of the director shall use any information which is filed with or obtained by the department which is not public information for personal gain or benefit, nor shall the director nor any employee of the director conduct any securities or commodity dealings whatsoever based upon any such information, even though public, if there has not been a sufficient period of time for the securities or commodity markets to assimilate the information. [1986 c 14 § 17.]

**21.30.170 Information—Availability to public—Exceptions.** (1) All information collected, assembled, or maintained by the director under this chapter is public information and is available for the examination of the public as provided by chapter 42.17 RCW except the following:

- (a) Information obtained in private investigations pursuant to RCW 21.30.100 or 21.30.110;
  - (b) Information exempt from public disclosure under chapter 42.17 RCW; and
  - (c) Information obtained from federal or state agencies which may not be disclosed under federal or state law.
- (2) The director in the director's discretion may disclose any information made confidential under subsection (1)(a) of this section to persons identified in RCW 21.30.180.
- (3) No provision of this chapter either creates or derogates from any privilege which exists at common law, by statute, or otherwise when any documentary or other evidence is sought under subpoena directed to the director or any employee of the director. [1986 c 14 § 18.]

**21.30.180 Cooperation with other agencies or organizations.** (1) To encourage uniform application and interpretation of this chapter and securities and commodities regulation and enforcement in general, the director and the employees of the director may cooperate, including bearing the expense of the cooperation, with the securities agencies or administrators of another jurisdiction, Canadian provinces, or territories or such other agencies administering this chapter or similar statutes, the commodity futures trading commission, the federal securities and exchange commission, any self-regulatory organization established under the commodity exchange act or the securities exchange act of 1934, any national or international organization of commodities or securities officials or agencies, and any governmental law enforcement agency.

(2) The cooperation authorized by subsection (1) of this section shall include, but need not be limited to, the following:

- (a) Making joint examinations or investigations;
- (b) Holding joint administrative hearings;
- (c) Filing and prosecuting joint litigation;
- (d) Sharing and exchanging information and documents;
- (e) Formulating and adopting mutual regulations, statements of policy, guidelines, proposed statutory changes and releases; and

(f) Issuing and enforcing subpoenas at the request of the agency administering similar statutes in another jurisdiction, the securities agency of another jurisdiction, the commodity futures trading commission or the federal securities and exchange commission if the information sought would also be subject to lawful subpoena for conduct occurring in this state. [1986 c 14 § 19.]

**21.30.190 Consent for service of process—Service, how made.** (1) Every applicant for registration under this chapter or person filing a claim of exemption under RCW 21.30.030(7) shall file with the administrator in such form as the administrator by rule prescribes, an irrevocable consent appointing the administrator or successor in office to be his or her attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the applicant or successor executor or administrator which arises under this chapter or any rule or order hereunder after the consent has been filed, with the same force and validity as if served personally on the person filing the consent. Service may be made by leaving a copy of the process in the office of the administrator, but it is not effective unless (a) the plaintiff, who may be the administrator in a suit, action, or proceeding instituted by the administrator, forthwith sends notice of the service and a copy of the process by registered mail to the defendant or respondent at the last address on file with the administrator, and (b) the plaintiff's affidavit of compliance with this subsection is filed in the case on or before the return day of the process, if any, or within such further time as the court allows.

(2) If a person, including a nonresident of this state, engages in conduct prohibited or made actionable by this chapter or any rule or order of the director, the engaging in the conduct shall constitute the appointment of the administrator as the person's attorney to receive service of any lawful process in a noncriminal proceeding against the person, a successor, or personal representative, which arises out of that conduct and which is brought under this chapter or any rule or order of the director with the same force and validity as if served personally. [1987 c 243 § 5; 1986 c 14 § 20.]

**21.30.200 Administrative proceedings—Summary order—Notice—Hearing—Final order.** (1) The director shall commence an administrative proceeding under this chapter by entering either a statement of charges or a summary order. The statement of charges or summary order may be entered without notice, without opportunity for hearing, and need not be supported by findings of fact or conclusions of law, but must be in writing.

(2) Upon entry of the statement of charges or summary order, the director shall promptly inform all interested parties that they have twenty business days from receipt of notice of the statement of charges or the summary order to file a written request for a hearing on the matter with the director and that the hearing will be scheduled to commence within thirty business days after receipt of the written request.

(3) If no hearing is requested within the twenty-day period and none is ordered by the director, the statement of charges or summary order will automatically become a final order.

