

so state. In the event that the notice of appeal does not so state, the department may, within ten days from the date of its receipt of the notice of appeal, file with the clerk of the board notice of its intention that the hearing be held pursuant to the administrative procedure act.

NEW SECTION. Sec. 51. There is added to chapter 83.24 RCW a new section to read as follows:

Any person aggrieved by the determination of the tax by the department of revenue pursuant to RCW 83.24.010 may file an appeal with the board of tax appeals as provided in RCW 82.03.190. A person not electing to appeal to the board of tax appeals may file a petition in superior court as provided in RCW 83.24.020.

NEW SECTION. Sec. 52. 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; shall take effect immediately; and shall be effective with respect to persons dying after the effective date of this act.

NEW SECTION. Sec. 53. If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 54. The following acts or parts of acts are each hereby repealed:

- (1) Section 83.04.050, chapter 15, Laws of 1961 and RCW 83.04.050;
- (2) Section 83.08.020, chapter 15, Laws of 1961 and RCW 83.08.020;
- (3) Section 83.08.030, chapter 15, Laws of 1961 and RCW 83.08.030;
- (4) Section 83.08.040, chapter 15, Laws of 1961 and RCW 83.08.040;
- (5) Section 1, chapter 11, Laws of 1963 ex. sess. and RCW 83.20.020;
- (6) Section 1, chapter 8, Laws of 1965 ex. sess., section 6, chapter 149, Laws of 1973 1st ex. sess., section 1, chapter 221, Laws of 1973 1st ex. sess. and RCW 83.20.030;
- (7) Section 2, chapter 221, Laws of 1973 1st ex. sess. and RCW 83.20.040; and
- (8) Section 83.44.020, chapter 15, Laws of 1961 and RCW 83.44.020.

Passed the Senate May 24, 1979.

Passed the House May 15, 1979.

Approved by the Governor May 29, 1979.

Filed in Office of Secretary of State May 29, 1979.

CHAPTER 210
[Substitute Senate Bill No. 2182]
GIFT TAXES

AN ACT Relating to gift taxes; adding a new chapter to Title 83 RCW; repealing section 83.56.005, chapter 15, Laws of 1961 and RCW 83.56.005; repealing section 83.56.010, chapter 15, Laws of 1961 and RCW 83.56.010; repealing section 83.56.020, chapter 15, Laws of 1961 and RCW 83.56.020; repealing section 83.56.030, chapter 15, Laws of 1961, section 2, chapter 274, Laws of 1969 ex. sess. and RCW 83.56.030; repealing section 83.56.040, chapter 15, Laws of 1961 and RCW 83.56.040; repealing section 83.56.050, chapter 15, Laws of 1961, section 1, chapter 67, Laws of 1965 ex. sess., section 69, chapter 292, Laws of 1971 ex. sess., section 1, chapter 146, Laws of 1973 1st ex. sess. and RCW 83.56.050; repealing section 83.56.060, chapter 15, Laws of 1961 and RCW 83.56.060; repealing section 83.56.070, chapter 15, Laws of 1961 and RCW 83.56.070; repealing section 83.56.080, chapter 15, Laws of 1961, section 125, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.080; repealing section 83.56.090, chapter 15, Laws of 1961, section 126, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.090; repealing section 83.56.100, chapter 15, Laws of 1961, section 127, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.100; repealing section 83.56.110, chapter 15, Laws of 1961, section 128, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.110; repealing section 83.56.120, chapter 15, Laws of 1961 and RCW 83.56.120; repealing section 83.56.130, chapter 15, Laws of 1961, section 129, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.130; repealing section 83.56.140, chapter 15, Laws of 1961, section 130, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.140; repealing section 83.56.150, chapter 15, Laws of 1961, section 131, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.150; repealing section 83.56.160, chapter 15, Laws of 1961, section 151, chapter 81, Laws of 1971 and RCW 83.56.160; repealing section 83.56.170, chapter 15, Laws of 1961, section 132, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.170; repealing section 83.56.180, chapter 15, Laws of 1961, section 133, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.180; repealing section 83.56.190, chapter 15, Laws of 1961 and RCW 83.56.190; repealing section 83.56.200, chapter 15, Laws of 1961, section 134, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.200; repealing section 83.56.210, chapter 15, Laws of 1961, section 135, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.210; repealing section 83.56.220, chapter 15, Laws of 1961, section 136, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.220; repealing section 83.56.230, chapter 15, Laws of 1961 and RCW 83.56.230; repealing section 83.56.240, chapter 15, Laws of 1961, section 137, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.240; repealing section 83.56.250, chapter 15, Laws of 1961, section 138, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.250; repealing section 83.56.270, chapter 15, Laws of 1961, section 139, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.270; repealing section 83.56.280, chapter 15, Laws of 1961, section 140, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.280; repealing section 83.56.290, chapter 15, Laws of 1961 and RCW 83.56.290; repealing section 83.56.300, chapter 15, Laws of 1961 and RCW 83.56.300; repealing section 83.56.310, chapter 15, Laws of 1961, section 141, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.310; repealing section 83.56.320, chapter 15, Laws of 1961, section 142, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.320; repealing section 83.56.900, chapter 15, Laws of 1961 and RCW 83.56.900; prescribing penalties; and prescribing an effective date.

