## SENATE BILL 6413

State of Washington 60th Legislature 2008 Regular Session

By Senators Kohl-Welles, Keiser, Franklin, Murray, King, and Parlette Read first time 01/16/08. Referred to Committee on Labor, Commerce, Research & Development.

AN ACT Relating to making technical corrections to gender-based 1 2 amending 4.24.040, 9A.76.010, 11.28.090, terms; RCW 9A.08.010, 3 11.28.140, 14.12.010, 15.65.020, 18.64.011, 19.06.010, 19.210.010, 38.16.030, 4 38.04.020, 49.24.140, 49.24.150, 49.24.220, 62A.7-204, 5 62A.7-309, 69.04.009, 69.04.010, 69.04.024, 69.04.394, 69.04.396, 69.04.480, 6 70.87.200, 70.104.020, 69.41.010, 70.105.010, 77.55.011, 7 79A.05.600, 81.40.080, 81.48.050, 81.64.090, 82.75.010, 84.36.260, 35.07.140, 85.08.310, 35.07.090, 35.07.120, 8 35.07.130, 35.07.150, 9 35.07.170, 35.07.190, 35.07.200, 35.07.220, 35.13.171, 35.13A.090, 35.14.030, 35.14.060, 35.17.060, 35.17.070, 35.17.080, 35.17.150, 10 11 35.17.280, 35.18.010, 35.18.040, 35.18.050, 35.18.060, 35.18.070, 35.18.090, 35.18.110, 35.18.120, 35.18.150, 35.18.170, 12 35.18.130, 13 35.18.180, 35.18.190, 35.18.200, 35.18.280, 35.20.105, 35.20.131, 14 35.20.150, 35.20.170, 35.20.180, 35.20.190, 35.20.220, 35.20.240, 35.21.260, 35.22.280, 35.22.610, 15 35.21.850, 35.22.130, 35.22.210, 35.23.010, 35.23.111, 35.23.131, 35.23.144, 35.23.410, 35.23.440, 16 17 35.27.030, 35.27.050, 35.27.090, 35.27.120, 35.27.170, 35.27.190, 18 35.27.230, 35.27.280, 35.27.310, 35.27.330, 35.27.340, 35.32A.020, 19 35.32A.060, 35.33.011, 35.33.055, 35.33.135, 35.33.170, 35.36.010, 20 35.36.050, 35.36.060, 35.37.120, 35.38.050, 35.39.060, 35.44.190, 21 35.44.220, 35.44.270, 35.45.090, 35.45.130, 35.44.230, 35.45.080,

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     48.99.050, and 48.99.060; creating a new section; and repealing RCW
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     35.18.005 and 35A.01.080.
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31 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

32 PART I

33 **Sec. 1001.** RCW 4.24.040 and Code 1881 s 1226 are each amended to read as follows:

35 If any person shall for any lawful purpose kindle a fire upon his

- 1 or her own land, he or she shall do it at such time and in such manner,
- 2 and shall take such care of it to prevent it from spreading and doing
- damage to other persons' property, as a prudent and careful ((man))
- 4 person would do, and if he or she fails so to do he or she shall be
- 5 liable in an action on the case to any person suffering damage thereby
- 6 to the full amount of such damage.

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- 7 **Sec. 1002.** RCW 9A.08.010 and 1975 1st ex.s. c 260 s 9A.08.010 are 8 each amended to read as follows:
  - (1) Kinds of Culpability Defined.
- 10 (a) INTENT. A person acts with intent or intentionally when he <u>or</u>
  11 <u>she</u> acts with the objective or purpose to accomplish a result which
  12 constitutes a crime.
- 13 (b) KNOWLEDGE. A person knows or acts knowingly or with knowledge 14 when:
- 15 (i) he <u>or she</u> is aware of a fact, facts, or circumstances or result 16 described by a statute defining an offense; or
  - (ii) he <u>or she</u> has information which would lead a reasonable ((man)) <u>person</u> in the same situation to believe that facts exist which facts are described by a statute defining an offense.
  - (c) RECKLESSNESS. A person is reckless or acts recklessly when he or she knows of and disregards a substantial risk that a wrongful act may occur and his or her disregard of such substantial risk is a gross deviation from conduct that a reasonable ((man)) person would exercise in the same situation.
  - (d) CRIMINAL NEGLIGENCE. A person is criminally negligent or acts with criminal negligence when he <u>or she</u> fails to be aware of a substantial risk that a wrongful act may occur and his <u>or her</u> failure to be aware of such substantial risk constitutes a gross deviation from the standard of care that a reasonable  $((\frac{man}{man}))$  person would exercise in the same situation.
- 31 (2) Substitutes for Criminal Negligence, Recklessness, and 32 Knowledge. When a statute provides that criminal negligence suffices 33 to establish an element of an offense, such element also is established 34 if a person acts intentionally, knowingly, or recklessly. When 35 recklessness suffices to establish an element, such element also is 36 established if a person acts intentionally or knowingly. When acting

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1 knowingly suffices to establish an element, such element also is 2 established if a person acts intentionally.

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- (3) Culpability as Determinant of Grade of Offense. When the grade or degree of an offense depends on whether the offense is committed intentionally, knowingly, recklessly, or with criminal negligence, its grade or degree shall be the lowest for which the determinative kind of culpability is established with respect to any material element of the offense.
- 9 (4) Requirement of Wilfulness Satisfied by Acting Knowingly. A 10 requirement that an offense be committed wilfully is satisfied if a 11 person acts knowingly with respect to the material elements of the 12 offense, unless a purpose to impose further requirements plainly 13 appears.
- 14 **Sec. 1003.** RCW 9A.76.010 and 2001 c 264 s 4 are each amended to read as follows:
- The following definitions are applicable in this chapter unless the context otherwise requires:
  - (1) "Custody" means restraint pursuant to a lawful arrest or an order of a court, or any period of service on a work crew: PROVIDED, That custody pursuant to chapter 13.34 RCW and RCW 74.13.020 and 74.13.031 and chapter 13.32A RCW shall not be deemed custody for purposes of this chapter;
    - (2) "Detention facility" means any place used for the confinement of a person (a) arrested for, charged with or convicted of an offense, or (b) charged with being or adjudicated to be a juvenile offender as defined in RCW 13.40.020 as now existing or hereafter amended, or (c) held for extradition or as a material witness, or (d) otherwise confined pursuant to an order of a court, except an order under chapter 13.34 RCW or chapter 13.32A RCW, or (e) in any work release, furlough, or other such facility or program;
  - (3) "Contraband" means any article or thing which a person confined in a detention facility is prohibited from obtaining or possessing by statute, rule, regulation, or order of a court;
- 34 (4) "Uncontrollable circumstances" means an act of nature such as 35 a flood, earthquake, or fire, or a medical condition that requires 36 immediate hospitalization or treatment, or an act of ((man)) a human 37 being such as an automobile accident or threats of death, forcible

sexual attack, or substantial bodily injury in the immediate future for 1 2 which there is no time for a complaint to the authorities and no time or opportunity to resort to the courts. 3 4 **Sec. 1004.** RCW 11.28.090 and 1965 c 145 s 11.28.090 are each amended to read as follows: 5 6 Letters testamentary to be issued to executors under the provisions 7 of this chapter shall be signed by the clerk, and issued under the seal 8 of the court, and may be in the following form: 9 State of Washington, county of . . . . . . In the superior court of the county of . . . . . 10 11 Whereas, the last will of A B, deceased, was, on the . . . day 12 of . . . . . , A.D., . . . . , duly exhibited, proven, and recorded in our said superior court; and whereas, it appears in and by said will 13 14 that C D is appointed executor thereon, and, whereas, said C D has duly 15 qualified, now, therefore, know all ((men)) persons by these presents, that we do hereby authorize the said C D to execute said will according 16 17 to law. Witness my hand and the seal of said court this . . . day of 18 19 . . . . . . , A.D., 19. . . Sec. 1005. RCW 11.28.140 and 1965 c 145 s 11.28.140 are each 20 21 amended to read as follows: Letters of administration shall be signed by the clerk, and be 22 23 under the seal of the court, and may be substantially in the following 24 form: 25 State of Washington, County of . . . . . 26 Whereas, A.B., late of . . . . on or about the . . . day of . . . . A.D., . . . died intestate, leaving at the time of his or 27 28 <u>her</u> death, property in this state subject to administration: therefore, know all ((men)) persons by these presents, that we do 29 hereby appoint . . . . . . . administrator upon said estate, and 30

whereas said administrator has duly qualified, hereby authorize him or

Witness my hand and the seal of said court this . . . day of

her to administer the same according to law.

. . . . . A.D., 19. . .

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**Sec. 1006.** RCW 14.12.010 and 1945 c 174 s 1 are each amended to 2 read as follows:

As used in this chapter, unless the context otherwise requires:

- (1) "Airports" means any area of land or water designed and set aside for the landing and taking-off of aircraft and utilized or to be utilized in the interest of the public for such purposes.
- (2) "Airport hazard" means any structure or tree or use of land which obstructs the airspace required for the flight of aircraft in landing or taking-off at an airport or is otherwise hazardous to such landing or taking-off of aircraft.
- (3) "Airport hazard area" means any area of land or water upon which an airport hazard might be established if not prevented as provided in this chapter.
- (4) "Political subdivision" means any county, city, town, port district or other municipal or quasi municipal corporation authorized by law to acquire, own or operate an airport.
- 17 (5) "Person" means any individual, firm, copartnership, 18 corporation, company, association, joint stock association or body 19 politic, including the state and its political subdivisions, and 20 includes any trustee, receiver, assignee, or other similar 21 representative thereof.
- 22 (6) "Structure" means any object constructed or installed by 23 ((man)) a human being, including, but without limitation, buildings, 24 towers, smokestacks, and overhead transmission lines.
  - (7) "Tree" means any object of natural growth.
- **Sec. 1007.** RCW 15.65.020 and 2002 c 313 s 1 are each amended to read as follows:

The following terms are hereby defined:

(1) "Director" means the director of agriculture of the state of Washington or his or her duly appointed representative. The phrase "director or his or her designee" means the director unless, in the provisions of any marketing agreement or order, he or she has designated an administrator, board, or other designee to act in the matter designated, in which case "director or his or her designee" means for such order or agreement the administrator, board, or other person(s) so designated and not the director.

1 (2) "Department" means the department of agriculture of the state 2 of Washington.

- (3) "Marketing order" means an order adopted by the director under this chapter that establishes a commodity board for an agricultural commodity or agricultural commodities with like or common qualities or producers.
- (4) "Marketing agreement" means an agreement entered into and issued by the director pursuant to this chapter.
- (5) "Agricultural commodity" means any of the following commodities or products: Llamas, alpacas, or any other animal or any distinctive type of agricultural, horticultural, viticultural, floricultural, vegetable, or animal product, including, but not limited to, products qualifying as organic food products under chapter 15.86 RCW and private sector cultured aquatic products as defined in RCW 15.85.020 and other fish and fish products, either in its natural or processed state, including beehives containing bees and honey and Christmas trees but not including timber or timber products. The director is hereby authorized to determine (on the basis of common usage and practice) what kinds, types or sub-types should be classed together as an agricultural commodity for the purposes of this chapter.
- (6) "Production area" and "marketing area" means any area defined as such in any marketing order or agreement in accordance with RCW 15.65.350. "Affected area" means the marketing or production area so defined in such order, agreement or proposal.
- (7) "Unit" of an agricultural commodity means a unit of volume, weight, quantity, or other measure in which such commodity is commonly measured. The director shall designate in each marketing order and agreement the unit to be used therein.
- (8) "Affected unit" means in the case of marketing agreements and orders drawn on the basis of a production area, any unit of the commodity specified in or covered by such agreement or order which is produced in such area and sold or marketed or delivered for sale or marketing; and "affected unit" means, in the case of marketing agreements and orders drawn on the basis of marketing area, any unit of the commodity specified in or covered by such agreement or order which is stored in frozen condition or sold or marketed or delivered for sale or marketing within such marketing area: PROVIDED, That in the case of

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marketing agreements "affected unit" shall include only those units which are produced by producers or handled by handlers who have assented to such agreement.

- (9) "Affected commodity" means that part or portion of any agricultural commodity which is covered by or forms the subject matter of any marketing agreement or order or proposal, and includes all affected units thereof as herein defined and no others.
- (10) "Producer" means any person engaged in the business of producing any agricultural commodity for market in commercial quantities. "Affected producer" means any producer who is subject to a marketing order or agreement. "To produce" means to act as a producer. For the purposes of RCW 15.65.140 and 15.65.160 as now or hereafter amended "producer" shall include bailees who contract to produce or grow any agricultural product on behalf of a bailor who retains title to the seed and its resulting agricultural product or the agricultural product delivered for further production or increase.
- (11) "Handler" means any person who acts, either as principal, agent or otherwise, in processing, selling, marketing or distributing an agricultural commodity or storage of a frozen agricultural commodity which was not produced by him or her. "Handler" does not mean a common carrier used to transport an agricultural commodity. "Affected handler" means any handler of an affected commodity. "To handle" means to act as a handler.
- (12) "Producer-handler" means any person who acts both as a producer and as a handler with respect to any agricultural commodity. A producer-handler shall be deemed to be a producer with respect to the agricultural commodities which he or she produces, and a handler with respect to the agricultural commodities which he or she handles, including those produced by himself or herself.
- (13) "Cooperative association" means any incorporated or unincorporated association of producers which conforms to the qualifications set out in the act of congress of the United States of February 18, 1922 as amended, known as the "Capper-Volstead Act" and which is engaged in making collective sales or in marketing any agricultural commodity or product thereof or in rendering service for or advancing the interests of the producers of such commodity on a nonprofit cooperative basis.

(14) "Member of a cooperative association" means any producer who markets his or her product through such cooperative association and who is a voting stockholder of or has a vote in the control of or is a party to a marketing agreement with such cooperative association with respect to such product.

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- (15) "Producer marketing" or "marketed by producers" means any or all operations performed by any producer or cooperative association of producers in preparing for market and marketing, and shall include:

  (a) selling any agricultural commodity produced by such producer(s) to any handler; (b) delivering any such commodity or otherwise disposing of it for commercial purposes to or through any handler.
- (16) "Commercial quantities" as applied to producers and/or production means such quantities per year (or other period of time) of an agricultural commodity as the director finds are not less than the minimum which a prudent ((man)) person engaged in agricultural production would produce for the purpose of making such quantity of such commodity a substantial contribution to the economic operation of the farm on which such commodity is produced. "Commercial quantities" as applied to handlers and/or handling means such quantities per year (or other period of time) of an agricultural commodity or product thereof as the director finds are not less than the minimum which a prudent ((man)) person engaged in such handling would handle for the purpose of making such quantity a substantial contribution to the handling operation in which such commodity or product thereof is so In either case the director may in his or her discretion: handled. (a) Determine that substantial quantity is any amount above zero; and (b) apply the quantity so determined on a uniform rule applicable alike to all persons which he or she finds to be similarly situated.
- 29 (17) "Commodity board" means any board established pursuant to RCW 30 15.65.220. "Board" means any such commodity board unless a different 31 board is expressly specified.
  - (18) "Sell" includes offer for sale, expose for sale, have in possession for sale, exchange, barter or trade.
  - (19) "Section" means a section of this chapter unless some other statute is specifically mentioned. The present includes the past and future tenses, and the past or future the present. The masculine gender includes the feminine and neuter. The singular number includes the plural and the plural includes the singular.

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(20) "Represented in a referendum" means that a written document evidencing approval or assent or disapproval or dissent is duly and timely filed with or mailed to the director by or on behalf of an affected producer and/or a volume of production of an affected commodity in a form which the director finds meets the requirements of this chapter. "Referendum" means a vote by the affected parties or affected producers which is conducted by secret ballot.

- (21) "Person" means any individual, firm, corporation, limited liability company, trust, association, partnership, society, or any other organization of individuals, or any unit or agency of local, state, or federal government.
- (22) "Affected parties" means any producer, affected producer, handler, or commodity board member.
  - (23) "Assessment" means the monetary amount established in a marketing order or agreement that is to be paid by each affected producer to a commodity board in accordance with the schedule established in the marketing order or agreement.
  - (24) "List of affected parties" means a list containing the names and mailing addresses of affected parties. This list shall contain the names and addresses of all affected parties and, if requested by the director, the amount, by unit, of the affected commodity produced during a designated period under this chapter.
  - (25) "List of affected producers" means a list containing the names and mailing addresses of affected producers. This list shall contain the names and addresses of all affected producers and, if requested by the director, the amount, by unit, of the affected commodity produced during a designated period under this chapter.
  - (26) "List of affected handlers" means a list containing the names and addresses of affected handlers. This list shall contain the names and addresses of all affected handlers and, if requested by the director, the amount, by unit, of the affected commodity handled during a designated period under this chapter.
- (27) "Mail" or "send" for purposes of any notice relating to rule making, referenda, or elections means regular mail or electronic distribution, as provided in RCW 34.05.260 for rule making. "Electronic distribution" or "electronically" means distribution by electronic mail or facsimile mail.

- 1 (28) "Percent by numbers" means the percent of those persons on the 2 list of affected parties or affected producers.
- 3 (29) "Rule-making proceedings" means the rule-making provisions as outlined in chapter 34.05 RCW.
- 5 (30) "Vacancy" means that a board member leaves or is removed from 6 a board position prior to the end of a term, or a nomination process 7 for the beginning of a term concludes with no candidates for a 8 position.
- 9 (31) "Volume of production" means the percent of the average volume 10 of production of the affected commodity of those on the list of 11 affected parties or affected producers for a production period. For 12 the purposes of this chapter, a production period is a minimum three-13 year period or as specified in the marketing order or agreement.
- 14 Sec. 1008. RCW 18.64.011 and 1997 c 129 s 1 are each amended to read as follows:
- 16 Unless the context clearly requires otherwise, definitions of terms 17 shall be as indicated when used in this chapter.
- 18 (1) "Person" means an individual, corporation, government, 19 governmental subdivision or agency, business trust, estate, trust, 20 partnership or association, or any other legal entity.
  - (2) "Board" means the Washington state board of pharmacy.
- 22 (3) "Drugs" means:

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- 23 (a) Articles recognized in the official United States pharmacopoeia 24 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)) human beings or other animals;
- (c) Substances (other than food) intended to affect the structure or any function of the body of ((man)) human beings or other animals; or
- 31 (d) Substances intended for use as a component of any substances 32 specified in (a), (b), or (c) of this subsection, but not including 33 devices or their component parts or accessories.
- 34 (4) "Device" means instruments, apparatus, and contrivances, 35 including their components, parts, and accessories, intended (a) for 36 use in the diagnosis, cure, mitigation, treatment, or prevention of

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disease in ((man)) <u>human beings</u> or other animals, or (b) to affect the structure or any function of the body of ((man)) <u>human beings</u> 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)) human beings.

- (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.

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- 1 (23) "Administer" means the direct application of a drug or device, 2 whether by injection, inhalation, ingestion, or any other means, to the 3 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.

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- 10 (26) "Secretary" means the secretary of health or the secretary's 11 designee.
- 12 (27) "Health care entity" means an organization that provides 13 health care services in a setting that is not otherwise licensed by the 14 state. Health care entity includes a free-standing outpatient surgery 15 center or a free-standing cardiac care center. It does not include an 16 individual practitioner's office or a multipractitioner clinic.
- 17 **Sec. 1009.** RCW 19.06.010 and 1961 c 56 s 1 are each amended to 18 read as follows:

19 Products made by blind persons and sold or distributed in this state as blind made may bear a label affixed directly to the product 20 21 reading "MADE BY THE BLIND" and shall show the distributor's or manufacturer's name. Any product bearing such label shall have been 22 made by blind people to the extent of at least seventy-five percent of 23 24 the ((man)) <u>labor</u> hours required for its manufacture. No other label, trade name or sales device tending to create the impression that a 25 26 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 27 28 made by blind people to the extent of at least seventy-five percent of 29 the ((man)) <u>labor</u> hours required for its manufacture.