(4) If a hearing is requested or ordered, the director, after notice of and opportunity for hearing to all interested persons, may modify or vacate the order or extend it until final determination.

(5) No final order or order after hearing may be returned without:

- (a) Appropriate notice to all interested persons;
- (b) Opportunity for hearing by all interested persons; and
- (c) Entry of written findings of fact and conclusions of law.

(6) Every hearing in an administrative proceeding under this chapter shall be public unless the director grants a request joined in by all the respondents that the hearing be conducted privately. [1986 c 14 § 21.]

**21.30.210 Application of chapter 34.05 RCW, the administrative procedure act.** Chapter 34.05 RCW applies to an administrative proceeding carried out by the director under this chapter unless otherwise provided in this chapter. [1986 c 14 § 22.]

**21.30.220 Pleading exemptions or exceptions—Burden of proof.** It shall not be necessary to negate any of the exemptions, or exceptions from a definition, of this chapter in any complaint, information, or indictment, or any writ or proceeding brought under this chapter; and the burden of proof of any such exemption or exception from a definition shall be on the party claiming the same. [1986 c 14 § 23.]

**21.30.230 Application for licensing.** An applicant for licensing as a commodity broker-dealer or commodity sales representative shall file with the administrator or the designee of the administrator an application for licensing together with a consent to service of process pursuant to RCW 21.30.190. The application for licensing must contain the information that the administrator determines, by rule, is necessary or appropriate to facilitate the administration of this chapter. [1986 c 14 § 24.]

**21.30.240 Fees.** (1) An applicant for licensing shall pay a registration fee as follows:

- (a) For a commodity broker-dealer, two hundred dollars; and for each branch office, one hundred dollars; and
  - (b) For a commodity sales representative, fifty dollars.
- (2) Except in any year in which a licensing fee is paid, an applicant shall pay an annual fee as follows:
- (a) For a commodity broker-dealer, one hundred dollars; and for each branch office in this state, fifty dollars; and
  - (b) For a commodity sales representative, thirty-five dollars.

(3) For purposes of this section, a branch office means each office of a commodity broker-dealer in this state, other than the principal office in this state of the commodity broker-dealer, from which three or more commodity sales representatives transact business.

(4) If an application is denied or withdrawn or the license is terminated by revocation, cancellation, or withdrawal, the administrator shall retain the fee paid. [1986 c 14 § 25.]

**21.30.250 Examinations—Waiver.** (1) The administrator may, by rule or order, impose an examination requirement upon:

(a) An applicant applying for licensing under this chapter; and

(b) Any class of applicants.

(2) Any examination required may be administered by the administrator or a designee of the administrator. Examinations may be oral, written, or both and may differ for each class of applicants.

(3) The administrator may, by order, waive any examination requirement imposed pursuant to subsection (1) of this section as to any applicant if the administrator determines that the examination is not necessary in the public interest and for the protection of investors. [1986 c 14 § 26.]

**21.30.260 Expiration of licenses—Authority under commodity sales representative license—Notification of changes.** (1) The license of a commodity broker-dealer or commodity sales representative expires on December 31 of the year for which issued or at such other time as the administrator may by rule prescribe.

(2) The license of a commodity sales representative is only effective with respect to transactions effected as an employee or representative on behalf of the commodity broker-dealer or issuer for whom the commodity sales representative is licensed.

(3) When a commodity sales representative begins or terminates association with a commodity broker-dealer or issuer, or begins or terminates activities which make that person a commodity sales representative, the commodity sales representative and the former commodity broker-dealer or issuer on whose behalf the commodity sales representative was acting shall notify promptly the administrator or the administrator's designee. [1986 c 14 § 27.]

**21.30.270 Multiple licenses, when permitted.** No person may at any one time act as a commodity sales representative for more than one commodity broker-dealer or one issuer, except (1) where the commodity broker-dealers for whom the commodity sales representative will act are affiliated by direct or indirect common control, a commodity sales representative may represent each of those organizations or (2) where the administrator, by rule or order, authorizes multiple licenses as consistent with the public interest and protection of investors. [1986 c 14 § 28.]

**21.30.280 Classification of licenses—Limitations and conditions of licenses.** If the administrator determines, by rule, that one or more classifications of licenses as a commodity broker-dealer or commodity sales representative which are subject to limitations and conditions on the nature of the activities which may be conducted by those persons are consistent with the public interest and the protection of investors, the administrator may authorize the licensing of persons subject to specific limitations and conditions. [1986 c 14 § 29.]