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

NEW SECTION. Section 1. As used in this chapter:

(1) "Gift" means any voluntary transfer of property by an individual without adequate and full consideration in money or money's worth.

(2) "Donor" means any individual who makes a voluntary transfer of property without adequate and full consideration in money or money's worth.

(3) "Donee" means any beneficiary, whether a person or a body politic or corporate, to whom or for whose use or benefit a gift is made by a donor.

(4) "Department" means the department of revenue of the state of Washington.

(5) "Class A donee" means a donee who is:

- (a) Donor's lineal ancestor;
- (b) Donor's lineal descendant including stepchildren and their lineal descendants and adopted persons and their lineal descendants if, in the case of adopted persons, the decree of adoption was either (i) entered before the effective date of this act or before the eighteenth birthday of the adopted person or (ii) entered more than five years prior to the date of the gift if the decree of adoption was entered on or after the eighteenth birthday of the adopted person;
- (c) Donor's spouse; or
- (d) A spouse of a lineal descendant of the donor.
- (6) "Class B donee" is a donee who is a brother or sister of the donor, or a lineal descendant of a brother or sister of the donor.
- (7) "Class C donee" is a donee other than a class A donee or a class B donee.
- (8) "Taxable gift" is the total amount of gifts made during the calendar year less the annual exclusion provided for in section 4(1) of this act and less the deductions provided for in section 7 of this act.
- (9) "Calendar year" includes only the calendar year 1941 and succeeding calendar years, and in the case of the calendar year 1941, includes only the portion of the year after March 21, 1941.
- (10) "Preceding calendar years" means the calendar year 1941 and all calendar years intervening between the calendar year 1941 and the calendar year for which the tax is being computed.

NEW SECTION. Sec. 2. (1) For the calendar year, a tax, computed as provided in section 3 of this act, is hereby imposed on the privilege of transferring property by gift during the calendar year.

(2) The tax imposed by this section applies whether the transfer is in trust or otherwise, whether the gift is direct or indirect, and whether the property is real or personal, tangible or intangible. As to a donor residing in this state, the tax applies to the transfer by gift of all property except property, real or tangible personal, permanently located (having situs) outside this state. As to a nonresident donor, the tax applies only if the property is real or tangible personal, permanently located (having situs) within this state.

(3) This chapter does not apply to any transfer in trust or otherwise in which the donor, either alone or acting with any person who does not possess a substantial adverse interest in the property transferred, has retained the power to revest in the donor the property transferred or the rents, profits and issue thereof, but the relinquishment or termination of the power (other than the donor's death) shall be considered to be a transfer by the donor by gift of the property subject to the power. Any payment of the rents, profits, and issue of the property transferred to a beneficiary other than the donor shall be considered to be a transfer by the donor of the income by gift.