- 30 **Sec. 1010.** RCW 19.210.010 and 2001 c 160 s 1 are each amended to read as follows:
- The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- 34 (1)(a) "Unused property market" means any event:
- 35 (i) At which two or more persons offer personal property for sale 36 or exchange and at which (A) these persons are charged a fee for sale

or exchange of personal property or (B) prospective buyers are charged a fee for admission to the area at which personal property is offered or displayed for sale or exchange; or

- (ii) Regardless of the number of persons offering or displaying personal property or the absence of fees, at which personal property is offered or displayed for sale or exchange if the event is held more than six times in any twelve-month period.
- (b) "Unused property market" is interchangeable with and applicable to swap meet, indoor swap meet, flea market, or other similar terms, regardless of whether these events are held inside a building or outside in the open. The primary characteristic is that these activities involve a series of sales sufficient in number, scope, and character to constitute a regular course of business.
  - (c) "Unused property market" does not include:

- (i) An event that is organized for the exclusive benefit of any community chest, fund, foundation, association, or corporation organized and operated for religious, educational, or charitable purposes, provided that no part of any admission fee or parking fee charged vendors or prospective purchasers or the gross receipts or net earnings from the sale or exchange of personal property, whether in the form of a percentage of the receipts or earnings, as salary, or otherwise, inures to the benefit of any private shareholder or person participating in the organization or conduct of the event; or
- (ii) An event at which all of the personal property offered for sale or displayed is new, and all persons selling or exchanging personal property, or offering or displaying personal property for sale or exchange, are manufacturers or authorized representatives of manufacturers or distributors.
- (2) "Unused property merchant" means any person, other than a vendor or merchant with an established retail store in the county, who transports an inventory of goods to a building, vacant lot, or other unused property market location and who, at that location, displays the goods for sale and sells the goods at retail or offers the goods for sale at retail, except a person who offers five or fewer items of the same new and unused merchandise for sale or exchange at an unused property market.
  - (3) "Baby food" or "infant formula" means any food manufactured,

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packaged, and labeled specifically for sale for consumption by a child under the age of two years.

- (4) "Nonprescription drug," which may also be referred to as an over-the-counter drug, means any nonnarcotic medicine or drug that may be sold without a prescription and is prepackaged for use by the consumer, prepared by the manufacturer or producer for use by the consumer, and required to be properly labeled and unadulterated in accordance with the requirements of the state food and drug laws and the federal food, drug, and cosmetic act. "Nonprescription drug" does not include herbal products, dietary supplements, botanical extracts, or vitamins.
- (5) "Medical device" means any instrument, apparatus, implement, machine, contrivance, implant, in vitro reagent, tool, or other similar or related article, including any component part or accessory, which is required under federal law to bear the label "caution: federal law requires dispensing by or on the order of a physician"; or which is defined by federal law as a medical device and is intended for use in the diagnosis of disease or other conditions or in the cure, mitigation, treatment, or prevention of disease in ((man)) human beings or animals or is intended to affect the structure or any function of the body of ((man)) human beings or animals, which does not achieve any of its principal intended purposes through chemical action within or on the body of ((man)) human beings or animals and which is not dependent upon being metabolized for achievement of any of its principal intended purposes.
- **Sec. 1011.** RCW 38.04.020 and 1989 c 19 s 2 are each amended to read as follows:

Whenever used in this title, the word "officer" shall be understood to designate commissioned and warrant officers, and the words (("enlisted men" or)) "enlisted persons" shall be understood to designate members of the organized militia of Washington other than commissioned or warrant officers. The convictions and punishments mentioned unless otherwise specifically designated, shall be understood to be respectively convictions and punishments by military courts.

**Sec. 1012.** RCW 38.16.030 and 1991 c 43 s 3 are each amended to read as follows:

The inactive national guard of this state shall respectively be organized by the governor in regulations in conformance with the laws, rules and regulations of the United States. It shall consist of such organizations, officers and enlisted ((men)) persons as the governor shall prescribe. No commissioned officer shall be transferred or furloughed to the inactive national guard without the officer's written consent, except as otherwise expressly provided by law. Any officer of the inactive national guard may be restored to the active list by order of the governor, subject to the same examination as in the case of an original appointment to his or her rank, and in such event his or her service in the inactive national guard shall not be counted in computing total length of service for relative seniority.

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- 13 **Sec. 1013.** RCW 49.24.140 and 1941 c 194 s 7 are each amended to 14 read as follows:
  - (1) Each bulkhead in tunnels of twelve feet or more in diameter or equivalent area, shall have at least two locks in perfect working condition, one of which shall be used as ((a man)) an air lock. An additional lock for use in case of emergency shall be held in reserve.
  - (2) The ((man)) <u>air</u> lock shall be large enough so that those using it are not compelled to be in a cramped position, and shall not be less than five feet in height. Emergency locks shall be large enough to hold an entire heading shift.
- 23 (3) All locks used for decompression shall be lighted by 24 electricity and shall contain a pressure gauge, a time piece, a glass 25 "bull's eye" in each door or in each end, and shall also have 26 facilities for heating.
- 27 (4) Valves shall be so arranged that the locks can be operated both 28 from within and from without.
- 29 **Sec. 1014.** RCW 49.24.150 and 1941 c 194 s 8 are each amended to 30 read as follows:
- When locking explosives and detonators into the air chamber, they shall be kept at opposite ends of the lock. While explosives and detonators are being taken through, no ((men)) persons other than the lock tender and the carriers shall be permitted in the lock.

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1 **Sec. 1015.** RCW 49.24.220 and 1941 c 194 s 15 are each amended to read as follows:

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- (1) No greater quantity of explosives than that which is required for immediate use shall be taken into the working chamber.
  - (2) Explosives shall be conveyed in a suitable covered wooden box.
  - (3) Detonators shall be conveyed in a separate covered wooden box.
- 7 (4) Explosives and detonators shall be taken separately into the 8 caissons.
  - (5) After blasting is completed, all explosives and detonators shall be returned at once to the magazine.
  - (6) No naked light shall be used in the vicinity of open chests or magazines containing explosives, nor near where a charge is being primed.
- 14 (7) No tools or other articles shall be carried with the explosives 15 or with the detonators.
  - (8) All power lines and electric light wires shall be disconnected at a point outside the blasting switch before the loading of holes. No current by grounding of power or bonded rails shall be allowed beyond blasting switch after explosives are taken in preparatory to blasting, and under no circumstances shall grounded current be used for exploding blasts.
- (9) Before drilling is commenced on any shift, all remaining holes shall be examined with a wooden stick for unexploded charges or cartridges, and if any are found, same shall be refired before work proceeds.
  - (10) No person shall be allowed to deepen holes that have previously contained explosives.
  - (11) All wires in broken rock shall be carefully traced and search made for unexploded cartridges.
  - (12) Whenever blasting is being done in a tunnel, at points liable to break through to where other ((men)) persons are at work, the  $((foreman \ or))$  person in charge shall, before any holes are loaded, give warning of danger to all persons that may be working where the blasts may break through, and he or she shall not allow any holes to be charged until warning is acknowledged and ((men)) persons are removed.
- 36 (13) Blasters when testing circuit through charged holes shall use 37 sufficient leading wires to be at a safe distance and shall use only

approved types of galvanometers. No tests of circuits in charged holes shall be made until ((men)) persons are removed to safe distance.

- 3 (14) No blasts shall be fired with fuse, except electrically 4 ignited fuse, in vertical or steep shafts.
  - (15) In shaft sinking where the electric current is used for firing, a separate switch not controlling any electric lights must be used for blasting and proper safeguard similar to those in tunnels must be followed in order to insure against premature firing.
- **Sec. 1016.** RCW 62A.7-204 and 1981 c 13 s 1 are each amended to 10 read as follows:
  - (1) A ((warehouseman)) warehouse worker is liable for damages for loss of or injury to the goods caused by his <u>or her</u> failure to exercise such care in regard to them as a reasonably careful ((man)) <u>person</u> would exercise under like circumstances but unless otherwise agreed he <u>or she</u> is not liable for damages which could not have been avoided by the exercise of such care.
  - (2) Damages may be limited by a term in the warehouse receipt or storage agreement limiting the amount of liability in case of loss or damage, and setting forth a specific liability per article or item, or value per unit of weight, beyond which the ((warehouseman)) warehouse worker shall not be liable; provided, however, that such liability may on written request of the bailor at the time of signing such storage agreement or within a reasonable time after receipt of the warehouse receipt be increased on part or all of the goods thereunder, in which event increased rates may be charged based on such increased valuation, but that no such increase shall be permitted contrary to a lawful limitation of liability contained in the ((warehouseman's)) warehouse worker's tariff, if any. No such limitation is effective with respect to the ((warehouseman's)) warehouse worker's liability for conversion to his or her own use.
  - (3) Reasonable provisions as to the time and manner of presenting claims and instituting actions based on the bailment may be included in the warehouse receipt or tariff.
- 34 (4) This section does not impair or repeal the duties of care or 35 liabilities or penalties for breach thereof as provided in chapters 36 22.09 and 22.32 RCW.

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**Sec. 1017.** RCW 62A.7-309 and 1965 ex.s. c 157 s 7-309 are each 1 2 amended to read as follows:

Save as otherwise provided in RCW 81.29.010 and 81.29.020

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- (1) A carrier who issues a bill of lading whether negotiable or non-negotiable must exercise the degree of care in relation to the goods which a reasonably careful ((man)) person would exercise under like circumstances.
- (2) Damages may be limited by a provision that the carrier's liability shall not exceed a value stated in the document if the carrier's rates are dependent upon value and the consignor by the carrier's tariff is afforded an opportunity to declare a higher value or a value as lawfully provided in the tariff, or where no tariff is filed he or she is otherwise advised of such opportunity; but no such limitation is effective with respect to the carrier's liability for conversion to its own use.
- 16 (3) Reasonable provisions as to the time and manner of presenting 17 claims and instituting actions based on the shipment may be included in 18 a bill of lading or tariff.
- 19 Sec. 1018. RCW 69.04.009 and 1945 c 257 s 10 are each amended to read as follows: 20

The term "drug" means (1) articles recognized in the official United States pharmacopoeia, official homeopathic pharmacopoeia of the 23 United States, or official national formulary, or any supplement to any 24 of them; and (2) articles intended for use in the diagnosis, cure, 25 mitigation, treatment, or prevention of disease in ((man)) human beings 26 or other animals; and (3) articles (other than food) intended to affect 27 the structure or any function of the body of ((man)) human beings or other animals; and (4) articles intended for use as a component of any 28 29 article specified in clause (1), (2), or (3); but does not include 30 devices or their components, parts, or accessories.

31 **Sec. 1019.** RCW 69.04.010 and 1945 c 257 s 11 are each amended to read as follows: 32

The term "device" (except when used in RCW 69.04.016 and in RCW 33 69.04.040(10), 69.04.270, 69.04.690, and in RCW 69.04.470 as used in 34 35 the sentence "(as compared with other words, statements, designs, or 36 devices, in the labeling)") means instruments, apparatus, and

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- 1 contrivances, including their components, parts and accessories,
- 2 intended (1) for use in the diagnosis, cure, mitigation, treatment, or
- 3 prevention of disease in ((man)) <u>human beings</u> or other animals; or (2)
- 4 to affect the structure or any function of the body of ((man)) human
- 5 <u>beings</u> or other animals.

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- 6 **Sec. 1020.** RCW 69.04.024 and 1963 c 198 s 11 are each amended to read as follows:
- (1) The term "food additive" means any substance the intended use 8 9 of which results or may reasonably be expected to result, directly or indirectly, in its becoming a component or otherwise affecting the 10 11 characteristics of any food (including any substance intended for use 12 in producing, manufacturing, packing, processing, preparing, treating, packaging, transporting, or holding food; and including any source of 13 radiation intended for any such use), if such substance generally is 14 15 recognized, among experts qualified by scientific training and 16 experience to evaluate its safety, as having been adequately shown through scientific procedures (or, in the case of a substance used in 17 food prior to January 1, 1958; through either scientific procedures or 18 experience based on common use in food) to be unsafe under the 19 20 conditions of its intended use; except that such term does not include; 21 (a) a pesticide chemical in or on a raw agricultural commodity; or (b) a pesticide chemical to the extent that it is intended for use or is 22 23 in the production, storage, or transportation of any raw 24 agricultural commodity; or (c) a color additive.
- 25 (2) The term "safe" as used in the food additive definition has 26 reference to the health of ((man)) human beings or animals.
- 27 **Sec. 1021.** RCW 69.04.394 and 1975 1st ex.s. c 7 s 27 are each 28 amended to read as follows:
  - (1) A food additive shall, with respect to any particular use or intended use of such additives, be deemed unsafe for the purpose of the application of clause (2)(c) of RCW 69.04.210, unless:
  - (a) It and its use or intended use conform to the terms of an exemption granted, pursuant to a regulation under subsection (2) hereof providing for the exemption from the requirements of this section for any food additive, and any food bearing or containing such additive,

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intended solely for investigational use by qualified experts when in the director's opinion such exemption is consistent with the public health; or

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(b) There is in effect, and it and its use or intended use are in conformity with a regulation issued or effective under subsection (2) hereof prescribing the conditions under which such additive may be safely used.

While such a regulation relating to a food additive is in effect, a food shall not, by reason of bearing or containing such an additive in accordance with the regulation, be considered adulterated within the meaning of clause (1) of RCW 69.04.210.

- (2) The regulations promulgated under section 409 of the Federal Food, Drug and Cosmetic Act, as of July 1, 1975, prescribing the conditions under which such food additive may be safely used, are hereby adopted as the regulations applicable to this chapter: PROVIDED, That the director is hereby authorized to adopt by regulation any new or future amendments to the federal regulations. The director is also authorized to issue regulations in the absence of federal regulations and to prescribe the conditions under which a food additive may be safely used and exemptions where such food additive is to be used solely for investigational purposes; either upon his or her own motion or upon the petition of any interested party requesting that such a regulation be established. It shall be incumbent upon such petitioner to establish, by data submitted to the director, that a necessity exists for such regulation and that the effect of such a regulation will not be detrimental to the public health. If the data furnished by the petitioner is not sufficient to allow the director to determine whether such a regulation should be promulgated, the director may require additional data to be submitted and failure to comply with this request shall be sufficient grounds to deny the request of the petitioner for the issuance of such a regulation.
- (3) In adopting any new or amended regulations pursuant to this section, the director shall give appropriate consideration, among other relevant factors, to the following: (a) The purpose of this chapter being to promote uniformity of state legislation with the federal act; (b) the probable consumption of the additive and of any substance formed in or on food because of the use of the additive; (c) the cumulative effect of such additive in the diet of ((man)) human beings

or animals, taking into account any chemically or pharmacologically related substance or substances in such diet; and (d) safety factors which in the opinion of experts qualified by scientific training and experience to evaluate the safety of food additives are generally recognized as appropriate for the use of animal experimentation data.

**Sec. 1022.** RCW 69.04.396 and 1975 1st ex.s. c 7 s 28 are each 7 amended to read as follows:

- (1) A color additive shall, with respect to any particular use (for which it is being used or intended to be used or is represented as suitable) in or on food, be deemed unsafe for the purpose of the application of RCW 69.04.231, unless:
- (a) There is in effect, and such color additive and such use are in conformity with, a regulation issued under this section listing such additive for such use, including any provision of such regulation prescribing the conditions under which such additive may be safely used;
- (b) Such additive and such use thereof conform to the terms of an exemption for experimental use which is in effect pursuant to regulation under this section.

While there are in effect regulations under this section relating to a color additive or an exemption with respect to such additive a food shall not, by reason of bearing or containing such additive in all respects in accordance with such regulations or such exemption, be considered adulterated within the meaning of clause (1) of RCW 69.04.210.

(2) The regulations promulgated under section 706 of the Federal Food, Drug and Cosmetic Act, as of July 1, 1975, prescribing the use or limited use of such color additive, are hereby adopted as the regulations applicable to this chapter: PROVIDED, That the director is hereby authorized to adopt by regulation any new or future amendments to the federal regulations. The director is also authorized to issue regulations in the absence of federal regulations and to prescribe therein the conditions under which a color additive may be safely used including exemptions for experimental purposes. Such a regulation may be issued either upon the director's own motion or upon the petition of any interested party requesting that such a regulation be established. It shall be incumbent upon such petitioner to establish, by data

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submitted to the director, that a necessity exists for such regulation and that the effect of such a regulation will not be detrimental to the public health. If the data furnished by the petitioner is not sufficient to allow the director to determine whether such a regulation should be promulgated, the director may require additional data to be submitted and failure to comply with this request shall be sufficient grounds to deny the request of the petitioner for the issuance of such a regulation.

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(3) In adopting any new or amended regulations pursuant to this section, the director shall give appropriate consideration, among other relevant factors, to the following: (a) The purpose of this chapter being to promote uniformity of state legislation with the federal act; (b) the probable consumption of, or other relevant exposure from, the additive and of any substance formed in or on food because of the use of the additive; (c) the cumulative effect, if any, of such additive in the diet of ((man)) human beings or animals, taking into account the same or any chemically or pharmacologically related substance or substances in such diet; (d) safety factors which, in the opinion of experts qualified by scientific training and experience to evaluate the safety of color additives for the use or uses for which the additive is proposed to be listed, are generally recognized as appropriate for the use of animal experimentation data; (e) the availability of any needed practicable methods of analysis for determining the identity and quantity of (i) the pure dye and all intermediates and other impurities contained in such color additives, (ii) such additive in or on any article of food, and (iii) any substance formed in or on such article because of the use of such additive; and (f) the conformity by the manufacturer with the established standards in the industry relating to the proper formation of such color additive so as to result in a finished product safe for use as a color additive.

