
SUBSTITUTE SENATE BILL 5296

State of Washington

60th Legislature

2007 Regular Session

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Kastama, Swecker, Rasmussen, Hobbs, Franklin and Kline)

READ FIRST TIME 02/22/07.

1 AN ACT Relating to establishing the emergency management,
2 preparedness, and assistance account; amending RCW 48.18.170 and
3 48.18.180; adding new sections to chapter 38.52 RCW; creating new
4 sections; and providing an effective date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The legislature finds that recent events,
7 including the 9/11 terrorist acts, the tsunami in southeast Asia,
8 Hurricanes Katrina and Rita in the gulf coast, outbreaks of avian flu,
9 and the earthquake in Pakistan, have demonstrated the need for a
10 coordinated, comprehensive all-hazards disaster plan involving
11 citizens, industry, local governments, and the state. Washington
12 state's topography, geography, location, and strategic and economic
13 interests place the state at particular risk from both natural
14 disasters and man-made disasters. In response, Washington state and
15 its local governments have implemented nationally recognized all-
16 hazards emergency management and disaster response plans. However,
17 recent studies have revealed the lack of a secure funding source for
18 resolving impediments to the ability of state and local programs to
19 integrate and coordinate comprehensive disaster preparedness. In

1 addition, local programs suffer disparities in funding and expertise,
2 leaving troublesome gaps in a well-coordinated statewide all-hazards
3 emergency management system.

4 Recognizing that all disasters are local disasters, the legislature
5 therefore intends to strengthen state and local emergency response,
6 mitigation, preparation, and coordination by establishing a stable
7 source of funding with the intent that Washington state become the
8 nationally recognized leader in emergency management. The funding will
9 be dedicated to the development and coordination of state and local
10 government emergency management programs by supporting joint training
11 exercises, citizen and industry coordination with emergency management
12 efforts, public education, and relationship building among local and
13 state emergency management officials.

14 NEW SECTION. **Sec. 2.** The emergency management, preparedness, and
15 assistance account is created in the state treasury. All receipts from
16 the surcharge authorized by section 3 of this act must be deposited
17 into the account. Moneys in the account may be spent only after
18 appropriation. Expenditures from the account may be used only as
19 provided in section 4 of this act.

20 NEW SECTION. **Sec. 3.** In order to provide funds for emergency
21 management, preparedness, and assistance, an annual surcharge of two
22 dollars per policy is imposed on every homeowner's, homeowner's for a
23 mobile home as defined in RCW 46.04.302, tenant homeowner's, and
24 condominium unit owner's insurance policy, and an annual four-dollar
25 surcharge is imposed on every commercial fire, commercial multiple
26 peril, and business owner's property insurance policy, issued or
27 renewed on or after the effective date of this section. The surcharge
28 must be paid by the policyholder to the insurer. The insurer shall
29 collect the surcharge and remit it to the department of revenue, which
30 shall collect, administer, audit, and enforce the surcharge under
31 chapter 82.32 RCW. The office of the insurance commissioner shall
32 provide to the department of revenue the information needed by the
33 department of revenue to collect the surcharge. The surcharge is not
34 to be considered premiums of the insurer and is not subject to premium
35 taxes, however, nonpayment of the surcharge by the insured may be a
36 valid reason for cancellation of the policy. The surcharge imposed on

1 policyholders under this section is not subject to retaliatory tax
2 provisions. All proceeds of the surcharge must be deposited in the
3 emergency management, preparedness, and assistance account and may not
4 be used to supplant existing local funding.

5 NEW SECTION. **Sec. 4.** (1)(a) The department must use twenty
6 percent of the funds appropriated from the emergency management,
7 preparedness, and assistance account for the department's
8 administration of this section, and to: Fund the assessment required
9 by section 5 of this act; fund state agency activities, including
10 military department activities, that develop and coordinate
11 comprehensive emergency management plans; train elected and appointed
12 state officials on state laws, disaster command and response
13 structures, and the roles and responsibilities of officials before,
14 during, and after a disaster; administer periodic joint emergency
15 management training exercises involving the military department and
16 other state agencies; and implement state agency projects that will
17 strengthen emergency response, mitigation, preparation, and
18 coordination.

19 (b) The department must allocate eighty percent of the funds
20 appropriated from the emergency management, preparedness, and
21 assistance account for grants to regional agencies, local governments,
22 tribal governments, regional incident management teams, and private
23 organizations to: Develop and coordinate comprehensive emergency
24 management plans; train elected and appointed officials on state laws,
25 ordinances, disaster command and response structures, and the roles and
26 responsibilities of officials before, during, and after a disaster;
27 administer periodic joint emergency management training exercises; and
28 implement projects that will strengthen emergency response, mitigation,
29 preparation, and coordination.

30 (2) Projects funded under this section must include, but need not
31 be limited to, projects that will promote neighborhood level public
32 education on disaster preparedness and recovery issues, situate all
33 weather radios in public buildings, enhance coordination of public
34 sector and private sector relief efforts, and improve the training and
35 operations capabilities of agencies assigned lead or support
36 responsibilities in the state comprehensive emergency management plan.