NEW SECTION. Sec. 3. (1) The tax imposed by section 2 of this act for each calendar year shall be an amount equal to:

(a) A tax computed in accordance with the rate schedules set forth in this section, on the aggregate sum of taxable gifts for the calendar year and for each of the preceding calendar years, less:

(b) A tax, computed in accordance with the following rate schedules, on the aggregate sum of the taxable gifts for each of the preceding calendar years.

(2) The tax on gifts to class A donees shall be the amount of tax computed at the following rates:

If taxable gifts are:	The tax is the sum of:
Up to an including \$25,000	1%
Over \$25,000, but not over \$50,000	2%
Over \$50,000, but not over \$75,000	3%
Over \$75,000, but not over \$100,000	4%
Over \$100,000, but not over \$200,000	7%
Over \$200,000, but not over \$500,000	9%
Over \$500,000	10%

(3) Forty thousand dollars of any amount passing to class A is exempt, and the exemption shall be computed by taking a five hundred fifty dollar credit against the total tax. The exemption shall be applied to that portion of the total amount passing to class A which is taxable at the lowest rates.

(4) The tax on gifts to class B donees shall be the amount of tax computed at the following rates:

If taxable gifts are:	The tax is the sum of:
Not over \$10,000	3%
Over \$10,000, but not over \$20,000	4%
Over \$20,000, but not over \$60,000	7%
Over \$60,000, but not over \$100,000	10%
Over \$100,000, but not over \$200,000	15%
Over \$200,000	20%

(5) The tax on gifts to class C donees shall be the amount of tax computed at the following rates:

If taxable gifts are:	The tax is the sum of:
Not over \$20,000	10%
Over \$20,000, but not over \$50,000	15%
Over \$50,000, but not over \$100,000	20%
Over \$100,000	25%

(6) Any gift of property or income therefrom passing in trust shall be classified in accordance with the relationship of the donor to the trust beneficiary.

NEW SECTION. Sec. 4. (1) In the case of gifts (other than gifts of future interests in property) made to any donee by the donor during the calendar year, the first three thousand dollars of the gifts to the donee shall not, for the purpose of this chapter, be included in the total amount of gifts made during the year.

(2) No part of a gift to an individual who has not attained the age of twenty-one years on the date of the transfer shall be considered a gift of a future interest in property for the purposes of subsection (1) of this section if the property and the income therefrom:

(a) May be expended by or for the benefit of the donee before his attaining the age of twenty-one years; and

(b) Will to the extent not so expended:

(i) pass to the donee on his attaining the age of twenty-one years; and

(ii) in the event the donee dies before attaining the age of twenty-one years, be payable to the estate of the donee, or as he may appoint under a general power of appointment.

NEW SECTION. Sec. 5. If the gift is made in property other than money, the amount thereof is its fair market value, less any encumbrance thereon at the time the gift is made. Where property is transferred for less than an adequate and full consideration in money or money's worth, the amount by which the value of the property exceeds the value of the consideration shall be deemed a gift and shall be included in computing the amount of gifts made during the calendar year. If the gift constitutes an annuity, a life estate, an estate for a term of years, a remainder, or a reversion, the value of the gift shall be computed in the same manner as provided by RCW 83.16.020.

NEW SECTION. Sec. 6. In case of (1) a transfer of community property, real or personal, tangible or intangible, by one spouse or by both spouses to a person other than a member of the community, or (2) a transfer of separate property, real or personal, tangible or intangible, by one spouse to a person other than the other spouse to which transfer the other spouse consents on the gift tax return of the donor, for the purpose of determining gift tax liability two gifts shall be deemed to have been made, one by each spouse and each for one-half of the whole value of the property transferred.