**Sec. 1023.** RCW 69.04.480 and 1945 c 257 s 66 are each amended to read as follows:

A drug or device shall be deemed to be misbranded if it is for use by ((man)) human beings and contains any quantity of the narcotic or hypnotic substance alpha eucaine, barbituric acid, beta eucaine, bromal, cannabis, carbromal, chloral, coca, cocaine, codeine, heroin, marijuana, morphine, opium, paraldehyde, peyote, or sulphomethane; or

- 1 any chemical derivative of such substance, which derivative has been
- 2 designated as habit forming by regulations promulgated under section
- 3 502(d) of the federal act; unless its label bears the name and quantity
- 4 or proportion of such substance or derivative and in juxtaposition
- 5 therewith the statement "Warning--May be habit forming."
- 6 **Sec. 1024.** RCW 69.41.010 and 2006 c 8 s 115 are each amended to 7 read as follows:
- 8 As used in this chapter, the following terms have the meanings 9 indicated unless the context clearly requires otherwise:
- 10 (1) "Administer" means the direct application of a legend drug 11 whether by injection, inhalation, ingestion, or any other means, to the 12 body of a patient or research subject by:
  - (a) A practitioner; or

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- 14 (b) The patient or research subject at the direction of the 15 practitioner.
  - (2) "Community-based care settings" include: Community residential programs for the developmentally disabled, certified by the department of social and health services under chapter 71A.12 RCW; adult family homes licensed under chapter 70.128 RCW; and boarding homes licensed under chapter 18.20 RCW. Community-based care settings do not include acute care or skilled nursing facilities.
  - (3) "Deliver" or "delivery" means the actual, constructive, or attempted transfer from one person to another of a legend drug, whether or not there is an agency relationship.
    - (4) "Department" means the department of health.
    - (5) "Dispense" means the interpretation of a prescription or order for a legend drug and, pursuant to that prescription or order, the proper selection, measuring, compounding, labeling, or packaging necessary to prepare that prescription or order for delivery.
      - (6) "Dispenser" means a practitioner who dispenses.
- 31 (7) "Distribute" means to deliver other than by administering or 32 dispensing a legend drug.
  - (8) "Distributor" means a person who distributes.
- 34 (9) "Drug" means:
- 35 (a) Substances recognized as drugs in the official United States 36 pharmacopoeia, official homeopathic pharmacopoeia of the United States, 37 or official national formulary, or any supplement to any of them;

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(b) Substances intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in ((man)) human beings or animals;

- (c) Substances (other than food, minerals or vitamins) intended to affect the structure or any function of the body of ((man)) human beings or animals; and
- (d) Substances intended for use as a component of any article specified in (a), (b), or (c) of this subsection. It does not include devices or their components, parts, or accessories.
- (10) "Electronic communication of prescription information" means the communication of prescription information by computer, or the transmission of an exact visual image of a prescription by facsimile, or other electronic means for original prescription information or prescription refill information for a legend drug between an authorized practitioner and a pharmacy or the transfer of prescription information for a legend drug from one pharmacy to another pharmacy.
- (11) "In-home care settings" include an individual's place of temporary and permanent residence, but does not include acute care or skilled nursing facilities, and does not include community-based care settings.
- (12) "Legend drugs" means any drugs which are required by state law or regulation of the state board of pharmacy to be dispensed on prescription only or are restricted to use by practitioners only.
- (13) "Legible prescription" means a prescription or medication order issued by a practitioner that is capable of being read and understood by the pharmacist filling the prescription or the nurse or other practitioner implementing the medication order. A prescription must be hand printed, typewritten, or electronically generated.
- (14) "Medication assistance" means assistance rendered by a nonpractitioner to an individual residing in a community-based care setting or in-home care setting to facilitate the individual's self-administration of a legend drug or controlled substance. It includes reminding or coaching the individual, handing the medication container to the individual, opening the individual's medication container, using an enabler, or placing the medication in the individual's hand, and such other means of medication assistance as defined by rule adopted by the department. A nonpractitioner may help in the preparation of legend drugs or controlled substances for self-administration where a practitioner has determined and communicated orally or by written

- direction that such medication preparation assistance is necessary and appropriate. Medication assistance shall not include assistance with intravenous medications or injectable medications, except prefilled insulin syringes.
  - (15) "Person" means individual, corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, or any other legal entity.
    - (16) "Practitioner" means:

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- 9 (a) A physician under chapter 18.71 RCW, an osteopathic physician or an osteopathic physician and surgeon under chapter 18.57 RCW, a 10 dentist under chapter 18.32 RCW, a podiatric physician and surgeon 11 under chapter 18.22 RCW, a veterinarian under chapter 18.92 RCW, a 12 13 registered nurse, advanced registered nurse practitioner, or licensed 14 practical nurse under chapter 18.79 RCW, an optometrist under chapter 18.53 RCW who is certified by the optometry board under RCW 18.53.010, 15 an osteopathic physician assistant under chapter 18.57A RCW, a 16 17 physician assistant under chapter 18.71A RCW, a naturopath licensed under chapter 18.36A RCW, a pharmacist under chapter 18.64 RCW, or, 18 when acting under the required supervision of a dentist licensed under 19 chapter 18.32 RCW, a dental hygienist licensed under chapter 18.29 RCW; 20
  - (b) A pharmacy, hospital, or other institution licensed, registered, or otherwise permitted to distribute, dispense, conduct research with respect to, or to administer a legend drug in the course of professional practice or research in this state; and
  - (c) A physician licensed to practice medicine and surgery or a physician licensed to practice osteopathic medicine and surgery in any state, or province of Canada, which shares a common border with the state of Washington.
- 29 (17) "Secretary" means the secretary of health or the secretary's 30 designee.
- 31 **Sec. 1025.** RCW 70.87.200 and 2003 c 143 s 20 are each amended to read as follows:
  - (1) The provisions of this chapter do not apply where:
- 34 (a) A conveyance is permanently removed from service or made 35 effectively inoperative; or
- 36 (b) Lifts, ((man)) hoists for persons, or material hoists are

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erected temporarily for use during construction work only and are of such a design that they must be operated by a ((workman)) worker stationed at the hoisting machine.

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- (2) Except as limited by RCW 70.87.050, municipalities having in 4 effect an elevator code prior to June 13, 1963 may continue to assume 5 jurisdiction over conveyance work and may inspect, issue permits, 6 7 collect fees, and prescribe minimum requirements for conveyance work and operation if the requirements are equal to the requirements of this 8 chapter and to all rules pertaining to conveyances adopted and 9 administered by the department. Upon the failure of a municipality 10 having jurisdiction over conveyances to carry out the provisions of 11 12 this chapter with regard to a conveyance, the department may assume 13 jurisdiction over the conveyance. If a municipality elects not to 14 maintain jurisdiction over certain conveyances located therein, it may enter into a written agreement with the department transferring 15 16 exclusive jurisdiction of the conveyances to the department. 17 may not reassume jurisdiction after it enters into such an agreement 18 with the department.
- 19 **Sec. 1026.** RCW 70.104.020 and 1971 ex.s. c 41 s 2 are each amended 20 to read as follows:
- 21 For the purposes of this chapter pesticide means, but is not 22 limited to:
  - (1) Any substance or mixture of substances intended to prevent, destroy, control, repel, or mitigate any insect, rodent, nematode, snail, slug, fungus, weed and any other form of plant or animal life or virus, except virus on or in <u>a</u> living ((man)) <u>human being</u> or other animal, which is normally considered to be a pest or which the director of agriculture may declare to be a pest; or
- 29 (2) Any substance or mixture of substances intended to be used as 30 a plant regulator, defoliant or desiccant; or
  - (3) Any spray adjuvant, such as a wetting agent, spreading agent, deposit builder, adhesive, emulsifying agent, deflocculating agent, water modifier, or similar agent with or without toxic properties of its own intended to be used with any other pesticide as an aid to the application or effect thereof, and sold in a package or container separate from that of the pesticide with which it is to be used; or

1 (4) Any fungicide, rodenticide, herbicide, insecticide, and 2 nematocide.

Sec. 1027. RCW 70.105.010 and 1989 c 376 s 1 are each amended to read as follows:

The words and phrases defined in this section shall have the meanings indicated when used in this chapter unless the context clearly requires otherwise.

(1) "Department" means the department of ecology.

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- 9 (2) "Director" means the director of the department of ecology or 10 the director's designee.
  - (3) "Disposal site" means a geographical site in or upon which hazardous wastes are disposed of in accordance with the provisions of this chapter.
    - (4) "Dispose or disposal" means the discarding or abandoning of hazardous wastes or the treatment, decontamination, or recycling of such wastes once they have been discarded or abandoned.
    - (5) "Dangerous wastes" means any discarded, useless, unwanted, or abandoned substances, including but not limited to certain pesticides, or any residues or containers of such substances which are disposed of in such quantity or concentration as to pose a substantial present or potential hazard to human health, wildlife, or the environment because such wastes or constituents or combinations of such wastes:
    - (a) Have short-lived, toxic properties that may cause death, injury, or illness or have mutagenic, teratogenic, or carcinogenic properties; or
    - (b) Are corrosive, explosive, flammable, or may generate pressure through decomposition or other means.
      - (6) "Extremely hazardous waste" means any dangerous waste which
    - (a) will persist in a hazardous form for several years or more at a disposal site and which in its persistent form
  - (i) presents a significant environmental hazard and may be concentrated by living organisms through a food chain or may affect the genetic make-up of ((man)) human beings or wildlife, and
    - (ii) is highly toxic to ((man)) human beings or wildlife
- 35 (b) if disposed of at a disposal site in such quantities as would 36 present an extreme hazard to ((man)) human beings or the environment.

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1 (7) "Person" means any person, firm, association, county, public or municipal or private corporation, agency, or other entity whatsoever.

- (8) "Pesticide" shall have the meaning of the term as defined in RCW 15.58.030 as now or hereafter amended.
- (9) "Solid waste advisory committee" means the same advisory committee as per RCW 70.95.040 through 70.95.070.
- (10) "Designated zone facility" means any facility that requires an interim or final status permit under rules adopted under this chapter and that is not a preempted facility as defined in this section.
- 10 (11) "Facility" means all contiguous land and structures, other 11 appurtenances, and improvements on the land used for recycling, 12 storing, treating, incinerating, or disposing of hazardous waste.
  - (12) "Preempted facility" means any facility that includes as a significant part of its activities any of the following operations:

    (a) Landfill, (b) incineration, (c) land treatment, (d) surface impoundment to be closed as a landfill, or (e) waste pile to be closed as a landfill.
  - (13) "Hazardous household substances" means those substances identified by the department as hazardous household substances in the guidelines developed under RCW 70.105.220.
  - (14) "Hazardous substances" means any liquid, solid, gas, or sludge, including any material, substance, product, commodity, or waste, regardless of quantity, that exhibits any of the characteristics or criteria of hazardous waste as described in rules adopted under this chapter.
  - (15) "Hazardous waste" means and includes all dangerous and extremely hazardous waste, including substances composed of both radioactive and hazardous components.
    - (16) "Local government" means a city, town, or county.
  - (17) "Moderate-risk waste" means (a) any waste that exhibits any of the properties of hazardous waste but is exempt from regulation under this chapter solely because the waste is generated in quantities below the threshold for regulation, and (b) any household wastes which are generated from the disposal of substances identified by the department as hazardous household substances.
- 36 (18) "Service charge" means an assessment imposed under RCW 70.105.280 against those facilities that store, treat, incinerate, or dispose of dangerous or extremely hazardous waste that contains both a

- 1 nonradioactive hazardous component and a radioactive component.
- 2 Service charges shall also apply to facilities undergoing closure under
- 3 this chapter in those instances where closure entails the physical
- 4 characterization of remaining wastes which contain both a
- 5 nonradioactive hazardous component and a radioactive component or the
- 6 management of such wastes through treatment or removal, except any
- 7 commercial low-level radioactive waste facility.

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- 8 **Sec. 1028.** RCW 77.55.011 and 2005 c 146 s 101 are each amended to 9 read as follows:
- The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- 12 (1) "Bed" means the land below the ordinary high water lines of 13 state waters. This definition does not include irrigation ditches, 14 canals, storm water runoff devices, or other artificial watercourses 15 except where they exist in a natural watercourse that has been altered 16 ((by man)) artificially.
- 17 (2) "Board" means the hydraulic appeals board created in RCW 77.55.301.
  - (3) "Commission" means the state fish and wildlife commission.
  - (4) "Department" means the department of fish and wildlife.
- 21 (5) "Director" means the director of the department of fish and 22 wildlife.
- 23 (6) "Emergency" means an immediate threat to life, the public, 24 property, or of environmental degradation.
  - (7) "Hydraulic project" means the construction or performance of work that will use, divert, obstruct, or change the natural flow or bed of any of the salt or freshwaters of the state.
    - (8) "Imminent danger" means a threat by weather, water flow, or other natural conditions that is likely to occur within sixty days of a request for a permit application.
- 31 (9) "Marina" means a public or private facility providing boat 32 moorage space, fuel, or commercial services. Commercial services 33 include but are not limited to overnight or live-aboard boating 34 accommodations.
- 35 (10) "Marine terminal" means a public or private commercial wharf 36 located in the navigable water of the state and used, or intended to be

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used, as a port or facility for the storing, handling, transferring, or transporting of goods to and from vessels.

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- (11) "Ordinary high water line" means the mark on the shores of all water that will be found by examining the bed and banks and ascertaining where the presence and action of waters are so common and usual, and so long continued in ordinary years as to mark upon the soil or vegetation a character distinct from the abutting upland. Provided, that in any area where the ordinary high water line cannot be found, the ordinary high water line adjoining saltwater is the line of mean higher high water and the ordinary high water line adjoining fresh water is the elevation of the mean annual flood.
- 12 (12) "Permit" means a hydraulic project approval permit issued 13 under this chapter.
- 14 (13) "Sandbars" includes, but is not limited to, sand, gravel, 15 rock, silt, and sediments.
  - (14) "Small scale prospecting and mining" means the use of only the following methods: Pans; nonmotorized sluice boxes; concentrators; and minirocker boxes for the discovery and recovery of minerals.
- 19 (15) "Spartina," "purple loosestrife," and "aquatic noxious weeds" 20 have the same meanings as defined in RCW 17.26.020.
  - (16) "Streambank stabilization" means those projects that prevent or limit erosion, slippage, and mass wasting. These projects include, but are not limited to, bank resloping, log and debris relocation or removal, planting of woody vegetation, bank protection using rock or woody material or placement of jetties or groins, gravel removal, or erosion control.
- 27 (17) "Tide gate" means a one-way check valve that prevents the 28 backflow of tidal water.
- 29 (18) "Waters of the state" and "state waters" means all salt and 30 fresh waters waterward of the ordinary high water line and within the 31 territorial boundary of the state.
- 32 **Sec. 1029.** RCW 79A.05.600 and 1967 c 120 s 1 are each amended to 33 read as follows:
- The beaches bounding the Pacific Ocean from the Straits of Juan de Fuca to Cape Disappointment at the mouth of the Columbia River constitute some of the last unspoiled seashore remaining in the United They provide the public with almost unlimited opportunities

for recreational activities, like swimming, surfing and hiking; for 1 2 outdoor sports, like hunting, fishing, clamming, and boating; for the observation of nature as it existed for hundreds of years before the 3 arrival of ((white men)) <u>Europeans</u>; and for relaxation away from the 4 pressures and tensions of modern life. 5 In past years, these recreational activities have been enjoyed by countless Washington 6 7 citizens, as well as by tourists from other states and countries. number of people wishing to participate in such recreational activities 8 9 grows annually. This increasing public pressure makes it necessary 10 that the state dedicate the use of the ocean beaches to public recreation and to provide certain recreational and sanitary facilities. 11 12 Nonrecreational use of the beach must be strictly limited. 13 recreational uses must be regulated in order that Washington's 14 unrivaled seashore may be saved for our children in much the same form 15 as we know it today.

Sec. 1030. RCW 81.40.080 and 2003 c 53 s 389 are each amended to read as follows:

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(1) It shall be unlawful for any railroad company, corporation, association or other person owning, controlling or operating any line railroad in the state of Washington, to build, construct, reconstruct, or repair railroad car equipment or motive power in this state without first erecting and maintaining at every point where five employees or more are regularly employed on such work, a shed over a sufficient portion of the tracks used for such work, so as to provide that all ((men)) persons regularly employed in such work shall be sheltered and protected from rain and other inclement weather: PROVIDED, That the provisions of this section shall not apply at points where it is necessary to make light repairs only on equipment or motive power, nor to equipment loaded with time or perishable freight, nor to equipment when trains are being held for the movement of equipment, nor to equipment on tracks where trains arrive or depart or are assembled or made up for departure. The term "light repairs," as herein used, shall not include repairs usually made in roundhouse, shop or shed upon well equipped railroads.

(2) Any railroad company or officer or agent thereof, or any other person, who violates this section by failing or refusing to comply with

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its provisions is guilty of a misdemeanor, and each day's failure or refusal to comply shall be considered a separate offense.

- **Sec. 1031.** RCW 81.48.050 and 1961 c 14 s 81.48.050 are each amended to read as follows:
- All railroads and street railroads, operating in this state shall cause their trains and cars to come to a full stop at a distance not greater than five hundred feet before crossing the tracks of another railroad crossing at grade, excepting at crossings where there are established signal towers, and signal ((men)) operators, interlocking plants or gates.
- **Sec. 1032.** RCW 81.64.090 and 2003 c 53 s 396 are each amended to read as follows:
  - (1) Street railway or streetcar companies, or streetcar corporations, shall employ none but competent ((men)) persons to operate or assist as conductors, ((motormen)) motor operators, or ((gripmen)) grip operators upon any street railway, or streetcar line in this state.
  - (2) A person shall be deemed competent to operate or assist in operating cars or (dummies) usually used by street railway or streetcar companies, or corporations, only after first having served at least three days under personal instruction of a regularly employed conductor, ((motorman)) motor operator, or ((gripman)) grip operator on a car or dummy in actual service on the particular street railway or streetcar line for which the service of an additional person or additional persons may be required: PROVIDED, That during a strike on the streetcar lines the railway companies may employ competent persons who have not worked three days on the particular streetcar line.
  - (3) Any violation of this section by the president, secretary, manager, superintendent, assistant superintendent, stockholder, or other officer or employee of any company or corporation owning or operating any street railway or streetcar line or any receiver of street railway or streetcar company, or street railway or streetcar corporations appointed by any court within this state to operate such car line is a misdemeanor punishable by a fine in any amount not less than fifty dollars nor more than two hundred dollars, or imprisonment

- 1 in the county jail for a term of thirty days, or both such fine and
- 2 imprisonment at the discretion of the court.

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- 3 **Sec. 1033.** RCW 82.75.010 and 2006 c 178 s 2 are each amended to 4 read as follows:
  - Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.
- 7 (1) "Applicant" means a person applying for a tax deferral under 8 this chapter.
  - (2) "Biotechnology" means a technology based on the science of biology, microbiology, molecular biology, cellular biology, biochemistry, or biophysics, or any combination of these, and includes, but is not limited to, recombinant DNA techniques, genetics and genetic engineering, cell fusion techniques, and new bioprocesses, using living organisms, or parts of organisms.
    - (3) "Biotechnology product" means any virus, therapeutic serum, antibody, protein, toxin, antitoxin, vaccine, blood, blood component or derivative, allergenic product, or analogous product produced through the application of biotechnology that is used in the prevention, treatment, or cure of diseases or injuries to humans.
      - (4) "Department" means the department of revenue.
- (5)(a) "Eligible investment project" means an investment in qualified buildings or qualified machinery and equipment, including labor and services rendered in the planning, installation, and construction of the project.
- 25 (b) The lessor or owner of a qualified building is not eligible for 26 a deferral unless:
  - (i) The underlying ownership of the buildings, machinery, and equipment vests exclusively in the same person; or
- 29 (ii)(A) The lessor by written contract agrees to pass the economic 30 benefit of the deferral to the lessee;
- 31 (B) The lessee that receives the economic benefit of the deferral 32 agrees in writing with the department to complete the annual survey 33 required under RCW 82.32.645; and
- 34 (C) The economic benefit of the deferral passed to the lessee is no 35 less than the amount of tax deferred by the lessor and is evidenced by 36 written documentation of any type of payment, credit, or other

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financial arrangement between the lessor or owner of the qualified building and the lessee.

- (6)(a) "Initiation of construction" means the date that a building permit is issued under the building code adopted under RCW 19.27.031 for:
- (i) Construction of the qualified building, if the underlying ownership of the building vests exclusively with the person receiving the economic benefit of the deferral;
- (ii) Construction of the qualified building, if the economic benefits of the deferral are passed to a lessee as provided in subsection (5)(b)(ii)(A) of this section; or
- (iii) Tenant improvements for a qualified building, if the economic benefits of the deferral are passed to a lessee as provided in subsection (5)(b)(ii)(A) of this section.
- (b) "Initiation of construction" does not include soil testing, site clearing and grading, site preparation, or any other related activities that are initiated before the issuance of a building permit for the construction of the foundation of the building.
- (c) If the investment project is a phased project, "initiation of construction" shall apply separately to each phase.
  - (7) "Manufacturing" has the meaning provided in RCW 82.04.120.
- (8) "Medical device" means an instrument, apparatus, implement, machine, contrivance, implant, in vitro reagent, or other similar or related article, including any component, part, or accessory, that is designed or developed and:
- (a) Recognized in the national formulary, or the United States pharmacopeia, or any supplement to them;
- (b) Intended for use in the diagnosis of disease, or in the cure, mitigation, treatment, or prevention of disease or other conditions in human beings or other animals; or
- (c) Intended to affect the structure or any function of the body of ((man)) human beings or other animals, and which does not achieve any of its primary intended purposes through chemical action within or on the body of ((man)) human beings or other animals and which is not dependent upon being metabolized for the achievement of any of its principal intended purposes.
  - (9) "Person" has the meaning provided in RCW 82.04.030.