1 (3) Grant funding may also be used as seed money to establish a
2 dedicated, full-time emergency management director in every county that
3 does not have such a director as of the effective date of this section.

4 (4) The department shall establish criteria and procedures for
5 competitive allocation of these funds by rule. At a minimum, the rules
6 must:

7 (a) Establish preferential funding for projects and exercises
8 addressing needs and recommendations identified by the department in
9 the assessment conducted under section 5 of this act;

10 (b) Specify a formula that establishes a base grant allocation and
11 weighted factors for funds to be allocated over the base grant amount
12 for regional agencies, local governments, tribal governments, regional
13 incident management teams, and private organizations with existing
14 emergency management and preparedness programs that are located in a
15 part of the state where the risk of exposure to disasters is deemed by
16 the department to be particularly acute;

17 (c) Specify match requirements; and

18 (d) Include requirements that, at a minimum, a local emergency
19 management agency have: A comprehensive emergency management plan or
20 be a member of a joint local organization for emergency management; and
21 a local director who works at least forty hours a week in that
22 capacity, or have designated by ordinance or resolution an emergency
23 management coordinator who works at least fifteen hours a week in that
24 capacity.

25 (5) No more than five percent of any award made under subsection
26 (1)(b) of this section may be used for administrative expenses.

27 (6) The distribution formula provided in this section may be
28 adjusted proportionally when necessary to meet any matching
29 requirements imposed as a condition of receiving federal disaster
30 relief assistance or planning funds.

31 (7) Local governments receiving funds under this section may not
32 use the funds to supplant existing funding.

33 NEW SECTION. **Sec. 5.** Beginning in January 2009 and biennially
34 thereafter, the department shall conduct, in conjunction with the
35 emergency management council, a strategic assessment of, and issue a
36 report on, the ability of state, local, and tribal emergency management

1 organizations to effectively provide for all phases of comprehensive
2 emergency management. The assessment must:

3 (1) Evaluate state, local, and tribal emergency management
4 capabilities and needs;

5 (2) Evaluate the ability of state, local, and tribal emergency
6 management organizations to provide emergency management mitigation,
7 preparedness, response, and recovery;

8 (3) Evaluate the effectiveness of the emergency management
9 structure at the state, local, and tribal levels;

10 (4) Evaluate the coordination between state, local, and tribal
11 governments and private industries or organizations that provide basic
12 human safety and health needs including water, food, shelter, and
13 medical care;

14 (5) Provide findings and make recommendations that increase the
15 ability of state, local, and tribal emergency management organizations
16 to meet current and future risks; and

17 (6) Detail where and for what purpose funds under section 4(1)(b)
18 of this act have been distributed.

19 NEW SECTION. **Sec. 6.** The joint legislative audit and review
20 committee shall study and review the performance of programs
21 implemented under this act. The committee shall examine at least the
22 following factors: The number and type of joint exercises conducted
23 under section 4 of this act; the number of programs receiving grant
24 money and the status of those programs; the coordination of
25 comprehensive emergency management plans between state and local
26 jurisdictions; the number of training programs administered; the number
27 of comprehensive emergency management or safety plans created using
28 funds distributed under section 4 of this act; and the number of
29 emergency preparedness officials created and trained with funds
30 distributed under this act. The committee shall provide a final report
31 on this review by December 2009. Funds from the emergency management,
32 preparedness, and assistance account may be provided to the committee
33 for the purposes of conducting the study.

34 **Sec. 7.** RCW 48.18.170 and 1947 c 79 s .18.17 are each amended to
35 read as follows:

36 "Premium" as used in this code means all sums charged, received, or

1 deposited as consideration for an insurance contract or the continuance
2 thereof. Premium does not include the annual surcharge imposed under
3 section 3 of this act. Any assessment, or any "membership," "policy,"
4 "survey," "inspection," "service" or similar fee or charge made by the
5 insurer in consideration for an insurance contract is deemed part of
6 the premium.

7 **Sec. 8.** RCW 48.18.180 and 1994 c 203 s 2 are each amended to read
8 as follows:

9 (1) The premium stated in the policy shall be inclusive of all
10 fees, charges, premiums, or other consideration charged for the
11 insurance or for the procurement thereof.

12 (2) No insurer or its officer, employee, agent, solicitor, or other
13 representative shall charge or receive any fee, compensation, or
14 consideration for insurance which is not included in the premium
15 specified in the policy.

16 (3) Each violation of this section is a gross misdemeanor.

17 (4) This section does not apply to a fee paid to a broker by an
18 insured as provided in RCW 48.17.270.

19 (5) This section does not apply to the surcharge imposed under
20 section 3 of this act.

21 NEW SECTION. **Sec. 9.** Sections 2 through 5 of this act are each
22 added to chapter 38.52 RCW.

23 NEW SECTION. **Sec. 10.** Sections 4 through 6 of this act take
24 effect January 1, 2008.

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