NEW SECTION. Sec. 7. In computing taxable gifts for any calendar year all gifts of property to or for the use of any of the following is exempt from gift tax:

(1) The United States of America;

(2) The state of Washington;

(3) A municipal or public corporation, school district, or any school or educational institution in this state supported by public funds in whole or in part;

(4) A trust, or a fraternal society, order, or association operating under the lodge system, exclusively for any religious, charitable, scientific, literary, educational, public or other like work, whether or not such work is to be carried on within this state; or

(5) A society, corporation, institution, organization or association exclusively engaged in or devoted to any religious, charitable, scientific, literary, educational, public, or other like work, no part of the net earnings of which inures to the benefit of any private stockholder or individual, whether or not it is organized under the laws of this state or engaged in this work in the state.

No exemption is allowed under this section for any portion of a gift which is directed and used for the payment of any federal estate or gift tax or state inheritance or gift tax.

NEW SECTION. Sec. 8. (1) Any donor who within the calendar year makes any transfer by gift (except those which are not to be included, as set forth in section 4 of this act) shall make a return on a form prescribed by the department, which form shall set forth the name and address of the donor, the name and address of the donee, a description of the gift, the method by which the gift is valued and, if the gift is real property, the assessed valuation of the real property at the time the gift is made, and such other information as the department might reasonably require. The return shall be filed with the department on or before April 15 of the year following the calendar year in which the gift is made.

(2) The tax imposed by this chapter shall be paid by the donor to the department on or before April 15 following the close of the calendar year in which the gift is made. All moneys paid to the department shall immediately be transmitted to the state treasurer and credited to the general fund.

(3) The department may require any person to make a return, render under oath such statements, or keep such records as the department may reasonably require to show whether such person is liable to tax under this chapter.

(4) The donor shall file with the department one copy of any corrected federal gift tax return setting forth the total amount of federal gift tax thereon, as finally determined by the federal government. A copy of the original federal gift tax return must be included with the corrected federal gift tax return when the latter is filed with the department.

(5) If by agreement of the donor and the federal government or by final determination in federal courts the value of any gift is increased above or decreased below the value originally reported for federal gift tax purposes, the corrected valuation shall be used for state gift tax purposes.

NEW SECTION. Sec. 9. (1) For purposes of this chapter, if a person disclaims an interest under chapter 11.86 RCW, this chapter shall apply with respect to the interest disclaimed as if the interest had never been transferred to the person.

(2) A person making a disclaimer shall provide the department with a copy of the disclaimer.

NEW SECTION. Sec. 10. (1) The exercise or nonexercise by an employee of an election or option whereby a payment will become payable to any beneficiary at or after the employee's death shall not be considered a transfer for gift tax purposes if the election or option is provided under:

(a) Any pension or retirement plan or system established for the benefit of its employees by the United States, by the state of Washington, or by any county, city, or other municipality or political subdivision of the state of Washington; or

(b) Any individual retirement account or any pension, profit-sharing, thrift, stock bonus, or similar trust or any retirement annuity contract established or purchased as part of or under a qualified benefit plan qualifying for income tax exemption under the Internal Revenue Code of 1954 of the United States.

(2) Any interest of the spouse of the employee covered by an account, plan, system, or retirement annuity contract as described in subsection (1) of this section as may become payable upon the death of the employee shall not be considered a transfer for gift tax purposes.

(3) In order for the gift to be exempt, the donor shall, upon request, provide to the inheritance tax division a certification from the employer, administrator, trustee, or custodian of the benefit plan that it is so qualified.

NEW SECTION. Sec. 11. There shall be no exemption or tax credit allowed where the donor was not a resident of a territory or state of the United States, the District of Columbia, or the Commonwealth of Puerto Rico and the property transferred is real property or tangible or intangible personal property, including certificates of stock, bonds, bills, notes, bank deposits, and other written evidence of intangible property which is physically situated within the state of Washington, or where the domicile of the debtor is in the state of Washington.

NEW SECTION. Sec. 12. (1) If the department determines that (a) a tax return of a donor is incorrect or (b) a donor has failed to file a return required under this chapter, the department shall send to the donor or his representative a computation letter in which the department sets forth its computation of the tax due and the method by which the tax is computed.