**21.30.290 Annual report and fee.** For so long as a commodity broker-dealer or commodity sales representative is licensed under this chapter, it shall file an annual report,

together with the annual fee specified in RCW 21.30.240(2), with the administrator or the administrator's designee at a time and including that information that the administrator determines, by rule or order, is necessary or appropriate. [1986 c 14 § 30.]

**21.30.300 Minimum net capital and fidelity bond requirements.** (1)(a) The administrator may, by rule, require a licensed commodity broker-dealer to maintain: (i) Minimum net capital; and (ii) a prescribed ratio between net capital and aggregate indebtedness. The minimum net capital and net capital-to-aggregate indebtedness ratio may vary with type or class of commodity broker-dealer.

(b) If a licensed commodity broker-dealer believes, or has reasonable cause to believe, that any requirement imposed on it under this subsection is not being met, it shall promptly notify the administrator of its current financial condition.

(2) The administrator may, by rule, require the furnishing of fidelity bonds from commodity broker-dealers. [1986 c 14 § 31.]

**21.30.310 Financial and other reports.** A licensed commodity broker-dealer shall file financial and other reports that the administrator determines, by rule, are necessary or appropriate. [1986 c 14 § 32.]

**21.30.320 Records.** (1) A licensed commodity broker-dealer or commodity sales representative shall make and maintain records that the administrator determines, by rule, are necessary or appropriate.

(2) Required records may be maintained in computer or microform format or any other form of data storage provided that the records are readily accessible to the administrator.

(3) Required records must be preserved for five years unless the administrator, by rule, specifies either a longer or shorter period for a particular type or class of records. [1986 c 14 § 33.]

**21.30.330 Correcting amendments of information in application or financial and other reports—Exception.** If the information contained in any document filed with the administrator or the administrator's designee pursuant to RCW 21.30.230 or 21.30.310, except for those documents which the administrator, by rule or order, may exclude from this requirement, is or becomes inaccurate or incomplete in any material respect, the licensed person shall promptly file a correcting amendment, unless notification of the correction has been given under RCW 21.30.260(3). [1986 c 14 § 34.]

**21.30.340 Examination of records—Copies—Fees.** (1) The administrator, without prior notice, may examine the records and require copies of the records which a licensed commodity broker-dealer or commodity sales representative is required to make and maintain under RCW 21.30.320, within or without this state, in a manner reasonable under the circumstances. Commodity broker-dealers and commodity sales representatives must make their records available to the administrator in a readable form.

(2) The administrator may copy records or require a licensed person to copy records and provide the copies to the

administrator in a manner reasonable under the circumstances.

(3) The administrator may impose reasonable fees for conducting an examination pursuant to this section. [1986 c 14 § 35.]

**21.30.350 Denial, suspension, revocation, or limitation of license—Grounds.** (1) The administrator may, by order, deny, suspend, or revoke any license or an exemption granted under RCW 21.30.030(7), limit the activities which an applicant or licensed person may perform in this state, conserve any applicant or licensed person, or bar any applicant or licensed person from association with a licensed commodity broker-dealer, if the administrator finds that (a) the order is in the public interest and (b) that the applicant or licensed person or, in the case of a commodity broker-dealer any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the commodity broker-dealer:

(i) Has filed an application for licensing with the administrator or the designee of the administrator which, as of its effective date, or as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect or contained any statement which was, in light of the circumstances under which it was made, false or misleading with respect to any material fact;

(ii)(A) Has violated or failed to comply with a provision of this chapter, a predecessor act, or a rule or order under this chapter or a predecessor act, (B) is the subject of an adjudication or determination within the last five years by a securities agency or administrator or court of competent jurisdiction that the person has wilfully violated the federal securities act of 1933, the securities exchange act of 1934, the investment advisers act of 1940, the investment company act of 1940, or the commodity exchange act, or the securities law of any other state (but only if the acts constituting the violation of that state's law would constitute a violation of this chapter had the acts taken place in this state);

(iii) Has, within the last ten years, pled guilty or nolo contendere to, or been convicted of any crime indicating a lack of fitness to engage in the investment commodities business;

(iv) Is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in, or continuing, any conduct or practice indicating a lack of fitness to engage in the investment commodities business;

(v) Is the subject of an order of the administrator denying, suspending, or revoking the person's license as a commodity or securities broker-dealer, securities salesperson or commodity sales representative, or investment adviser or investment adviser salesperson;

