

fees and)) a grant and stipend to attend a state institution of higher education or an independent college or university as defined in RCW 28B.80.245 as provided under RCW 28A.03.523(3). The superintendent of public instruction shall award the educational grant as long as a written grant application is submitted to the superintendent of public instruction within one year after the award was received. The grant application shall identify the educational purpose toward which the educational grant shall be used.

NEW SECTION. Sec. 3. Section 6, chapter 147, Laws of 1986 and RCW 28B.15.547 are each repealed.

NEW SECTION. Sec. 4. If specific funding for the purposes of this act, referencing this act by bill number, is not provided by June 30, 1989, in the omnibus appropriations act, this act shall be null and void.

Passed the Senate March 14, 1989.

Passed the House April 6, 1989.

Approved by the Governor April 19, 1989.

Filed in Office of Secretary of State April 19, 1989.

CHAPTER 78

[Senate Bill No. 5580]

STATE AGENCIES—WRITE-OFF OF UNCOLLECTIBLE DEBTS

AN ACT Relating to agency write-offs of uncollectible accounts; amending RCW 50.24.200, 74.20A.220, 82.32.340, and 43.20B.030; and repealing RCW 43.20B.365 and 43.20B.625.

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

Sec. 1. Section 8, chapter 286, Laws of 1955 as amended by section 16, chapter 190, Laws of 1979 ex. sess. and RCW 50.24.200 are each amended to read as follows:

The commissioner may charge off as uncollectible and no longer an asset of the unemployment compensation fund or the administrative contingency fund, as the case may be, any delinquent contributions, interest((s)), penalties, credits, or benefit overpayments ((at any time after three years from the date of delinquency or service of notice of benefit overpayment;)) if the commissioner ((and the attorney general are)) is satisfied that there are no ((available and lawful means by which such)) cost-effective means of collecting the contributions, interest, penalties, credits, or benefit overpayments ((may thereafter be collected)).

Sec. 2. Section 22, chapter 164, Laws of 1971 ex. sess. as last amended by section 16, chapter 171, Laws of 1979 ex. sess. and RCW 74.20A.220 are each amended to read as follows:

Any support debt due the department from a responsible parent ((which the secretary deems uncollectible may be transferred from accounts

~~receivable to a suspense account)) may be written off and cease to be accounted as an asset~~~~((: PROVIDED, That at any time after six years from the date a support debt was incurred, the secretary may charge off as uncollectible any support debt upon which))~~ if the secretary finds there ((is no available, practical, or lawful means by which said debt may be collected)) are no cost-effective means of collecting the debt.

The department may accept offers of compromise of disputed claims or may grant partial or total charge-off of support arrears owed to the department up to the total amount of public assistance paid to or for the benefit of the persons for whom the support obligation was incurred. The department shall adopt rules as to the considerations to be made in the granting or denial of partial or total charge-off and offers of compromise of disputed claims of debt for support arrears.

The responsible parent owing a support debt may execute a written extension or waiver of any statute, including but not limited to RCW 4.56-.210, which may bar or impair the collection of the debt and the extension or waiver shall be effective according to its terms.

Sec. 3. Section 82.32.340, chapter 15, Laws of 1961 as last amended by section 1, chapter 414, Laws of 1985 and RCW 82.32.340 are each amended to read as follows:

(1) Any tax or penalty which the department of revenue deems to be uncollectible may be transferred from accounts receivable~~((subject to approval by the director of financial management;))~~ to a suspense account and cease to be accounted an asset. Any item transferred shall continue to be a debt due the state from the taxpayer and may at any time within twelve years from the filing of a warrant covering such amount with the clerk of the superior court be transferred back to accounts receivable for the purpose of collection. The department of revenue may charge off as finally uncollectible any tax or penalty which it deems uncollectible at any time after twelve years from the date that the last tax return for the delinquent taxpayer was or should have been filed if the department of revenue ~~((and the attorney general are))~~ is satisfied that there are no ~~((available and lawful means by which such tax or penalty may thereafter be collected))~~ cost-effective means of collecting the tax or penalty.

After any tax or penalty has been charged off as finally uncollectible under the provisions of this section, the department of revenue may destroy any or all files and records pertaining to the liability of any taxpayer for such tax or penalty.

The department of revenue, subject to the approval of the state records committee, may at the expiration of five years after the close of any taxable year, destroy any or all files and records pertaining to the tax liability of any taxpayer for such taxable year, who has fully paid all taxes, penalties and interest for such taxable year, or any preceding taxable year for which such taxes, penalties and interest have been fully paid. In the event that

such files and records are reproduced on film pursuant to RCW 40.20.020 for use in accordance with RCW 40.20.030, the original files and records may be destroyed immediately after reproduction and such reproductions may be destroyed at the expiration of the above five-year period, subject to the approval of the state records committee.

(2) Notwithstanding subsection (1) of this section (~~and subject to the approval of the office of financial management~~), the department may charge off any tax within its jurisdiction to collect that is owed by a taxpayer, including any penalty or interest thereon, (~~up to a maximum of one hundred dollars~~) if the department ascertains that the cost of collecting that tax would be greater than the total amount which is owed or likely in the near future to be owed by, and collectible from, the taxpayer.

Sec. 4. Section 2, chapter 91, Laws of 1965 ex. sess. as last amended by section 6, chapter 283, Laws of 1987 and RCW 43.20B.030 are each amended to read as follows:

Except as otherwise provided by law, there will be no collection of overpayments and other debts due the ~~((state))~~ department after the expiration of six years from the date of notice of such overpayment or other debt unless the department has commenced recovery action in a court of law or unless an administrative remedy authorized by statute is in place. However, any amount due in a case thus extended shall cease to be a debt due the ~~((state))~~ department at the expiration of ten years from the date of the notice of the ~~((underlying))~~ overpayment or other debt unless a court-ordered remedy would be in effect for a longer period.

The department, at any time, may accept offers of compromise of disputed claims or may grant partial or total write-off of ~~((overpayments or))~~ any debt((s)) due the ~~((state))~~ department if it is no longer cost-effective to pursue. The department shall adopt rules establishing the considerations to be made in the granting or denial of a partial or total write-off ~~((and offers of compromise of disputed claims for overpayments and debts due the state))~~ of debts.

NEW SECTION. Sec. 5. The following acts or parts of acts are each repealed:

(1) Section 71.02.400, chapter 25, Laws of 1959 and RCW 43.20B-.365; and

(2) Section 44, chapter 75, Laws of 1987 and RCW 43.20B.625.

Passed the Senate March 9, 1989.

Passed the House April 4, 1989.

Approved by the Governor April 19, 1989.

Filed in Office of Secretary of State April 19, 1989.