

PART III

NEW SECTION. Sec. 301. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House April 22, 1989.

Passed the Senate April 14, 1989.

Approved by the Governor May 11, 1989, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 11, 1989.

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

"I am returning herewith, without my approval as to section 206, Substitute House Bill No. 1305 entitled:

"AN ACT Relating to public utility taxation."

Section 206 creates a new exemption to the public utility tax for electrical power purchased for resale. This exemption would create an unfair competitive advantage for firms which purchase electrical power and then resell it. Such power would be subject only to a B&O tax of 1.5% while other power in the state is subject to a public utility tax of 3.852%.

To our knowledge, only one firm would benefit from this exemption. The purpose of the exemption was to eliminate the double taxation of such electrical power. In this case, a firm purchases electrical power from a utility. The utility pays a public utility tax on such power of 3.852%. The firm which purchases the power then sells it to a subsidiary. Since the power is a sale by the firm, it is part of its gross receipts and subject to a 1.5% B&O tax. The firm argues that the public utility tax is unfair double taxation.

Unfortunately, double taxation is the rule with the B&O tax, not the exception. The B&O tax is a gross receipts tax which is imposed on gross income with no deductions. Since the firm is in business and sells the power, the value of the power is part of their gross receipts. What the firm in fact wants is a deduction for the costs of doing business. In effect, this is tax reform, but only for one firm not for everybody. The need for tax reform is real. This piecemeal revision of the tax code is not the appropriate way to address the shortcomings of the existing tax system.

Furthermore, no logical argument has been presented which would indicate that electrical power for resale should be exempt. Under this bill, the power purchased by the firm in this case would be subject to a B&O tax of only 1.5%. All other power sold for in-state use is subject to a public utility tax of 3.852%. There is no reason why this power should be taxed at a lower rate.

With the exception of section 206, Substitute House Bill No. 1305 is approved."

 CHAPTER 303

[Substitute Senate Bill No. 5147]

CREDIT SERVICES ORGANIZATIONS—DEFINITION AND BONDING
REQUIREMENTS

AN ACT Relating to credit service organizations; and amending RCW 19.134.010 and 19.134.020.

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

Sec. 1. Section 2, chapter 218, Laws of 1986 and RCW 19.134.010 are each amended to read as follows:

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; ((or))

(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) ((or)), (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; ((or))

(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.

Sec. 2. Section 3, chapter 218, Laws of 1986 and RCW 19.134.020 are each amended to read as follows:

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.

- Passed the Senate April 18, 1989.
- Passed the House April 13, 1989.
- Approved by the Governor May 11, 1989.
- Filed in Office of Secretary of State May 11, 1989.

CHAPTER 304

[Substitute Senate Bill No. 5048]

COUNCIL FOR THE PREVENTION OF CHILD ABUSE AND NEGLECT—
EXTENSION AND MEMBERSHIP

AN ACT Relating to prevention of child abuse and neglect; and amending RCW 36.18-.010, 43.131.319, 43.131.320, and 43.121.020.

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

Sec. 1. Section 36.18.010, chapter 4, Laws of 1963 as last amended by section 1, chapter 230, Laws of 1987 and RCW 36.18.010 are each amended to read as follows:

County auditors shall collect the following fees for their official services:

For recording instruments, for the first page, legal size (eight and one-half by thirteen inches or less), five dollars; for each additional legal size page, one dollar;

For preparing and certifying copies, for the first legal size page, three dollars; for each additional legal size page, one dollar;

For preparing noncertified copies, for each legal size page, one dollar;

For administering an oath or taking an affidavit, with or without seal, two dollars;

For issuing a marriage license, eight dollars, (this fee includes taking necessary affidavits, filing returns, indexing, and transmittal of a record of the marriage to the state registrar of vital statistics) plus an additional five-dollar fee for use and support of the prevention of child abuse and neglect activities to be transmitted monthly to the state treasurer and deposited in the state general fund, which five-dollar fee shall expire June 30, (~~1988~~) 1995, plus an additional ten-dollar fee to be transmitted monthly to the state treasurer and deposited in the state general fund. The legislature intends to appropriate an amount at least equal to the revenue generated by this fee for the purposes of the displaced homemaker act, chapter 28B.04 RCW;

For searching records per hour, eight dollars;

For recording plats, fifty cents for each lot except cemetery plats for which the charge shall be twenty-five cents per lot; also one dollar for each acknowledgment, dedication, and description: PROVIDED, That there shall be a minimum fee of twenty-five dollars per plat;