(10) "Qualified buildings" means construction of new structures, and expansion or renovation of existing structures for the purpose of increasing floor space or production capacity used for biotechnology product manufacturing or medical device manufacturing activities, including plant offices, commercial laboratories for process development, quality assurance and quality control, and warehouses or other facilities for the storage of raw material or finished goods if the facilities are an essential or an integral part of a factory, plant, or laboratory used for biotechnology product manufacturing or medical device manufacturing. If a building is used partly for biotechnology product manufacturing and partly for other purposes, the applicable tax deferral shall be determined by apportionment of the costs of construction under rules adopted by the department.

(11) "Qualified machinery and equipment" means all new industrial and research fixtures, equipment, and support facilities that are an integral and necessary part of a biotechnology product manufacturing or medical device manufacturing operation. "Qualified machinery and equipment" includes: Computers; software; data processing equipment; laboratory equipment; manufacturing components such as belts, pulleys, shafts, and moving parts; molds, tools, and dies; operating structures; and all equipment used to control or operate the machinery.

23 (12) "Recipient" means a person receiving a tax deferral under this 24 chapter.

**Sec. 1034.** RCW 84.36.260 and 1979 ex.s. c 193 s 1 are each amended to read as follows:

All real property interests, including fee simple or any lesser interest, development rights, easements, covenants and conservation futures, as that latter term is defined in RCW 84.34.220 as now or hereafter amended, used exclusively for the conservation of ecological systems, natural resources, or open space, including park lands, held by any nonprofit corporation or association the primary purpose of which is the conducting or facilitating of scientific research or the conserving of natural resources or open space for the general public, shall be exempt from ad valorem taxation if either of the following conditions are met:

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(1) To the extent feasible considering the nature of the property interest involved, such property interests shall be used and effectively dedicated primarily for the purpose of providing scientific research or educational opportunities for the general public or the preservation of native plants or animals, or biotic communities, or works of ancient ((man)) human beings or geological or geographical formations, of distinct scientific and educational interest, and not for the pecuniary benefit of any person or company, as defined in RCW 82.04.030, and shall be open to the general public for educational and scientific research purposes subject to reasonable restrictions designed for its protection; or

(2) Such property interests shall be subject to an option, accepted in writing by the state, a city or a county, or department of the United States government, for the purchase thereof by the state, a city or a county, or the United States, at a price not exceeding the lesser of the following amounts: (a) The sum of the original purchase cost to such nonprofit corporation or association plus interest from the date of acquisition by such corporation or association at the rate of six percent per annum compounded annually to the date of the exercise of the option; or (b) the appraised value of the property at the time of the granting of the option, as determined by the department of revenue or when the option is held by the United States, or by an appropriate agency thereof.

**Sec. 1035.** RCW 85.08.310 and 1921 c 157 s 5 are each amended to read as follows:

The said board of supervisors shall, immediately upon their election and qualification, begin the construction of such system of improvement and shall proceed with the construction thereof in accordance with the plans adopted therefor. In the construction of any system of drainage, construction shall be begun at the outlet or outlets thereof and at such other points as may be deemed advisable from time to time. In the construction of any system of improvement the board of supervisors with the approval of the board of county commissioners may modify, curtail, enlarge or add to the original plans wherever the same may be found necessary or advisable in the course of actual construction. But such changes shall not in the aggregate increase the estimated cost of the entire system by more than one-

fifth, and all additional or different rights-of-way required shall be 1 2 obtained as hereinbefore prescribed. The board of county commissioners may in its discretion let the construction of said system or any 3 portion thereof by contract, in the manner provided for letting 4 contracts for the construction of county roads and bridges. The board 5 of county commissioners may, upon such terms as may be agreed upon by 6 7 the United States acting in pursuance of the National Reclamation Act approved June 17, 1902 (32 Statutes at Large 388), and the acts 8 9 amendatory thereof and supplemental thereto, or in pursuance to any 10 other act of congress appropriate to the purpose, contract for the construction of the system of improvement or any part thereof, by the 11 12 United States, or in cooperation with the United States therein. 13 such case, no bond shall be required, and the work shall be done under 14 the supervision and control of the proper officers of the United 15 States.

Unless the work of construction is let by contract as hereinbefore provided, or for such part of such work as is not covered by contract, the board of supervisors shall employ such number of ((men)) persons as shall be necessary to successfully carry on the work of such construction, and shall give preference in such employment to persons owning land to be benefited by the improvement.

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The provisions of this section shall not be construed as denying to the supervisors, in case the construction work is left in their hands, the power to enter into an agreement with any contractor to furnish labor, material, equipment and skilled supervision, the contractor to be compensated upon the basis of a specific sum, or upon a percentage of the cost of the work, the services of the contractor to cover the use of equipment and the value of skilled supervision: HOWEVER, That there is retained in the said board by the contract the right of termination thereof at any time, on reasonable notice, and fixing in the said contract, or reserving in said board, the right to fix the rates of wages to be paid to the ((men)) persons employed in The board of supervisors may also let contracts in such said work. manner and on such notice as they deem advisable for items construction not exceeding one thousand dollars in amount of expenditures.

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1 PART II

**Sec. 2001.** RCW 35.07.090 and 1965 c 7 s 35.07.090 are each amended to read as follows:

Upon disincorporation of a city or town, its powers and privileges as such, are surrendered to the state and it is absolved from any further duty to the state or its own inhabitants and all the offices appertaining thereto shall cease to exist immediately upon the entry of the result: PROVIDED, That if a receiver is required, the officers shall continue in the exercise of all their powers until a receiver has qualified as such, and thereupon shall surrender to him or her all property, money, vouchers, records and books of the city or town including those in any manner pertaining to its business.

**Sec. 2002.** RCW 35.07.120 and 1965 c 7 s 35.07.120 are each amended to read as follows:

The receiver must qualify within ten days after he <u>or she</u> has been declared elected, by filing with the county auditor a bond equal in penalty to the audited indebtedness and the established liabilities of the city or town with sureties approved by the board of county commissioners, or if the board is not in session, by the judge of the superior court of the county. The bond shall run to the state and shall be conditioned for the faithful performance of his <u>or her</u> duties as receiver and the prompt payment in the order of their priority of all lawful claims finally established as the funds come into his <u>or her</u> hands to discharge them. The bond shall be filed with the county auditor and shall be a public record and shall be for the benefit of every person who may be injured by the receiver's failure to discharge his <u>or her</u> duty.

**Sec. 2003.** RCW 35.07.130 and 1965 c 7 s 35.07.130 are each amended to read as follows:

If the person elected receiver fails to qualify as such within the prescribed time, the council shall file in the superior court of the county a petition setting forth the fact of the election, its result and the failure of the person elected receiver to qualify within the prescribed time and praying for the appointment of another person as receiver. Notice of the filing of the petition and of the time fixed for hearing thereon must be served upon the person elected receiver at

least three days before the time fixed for the hearing. If he <u>or she</u> cannot be found within the county, no notice need be served, and the court may proceed with full jurisdiction to determine the matter upon the hearing. Unless good cause to the contrary is shown, the court shall appoint some suitable person to act as receiver, who shall qualify as required by RCW 35.07.120 within ten days from the date of his <u>or her</u> appointment.

If the council fails to procure the appointment of a receiver, any person qualified to vote in the city or town may file such a petition and make such application.

**Sec. 2004.** RCW 35.07.140 and 1965 c 7 s 35.07.140 are each amended 12 to read as follows:

If no receiver is elected upon the supposition that no indebtedness existed and it transpires that the municipality does have indebtedness or an outstanding liability, any interested person may file a petition in the superior court asking for the appointment of a receiver, and unless the indebtedness or liability is discharged, the court shall appoint some suitable person to act as receiver who shall qualify as required of any other receiver hereunder, within ten days from the date of his <u>or her</u> appointment.

**Sec. 2005.** RCW 35.07.150 and 1965 c 7 s 35.07.150 are each amended 22 to read as follows:

The receiver, upon qualifying, shall take possession of all the property, money, vouchers, records and books of the former municipality including those in any manner pertaining to its business and proceed to wind up its affairs. He or she shall have authority to pay:

- (1) All outstanding warrants and bonds in the order of their maturity with due regard to the fund on which they are properly a charge;
- 30 (2) All lawful claims against the corporation which have been 31 audited and allowed by the council;
- 32 (3) All lawful claims which may be presented to him <u>or her</u> within 33 the time limited by law for the presentation of such claims, but no 34 claim shall be allowed or paid which is not presented within six months 35 from the date of the disincorporation election;

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- 1 (4) All claims that by final adjudication may come to be established as lawful claims against the corporation.
- As between warrants, bonds and other claims, their priority shall be determined with regard to the fund on which they are properly a charge.
- 6 **Sec. 2006.** RCW 35.07.170 and 1965 c 7 s 35.07.170 are each amended 7 to read as follows:
- 8 The receiver shall be authorized to sell at public auction after 9 such public notice as the sheriff is required to give of like property 10 sold on execution, all the property of the former municipality except 11 such as is necessary for his <u>or her</u> use in winding up its affairs, and 12 excepting also such as has been dedicated to public use.
- 13 Personal property shall be sold for cash.
- Real property may be sold for all cash, or for one-half cash and the remainder in deferred payments, the last payment not to be later than one year from date of sale. Title shall not pass until all deferred payments have been fully paid.
- 18 **Sec. 2007.** RCW 35.07.190 and 1965 c 7 s 35.07.190 are each amended 19 to read as follows:
- The receiver shall be entitled to deduct from any funds coming into his <u>or her</u> hands a commission of six percent on the first thousand dollars, five percent on the second thousand and four percent on any amount over two thousand dollars as his <u>or her</u> full compensation exclusive of necessary traveling expenses and necessary disbursements, but not exclusive of attorney's fees.
- 26 **Sec. 2008.** RCW 35.07.200 and 1965 c 7 s 35.07.200 are each amended to read as follows:
- The receiver shall proceed to wind up the affairs of the corporation with diligence and for negligence or misconduct in the discharge of his <u>or her</u> duties may be removed by the superior court upon a proper showing made by a taxpayer of the former city or town or by an unsatisfied creditor thereof.
- 33 **Sec. 2009.** RCW 35.07.220 and 1965 c 7 s 35.07.220 are each amended to read as follows:

Upon the final payment of all lawful demands against the former city or town, the receiver shall file a final account, together with all vouchers, with the clerk of the superior court. Any funds remaining in his <u>or her</u> hands shall be paid to the county treasurer for the use of the school district in which the former city or town was situated; and thereupon the receivership shall be at an end.

**Sec. 2010.** RCW 35.13.171 and 1995 c 399 s 35 are each amended to 8 read as follows:

Within thirty days after the filing of a city's or town's annexation resolution pursuant to RCW 35.13.015 with the board of county commissioners or within thirty days after filing with the county commissioners a petition calling for an election on annexation, as provided in RCW 35.13.020, or within thirty days after approval by the legislative body of a city or town of a petition of property owners calling for annexation, as provided in RCW 35.13.130, the mayor of the city or town concerned that is not subject to the jurisdiction of a boundary review board under chapter 36.93 RCW, shall convene a review board composed of the following persons:

- (1) The mayor of the city or town initiating the annexation by resolution, or the mayor in the event of a twenty percent annexation petition pursuant to RCW 35.13.020, or an alternate designated by the mayor;
- (2) The ((chairman)) chair of the board of county commissioners of the county wherein the property to be annexed is situated, or an alternate designated by him or her;
- (3) The director of community, trade, and economic development, or an alternate designated by the director;

Two additional members to be designated, one by the mayor of the annexing city, which member shall be a resident property owner of the city, and one by the ((chairman)) chair of the county legislative authority, which member shall be a resident of and a property owner or a resident or a property owner if there be no resident property owner in the area proposed to be annexed, shall be added to the original membership and the full board thereafter convened upon call of the mayor: PROVIDED FURTHER, That three members of the board shall constitute a quorum.

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Whenever a city acquires all of the facilities of a district, pursuant to this chapter, such a city shall offer to employ every full time employee of the district who is engaged in the operation of such a district's facilities on the date on which such city acquires the district facilities. When a city acquires any portion of the facilities of such a district, such a city shall offer to employ full time employees of the district as of the date of the acquisition of the facilities of the district who are not longer needed by the district.

Whenever a city employs a person who was employed immediately prior thereto by the district, arrangements shall be made:

- 13 (1) For the retention of all sick leave standing to the employee's credit in the plan of such district.
- 15 (2) For a vacation with pay during the first year of employment 16 equivalent to that to which he <u>or she</u> would have been entitled if he <u>or</u> 17 <u>she</u> had remained in the employment of the district.
- **Sec. 2012.** RCW 35.14.030 and 1967 c 73 s 3 are each amended to 19 read as follows:

Each community council shall be staffed by a deputy to the city clerk of the city with which the service area is consolidated or annexed and shall be provided with such other clerical and technical assistance and a properly equipped office as may be necessary to carry out its functions.

Each community council shall elect a ((chairman)) chair and vice ((chairman)) chair from its membership. A majority of the council shall constitute a quorum. Each action of the community municipal corporation shall be by resolution approved by vote of the majority of all the members of the community council. Meetings shall be held at such times and places as provided in the rules of the community council. Members of the community council shall receive no compensation.

33 The necessary expenses of the community council shall be budgeted 34 and paid by the city.

**Sec. 2013.** RCW 35.14.060 and 1967 c 73 s 6 are each amended to read as follows:

The original terms of existence of any community municipal corporation shall be for at least four years and until the first Monday in January next following a regular municipal election held in the city.

Any such community municipal corporation may be continued thereafter for additional periods of four years' duration with the approval of the voters at an election held and conducted in the manner provided for in this section.

Authorization for a community municipal corporation to continue its term of existence for each additional period of four years may be initiated pursuant to a resolution or a petition in the following manner:

- (1) A resolution praying for such continuation may be adopted by the community council and shall be filed not less than seven months prior to the end of the term of existence of such corporation with the city council or other legislative body of the city in which the service area is located.
- (2) A petition for continuation shall be signed by at least ten percent of the registered voters residing within the service area and shall be filed not less than six months prior to the end of the term of existence of such corporation with the city council or other legislative body of the city in which the service area is located.

At the same election at which a proposition is submitted to the voters of the service area for the continuation of the community municipal corporation for an additional period of four years, the community councilmembers of such municipal corporation shall be elected. The positions on such council shall be the same in number as the original or initial council and shall be numbered consecutively and elected at large. Declarations of candidacy and withdrawals shall be in the same manner as is provided for members of the city council or other legislative body of the city.

Upon receipt of a petition, the city clerk shall examine the signatures thereon and certify to the sufficiency thereof. No person may withdraw his <u>or her</u> name from a petition after it has been filed.

Upon receipt of a valid resolution or upon duly certifying a petition for continuation of a community municipal corporation, the city clerk with whom the resolution or petition was filed shall cause a proposition on continuation of the term of existence of the community

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municipal corporation to be placed on the ballot at the next city general election. No person shall be eligible to vote on such proposition at such election unless he <u>or she</u> is a qualified voter and resident of the service area.

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The ballots shall contain the words "For continuation of community municipal corporation" and "Against continuation of community municipal corporation" or words equivalent thereto, and shall also contain the names of the candidates to be voted for to fill the positions on the community council. The names of all candidates to be voted upon shall be printed on the ballot alphabetically in groups under the numbered position on the council for which they are candidates.

If the results of the election as certified by the county canvassing board reveal that a majority of the votes cast are for continuation, the municipal corporation shall continue in existence for an additional period of four years, and certificates of election shall be issued to the successful candidates who shall assume office at the same time as members of the city council or other legislative body of the city.

- 19 **Sec. 2014.** RCW 35.17.060 and 1965 c 7 s 35.17.060 are each amended 20 to read as follows:
- 21 The mayor shall be president of the commission. He <u>or she</u> shall 22 preside at its meetings when present and shall oversee all departments 23 and recommend to the commission, action on all matters requiring 24 attention in any department.
- 25 **Sec. 2015.** RCW 35.17.070 and 1965 c 7 s 35.17.070 are each amended to read as follows:
- The commissioner of finance and accounting shall be vice president of the commission. In the absence or inability of the mayor, he <u>or she</u> shall perform the duties of president.
- 30 **Sec. 2016.** RCW 35.17.080 and 1965 c 7 s 35.17.080 are each amended to read as follows:
- 32 The commission shall appoint by a majority vote a city clerk and 33 such other officers and employees as the commission may by ordinance 34 provide. Any officer or employee appointed by the commission may be

- 1 discharged at any time by vote of a majority of the members of the
- 2 commission. Any commissioner may perform any duties pertaining to his
- 3 or her department but without additional compensation therefor.

**Sec. 2017.** RCW 35.17.150 and 1965 c 7 s 35.17.150 are each amended to read as follows:

No officer or employee, elected or appointed, shall receive from any enterprise operating under a public franchise any frank, free ticket, or free service or receive any service upon terms more favorable than are granted to the public generally: PROVIDED, That the provisions of this section shall not apply to free transportation furnished to ((policemen)) police officers and ((firemen)) firefighters in uniform nor to free service to city officials provided for in the franchise itself.

- Any violation of the provisions of this section shall be a misdemeanor.
- **Sec. 2018.** RCW 35.17.280 and 1965 c 7 s 35.17.280 are each amended to read as follows:

Within ten days from the filing of a petition submitting a proposed ordinance the city clerk shall ascertain and append to the petition his or her certificate stating whether or not it is signed by a sufficient number of registered voters, using the registration records and returns of the preceding municipal election for his or her sources of information, and the commission shall allow him or her extra help for that purpose, if necessary. If the signatures are found by the clerk to be insufficient the petition may be amended in that respect within ten days from the date of the certificate. Within ten days after submission of the amended petition the clerk shall make an examination thereof and append his or her certificate thereto in the same manner as before. If the second certificate shall also show the number of signatures to be insufficient, the petition shall be returned to the person filing it.

- **Sec. 2019.** RCW 35.18.010 and 1965 c 7 s 35.18.010 are each amended to read as follows:
- Under the council-manager plan of city government, the ((councilmen)) councilmembers shall be the only elective officials.

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- 1 The council shall appoint an officer whose title shall be "city
- 2 manager" who shall be the chief executive officer and head of the
- 3 administrative branch of city or town government. The city manager
- 4 shall be responsible to the council for the proper administration of
- 5 all affairs of the city or town.
- 6 **Sec. 2020.** RCW 35.18.040 and 1965 c 7 s 35.18.040 are each amended 7 to read as follows:
- 8 The city manager need not be a resident. He <u>or she</u> shall be chosen 9 by the council solely on the basis of his or her executive and
- 10 administrative qualifications with special reference to his or her
- 11 actual experience in, or his or her knowledge of, accepted practice in
- 12 respect to the duties of his or her office. No person elected to
- 13 membership on the council shall be eligible for appointment as city
- 14 manager until one year has elapsed following the expiration of the term
- 15 for which he <u>or she</u> was elected.
- 16 **Sec. 2021.** RCW 35.18.050 and 1965 c 7 s 35.18.050 are each amended to read as follows:
- 18 Before entering upon the duties of his or her office the city
- 19 manager shall take the official oath for the support of the government
- 20 and the faithful performance of his  $\underline{\text{or her}}$  duties and shall execute and
- 21 file with the clerk of the council a bond in favor of the city or town
- 22 in such sum as may be fixed by the council.
- 23 **Sec. 2022.** RCW 35.18.060 and 1987 c 3 s 5 are each amended to read 24 as follows:
- 25 The powers and duties of the city manager shall be:
- 26 (1) To have general supervision over the administrative affairs of the municipality;
- 28 (2) To appoint and remove at any time all department heads, 29 officers, and employees of the city or town, except members of the 30 council, and subject to the provisions of any applicable law, rule, or 31 regulation relating to civil service: PROVIDED, That the council may
- 32 provide for the appointment by the mayor, subject to confirmation by
- 33 the council, of the city planning commission, and other advisory
- 34 citizens' committees, commissions and boards advisory to the city
- 35 council: PROVIDED FURTHER, That the city manager shall appoint the

- municipal judge to a term of four years, subject to confirmation by the council. The municipal judge may be removed only on conviction of malfeasance or misconduct in office, or because of physical or mental disability rendering him <u>or her</u> incapable of performing the duties of his <u>or her</u> office. The council may cause an audit to be made of any department or office of the city or town government and may select the persons to make it, without the advice or consent of the city manager;
- 8 (3) To attend all meetings of the council at which his <u>or her</u> 9 attendance may be required by that body;

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- (4) To see that all laws and ordinances are faithfully executed, subject to the authority which the council may grant the mayor to maintain law and order in times of emergency;
- 13 (5) To recommend for adoption by the council such measures as he <u>or</u>
  14 <u>she</u> may deem necessary or expedient;
  - (6) To prepare and submit to the council such reports as may be required by that body or as he or she may deem it advisable to submit;
- 17 (7) To keep the council fully advised of the financial condition of the city or town and its future needs;
- 19 (8) To prepare and submit to the council a tentative budget for the 20 fiscal year;
- 21 (9) To perform such other duties as the council may determine by ordinance or resolution.
- 23 **Sec. 2023.** RCW 35.18.070 and 1965 c 7 s 35.18.070 are each amended to read as follows:
- Whether the city manager shall devote his <u>or her</u> full time to the affairs of one city or town shall be determined by the council. A city manager may serve two or more cities or towns in that capacity at the same time.
- 29 **Sec. 2024.** RCW 35.18.090 and 1965 c 7 s 35.18.090 are each amended 30 to read as follows:
- The city manager may authorize the head of a department or office responsible to him <u>or her</u> to appoint and remove subordinates in such department or office. Any officer or employee who may be appointed by the city manager, or by the head of a department or office, except one who holds his <u>or her</u> position subject to civil service, may be removed by the manager or other such appointing officer at any time. Subject

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- 1 to the provisions of RCW 35.18.060, the decision of the manager or
- 2 other appointing officer, shall be final and there shall be no appeal
- 3 therefrom to any other office, body, or court whatsoever.