(2) At any time more than thirty days after the date of mailing the computation letter, the department may send its determination letter to the donor (and a copy to his representative, if any) in which the department sets forth its computation of tax due and the method by which the tax was computed, which letter may incorporate by reference the computation letter and any intervening letters from the department to the donor or his representative.

(3) If the donor disagrees with the statement of the tax due as set forth in the determination letter the donor may commence an action in the superior court within sixty days of the date of receipt of the determination letter (unless that sixty days is extended by written agreement) in the county in which the donor resides if a resident of this state or in Thurston county if not a resident of this state against the department in order to determine the tax liability and the amount thereof. Failure to commence the action within this period shall prohibit the donor from contesting the tax liability or the amount thereof in any subsequent proceeding of any nature or kind. The civil rules for superior court apply to these actions.

(4) If the donor fails to commence the action in superior court within the periods allowed in subsection (3) of this section, the amount set forth in the determination letter shall be conclusively presumed insofar as the donor is concerned to be the correct tax liability of the donor.

(5) The donor may waive the restrictions provided in this section on the assessment and collection of the whole or any part of the tax imposed by this chapter.

(6) At any time more than sixty days after the department has sent the determination letter to the donor but only within the time limit specified in section 15 of this act for sending a determination letter to the donor, the department may elect to enforce payment of the tax against the donee by sending its determination letter to the donee.

If the donee disagrees with the statement of the tax due as set forth in the determination letter the donee may commence an action in the superior court within sixty days of the date of the donee's receipt of the determination letter (unless that sixty days is extended by written agreement) in the county in which the donee resides if a resident of this state, or in Thurston county if not a resident of this state, against the department in order to determine the tax liability and the amount thereof. Failure to commence the action in superior court within this period shall prohibit the donee from contesting the tax liability or the amount thereof in any subsequent proceeding of any nature or kind. The civil rules for superior court apply to these actions.

(7) If the donee fails to commence the action within the periods allowed in subsection (6) of this section, the amount set forth in the determination letter shall be conclusively presumed, insofar as the donee is concerned, to be the correct tax liability of the donee.

(8) The donee may waive the restrictions provided in this section on the assessment and collection of the whole or any part of the tax imposed by this chapter.

(9) The burden of proving the date of receipt of the determination letter by either the donor or the donee shall be on the department.

NEW SECTION. Sec. 13. If the gift tax imposed by this chapter is not paid in full, the appeal period provided in section 12(3) of this act and, if

applicable, section 12(6) of this act has expired, and the amount of the tax liability is fixed, the department may file in the office of the clerk of the superior court of any county a notice of lien of tax against the donor and, if the department has elected to proceed against the donee under section 12(6) of this act, a notice of lien of tax against the donee; and thereupon the clerk shall enter in the judgment docket the name of the donor and, if applicable, the name of the donee, the amount of the tax due including interest to the date for which the lien is claimed and the date when the lien is filed. The lien shall have the same effect as a personal judgment and may be collected in the same manner as other judgments. Upon payment of the judgment in whole or in part the department shall satisfy the judgment to the extent so paid.

NEW SECTION. Sec. 14. Interest shall accrue upon any unpaid gift tax owed for the calendar year at the annual interest rate of eight percent, which interest shall commence on April 16 of the year following the year for which the gift tax liability was incurred. The department shall have no discretion to waive the imposition of any interest imposed by this chapter: **PROVIDED**, That in the event of litigation the court shall have the power to reduce or eliminate interest.

NEW SECTION. Sec. 15. The department shall mail the determination letter to the donor as provided in section 12(2) of this act as follows:

(1) If a return is timely filed, within three years after April 15 of the year the return is due;

(2) If a return is not timely filed, within three years of the date of filing of the return; or

(3) If no return has been filed, at any time after the return is due. No lien shall be filed nor shall any proceeding in court or otherwise be undertaken for the collection of the taxes unless the determination letter shall have been mailed as required by this section. The running of the statute of limitations provided in this subsection shall be suspended for the period during which the department is prohibited from action by any court of competent jurisdiction and for sixty days thereafter.