(vi) Is the subject of any of the following orders which are currently effective and which were issued within the last five years:

(A) An order by a securities agency or administrator of another state, Canadian province or territory, or the federal securities and exchange commission, entered after notice and opportunity for hearing, denying, suspending, or revoking the person's license as a commodities or securities broker-dealer,

sales representative, or investment adviser, or the substantial equivalent of those terms;

(B) A suspension or expulsion from membership in or association with a self-regulatory organization registered under the securities exchange act of 1934 or the commodity exchange act;

(C) A United States postal service fraud order;

(D) A cease and desist order entered after notice and opportunity for hearing by the administrator or the securities agency or administrator of any other state, Canadian province or territory, the securities and exchange commission, or the commodity futures trading commission;

(E) An order entered by the commodity futures trading commission denying, suspending, or revoking registration under the commodity exchange act;

(vii) Has engaged in any unethical or dishonest conduct or practice in the investment commodities or securities business;

(viii) Is insolvent, either in the sense that liabilities exceed assets, or in the sense that obligations cannot be met as they mature;

(ix) Is not qualified on the basis of such factors as training, experience, and knowledge of the investment commodities business;

(x) Has failed reasonably to supervise sales representatives or employees; or

(xi) Has failed to pay the proper filing fee within thirty days after being notified by the administrator of the deficiency. However, the administrator shall vacate any order under (xi) of this subsection when the deficiency has been corrected.

An order entered under this subsection shall be governed by subsection (2) of this section and RCW 21.30.200 and 21.30.210.

The administrator shall not institute a suspension or revocation proceeding on the basis of a fact or transaction disclosed in the license application unless the proceeding is instituted within the next ninety days following issuance of the license.

(2) If the public interest or the protection of investors so requires, the administrator may, by order, summarily suspend a license or postpone the effective date of a license. Upon the entry of the order, the administrator shall promptly notify the applicant or licensed person, as well as the commodity broker-dealer with whom the person is or will be associated if the applicant or licensed person is a commodity sales representative, that an order has been entered and of the reasons therefore and that within twenty days after the receipt of a written request the matter will be set down for hearing. The provisions of RCW 21.30.200 and 21.30.210 apply with respect to all subsequent proceedings.

(3) If the administrator finds that any applicant or licensed person is no longer in existence or has ceased to do business as a commodity broker-dealer or commodity sales representative or is subject to an adjudication of mental incompetence or to the control of a committee, conservator, or guardian, or cannot be located after reasonable search, the administrator may, by order, cancel the application or license. [1987 c 243 § 6; 1986 c 14 § 36.]

**21.30.360 Violations—Prosecuting attorney may bring criminal proceedings.** The director may refer such evidence as may be available concerning violations of this chapter or of any rule or order under this chapter to the proper prosecuting attorney, who may in his or her discretion, with or without such a reference, institute the appropriate criminal proceedings under this chapter. [1986 c 14 § 37.]

**21.30.370 Penalties in chapter nonexclusive.** Nothing in this chapter limits the power of the state to punish a person for conduct which constitutes a crime by statute or at common law. [1986 c 14 § 38.]

**21.30.380 Administration of chapter under director of financial institutions.** The administration of this chapter shall be under the director of the department of financial institutions. [1994 c 92 § 6; 1986 c 14 § 39.]

**21.30.390 Administrator—Appointment—Delegation of duties—Term.** The director shall appoint a competent person to administer this chapter, who shall be designated the administrator. The director shall delegate to the administrator such powers, subject to the authority of the director, as may be necessary to carry out this chapter. The administrator shall hold office at the pleasure of the director. [1986 c 14 § 16.]

**21.30.400 Director's powers and duties—Rules, forms, and orders—Fees.** In addition to specific authority granted elsewhere in this chapter, the director may make, amend, and rescind rules, forms, and orders as are necessary to carry out this chapter. Such rules or forms shall include but need not be limited to rules defining any terms, whether or not used in this chapter, insofar as the definitions are not inconsistent with this chapter. The director may classify commodities, commodity contracts, and commodity options, persons, and matters within the director's jurisdiction. No rule or form may be made unless the director finds that the action is necessary or appropriate in the public interest or for the protection of the investors and consistent with the purposes intended by the policy and provisions of this chapter. The director may, by rule, establish a schedule of reasonable fees to carry out the purposes of this chapter, such fees to cover the estimated costs of enforcing this chapter. [1986 c 14 § 40.]