4 **Sec. 2025.** RCW 35.18.110 and 1965 c 7 s 35.18.110 are each amended to read as follows:

Neither the council, nor any of its committees or members shall 6 direct or request the appointment of any person to, or his or her 7 8 removal from, office by the city manager or any of his or her subordinates. Except for the purpose of inquiry, the council and its 9 members shall deal with the administrative service solely through the 10 manager and neither the council nor any committee or member thereof 11 shall give orders to any subordinate of the city manager, either 12 publicly or privately: PROVIDED, HOWEVER, That nothing herein shall be 13 construed to prohibit the council, while in open session, from fully 14 15 and freely discussing with the city manager anything pertaining to 16 appointments and removals of city officers and employees and city 17 affairs.

18 **Sec. 2026.** RCW 35.18.120 and 1965 c 7 s 35.18.120 are each amended 19 to read as follows:

The city manager shall be appointed for an indefinite term and may be removed by a majority vote of the council.

At least thirty days before the effective date of his <u>or her</u> removal, the city manager must be furnished with a formal statement in the form of a resolution passed by a majority vote of the city council stating the council's intention to remove him <u>or her</u> and the reasons therefor. Upon passage of the resolution stating the council's intention to remove the manager, the council by a similar vote may suspend him <u>or her</u> from duty, but his <u>or her</u> pay shall continue until his <u>or her</u> removal becomes effective.

**Sec. 2027.** RCW 35.18.130 and 1965 c 7 s 35.18.130 are each amended to read as follows:

32 The city manager may, within thirty days from the date of service 33 upon him <u>or her</u> of a copy thereof, reply in writing to the resolution 34 stating the council's intention to remove him <u>or her</u>. In the event no 35 reply is timely filed, the resolution shall upon the thirty-first day

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- from the date of such service, constitute the final resolution removing the manager, and his <u>or her</u> services shall terminate upon that day. If a reply shall be timely filed with its clerk, the council shall fix a time for a public hearing upon the question of the manager's removal and a final resolution removing the manager shall not be adopted until a public hearing has been had. The action of the council in removing the manager shall be final.
- 8 **Sec. 2028.** RCW 35.18.150 and 1965 c 7 s 35.18.150 are each amended 9 to read as follows:
- Only a qualified elector of the city or town may be a member of the council and upon ceasing to be such, or upon being convicted of a crime involving moral turpitude, or of violating the provisions of RCW 35.18.110, he or she shall immediately forfeit his or her office.
- 14 **Sec. 2029.** RCW 35.18.170 and 1965 c 7 s 35.18.170 are each amended to read as follows:

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- The council shall meet at the times and places fixed by ordinance but must hold at least one regular meeting each month. The clerk shall call special meetings of the council upon request of the mayor or any two members. At all meetings of the city council, a majority of the ((councilmen)) councilmembers shall constitute a quorum for the transaction of business, but a less number may adjourn from time to time and may compel the attendance of absent members in such manner and under such penalties as may be prescribed by ordinance. Requests for special meetings shall state the subject to be considered and no other subject shall be considered at a special meeting.
- All meetings of the council and of committees thereof shall be open to the public and the rules of the council shall provide that citizens of the city or town shall have a reasonable opportunity to be heard at any meetings in regard to any matter being considered thereat.
- 30 **Sec. 2030.** RCW 35.18.180 and 1965 c 7 s 35.18.180 are each amended 31 to read as follows:
- No ordinance, resolution, or order, including those granting a franchise or valuable privilege, shall have any validity or effect unless passed by the affirmative vote of at least a majority of the

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- 1 members of the city or town council. Every ordinance or resolution
- 2 adopted shall be signed by the mayor or two members, filed with the
- 3 clerk within two days and by him or her recorded.
- 4 **Sec. 2031.** RCW 35.18.190 and 1969 c 101 s 1 are each amended to read as follows:
- Biennially at the first meeting of the new council the members thereof shall choose a ((chairman)) chair from among their number who
- 8 shall have the title of mayor. In addition to the powers conferred
- 9 upon him or her as mayor, he or she shall continue to have all the
- 10 rights, privileges and immunities of a member of the council. If a
- 11 vacancy occurs in the office of mayor, the members of the council at
- 12 their next regular meeting shall select a mayor from among their number
- 13 for the unexpired term.
- 14 Sec. 2032. RCW 35.18.200 and 1965 c 7 s 35.18.200 are each amended
- 15 to read as follows:
- 16 The mayor shall preside at meetings of the council, and be
- 17 recognized as the head of the city or town for all ceremonial purposes
- 18 and by the governor for purposes of military law.
- 19 He <u>or she</u> shall have no regular administrative duties, but in time
- 20 of public danger or emergency, if so authorized by the council, shall
- 21 take command of the police, maintain law, and enforce order.
- 22 **Sec. 2033.** RCW 35.18.280 and 1965 c 7 s 35.18.280 are each amended
- 23 to read as follows:
- 24 ((<del>Councilmen</del>)) <u>councilmembers</u> shall take office at the times
- 25 provided by RCW 35.18.270 as now or hereafter amended. The other city
- 26 officials and employees who are incumbent at the time the council-
- 27 manager plan takes effect shall hold office until their successors have
- 28 been selected in accordance with the provisions of this chapter.
- 29 Sec. 2034. RCW 35.20.105 and 1969 ex.s. c 147 s 2 are each amended
- 30 to read as follows:
- 31 There shall be a court administrator of the municipal court
- 32 appointed by the judges of the municipal court, subject to confirmation
- 33 by a majority of the legislative body of the city, and removable by the
- 34 judges of the municipal court subject to like confirmation. Before

entering upon the duties of his or her office the court administrator 1 2 shall take and subscribe an oath the same as required for officers of the city, and shall execute a penal bond in such sum and with such 3 sureties as the legislative body of the city may direct and subject to 4 their approval, conditioned for the faithful performance of his or her 5 duties, and that he or she will pay over to the treasurer of said city 6 7 all moneys belonging to the city which shall come into his or her hands as such court administrator. The court administrator shall be paid 8 such compensation as the legislative body of the city may deem 9 10 The court administrator shall act under the supervision and control of the presiding judge of the municipal court and shall 11 12 supervise the functions of the chief clerk and director of the traffic 13 violations bureau or similar agency of the city, and perform such other 14 duties as may be assigned to him or her by the presiding judge of the 15 municipal court.

Sec. 2035. RCW 35.20.131 and 1969 ex.s. c 147 s 3 are each amended to read as follows:

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There shall be a director of the traffic violations bureau or such similar agency of the city as may be created by ordinance of said city. Said director shall be appointed by the judges of the municipal court subject to such civil service laws and rules as may be provided in such Said director shall act under the supervision of the court administrator of the municipal court and shall be responsible for the supervision of the traffic violations bureau or similar agency of the city. Upon this 1969 amendatory act becoming effective those employees connected with the traffic violations bureau under civil service status shall be continued in such employment and such classification. Before entering upon the duties of his or her office said director shall take and subscribe an oath the same as required for officers of the city and shall execute a penal bond in such sum and with such sureties as the legislative body of the city may direct and subject to their approval, conditioned for the faithful performance of his or her duties, and that he or she will faithfully account to and pay over to the treasurer of said city all moneys belonging to the city which shall come into his or her hands as such director. Said director shall be paid such compensation as the legislative body of the city may deem reasonable.

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1 Sec. 2036. RCW 35.20.150 and 1975-'76 2nd ex.s. c 120 s 7 are each
2 amended to read as follows:

The municipal judges shall be elected on the first Tuesday after 3 the first Monday in November, 1958, and on the first Tuesday after the 4 5 first Monday of November every fourth year thereafter by the electorate of the city in which the court is located. The auditor of the county 6 7 concerned shall designate by number each position to be filled in the municipal court, and each candidate at the time of the filing of his or 8 her declaration of candidacy shall designate by number so assigned the 9 position for which he or she is a candidate, and the name of such 10 candidate shall appear on the ballot only for such position. 11 of the person who receives the greatest number of votes and of the 12 person who receives the next greatest number of votes at the primary 13 for a single nonpartisan position shall appear on the general election 14 ballot under the designation therefor. Elections for municipal judge 15 shall be nonpartisan. They shall hold office for a term of four years 16 17 and until their successors are elected and qualified. office shall start on the second Monday in January following such 18 Any vacancy in the municipal court due to a death, 19 election. 20 disability or resignation of a municipal court judge shall be filled by the mayor, to serve out the unexpired term. Such appointment shall be 21 22 subject to confirmation by the legislative body of the city.

23 **Sec. 2037.** RCW 35.20.170 and 1965 c 7 s 35.20.170 are each amended to read as follows:

No person shall be eligible to the office of judge of the municipal court unless he <u>or she</u> shall have been admitted to practice law before the courts of record of this state and is an elector of the city in which he <u>or she</u> files for office. No judge of said court during his <u>or her</u> term of office shall engage either directly or indirectly in the practice of law.

**Sec. 2038.** RCW 35.20.180 and 1965 c 7 s 35.20.180 are each amended to read as follows:

Every judge of such municipal court, before he <u>or she</u> enters upon the duties of his <u>or her</u> office, shall take and subscribe the following oath or affirmation: "I do solemnly swear (or affirm) that I will support the Constitution of the United States and the Constitution of

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the State of Washington, and that I will faithfully discharge the duties of the office of judge of the municipal court of the city of . . . . . (naming such city) according to the best of my ability; and I do further certify that I do not advocate, nor am I a member of an organization that advocates, the overthrow of the government of the United States by force or violence." The oath shall be filed in the office of the county auditor. He or she shall also give such bonds to the state and city for the faithful performance of his or her duties as may be by law or ordinance directed.

**Sec. 2039.** RCW 35.20.190 and 1967 c 241 s 4 are each amended to 11 read as follows:

Whenever the number of departments of the municipal court is increased, the mayor of such city shall appoint a qualified person as provided in RCW 35.20.170 to act as municipal judge until the next general election. He <u>or she</u> shall be paid salaries in accordance with the provisions of this chapter and provided with the necessary court, office space and personnel as authorized herein.

**Sec. 2040.** RCW 35.20.220 and 2004 c 15 s 9 are each amended to 19 read as follows:

- (1) The chief clerk, under the supervision and direction of the court administrator of the municipal court, shall have the custody and care of the books, papers and records of said court; he or she shall be present by himself or herself or deputy during the session of said court, and shall have the power to swear all witnesses and jurors, and administer oaths and affidavits, and take acknowledgments. He or she shall keep the records of said court, and shall issue all process under his or her hand and the seal of said court, and shall do and perform all things and have the same powers pertaining to his or her office as the clerks of the superior courts have in their office. He or she shall receive all fines, penalties and fees of every kind, and keep a full, accurate and detailed account of the same; and shall on each day pay into the city treasury all money received for said city during the day previous, with a detailed account of the same, and taking the treasurer's receipt therefor.
- (2) Except as provided in RCW 10.99.080, the city treasurer shall remit monthly thirty-two percent of the noninterest money received

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under this section, other than for parking infractions and certain costs to the state treasurer. "Certain costs" as used in this subsection, means those costs awarded to prevailing parties in civil actions under RCW 4.84.010 or 36.18.040, or those costs awarded against convicted defendants in criminal actions under RCW 10.01.160, 10.46.190, or 36.18.040, or other similar statutes if such costs are specifically designated as costs by the court and are awarded for the specific reimbursement of costs incurred by the state, county, city, or town in the prosecution of the case, including the fees of defense counsel. Money remitted under this subsection to the state treasurer shall be deposited as provided in RCW 43.08.250. 

- (3) The balance of the noninterest money received under this section shall be retained by the city and deposited as provided by law.
- (4) Penalties, fines, bail forfeitures, fees, and costs may accrue interest at the rate of twelve percent per annum, upon assignment to a collection agency. Interest may accrue only while the case is in collection status.
- (5) Interest retained by the court on penalties, fines, bail forfeitures, fees, and costs shall be split twenty-five percent to the state treasurer for deposit in the public safety and education account as provided in RCW 43.08.250, twenty-five percent to the state treasurer for deposit in the judicial information system account as provided in RCW 2.68.020, twenty-five percent to the city general fund, and twenty-five percent to the city general fund to fund local courts.

**Sec. 2041.** RCW 35.20.240 and 1965 c 7 s 35.20.240 are each amended to read as follows:

Upon the effective date of this chapter (June 8, 1955), any justice of the peace who was the duly appointed and acting police justice of the city shall become a judge of the municipal court upon his or her filing his or her oath of office and bond as required by this chapter, and shall serve as a judge of said municipal court until the regularly elected judges of the court shall qualify following their election in 1958, or thereafter as provided in RCW 35.20.150. Such judge shall be paid salaries in accordance with this chapter while so serving. Such salaries from the city and county shall be in lieu of those now (June 8, 1955) being paid to the justice of the peace acting as police justice of the city court: PROVIDED, That upon the justices of the

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peace qualifying as municipal judges under this chapter, the number of justices of the peace for such city shall be reduced accordingly as provided in RCW 35.20.190. Should any justice of the peace acting as police judge fail to qualify as a judge of the municipal court, the mayor of such city shall designate one of the other justices of the peace of that city to act as municipal judge until the next general election in November, 1958, and the qualifying of the regularly elected judge. All furniture and equipment belonging to the city and county in which the court is situated, now under the care and custody of the justice of the peace and municipal judge, shall be transferred to the municipal court for use in the operation and maintenance of such court. 

**Sec. 2042.** RCW 35.21.260 and 1999 c 204 s 1 are each amended to 13 read as follows:

The governing authority of each city and town on or before May 31st of each year shall submit such records and reports regarding street operations in the city or town to the secretary of transportation on forms furnished by him or her as are necessary to enable him or her to compile an annual report thereon.

**Sec. 2043.** RCW 35.21.850 and 1982 c 169 s 3 are each amended to 20 read as follows:

No demand for a fee or tax or penalty shall be made by a city or town against a motor carrier of freight for hire on gross income derived from providing transportation services more than four years after the close of the year in which the same accrued except (1) against a taxpayer who has been guilty of fraud or misrepresentation of a material fact; or (2) where a taxpayer has executed a written waiver of such limitations; or (3) against a taxpayer who has not registered as required by the ordinance of the city or town imposing such tax or fee, provided this subsection shall not apply to a taxpayer who has registered in any city or town where the taxpayer maintains an office or terminal, or in the case of a taxpayer who has paid a license fee or tax based on such gross receipts to any city or town levying same which may reasonably be construed to be the principal market of the taxpayer but in which he or she maintains no office or terminal.

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**Sec. 2044.** RCW 35.22.130 and 1967 c 123 s 2 are each amended to 2 read as follows:

A petition containing the demand for the submission of the proposed charter amendment or for an election to be held for the purpose of electing a board of freeholders for the purpose of preparing a new charter for the city as provided in RCW 35.22.140 shall be filed with the city clerk and each signer shall write his or her place of residence after his or her signature. This and RCW 35.22.120 do not deprive city councils of the right to submit proposed charter amendments but affords a concurrent and additional method of submission.

**Sec. 2045.** RCW 35.22.210 and 1965 c 7 s 35.22.210 are each amended to read as follows:

Any city of the first class having a population less than one hundred thousand by the last federal census and having a charter providing that each of its ((councilmen)) councilmembers shall be the commissioner of an administrative department of such city, may by ordinance provide for the separate designation of such ((councilmen)) councilmembers as officers, in accordance with such administrative departments, and for their filing for and election to office under such separate designations.