NEW SECTION. Sec. 16. (1) Where there has been an overpayment of the gift tax imposed by this chapter, the amount of the overpayment shall be credited against any gift tax then due from the person who paid the tax, and any balance shall be refunded by the state of Washington to the person who paid the tax.

(2) No credit or refund shall be allowed or made after two years from the time the tax is paid, from the date of notice of the completion of any federal audit concerning the gift, or from the date of notice of the completion of any state audit concerning the gift, whichever is latest, unless before the expiration of this period a written claim therefor is filed by the person entitled to the refund. The amount of the credit or refund shall not exceed

the portion of the tax paid during the three years immediately preceding the filing of the claim, or if no claim was filed, then during the three years immediately preceding the allowance of the credit or refund.

NEW SECTION. Sec. 17. In case of any failure to make and file a return required by this chapter within the time prescribed by law or by the department in pursuance of law, twenty-five percent of the tax shall be added to the tax, except that when a return is filed after this time and it is shown that the failure to file it was not due to wilful neglect, no addition shall be made to the tax. The amount so added to any tax shall be collected at the same time and in the same manner and as part of the tax unless the tax has been paid before the discovery of the neglect, in which case the amount so added shall be collected in the same manner as the tax.

NEW SECTION. Sec. 18. Every person who practices a fraud upon the state of Washington relating to the ascertainment, determination, or collection of any gift tax by misrepresentation or concealment of fact, whether as principal, agent, or accessory, either before or after the fact, shall be guilty of a gross misdemeanor.

NEW SECTION. Sec. 19. The department may prescribe needful rules and regulations in accordance with the provisions of the administrative procedure act, chapter 34.04 RCW.

NEW SECTION. Sec. 20. This chapter may be cited as the "Gift Tax Act of 1979".

NEW SECTION. Sec. 21. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 22. Sections 1 through 20 of this act shall constitute a new chapter in Title 83 RCW.

NEW SECTION. Sec. 23. The following acts or parts of acts are each repealed:

- (1) Section 83.56.005, chapter 15, Laws of 1961 and RCW 83.56.005;
- (2) Section 83.56.010, chapter 15, Laws of 1961 and RCW 83.56.010;
- (3) Section 83.56.020, chapter 15, Laws of 1961 and RCW 83.56.020;
- (4) Section 83.56.030, chapter 15, Laws of 1961, section 2, chapter 274, Laws of 1969 ex. sess. and RCW 83.56.030;
- (5) Section 83.56.040, chapter 15, Laws of 1961 and RCW 83.56.040;
- (6) Section 83.56.050, chapter 15, Laws of 1961, section 1, chapter 67, Laws of 1965 ex. sess., section 69, chapter 292, Laws of 1971 ex. sess., section 1, chapter 146, Laws of 1973 1st ex. sess. and RCW 83.56.050;
- (7) Section 83.56.060, chapter 15, Laws of 1961 and RCW 83.56.060;
- (8) Section 83.56.070, chapter 15, Laws of 1961 and RCW 83.56.070;