**21.30.800 Securities laws not affected.** Nothing in this chapter shall impair, derogate from, or otherwise affect the authority or powers of the administrator under the securities act of Washington, chapter 21.20 RCW, or the application of any provision thereof to any person or transaction subject thereto. [1986 c 14 § 41.]

**21.30.810 Construction and purpose.** This chapter may be construed and implemented to effectuate its general purpose to protect investors, to prevent and prosecute illegal and fraudulent schemes involving commodities and to maximize coordination with federal and other states' law and the administration and enforcement thereof. [1986 c 14 § 42.]

**21.30.900 Severability—1986 c 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. [1986 c 14 § 43.]

**21.30.901 Effective date—1986 c 14.** This act shall take effect on October 1, 1986. [1986 c 14 § 46.]

## Chapter 21.35

### UNIFORM TRANSFER ON DEATH SECURITY REGISTRATION ACT

#### Sections

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21.35.900	Short title—Statutory construction.
21.35.901	Application.

**21.35.005 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Beneficiary form" means a registration of a security that indicates the present owner of the security and the intention of the owner regarding the person who will become the owner of the security upon the death of the owner, referred to as a "beneficiary."

(2) "Devisee" means any person designated in a will to receive a disposition of real or personal property.

(3) "Heirs" means those persons, including the surviving spouse, who are entitled under the statutes of intestate succession to the property of a decedent.

(4) "Person" means an individual, a corporation, an organization, or other legal entity.

(5) "Personal representative" includes executor, administrator, successor personal representative, special administrator, and persons who perform substantially the same function under the law governing their status.

(6) "Property" includes both real and personal property or any interest therein and means anything that may be the subject of ownership.

(7) "Register," including its derivatives, means to issue a certificate showing the ownership of a certificated security or, in the case of an uncertificated security, to initiate or transfer an account showing ownership of securities.

(8) "Registering entity" means a person who originates or transfers a security title by registration, and includes a broker maintaining security accounts for customers and a transfer agent or other person acting for or as an issuer of securities.

(9) "Security" means a share, participation, or other interest in property, in a business, or in an obligation of an enterprise or other issuer, and includes a certificated security, an uncertificated security, and a security account.

(10) "Security account" means (a) a reinvestment account associated with a security; a securities account with a broker; a cash balance in a brokerage account; or cash, interest, earnings, or dividends earned or declared on a security in an account, a reinvestment account, or a brokerage account, whether or not credited to the account before the owner's death; or (b) a cash balance or other property held for or due to the owner of a security as a replacement for or product of an account security, whether or not credited to the account before the owner's death.

(11) "State" includes any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession subject to the legislative authority of the United States. [1993 c 287 § 1.]

**21.35.010 Security registered in beneficiary form—Ownership.** Only individuals whose registration of a security shows sole ownership by one individual or multiple ownership by two or more with right of survivorship, rather than as tenants in common, may obtain registration in beneficiary form. Multiple owners of a security registered in beneficiary form shall hold the security as joint tenants with right of survivorship either as separate property or as community property, and not as tenants in common. [1993 c 287 § 2.]

**21.35.015 Registering a security in beneficiary form—Authorization.** A registering entity may register a security in beneficiary form if the form is authorized by this chapter or a substantially identical statute of another state if the state is: (1) The state of organization of the issuer or registering entity, (2) the location of the registering entity's principal office, (3) the location of the office of its transfer agent or its office making the registration, or (4) the location of the owner's listed address at the time of registration. A registration governed by the law of a jurisdiction in which this or substantially identical legislation is not in force or was not in force when a registration in beneficiary form was made is nevertheless presumed to be valid and authorized as a matter of contract law. [1993 c 287 § 3.]

**21.35.020 Registering a security in beneficiary form—Designation of beneficiary.** A security, whether evidenced by certificate or account, is registered in beneficiary form when the registration includes a designation of a beneficiary to take the ownership at the death of a sole owner or at the death of the last to die of multiple owners. [1993 c 287 § 4.]

**21.35.025 Registering a security in beneficiary form—Words of designation.** Registration in beneficiary form may be shown by the words "transfer on death" or the abbreviation "TOD," or by the words "pay on death" or the abbreviation "POD," after the name of the registered owner or owners and before the name of a beneficiary. [1993 c 287 § 5.]