**Sec. 2046.** RCW 35.22.280 and 1993 c 83 s 4 are each amended to 23 read as follows:

Any city of the first class shall have power:

- (1) To provide for general and special elections, for questions to be voted upon, and for the election of officers;
- (2) To provide for levying and collecting taxes on real and personal property for its corporate uses and purposes, and to provide for the payment of the debts and expenses of the corporation;
- (3) To control the finances and property of the corporation, and to acquire, by purchase or otherwise, such lands and other property as may be necessary for any part of the corporate uses provided for by its charter, and to dispose of any such property as the interests of the corporation may, from time to time, require;
- 35 (4) To borrow money for corporate purposes on the credit of the 36 corporation, and to issue negotiable bonds therefor, on such conditions

and in such manner as shall be prescribed in its charter; but no city shall, in any manner or for any purpose, become indebted to an amount in the aggregate to exceed the limitation of indebtedness prescribed by chapter 39.36 RCW as now or hereafter amended;

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- (5) To issue bonds in place of or to supply means to meet maturing bonds or other indebtedness, or for the consolidation or funding of the same;
- (6) To purchase or appropriate private property within or without its corporate limits, for its corporate uses, upon making just compensation to the owners thereof, and to institute and maintain such proceedings as may be authorized by the general laws of the state for the appropriation of private property for public use;
- (7) To lay out, establish, open, alter, widen, extend, grade, pave, plank, establish grades, or otherwise improve streets, alleys, avenues, sidewalks, wharves, parks, and other public grounds, and to regulate and control the use thereof, and to vacate the same, and to authorize or prohibit the use of electricity at, in, or upon any of said streets, or for other purposes, and to prescribe the terms and conditions upon which the same may be so used, and to regulate the use thereof;
- (8) To change the grade of any street, highway, or alley within its corporate limits, and to provide for the payment of damages to any abutting owner or owners who shall have built or made other improvements upon such street, highway, or alley at any point opposite to the point where such change shall be made with reference to the grade of such street, highway, or alley as the same existed prior to such change;
- (9) To authorize or prohibit the locating and constructing of any railroad or street railroad in any street, alley, or public place in such city, and to prescribe the terms and conditions upon which any such railroad or street railroad shall be located or constructed; to provide for the alteration, change of grade, or removal thereof; to regulate the moving and operation of railroad and street railroad trains, cars, and locomotives within the corporate limits of said city; and to provide by ordinance for the protection of all persons and property against injury in the use of such railroads or street railroads;
  - (10) To provide for making local improvements, and to levy and

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collect special assessments on property benefited thereby, and for paying for the same or any portion thereof;

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- (11) To acquire, by purchase or otherwise, lands for public parks within or without the limits of such city, and to improve the same. When the language of any instrument by which any property is so acquired limits the use of said property to park purposes and contains a reservation of interest in favor of the grantor or any other person, and where it is found that the property so acquired is not needed for park purposes and that an exchange thereof for other property to be dedicated for park purposes is in the public interest, the city may, with the consent of the grantor or such other person, his or her heirs, successors, or assigns, exchange such property for other property to be dedicated for park purposes, and may make, execute, and deliver proper conveyances to effect the exchange. In any case where, owing to death or lapse of time, there is neither donor, heir, successor, or assignee to give consent, this consent may be executed by the city and filed for record with an affidavit setting forth all efforts made to locate people entitled to give such consent together with the facts which establish that no consent by such persons is attainable. Title to property so conveyed by the city shall vest in the grantee free and clear of any trust in favor of the public arising out of any prior dedication for park purposes, but the right of the public shall be transferred and preserved with like force and effect to the property received by the city in such exchange;
- (12) To construct and keep in repair bridges, viaducts, and tunnels, and to regulate the use thereof;
  - (13) To determine what work shall be done or improvements made at the expense, in whole or in part, of the owners of the adjoining contiguous, or proximate property, or others specially benefited thereby; and to provide for the manner of making and collecting assessments therefor;
  - (14) To provide for erecting, purchasing, or otherwise acquiring waterworks, within or without the corporate limits of said city, to supply said city and its inhabitants with water, or authorize the construction of same by others when deemed for the best interests of such city and its inhabitants, and to regulate and control the use and price of the water so supplied;

(15) To provide for lighting the streets and all public places, and for furnishing the inhabitants thereof with gas or other lights, and to erect, or otherwise acquire, and to maintain the same, or to authorize the erection and maintenance of such works as may be necessary and convenient therefor, and to regulate and control the use thereof;

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- (16) To establish and regulate markets, and to provide for the weighing, measuring, and inspection of all articles of food and drink offered for sale thereat, or at any other place within its limits, by proper penalties, and to enforce the keeping of proper legal weights and measures by all vendors in such city, and to provide for the inspection thereof. Whenever the words "public markets" are used in this chapter, and the public market is managed in whole or in part by a public corporation created by a city, the words shall be construed to include all real or personal property located in a district or area designated by a city as a public market and traditionally devoted to providing farmers, crafts vendors and other merchants with retail space to market their wares to the public. Property located in such a district or area need not be exclusively or primarily used for such traditional public market retail activities and may include property used for other public purposes including, but not limited to, the provision of human services and low-income or moderate-income housing;
- (17) To erect and establish hospitals and pesthouses, and to control and regulate the same;
- (18) To provide for establishing and maintaining reform schools for juvenile offenders:
- (19) To provide for the establishment and maintenance of public libraries, and to appropriate, annually, such percent of all moneys collected for fines, penalties, and licenses as shall be prescribed by its charter, for the support of a city library, which shall, under such regulations as shall be prescribed by ordinance, be open for use by the public;
- (20) To regulate the burial of the dead, and to establish and regulate cemeteries within or without the corporate limits, and to acquire land therefor by purchase or otherwise; to cause cemeteries to be removed beyond the limits of the corporation, and to prohibit their establishment within two miles of the boundaries thereof;
- (21) To direct the location and construction of all buildings in which any trade or occupation offensive to the senses or deleterious to

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public health or safety shall be carried on, and to regulate the management thereof; and to prohibit the erection or maintenance of such buildings or structures, or the carrying on of such trade or occupation within the limits of such corporation, or within the distance of two miles beyond the boundaries thereof;

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- (22) To provide for the prevention and extinguishment of fires and to regulate or prohibit the transportation, keeping, or storage of all combustible or explosive materials within its corporate limits, and to regulate and restrain the use of fireworks;
- (23) To establish fire limits and to make all such regulations for the erection and maintenance of buildings or other structures within its corporate limits as the safety of persons or property may require, and to cause all such buildings and places as may from any cause be in a dangerous state to be put in safe condition;
- 15 (24) To regulate the manner in which stone, brick, and other 16 buildings, party walls, and partition fences shall be constructed and 17 maintained;
  - (25) To deepen, widen, dock, cover, wall, alter, or change the channels of waterways and courses, and to provide for the construction and maintenance of all such works as may be required for the accommodation of commerce, including canals, slips, public landing places, wharves, docks, and levees, and to control and regulate the use thereof;
  - (26) To control, regulate, or prohibit the anchorage, moorage, and landing of all watercrafts and their cargoes within the jurisdiction of the corporation;
  - (27) To fix the rates of wharfage and dockage, and to provide for the collection thereof, and to provide for the imposition and collection of such harbor fees as may be consistent with the laws of the United States;
- 31 (28) To license, regulate, control, or restrain wharf boats, tugs, 32 and other boats used about the harbor or within such jurisdiction;
  - (29) To require the owners of public halls or other buildings to provide suitable means of exit; to provide for the prevention and abatement of nuisances, for the cleaning and purification of watercourses and canals, for the drainage and filling up of ponds on private property within its limits, when the same shall be offensive to the senses or dangerous to health; to regulate and control, and to

prevent and punish, the defilement or pollution of all streams running through or into its corporate limits, and for the distance of five miles beyond its corporate limits, and on any stream or lake from which the water supply of said city is taken, for a distance of five miles beyond its source of supply; to provide for the cleaning of areas, vaults, and other places within its corporate limits which may be so kept as to become offensive to the senses or dangerous to health, and to make all such quarantine or other regulations as may be necessary for the preservation of the public health, and to remove all persons afflicted with any infectious or contagious disease to some suitable place to be provided for that purpose; 

(30) To declare what shall be a nuisance, and to abate the same, and to impose fines upon parties who may create, continue, or suffer nuisances to exist;

- (31) To regulate the selling or giving away of intoxicating, malt, vinous, mixed, or fermented liquors as authorized by the general laws of the state: PROVIDED, That no license shall be granted to any person or persons who shall not first comply with the general laws of the state in force at the time the same is granted;
- (32) To grant licenses for any lawful purpose, and to fix by ordinance the amount to be paid therefor, and to provide for revoking the same: PROVIDED, That no license shall be granted to continue for longer than one year from the date thereof;
- (33) To regulate the carrying on within its corporate limits of all occupations which are of such a nature as to affect the public health or the good order of said city, or to disturb the public peace, and which are not prohibited by law, and to provide for the punishment of all persons violating such regulations, and of all persons who knowingly permit the same to be violated in any building or upon any premises owned or controlled by them;
- (34) To restrain and provide for the punishment of vagrants, mendicants, prostitutes, and other disorderly persons;
- (35) To provide for the punishment of all disorderly conduct, and of all practices dangerous to public health or safety, and to make all regulations necessary for the preservation of public morality, health, peace, and good order within its limits, and to provide for the arrest, trial, and punishment of all persons charged with violating any of the ordinances of said city. The punishment shall not exceed a fine of

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- 1 five thousand dollars or imprisonment in the city jail for one year, or
- 2 both such fine and imprisonment. The punishment for any criminal
- 3 ordinance shall be the same as the punishment provided in state law for
- 4 the same crime. Such cities alternatively may provide that violations
- 5 of ordinances constitute a civil violation subject to monetary
- 6 penalties, but no act which is a state crime may be made a civil
- 7 violation;
- 8 (36) To project or extend its streets over and across any tidelands
- 9 within its corporate limits, and along or across the harbor areas of
- 10 such city, in such manner as will best promote the interests of
- 11 commerce;
- 12 (37) To provide in their respective charters for a method to
- 13 propose and adopt amendments thereto.
- 14 Sec. 2047. RCW 35.22.610 and 1967 ex.s. c 37 s 1 are each amended
- 15 to read as follows:
- Notwithstanding the provisions of RCW 35.21.200, as now or
- 17 hereafter amended, all cities of the first class shall have the right
- 18 and authority to appoint and employ a person as a regular or special
- 19 police officer of said city regardless of his or her place of residence
- 20 or domicile at the date of his or her appointment.
- 21 This provision shall supersede any provision of any city charter to
- 22 the contrary.
- 23 Sec. 2048. RCW 35.23.010 and 1965 c 7 s 35.23.010 are each amended
- 24 to read as follows:
- 25 Every city of the second class shall be entitled "City of
- 26 . . . . . " (naming it), and by such name shall have perpetual
- 27 succession; may sue and be sued in all courts and in all proceedings;
- 28 shall have and use a common seal which it may alter at pleasure; may
- 29 acquire, hold, lease, use and enjoy property of every kind and control
- 30 and dispose of it for the common benefit; and, upon making a finding
- 31 that any property acquired for park purposes is not useful for such
- 32 purposes and that an exchange thereof for other property to be
- 33 dedicated for park purposes is in the public interest, may, with the
- 34 consent of the dedicator or donor, his or her heirs, successors or
- 35 assigns, exchange such property for other property to be dedicated for
- 36 park purposes and make, execute and deliver proper conveyances to

- 1 effect the exchange. In any case where owing to death or lapse of time
- 2 there is neither donor, heir, successor, nor assigns to give consent to
- 3 the exchange, then this consent may be executed by the grantee. Title
- 4 to property so conveyed by the city shall vest in the grantee free and
- 5 clear of any trust in favor of the public arising out of any prior
- 6 dedication for park purposes.
- 7 **Sec. 2049.** RCW 35.23.111 and 1965 c 7 s 35.24.110 are each amended 8 to read as follows:
- 9 The city attorney shall advise the city authorities and officers in
- 10 all legal matters pertaining to the business of the city and shall
- 11 approve all ordinances as to form. He  $\underline{\text{or she}}$  shall represent the city
- 12 in all actions brought by or against the city or against city officials
- 13 in their official capacity. He <u>or she</u> shall perform such other duties
- 14 as the city council by ordinance may direct.
- 15 **Sec. 2050.** RCW 35.23.131 and 1965 c 7 s 35.24.130 are each amended to read as follows:
- 17 The city treasurer shall receive and safely keep all money which
- 18 comes into his or her hands as treasurer, for all of which he or she
- 19 shall execute triplicate receipts, one to be filed with the city clerk.
- 20 He or she shall receive all money due the city and disburse it on
- 21 warrants issued by the clerk countersigned by the mayor, and not
- 22 otherwise. He or she shall make monthly settlements with the city
- 23 clerk at which time he or she shall deliver to the clerk the duplicate
- 24 receipts for all money received and all canceled warrants as evidence
- 25 of money paid.
- 26 Sec. 2051. RCW 35.23.144 and 1969 c 116 s 4 are each amended to
- 27 read as follows:
- In the event that the office of treasurer is combined with the
- 29 office of clerk so as to become the office of clerk-treasurer, the
- 30 clerk shall exercise all the powers vested in and perform all the
- 31 duties required to be performed by the treasurer, and in cases where
- 32 the law requires the treasurer to sign or execute any papers or
- 33 documents, it shall not be necessary for the clerk to sign as
- 34 treasurer, but shall be sufficient if he or she signs as clerk.

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1 Sec. 2052. RCW 35.23.410 and 1965 c 7 s 35.23.410 are each amended
2 to read as follows:

The city council may lease for business purposes portions of the ends of streets terminating in the waterfront or navigable waters of the city with the written consent of all the property owners whose properties abut upon the portion proposed to be leased. The lease may be made for any period not exceeding fifteen years but must provide that at intervals of every five years during the term, the rental to be paid by the lessee shall be readjusted between him or her and the city by mutual agreement, or if they cannot agree by a board of arbitration, one to be chosen by the city, one by the lessee and the third by the other two, their decision to be final. The vote of two-thirds of all the ((councilmen)) councilmembers elected is necessary to authorize such a lease.

**Sec. 2053.** RCW 35.23.440 and 1994 c 81 s 19 are each amended to read as follows:

The city council of each second-class city shall have power and authority:

- (1) Ordinances: To make and pass all ordinances, orders, and resolutions not repugnant to the Constitution of the United States or the state of Washington, or the provisions of this title, necessary for the municipal government and management of the affairs of the city, for the execution of the powers vested in said body corporate, and for the carrying into effect of the provisions of this title.
- (2) License of shows: To fix and collect a license tax, for the purposes of revenue and regulation, on theatres, melodeons, balls, concerts, dances, theatrical, circus, or other performances, and all performances where an admission fee is charged, or which may be held in any house or place where wines or liquors are sold to the participators; also all shows, billiard tables, pool tables, bowling alleys, exhibitions, or amusements.
- (3) Hotels, etc., licenses: To fix and collect a license tax for the purposes of revenue and regulation on and to regulate all taverns, hotels, restaurants, banks, brokers, manufactories, livery stables, express companies and persons engaged in transmitting letters or packages, railroad, stage, and steamboat companies or owners, whose

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1 principal place of business is in such city, or who have an agency 2 therein.

- (4) Peddlers', etc., licenses: To license, for the purposes of revenue and regulation, tax, prohibit, suppress, and regulate all raffles, hawkers, peddlers, pawnbrokers, refreshment or coffee stands, booths, or sheds; and to regulate as authorized by state law all tippling houses, dram shops, saloons, bars, and barrooms.
- (5) Dance houses: To prohibit or suppress, or to license and regulate all dance houses, fandango houses, or any exhibition or show of any animal or animals.
- (6) License vehicles: To license for the purposes of revenue and regulation, and to tax hackney coaches, cabs, omnibuses, drays, market wagons, and all other vehicles used for hire, and to regulate their stands, and to fix the rates to be charged for the transportation of persons, baggage, and property.
- 16 (7) Hotel runners: To license or suppress runners for steamboats, 17 taverns, or hotels.
  - (8) License generally: To fix and collect a license tax for the purposes of revenue and regulation, upon all occupations and trades, and all and every kind of business authorized by law not heretofore specified: PROVIDED, That on any business, trade, or calling not provided by law to be licensed for state and county purposes, the amount of license shall be fixed at the discretion of the city council, as they may deem the interests and good order of the city may require.
  - (9) Riots: To prevent and restrain any riot or riotous assemblages, disturbance of the peace, or disorderly conduct in any place, house, or street in the city.
  - (10) Nuisances: To declare what shall be deemed nuisances; to prevent, remove, and abate nuisances at the expense of the parties creating, causing, or committing or maintaining the same, and to levy a special assessment on the land or premises whereon the nuisance is situated to defray the cost or to reimburse the city for the cost of abating the same.
  - (11) Stock pound: To establish, maintain, and regulate a common pound for estrays, and to appoint a poundkeeper, who shall be paid out of the fines and fees imposed and collected of the owners of any animals impounded, and from no other source; to prevent and regulate

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the running at large of any and all domestic animals within the city limits or any parts thereof, and to regulate or prevent the keeping of such animals within any part of the city.

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- (12) Control of certain trades: To control and regulate slaughterhouses, washhouses, laundries, tanneries, forges, and offensive trades, and to provide for their exclusion or removal from the city limits, or from any part thereof.
- (13) Street cleaning: To provide, by regulation, for the prevention and summary removal of all filth and garbage in streets, sloughs, alleys, back yards, or public grounds of such city, or elsewhere therein.
- 12 (14) Gambling, etc.: To prohibit and suppress all gaming and all 13 gambling or disorderly houses, and houses of ill fame, and all immoral 14 and indecent amusements, exhibitions, and shows.
  - (15) Markets: To establish and regulate markets and market places.
  - (16) Speed of railroad cars: To fix and regulate the speed at which any railroad cars, streetcars, automobiles, or other vehicles may run within the city limits, or any portion thereof.
- 19 (17) City commons: To provide for and regulate the commons of the 20 city.
- 21 (18) Fast driving: To regulate or prohibit fast driving or riding 22 in any portion of the city.
  - (19) Combustibles: To regulate or prohibit the loading or storage of gunpowder and combustible or explosive materials in the city, or transporting the same through its streets or over its waters.
  - (20) Property: To have, purchase, hold, use, and enjoy property of every name or kind whatsoever, and to sell, lease, transfer, mortgage, convey, control, or improve the same; to build, erect, or construct houses, buildings, or structures of any kind needful for the use or purposes of such city.
  - (21) Fire department: To establish, continue, regulate, and maintain a fire department for such city, to change or reorganize the same, and to disband any company or companies of the said department; also, to discontinue and disband said fire department, and to create, organize, establish, and maintain a paid fire department for such city.
- 36 (22) Water supply: To adopt, enter into, and carry out means for 37 securing a supply of water for the use of such city or its inhabitants, 38 or for irrigation purposes therein.

- 1 (23) Overflow of water: To prevent the overflow of the city or to 2 secure its drainage, and to assess the cost thereof to the property 3 benefited.
  - (24) House numbers: To provide for the numbering of houses.

- (25) Health board: To establish a board of health; to prevent the introduction and spread of disease; to establish a city infirmary and to provide for the indigent sick; and to provide and enforce regulations for the protection of health, cleanliness, peace, and good order of the city; to establish and maintain hospitals within or without the city limits; to control and regulate interments and to prohibit them within the city limits.
- (26) Harbors and wharves: To build, alter, improve, keep in repair, and control the waterfront; to erect, regulate, and repair wharves, and to fix the rate of wharfage and transit of wharf, and levy dues upon vessels and commodities; and to provide for the regulation of berths, landing, stationing, and removing steamboats, sail vessels, rafts, barges, and all other watercraft; to fix the rate of speed at which steamboats and other steam watercraft may run along the waterfront of the city; to build bridges so as not to interfere with navigation; to provide for the removal of obstructions to the navigation of any channel or watercourses or channels.
- (27) License of steamers: To license steamers, boats, and vessels used in any watercourse in the city, and to fix and collect a license tax thereon.
- (28) Ferry licenses: To license ferries and toll bridges under the law regulating the granting of such license.
- (29) Penalty for violation of ordinances: To provide that violations of ordinances with the punishment for any offense not exceeding a fine of five thousand dollars or imprisonment for more than one year, or both fine and imprisonment, but the punishment for any criminal ordinance shall be the same as the punishment provided in state law for the same crime. Alternatively, such a city may provide that a violation of an ordinance constitutes a civil violation subject to monetary penalties or to determine and impose fines for forfeitures and penalties, but no act which is a state crime may be made a civil violation. A violation of an order, regulation, or ordinance relating to traffic including parking, standing, stopping, and pedestrian

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offenses is a traffic infraction, except that violation of an order, regulation, or ordinance equivalent to those provisions of Title 46 RCW set forth in RCW 46.63.020 remains a misdemeanor.

- (30) Police department: To create and establish a city police; to prescribe their duties and their compensation; and to provide for the regulation and government of the same.
- (31) Examine official accounts: To examine, either in open session or by committee, the accounts or doings of all officers or other persons having the care, management, or disposition of moneys, property, or business of the city.
- (32) Contracts: To make all appropriations, contracts, or agreements for the use or benefit of the city and in the city's name.
- (33) Streets and sidewalks: To provide by ordinance for the opening, laying out, altering, extending, repairing, grading, paving, planking, graveling, macadamizing, or otherwise improving of public streets, avenues, and other public ways, or any portion of any thereof; and for the construction, regulation, and repair of sidewalks and other street improvements, all at the expense of the property to be benefited thereby, without any recourse, in any event, upon the city for any portion of the expense of such work, or any delinquency of the property holders or owners, and to provide for the forced sale thereof for such purposes; to establish a uniform grade for streets, avenues, sidewalks, and squares, and to enforce the observance thereof.
- (34) Waterways: To clear, cleanse, alter, straighten, widen, fill up, or close any waterway, drain, or sewer, or any watercourse in such city when not declared by law to be navigable, and to assess the expense thereof, in whole or in part, to the property specially benefited.
- (35) Sewerage: To adopt, provide for, establish, and maintain a general system of sewerage, draining, or both, and the regulation thereof; to provide funds by local assessments on the property benefited for the purpose aforesaid and to determine the manner, terms, and place of connection with main or central lines of pipes, sewers, or drains established, and compel compliance with and conformity to such general system of sewerage or drainage, or both, and the regulations of said council thereto relating, by the infliction of suitable penalties and forfeitures against persons and property, or either, for

nonconformity to, or failure to comply with the provisions of such system and regulations or either.