- (9) Section 83.56.080, chapter 15, Laws of 1961, section 125, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.080;
- (10) Section 83.56.090, chapter 15, Laws of 1961, section 126, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.090;
- (11) Section 83.56.100, chapter 15, Laws of 1961, section 127, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.100;
- (12) Section 83.56.110, chapter 15, Laws of 1961, section 128, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.110;
- (13) Section 83.56.120, chapter 15, Laws of 1961 and RCW 83.56.120;
- (14) Section 83.56.130, chapter 15, Laws of 1961, section 129, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.130;
- (15) Section 83.56.140, chapter 15, Laws of 1961, section 130, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.140;
- (16) Section 83.56.150, chapter 15, Laws of 1961, section 131, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.150;
- (17) Section 83.56.160, chapter 15, Laws of 1961, section 151, chapter 81, Laws of 1971 and RCW 83.56.160;
- (18) Section 83.56.170, chapter 15, Laws of 1961, section 132, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.170;
- (19) Section 83.56.180, chapter 15, Laws of 1961, section 133, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.180;
- (20) Section 83.56.190, chapter 15, Laws of 1961 and RCW 83.56.190;
- (21) Section 83.56.200, chapter 15, Laws of 1961, section 134, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.200;
- (22) Section 83.56.210, chapter 15, Laws of 1961, section 135, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.210;
- (23) Section 83.56.220, chapter 15, Laws of 1961, section 136, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.220;
- (24) Section 83.56.230, chapter 15, Laws of 1961 and RCW 83.56.230;
- (25) Section 83.56.240, chapter 15, Laws of 1961, section 137, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.240;
- (26) Section 83.56.250, chapter 15, Laws of 1961, section 138, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.250;
- (27) Section 83.56.270, chapter 15, Laws of 1961, section 139, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.270;
- (28) Section 83.56.280, chapter 15, Laws of 1961, section 140, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.280;
- (29) Section 83.56.290, chapter 15, Laws of 1961 and RCW 83.56.290;
- (30) Section 83.56.300, chapter 15, Laws of 1961 and RCW 83.56.300;
- (31) Section 83.56.310, chapter 15, Laws of 1961, section 141, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.310;
- (32) Section 83.56.320, chapter 15, Laws of 1961, section 142, chapter 278, Laws of 1975 1st ex. sess. and RCW 83.56.320; and
- (33) Section 83.56.900, chapter 15, Laws of 1961 and RCW 83.56.900.

NEW SECTION. Sec. 24. This act shall take effect January 1, 1980, and shall be effective with respect to gifts made after December 31, 1979. The administrative provisions of sections 1 through 20 of this act shall apply to collections of taxes due on gifts made before January 1, 1980.

Passed the Senate May 24, 1979.

Passed the House May 14, 1979.

Approved by the Governor May 29, 1979.

Filed in Office of Secretary of State May 29, 1979.

CHAPTER 211

[Engrossed Substitute Senate Bill No. 2336]

NURSING HOMES—RESIDENT CARE, OPERATING STANDARDS

AN ACT Relating to resident care and nursing homes; amending section 8, chapter 117, Laws of 1951 and RCW 18.51.070; amending section 11, chapter 117, Laws of 1951 as amended by section 1, chapter 85, Laws of 1971 ex. sess. and RCW 18.51.100; amending section 12, chapter 117, Laws of 1951 and RCW 18.51.110; amending section 1, chapter 244, Laws of 1977 ex. sess. and RCW 18.51.310; adding a new chapter to Title 74 RCW; adding a new section to chapter 18.51 RCW; repealing section 10, chapter 117, Laws of 1951, section 6, chapter 160, Laws of 1953, section 2, chapter 213, Laws of 1975 1st ex. sess. and RCW 18.51.090; prescribing penalties; providing an effective date; and declaring an emergency.

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

NEW SECTION. Section 1. Unless the context clearly requires otherwise, the definitions in this section apply throughout sections 1 through 62 of this act.

(1) "Department" means the department of social and health services and the department's employees.

(2) "Facility" refers to a nursing home as defined in RCW 18.51.010.

(3) "Licensed practical nurse" means a person licensed to practice practical nursing under chapter 18.78 RCW.

(4) "Medicaid" means Title XIX of the Social Security Act enacted by the social security amendments of 1965 (42 U.S.C. Sec. 1396; 79 Stat. 343), as amended.

(5) "Nursing care" means that care provided by a registered nurse, a licensed practical nurse, or a nursing assistant in the regular performance of their duties.

(6) "Qualified therapist" means:

(a) An activities specialist who has specialized education, training, or experience specified by the department.

(b) An audiologist who is eligible for a certificate of clinical competence in audiology or who has the equivalent education and clinical experience.

(c) A mental health professional as defined in chapter 71.05 RCW.

(d) A mental retardation professional who is a qualified therapist or a therapist approved by the department and has specialized training or one