**21.35.030 Designation of a TOD or POD beneficiary—Effect on ownership—Cancellation or change.** The designation of a TOD or POD beneficiary on a registration in beneficiary form has no effect on ownership of the security until the owner's death, or on community property rights and obligations of owners. A registration of a security in beneficiary form may be canceled or changed at any time by the sole owner or all then surviving owners, without the consent of the beneficiary. [1993 c 287 § 6.]

**21.35.035 Death of owner or owners—Ownership passes to beneficiaries.** On death of a sole owner or the last to die of all multiple owners, ownership of securities registered in beneficiary form passes to the beneficiary or beneficiaries who survive all owners. On proof of death of all owners and compliance with any applicable requirements of the registering entity, a security registered in beneficiary form may be reregistered in the name of the beneficiary or beneficiaries who survived the death of all owners. Until division of the security after the death of all owners, multiple beneficiaries surviving the death of all owners hold their interests as tenants in common. If no beneficiary survives the death of all owners, the security belongs to the estate of the deceased sole owner or the estate of the last to die of all multiple owners. [1993 c 287 § 7.]

**21.35.040 Registering entity—Protection.** (1) A registering entity is not required to offer or to accept a request for security registration in beneficiary form. If a registration in beneficiary form is offered by a registering entity, the owner requesting registration in beneficiary form assents to the protections given to the registering entity by this chapter.

(2) By accepting a request for registration of a security in beneficiary form, the registering entity agrees that the registration will be implemented on death of the deceased owner as provided in this chapter.

(3) A registering entity is discharged from all claims to a security by the estate, creditors, heirs, or devisees of a deceased owner if it registers a transfer of a security in accordance with RCW 21.35.035 and does so in good faith reliance (a) on the registration, (b) on this chapter, and (c) on information provided to it by affidavit of the personal representative of the deceased owner, or by the surviving beneficiary or by the surviving beneficiary's representatives, or other information available to the registering entity. The protections of this chapter do not extend to a reregistration or payment made after a registering entity has received written notice from any claimant to any interest in the security objecting to implementation of a registration in beneficiary form. No other notice or other information available to the registering entity affects its right to protection under this chapter.

(4) The protection provided by this chapter to a registering entity does not affect the rights of beneficiaries in disputes between themselves and other claimants to ownership of the security transferred or its value or proceeds. [1993 c 287 § 8.]

**21.35.045 Transfer on death—Contract—Rights of creditors.** (1) A transfer on death resulting from a registra-

tion in beneficiary form is effective by reason of the contract regarding the registration between the owner and the registering entity and this chapter and is not testamentary.

(2) This chapter does not limit the rights of creditors of security owners against beneficiaries and other transferees under other laws of this state. [1993 c 287 § 9.]

**21.35.050 Registering entity—Terms and conditions—Forms authorized.** (1) A registering entity offering to accept registrations in beneficiary form may establish the terms and conditions under which it will receive requests (a) for registrations in beneficiary form, and (b) for implementation of registrations in beneficiary form, including requests for cancellation of previously registered TOD beneficiary designations and requests for reregistration to effect a change of beneficiary. The terms and conditions so established may provide for proving death, avoiding or resolving any problems concerning fractional shares, and designating beneficiaries. Other rules for providing proofs and assurances needed to satisfy reasonable concerns by registering entities regarding conditions and identities relevant to accurate implementation of registrations in beneficiary form may be contained in a registering entity's terms and conditions.

(2) The following are illustrations of registrations in beneficiary form that a registering entity may authorize:

(a) Sole owner-sole beneficiary: John S. Brown TOD (or POD) John S. Brown Jr.

(b) Multiple owners-sole beneficiary: John S. Brown Mary B. Brown JT TEN TOD John S. Brown Jr.

(c) Multiple owners-multiple beneficiaries: John S. Brown Mary B. Brown JT TEN TOD John S. Brown Jr. Peter Q. Brown. [1993 c 287 § 10.]

**21.35.900 Short title—Statutory construction.** (1) This chapter shall be known as and may be cited as the uniform TOD security registration act.

(2) This chapter shall be liberally construed and applied to promote its underlying purposes and policy and to make uniform the laws with respect to the subject of this chapter among states enacting it.

(3) Unless displaced by the particular provisions of this chapter, the principles of law and equity supplement the provisions of this chapter. [1993 c 287 § 11.]

**21.35.901 Application.** This chapter applies to registrations of securities in beneficiary form made before or after July 25, 1993, by decedents dying on or after July 25, 1993. [1993 c 287 § 12.]