- (36) Buildings and parks: To provide for all public buildings, public parks, or squares, necessary or proper for the use of the city.
- (37) Franchises: To permit the use of the streets for railroad or other public service purposes.
- (38) Payment of judgments: To order paid any final judgment against such city, but none of its lands or property of any kind or nature, taxes, revenue, franchise, or rights, or interest, shall be attached, levied upon, or sold in or under any process whatsoever.
- (39) Weighing of fuel: To regulate the sale of coal and wood in such city, and may appoint a measurer of wood and weigher of coal for the city, and define his <u>or her</u> duties, and may prescribe his <u>or her</u> term of office, and the fees he <u>or she</u> shall receive for his <u>or her</u> services: PROVIDED, That such fees shall in all cases be paid by the parties requiring such service.
- (40) Hospitals, etc.: To erect and establish hospitals and pesthouses and to control and regulate the same.
- (41) Waterworks: To provide for the erection, purchase, or otherwise acquiring of waterworks within or without the corporate limits of the city to supply such city and its inhabitants with water, and to regulate and control the use and price of the water so supplied.
- (42) City lights: To provide for lighting the streets and all public places of the city and for furnishing the inhabitants of the city with gas, electric, or other light, and for the ownership, purchase or acquisition, construction, or maintenance of such works as may be necessary or convenient therefor: PROVIDED, That no purchase of any such water plant or light plant shall be made without first submitting the question of such purchase to the electors of the city.
- (43) Parks: To acquire by purchase or otherwise land for public parks, within or without the limits of the city, and to improve the same.
- 33 (44) Bridges: To construct and keep in repair bridges, and to 34 regulate the use thereof.
  - (45) Power of eminent domain: In the name of and for the use and benefit of the city, to exercise the right of eminent domain, and to condemn lands and property for the purposes of streets, alleys, parks, public grounds, waterworks, or for any other municipal purpose and to

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acquire by purchase or otherwise such lands and property as may be deemed necessary for any of the corporate uses provided for by this title, as the interests of the city may from time to time require.

- (46) To provide for the assessment of taxes: To provide for the assessment, levying, and collecting of taxes on real and personal property for the corporate uses and purposes of the city and to provide for the payment of the debts and expenses of the corporation.
- (47) Local improvements: To provide for making local improvements, and to levy and collect special assessments on the property benefited thereby and for paying the same or any portion thereof; to determine what work shall be done or improvements made, at the expense, in whole or in part, of the adjoining, contiguous, or proximate property, and to provide for the manner of making and collecting assessments therefor.
- (48) Cemeteries: To regulate the burial of the dead and to establish and regulate cemeteries, within or without the corporate limits, and to acquire lands therefor by purchase or otherwise.
- (49) Fire limits: To establish fire limits with proper regulations and to make all needful regulations for the erection and maintenance of buildings or other structures within the corporate limits as safety of persons or property may require, and to cause all such buildings and places as may from any cause be in a dangerous state to be put in a safe condition; to regulate the manner in which stone, brick, and other buildings, party walls, and partition fences shall be constructed and maintained.
- (50) Safety and sanitary measures: To require the owners of public halls, theaters, hotels, and other buildings to provide suitable means of exit and proper fire escapes; to provide for the cleaning and purification of watercourses and canals and for the draining and filling up of ponds on private property within its limits when the same shall be offensive to the senses or dangerous to the health, and to charge the expense thereof to the property specially benefited, and to regulate and control and provide for the prevention and punishment of the defilement or pollution of all streams running in or through its corporate limits and a distance of five miles beyond its corporate limits, and of any stream or lake from which the water supply of the city is or may be taken and for a distance of five miles beyond its source of supply, and to make all quarantine and other regulations as

may be necessary for the preservation of the public health and to remove all persons afflicted with any contagious disease to some suitable place to be provided for that purpose.

- (51) To regulate liquor traffic: To regulate the selling or giving away of intoxicating, spirituous, malt, vinous, mixed, or fermented liquors as authorized by the general laws of the state.
- (52) To establish streets on tidelands: To project or extend or establish streets over and across any tidelands within the limits of such city.
  - (53) To provide for the general welfare.

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11 **Sec. 2054.** RCW 35.27.030 and 1965 c 7 s 35.27.030 are each amended to read as follows:

Whenever a petition is presented to the council of any incorporated town in this state, signed by not less than five electors of such town, setting forth that in the belief of the petitioners, the boundaries of said town are indefinite and uncertain and that on account of such indefiniteness and uncertainty the legality of the taxes levied within such town are in danger of being affected, and setting forth the particular causes or reasons of such alleged indefiniteness or uncertainty, it shall be the duty of the town council to cause the petition to be filed and recorded by the clerk, and to cause a copy of the same to be made and certified by the clerk and the corporate seal of such town to be attached to said certificate, and the mayor of such town shall forthwith present said certified copy of the petition to the board of county commissioners of the county wherein said town is situated, with a written request to be signed by him or her as such mayor that the said board of county commissioners proceed to examine the boundaries of such town or city, and make the same definite and certain.

**Sec. 2055.** RCW 35.27.050 and 1965 c 7 s 35.27.050 are each amended to read as follows:

The board of county commissioners, without unnecessary delay, shall make and file a report of their doings in the premises in the office of the county auditor, who shall transmit a certified copy thereof under the seal of the county, to the clerk of the town, and the clerk shall record the same in the records of the town, and keep the copy on file

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- 1 in his or her office. The report shall contain the description of the
- 2 boundary of the town, as fixed by the board, written in plain words and
- 3 figures and the boundaries so made and fixed shall be the boundaries of
- 4 the town, and all the territory included within the boundary lines so
- 5 established shall be included in the town, and be a part thereof.
- 6 **Sec. 2056.** RCW 35.27.090 and 1979 ex.s. c 126 s 23 are each 7 amended to read as follows:
- 8 All general municipal elections in towns shall be held biennially
- 9 in the odd-numbered years as provided in RCW ((29.13.020)) 29A.04.330.
- 10 The term of office of the mayor and treasurer shall be four years and
- 11 until their successors are elected and qualified and assume office in
- 12 accordance with RCW ((29.04.170)) 29A.20.040: PROVIDED, That the term
- of the treasurer shall not commence in the same biennium in which the
- 14 term of the mayor commences. ((Councilmen)) Councilmembers shall be
- 15 elected for four year terms and until their successors are elected and
- 16 qualified and assume office in accordance with RCW ((29.04.170))
- 17 <u>29A.20.040</u>; three at one election and two at the next succeeding
- 18 biennial election.
- 19 **Sec. 2057.** RCW 35.27.120 and 1986 c 167 s 19 are each amended to 20 read as follows:
- 21 Every officer of a town before entering upon the duties of his  $\underline{or}$
- 22 <u>her</u> office shall take and file with the county auditor his <u>or her</u> oath
- 23 of office. The clerk, treasurer, and marshal before entering upon
- 24 their respective duties shall also each execute a bond approved by the
- 25 council in such penal sum as the council by ordinance may determine,
- 26 conditioned for the faithful performance of his <u>or her</u> duties including
- 27 in the same bond the duties of all offices of which he or she is made
- 28 ex officio incumbent.
- 29 All bonds, when approved, shall be filed with the town clerk,
- 30 except the bonds of the clerk which shall be filed with the mayor.
- 31 Sec. 2058. RCW 35.27.170 and 1965 c 7 s 35.27.170 are each amended
- 32 to read as follows:
- The town treasurer shall receive and safely keep all money which
- 34 comes into his <u>or her</u> hands as treasurer, for all of which he <u>or she</u>
- 35 shall give duplicate receipts, one of which shall be filed with the

- 1 clerk. He or she shall pay out the money on warrants signed by the
- 2 mayor and countersigned by the clerk and not otherwise. He or she
- 3 shall make monthly settlements with the clerk.

**Sec. 2059.** RCW 35.27.190 and 1965 c 7 s 35.27.190 are each amended to read as follows:

Upon the consolidation of the office of treasurer with that of clerk, the office of treasurer shall be abolished and the clerk shall exercise all the powers and perform all the duties required by statute or ordinance to be performed by the treasurer; in the execution of any papers his <u>or her</u> designation as clerk shall be sufficient.

Upon the consolidation of the office of clerk with that of treasurer, the treasurer shall exercise all the powers vested in and perform all the duties required to be performed by the clerk.

**Sec. 2060.** RCW 35.27.230 and 1965 c 7 s 35.27.230 are each amended to read as follows:

The proceedings of the town council shall be kept in a book marked "records of council."

The town clerk shall keep a book marked "town accounts," in which shall be entered on the debit side all moneys received by the town including but not limited to proceeds from licenses and general taxes and in which shall be entered on the credit side all warrants drawn on the treasury.

He <u>or she</u> shall also keep a book marked "marshal's account" in which he <u>or she</u> shall charge the marshal with all licenses delivered to him <u>or her</u> and credit him <u>or her</u> with all money collected and paid in.

He <u>or she</u> shall also keep a book marked "treasurer's account" in which he <u>or she</u> shall keep a full account of the transactions of the town with the treasurer.

He <u>or she</u> shall also keep a book marked "licenses" in which he <u>or she</u> shall enter all licenses issued by him <u>or her</u>--the date thereof, to whom issued, for what, the time they expire, and the amount paid.

Each of the foregoing books, except the records of the council, shall have a general index sufficiently comprehensive to enable a person readily to ascertain matters contained therein.

He <u>or she</u> shall also keep a book marked "demands and warrants" in which he <u>or she</u> shall enter every demand against the town at the time

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of filing it. He <u>or she</u> shall state therein the final disposition of each demand and if it is allowed and a warrant drawn, he <u>or she</u> shall

state the number of the warrant and its date. This book shall contain

4 an index in which reference shall be made to each demand.

**Sec. 2061.** RCW 35.27.280 and 1965 c 107 s 2 are each amended to read as follows:

A majority of the ((councilmen)) councilmembers shall constitute a quorum for the transaction of business, but a lesser number may adjourn from time to time and may compel the attendance of absent members in such manner and under such penalties as may be prescribed by ordinance.

The mayor shall preside at all meetings of the council. The mayor shall have a vote only in case of a tie in the votes of the ((councilmen)) councilmembers. In the absence of the mayor the council may appoint a president pro tempore; in the absence of the clerk, the mayor or president pro tempore, shall appoint one of the councilmembers as clerk pro tempore. The council may establish rules for the conduct of its proceedings and punish any members or other person for disorderly behavior at any meeting. At the desire of any member, the ayes and noes shall be taken on any question and entered in the journal.

**Sec. 2062.** RCW 35.27.310 and 1965 c 7 s 35.27.310 are each amended 22 to read as follows:

The town clerk shall keep a book marked "ordinances" into which he or she shall copy all town ordinances, with his or her certificate annexed to said copy stating that the foregoing ordinance is a true and correct copy of an ordinance of the town, and giving the number and title of the ordinance, and stating that it has been published or posted according to law. Such record copy, with the clerk's certificate, shall be prima facie evidence of the contents of the ordinance and of its passage and publication, and shall be admissible as such in any court or proceeding. Such record shall not be filed in any case but shall be returned to the custody of the clerk. Nothing herein shall be construed to prevent the proof of the passage and publication of ordinances in the usual way. The book of ordinances shall have a general index sufficiently comprehensive to enable a person readily to ascertain matters contained therein.

1 Sec. 2063. RCW 35.27.330 and 1965 c 7 s 35.27.330 are each amended
2 to read as follows:

No ordinance or resolution granting any franchise for any purpose 3 shall be passed by the council on the day of its introduction, nor 4 5 within five days thereafter, nor at any other than a regular meeting, and no such ordinance or resolution shall have any validity or effect 6 7 unless passed by the vote of at least three ((<del>councilmen</del>)) councilmembers. The town council may require a bond in a reasonable 8 9 amount from any persons and corporations obtaining a franchise from the town conditioned for the faithful performance of the conditions and 10 11 terms of the franchise and providing a recovery on the bond in case of failure to perform the terms and conditions of the franchise. 12

13 **Sec. 2064.** RCW 35.27.340 and 1965 c 7 s 35.27.340 are each amended to read as follows:

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All demands against a town shall be presented to and audited by the council in accordance with such regulations as they may by ordinance prescribe. Upon allowance of a demand the mayor shall draw a warrant therefor upon the treasurer; the warrant shall be countersigned by the clerk and shall specify the purpose for which it is drawn.

The town clerk and his <u>or her</u> deputy shall take all necessary affidavits to claims against the town and certify them.

22 **Sec. 2065.** RCW 35.32A.020 and 1967 c 7 s 4 are each amended to 23 read as follows:

There shall be a budget director, appointed by the mayor without regard to civil service rules and regulations and subject to confirmation by a majority of the members of the city council, who shall be in charge of the city budget office and, under the direction of the mayor, shall be responsible for preparing the budget and supervising its execution. The budget director may be removed by the mayor upon filing with the city council a statement of his or her reasons therefor.

32 **Sec. 2066.** RCW 35.32A.060 and 1985 c 175 s 64 are each amended to read as follows:

Every city having a population of over three hundred thousand may maintain an emergency fund, which fund balance shall not exceed thirty-

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seven and one-half cents per thousand dollars of assessed value. Such fund shall be maintained by an annual budget allowance. When the necessity therefor arises transfers may be made to the emergency fund from any tax-supported fund except bond interest and redemption funds.

The city council by an ordinance approved by two-thirds of all of its members may authorize the expenditure of sufficient money from the emergency fund, or other designated funds, to meet the expenses or obligations:

- (1) Caused by fire, flood, explosion, storm, earthquake, epidemic, riot, insurrection, act of God, act of the public enemy or any other such happening that could not have been anticipated; or
- (2) For the immediate preservation of order or public health or for the restoration to a condition of usefulness of public property the usefulness of which has been destroyed by accident; or
- (3) In settlement of approved claims for personal injuries or property damages, exclusive of claims arising from the operation of a public utility owned by the city; or
- (4) To meet mandatory expenditures required by laws enacted since the last budget was adopted.

The city council by an ordinance approved by three-fourths of all its members may appropriate from the emergency fund, or other designated funds, an amount sufficient to meet the actual necessary expenditures of the city for which insufficient or no appropriations have been made due to causes which could not reasonably have been foreseen at the time of the making of the budget.

An ordinance authorizing an emergency expenditure shall become effective immediately upon being approved by the mayor or upon being passed over his <u>or her</u> veto as provided by the city charter.

**Sec. 2067.** RCW 35.33.011 and 1981 c 40 s 1 are each amended to 30 read as follows:

Unless the context clearly indicates otherwise, the following words as used in this chapter shall have the meaning herein prescribed:

- (1) "Clerk" as used in this chapter includes the officer performing the functions of a finance or budget director, comptroller, auditor, or by whatever title he or she may be known in any city or town.
- 36 (2) "Department" as used in this chapter includes each office,

division, service, system or institution of the city or town for which no other statutory or charter provision is made for budgeting and accounting procedures or controls.

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- (3) "Legislative body" as used in this chapter includes council, commission or any other group of officials serving as the legislative body of a city or town.
- (4) "Chief administrative officer" as used in this chapter includes the mayor of cities or towns having a mayor-council form of government, the commissioners in cities or towns having a commission form of government, the city manager, or any other city or town official designated by the charter or ordinances of such city or town under the plan of government governing the same, or the budget or finance officer designated by the mayor, manager or commissioners, to perform the functions, or portions thereof, contemplated by this chapter.
- (5) "Fiscal year" as used in this chapter means that fiscal period set by the city or town pursuant to authority given under RCW 1.16.030.
  - (6) "Fund", as used in this chapter and "funds" where clearly used to indicate the plural of "fund", shall mean the budgeting or accounting entity authorized to provide a sum of money for specified activities or purposes.
- (7) "Funds" as used in this chapter where not used to indicate the plural of "fund" shall mean money in hand or available for expenditure or payment of a debt or obligation.
- (8) Except as otherwise defined herein, municipal accounting terms used in this chapter shall have the meaning prescribed by the state auditor pursuant to RCW 43.09.200.
- **Sec. 2068.** RCW 35.33.055 and 1969 ex.s. c 95 s 6 are each amended to read as follows:

The chief administrative officer shall prepare the preliminary budget in detail, making any revisions or additions to the reports of the department heads deemed advisable by such chief administrative officer and at least sixty days before the beginning of the city's or town's next fiscal year he or she shall file it with the clerk as the recommendation of the chief administrative officer for the final budget. The clerk shall provide a sufficient number of copies of such preliminary budget and budget message to meet the reasonable demands of

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- 1 taxpayers therefor and have them available for distribution not later
- 2 than six weeks before the beginning of the city's or town's next fiscal
- 3 year.

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4 **Sec. 2069.** RCW 35.33.135 and 1969 ex.s. c 95 s 20 are each amended to read as follows:

6 At a time fixed by the city's or town's ordinance or city charter, 7 not later than the first Monday in October of each year, the chief 8 administrative officer shall provide the city's or town's legislative 9 body with current information on estimates of revenues from all sources 10 as adopted in the budget for the current year, together with estimates 11 submitted by the clerk under RCW 35.33.051. The city's or town's 12 legislative body and the city's or town's administrative officer or his or her designated representative shall consider the city's or town's 13 total anticipated financial requirements for the ensuing fiscal year, 14 15 and the legislative body shall determine and fix by ordinance the 16 amount to be raised by ad valorem taxes. Upon adoption of the 17 ordinance fixing the amount of ad valorem taxes to be levied, the clerk 18 shall certify the same to the board of county commissioners as required 19 by RCW 84.52.020.

20 **Sec. 2070.** RCW 35.33.170 and 1969 ex.s. c 95 s 25 are each amended to read as follows:

Upon the conviction of any city or town official, department head or other city or town employee of knowingly failing, or refusing, without just cause, to perform any duty imposed upon such officer or employee by this chapter, or city charter or city or town ordinance, in connection with the giving of notice, the preparing and filing of estimates of revenues or expenditures or other information required for preparing a budget report in the time and manner required, or of knowingly making expenditures in excess of budget appropriations, he or she shall be guilty of a misdemeanor and shall be fined not more than five hundred dollars for each separate violation.

- 32 **Sec. 2071.** RCW 35.36.010 and 1965 c 7 s 35.36.010 are each amended to read as follows:
- 34 The mayor, city comptroller and city clerk of every city of the

first class may each severally designate one or more bonded persons to affix his <u>or her</u> signature to any bond or bonds requiring his <u>or her</u> signature.

If the signature of one of these officers is affixed to a bond during his <u>or her</u> continuance in office by a proxy designated by him <u>or her</u> whose authority has not been revoked, the bond shall be as binding upon the city and all concerned as though the officer had signed the bond in person.

This chapter shall apply to all bonds, whether they constitute obligations of the city as a whole or of any local improvement or other district or subdivision thereof, whether they call for payment from the general funds of the city or from a local, special or other fund, and whether negotiable or otherwise.

**Sec. 2072.** RCW 35.36.050 and 1965 c 7 s 35.36.050 are each amended to read as follows:

A mayor, comptroller, or clerk authorizing the affixing of his <u>or her</u> signature to a bond by a proxy shall be subject to the same liability personally and on his <u>or her</u> bond for any signature so affixed and to the same extent as if he <u>or she</u> had affixed his <u>or her</u> signature in person.

**Sec. 2073.** RCW 35.36.060 and 1965 c 7 s 35.36.060 are each amended 22 to read as follows:

In order to designate a proxy to affix his <u>or her</u> signature to bonds, a mayor, comptroller, or clerk shall address a written notice to the governing body of the city giving the name of the person whom he <u>or she</u> has selected therefor and stating generally or specifically what bonds are to be so signed.

Attached to or included in the notice shall be a written signature of the officer making the designation executed by the proposed proxy followed by the word "by" and his <u>or her</u> own signature; or, if the notice so states, the specimen signatures may consist of a facsimile reproduction of the officer's signature impressed by some mechanical process followed by the word "by" and the proxy's own signature.

If the authority is intended to include the signature upon bonds bearing an earlier date than the effective date of the notice, the

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1 prior dated bonds must be specifically described by reasonable 2 reference thereto.

The notice designating a proxy shall be filed with the city comptroller or city clerk, together with the specimen signatures attached thereto and a record of the filing shall be made in the journal of the governing body. This record shall note the date and hour of filing and may be made by the official who keeps the journal at any time after filing of the notice, even during a period of recess or adjournment of the governing body. The notice shall be effective from the time of its recording.

**Sec. 2074.** RCW 35.37.120 and 1983 c 167 s 38 are each amended to read as follows:

If the council of any city or town which has issued general indebtedness bonds fails to make any levy necessary to make principal or interest payments due on the bonds, the owner of any bond or interest payment which has been presented to the treasurer and payment thereof refused because of the failure to make a levy may file the bond together with any unpaid coupons with the county auditor, taking his or her receipt therefor.

The county auditor shall register bonds so filed, and the county legislative authority at its next session at which it levies the annual county tax shall add to the city's or town's levy a sum sufficient to realize the amount of principal and interest past due and to become due prior to the next annual levy to be collected and held by the county treasurer and paid out only upon warrants drawn by the county auditor as the payments mature in favor of the owner of the bond as shown by the auditor's register. Similar levies shall be made in each succeeding year until the bonds and any coupons or interest payments are fully satisfied.

This remedy is alternative and in addition to any other remedy which the owner of such a bond or coupon may have.

**Sec. 2075.** RCW 35.38.050 and 1965 c 7 s 35.38.050 are each amended to read as follows:

The foregoing provisions of this chapter shall in no way affect the duty of a city or town treasurer to give bond to the city or town for

the faithful performance of his <u>or her</u> duties in such amount as may be fixed by the city or town council or other governing body by ordinance.

**Sec. 2076.** RCW 35.39.060 and 1982 c 166 s 1 are each amended to read as follows:

Any city or town now or hereafter operating an employees' pension system with the approval of the board otherwise responsible for management of its respective funds may invest, reinvest, manage, contract, sell, or exchange investments acquired. Investments shall be made in accordance with investment policy duly established and published by the board. In discharging its duties under this section, the board shall act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man or woman acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; shall diversify the investments of the employees' pension system so as to minimize the risk of large losses; and shall act in accordance with the documents and instruments governing the employees' pension system, insofar as such documents and instruments are consistent with the provisions of this title.

**Sec. 2077.** RCW 35.44.190 and 1985 c 397 s 9 are each amended to 21 read as follows:

Whenever any assessment roll for local improvements has been confirmed by the council, the regularity, validity, and correctness of the proceedings relating to the improvement and to the assessment therefor, including the action of the council upon the assessment roll and the confirmation thereof shall be conclusive in all things upon all parties. They cannot in any manner be contested or questioned in any proceeding by any person unless he or she filed written objections to the assessment roll in the manner and within the time required by the provisions of this chapter and unless he or she prosecutes his or her appeal in the manner and within the time required by the provisions of this chapter.

No proceeding of any kind shall be commenced or prosecuted for the purpose of defeating or contesting any assessment or the sale of any property to pay an assessment or any certificate of delinquency issued therefor, or the foreclosure of any lien therefor, except that

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injunction proceedings may be brought to prevent the sale of any real estate upon the ground (1) that the property about to be sold does not appear upon the assessment roll or, (2) that the assessment has been paid.

If federal, local, or state funds become available for a local improvement after the assessment roll has been confirmed by the city legislative authority, the funds may be used to lower the assessments on a uniform basis. Any adjustments to the assessments because of the availability of federal or state funds may be made on the next annual payment.

**Sec. 2078.** RCW 35.44.220 and 1971 ex.s. c 116 s 3 are each amended to read as follows:

At the time of filing the notice of appeal with the clerk of the superior court, the appellant shall execute and file with him or her a sufficient bond in the penal sum of two hundred dollars, with at least two sureties to be approved by the judge of the court, conditioned to prosecute the appeal without delay and, if unsuccessful, to pay all reasonable costs and expenses which the city or town incurs by reason of the appeal. Upon application therefor, the court may order the appellant to execute and file such additional bonds as the necessity of the case may require.

**Sec. 2079.** RCW 35.44.230 and 1971 c 81 s 90 are each amended to 23 read as follows:

Within ten days from the filing of the notice of appeal, the appellant shall file with the clerk of the superior court a transcript consisting of the assessment roll and his <u>or her</u> objections thereto, together with the ordinance confirming the assessment roll and the record of the council with reference to the assessment. This transcript, upon payment of the necessary fees therefor, shall be furnished by the city or town clerk and shall be certified by him <u>or her</u> to contain full, true and correct copies of all matters and proceedings required to be included in the transcript. The fees payable therefor shall be the same as those payable to the clerk of the superior court for the preparation and certification of transcripts on appeal to the supreme court or the court of appeals in civil actions.

**Sec. 2080.** RCW 35.44.270 and 1988 c 202 s 37 are each amended to read as follows:

A certified copy of the decision of the superior court pertaining to assessments for local improvements shall be filed with the officer having custody of the assessment roll and he or she shall modify and correct the assessment roll in accordance with the decision. In the event appellate review of the decision is sought, a certified copy of the court's order shall be filed with the officer having custody of the assessment roll and the officer shall thereupon modify and correct the assessment roll in accordance with the order.

**Sec. 2081.** RCW 35.45.080 and 2002 c 41 s 3 are each amended to 12 read as follows:

If a city or town fails to pay any bonds or to promptly collect any local improvement assessments when due, the owner of the bonds may proceed in his or her own name to collect the assessment and foreclose the lien thereof in any court of competent jurisdiction and shall recover in addition to the amount of the bond and interest thereon, five percent, together with the cost of suit. Any number of holders of bonds for any single improvement may join as plaintiffs and any number of owners of property upon which the assessments are liens may be joined as defendants in the same suit.

The owners of local improvement bonds issued by a city or town after the creation of a local improvement guaranty fund therein, shall also have recourse against the local improvement guaranty fund of such city or town unless the ordinance under which the bonds were issued provides that the bonds are not secured by the local improvement guaranty fund.

**Sec. 2082.** RCW 35.45.090 and 1965 c 7 s 35.45.090 are each amended to read as follows:

Any funds in the treasury of any municipal corporation belonging to the fund of any local improvement district after the payment of the whole cost and expense of such improvement, in excess of the total sum required to defray all the expenditures by such municipal corporation on account thereof, shall be refunded, on demand, to the payers into such fund. Each such payer shall be entitled to such proportion of such excess as his <u>or her</u> original assessment bears to the entire

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original assessment levied for such improvement. Such municipal corporation may, after one year from the date on which the last installment becomes due, transfer any balance remaining on hand to the general fund of such municipal corporation, but shall, notwithstanding such transfer remain liable for the refund herein provided for until such refund shall have been made, unless the actual cost involved in making such refund shall exceed the excess in such fund.

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Such demand shall be made in writing to the treasurer of such municipal corporation. No action shall be commenced in any court to obtain any such refund, except upon such demand, and until ninety days after making such demand. No excess shall be recovered in any action where the excess in the fund does not average the sum of one dollar in favor of all payers into such fund.

This section shall not be deemed to require the refunding of any balance left in any local improvement fund after the payment of all outstanding obligations issued against such fund, where such balance accrues from any saving in interest or from penalties collected upon delinquent assessments, but any such balance, whether accruing heretofore or hereafter, may be turned into the general fund or otherwise disposed of, as the legislative authority of the city may direct.

The provisions of this chapter relating to the refund of excess local improvement district funds shall not apply to any district whose obligations are guaranteed by the local improvement guaranty fund.

Sec. 2083. RCW 35.45.130 and 1981 c 323 s 3 are each amended to read as follows:

Every city and town may provide by ordinance for the issuance of warrants in payment of the cost and expense of any local improvement, payable out of the local improvement district fund. The warrants shall bear interest at a rate or rates established by the issuing officer under the direction of the legislative authority of the city or town and shall be redeemed either in cash or by local improvement bonds for the same improvement authorized by ordinance.

All warrants against any local improvement fund sold by the city or town or issued to a contractor and by him <u>or her</u> sold or hypothecated for a valuable consideration shall be claims and liens against the improvement fund against which they are drawn prior and superior to any

right, lien, or claim of any surety upon the bond or bonds given to the city or town by or for the contractor to secure the performance of his or her contract or to secure the payment of persons who have performed work thereon, furnished materials therefor, or provisions and supplies for the carrying on of the work.

**Sec. 2084.** RCW 35.45.150 and 1983 c 167 s 44 are each amended to read as follows:

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In addition to the issuance of bonds and warrants in payment of the cost and expense of any local improvement, any city or town may also issue and sell installment notes payable out of the local improvement district fund. Such installment notes may be issued any time after the thirty day period allowed by law for the payment of assessments of any district without penalty or interest, and may bear any denomination or denominations, the aggregate of which shall represent the balance of the cost and expense of the local improvement district which is to be borne by the property owners therein.

Application of local improvement district funds for the reduction of the principal and interest amounts due on any notes herein provided to finance said improvement shall be made not less than once each year beginning with the issue date thereof. Appropriate notification of such application of funds shall be made by the city or town treasurer to the registered payees of said notes, except those notes owned by funds of the issuing municipality. Such notes may be registered as provided in RCW 39.46.030. If more than one local improvement installment note is issued for a single district, said notes shall be numbered consecutively. All notes issued shall bear on the face (1) The name of the payee; (2) the number of the local improvement district from whose funds the notes are payable; (3) the date of issue of each note; (4) the date on which the note, or the final installment thereon shall become due; (5) the rate or rates of interest, as provided by the city or town legislative authority, to be paid on the unpaid balance thereof, and; (6) such manual or facsimile signatures and attestations as are required by state statute or city charter to appear on the warrants of each issuing municipality.

The reverse side of each installment note issued pursuant to this section shall bear a tabular payment record which shall indicate at prescribed installment dates, the receipt of any local improvement

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district funds for the purpose of servicing the debt evidenced by said notes. Such receipts shall first be applied toward the interest due on the unpaid balance of the note, and any additional moneys shall thereafter apply as a reduction of the principal amount thereof. The tabular payment record shall, in addition to the above, show the unpaid principal balance due on each installment note, together with sufficient space opposite each transaction affecting said note for the manual signature of the city's or town's clerk, treasurer or other properly designated receiving officer of the municipality, or of any other registered payee presenting said note for such installment payments.

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Whenever there are insufficient funds in a local improvement district to meet any payment of installment interest due on any note herein authorized, a noninterest-bearing defaulted installment interest certificate shall be issued by the city or town treasurer which shall consist of a written statement certifying the amount of such defaulted interest installment; the name of the payee of the note to whom the interest is due and the number of the local improvement district from whose funds the note and interest thereon is payable. Such certificates may be registered as provided in RCW 39.46.030. certificate herein provided shall bear the manual signature of the city or town treasurer or his or her authorized agent. The defaulted installment interest certificate so issued shall be redeemed for the face amount thereof with any available funds in the local improvement quaranty fund.

Whenever at the date of maturity of any installment note issued pursuant to this section, there are insufficient funds in a local improvement district, due to delinquencies in the collection of assessments, to pay the final installment of the principal due thereon, the note shall be redeemed with any available funds in the local improvement guaranty fund for the amount of said final installment.

All certificates and notes issued pursuant to this section are to become subject to the same redemption privileges as apply to any local improvement district bonds and warrants now accorded the protection of the local improvement guaranty fund as provided in chapter 35.54 RCW, and whenever the certificates or notes issued as herein provided are redeemed by said local improvement guaranty fund, they shall be held

therein as investments thereof in the same manner as prescribed for other defaulted local improvement district obligations.

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Notwithstanding any other statutory provisions, local improvement 3 installment notes authorized by this section which are within the 4 5 protection of the local improvement guaranty fund law shall be considered legal investments for any available surplus funds of the 6 7 issuing municipality which now or hereafter may be authorized to be invested in the city's or town's local improvement districts' bonds or 8 9 warrants and shall be considered legal investments for all national and 10 state banks, savings and loan institutions, and any and all other commercial banking or financial institutions to the same extent that 11 the local improvement district bonds and any coupons issued pursuant to 12 13 the provisions of this chapter have been and are legal investments for 14 such institutions. Any such local improvement installment notes may be transferred or sold by said city or town upon such terms or conditions 15 16 and in such manner as the local governing body of said city or town may 17 determine, or may be issued to another fund of the city or town: PROVIDED, HOWEVER, That the same shall not be sold at less than par 18 plus accrued interest. 19

Notwithstanding the provisions of this section, such notes and certificates may be issued, and such notes may be sold, in accordance with chapter 39.46 RCW.

23 **Sec. 2085.** RCW 35.49.010 and 1972 ex.s. c 137 s 1 are each amended to read as follows:

All assessments for local improvements in local improvement districts shall be collected by the city treasurer and shall be kept in a separate fund to be known as "local improvement fund, district No. . . . " and shall be used for no other purpose than the redemption of warrants drawn upon and bonds issued against the fund to provide payment for the cost and expense of the improvement.

All assessments for local improvements in a utility local improvement district shall be collected by the city treasurer, shall be paid into the appropriate revenue bond fund, and shall be used for no other purpose than the redemption of revenue bonds issued to provide funds for the cost and expense of the improvement.

As soon as the assessment roll has been placed in the hands of the city or town treasurer for collection, he <u>or she</u> shall publish a notice

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in the official newspaper of the city or town once a week for two consecutive weeks, that the roll is in his <u>or her</u> hands for collection and that all or any portion of the assessment may be paid within thirty days from the date of the first publication of the notice without penalty, interest or costs.

Within fifteen days of the first newspaper publication, the city or town treasurer shall notify each owner or reputed owner whose name appears on the assessment roll, at the address shown on the tax rolls of the county treasurer for each item of property described on the list, of the nature of the assessment, of the amount of his <u>or her</u> real property subject to such assessment, of the total amount of assessment due, and of the time during which such assessment may be paid without penalty, interest, or costs.

**Sec. 2086.** RCW 35.49.040 and 1965 c 7 s 35.49.040 are each amended to read as follows:

The owner of any lot, tract, or parcel of land or other property charged with local improvement assessment may redeem it from all or any portion thereof by paying to the city or town treasurer all or any portion thereof without interest within thirty days after the first publication by the treasurer of notice that the assessment roll is in his or her hands for collection.

**Sec. 2087.** RCW 35.49.090 and 1965 c 7 s 35.49.090 are each amended to read as follows:

If any assessment for a local improvement, or an installment thereof, or judgment for either of them is paid, or a certificate of sale for either of them is redeemed by a joint owner of any of the property so assessed, he or she may, after demand and refusal, recover from his or her co-owners, by an action brought in superior court, the respective portions of the payment which each co-owner should bear. He or she shall have a lien upon the undivided interests of his or her co-owners from the date of the payment made by him or her and in the action shall recover interest at ten percent from the date of payment by him or her and the costs of the action in addition to the principal sum due him or her.

1 Sec. 2088. RCW 35.49.100 and 1965 c 7 s 35.49.100 are each amended
2 to read as follows:

If, through error or inadvertence, a person pays any assessment for a local improvement or an installment thereof upon the lands of another, he <u>or she</u> may, after demand and refusal, recover from the owner of such lands, by an action in the superior court, the amount so paid and the costs of the action.

**Sec. 2089.** RCW 35.50.005 and 1969 ex.s. c 258 s 16 are each 9 amended to read as follows:

Within fifteen days after any city or town has ordered a local improvement and created a local improvement district, the city or town shall cause to be filed with the officer authorized by law to collect the assessments for such improvement, the title of the improvement and district number and a copy of the diagram or print showing the boundaries of the district and preliminary assessment roll or abstract of same showing thereon the lots, tracts and parcels of land that will be specially benefited thereby and the estimated cost and expense of such improvement to be borne by each lot, tract, or parcel of land. Such officer shall immediately post the proposed assessment roll upon his or her index of local improvement assessments against the properties affected by the local improvement.

**Sec. 2090.** RCW 35.50.225 and 1982 c 91 s 6 are each amended to 23 read as follows:

In foreclosing local improvement assessments, the summons shall be substantially in the following form:

## SUPERIOR COURT OF WASHINGTON FOR [ . . . . . . ] COUNTY No . . . . . Plaintiff, SUMMONS FOR FORECLOSURE OF LOCAL IMPROVEMENT Defendant. ASSESSMENT LIEN

To the Defendant: A lawsuit has been started against you in the above entitled court by . . . . . , plaintiff. Plaintiff's claim is

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stated in the written complaint, a copy of which is served upon you with this summons. The purpose of this suit is to foreclose on your

3 interest in the following described property:

4 [legal description]

5 which is located at:

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6 [street address]

In order to defend against this lawsuit, you must respond to the complaint by stating your defense in writing, and by serving a copy upon the person signing this summons within ((20)) twenty days after the service of this summons, excluding the day of service, or a default judgment may be entered against you without notice. A default judgment is one where plaintiff is entitled to what he or she asks for because you have not responded. If you serve a notice of appearance on the undersigned person, you are entitled to notice before a default judgment may be entered.

16 IMPORTANT NOTICE

If judgment is taken against you, either by default or after hearing by the court, your property will be sold at public auction.

You may prevent the sale by paying the amount of the judgment at any time prior to the sale.

If your property is sold, you may redeem the property at any time up to two years after the date of the sale, by paying the amount for which the property was sold, plus interest and costs of the sale.

If you wish to seek the advice of an attorney in this matter, you should do so promptly so that your written response, if any, may be served on time.

| 27 |       | [sign              | ed]       |     |             |
|----|-------|--------------------|-----------|-----|-------------|
| 28 |       |                    |           |     |             |
| 29 |       | Print or Type Name |           |     |             |
| 30 |       | ( )                | Plaintiff | ( ) | Plaintiff's |
| 31 |       |                    |           |     | Attorney    |
| 32 |       | P.O. Address       |           |     |             |
| 33 | Dated | Telephone Number   |           |     |             |

34 **Sec. 2091.** RCW 35.53.070 and 1967 c 52 s 23 are each amended to read as follows:

In such an action the court after acquiring jurisdiction shall proceed as in the case of a receivership except that the city or town shall serve as trustee in lieu of a receiver.

The assets of the improvement districts involved shall be sold at such prices and in such manner as the court may deem advisable and be applied to the costs and expenses of the action and the liquidation of the bonds and warrants of the districts or revenue bonds to which utility local improvement assessments are pledged to pay.

No notice to present claims other than the summons in the action shall be necessary. Any claim presented shall be accompanied by the bonds and warrants upon which it is based. Dividends upon any bonds or warrants for which no claim was filed shall be paid into the general fund of the city or town, but the owner thereof may obtain it at any time within five years thereafter upon surrender and cancellation of his <u>or her</u> bonds and warrants.

Upon the termination of the receivership the city or town shall be discharged from all trusts relating to the property, funds, bonds, and warrants involved in the action.

**Sec. 2092.** RCW 35.54.100 and 1972 ex.s. c 137 s 3 are each amended 20 to read as follows:

Whenever payment of a local improvement district assessment is deferred pursuant to the provisions of RCW 35.43.250 the amount of the deferred assessment shall be paid out of the local improvement guaranty fund. The local improvement guaranty fund shall have a lien on the benefited property in an amount equal to the deferral together with interest as provided for by the establishing ordinance.

The lien may accumulate up to an amount not to exceed the sum of two installments: PROVIDED, That the ordinance creating the local improvement district may provide for one or additional deferrals of up to two installments. Local improvement assessment obligations deferred under chapter 137, Laws of 1972 ex. sess. shall become payable upon the earliest of the following dates:

- (1) Upon the date and pursuant to conditions established by the political subdivision granting the deferral; or
- 35 (2) Upon the sale of property which has a deferred assessment lien 36 upon it from the purchase price; or

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(3) Upon the death of the person to whom the deferral was granted from the value of his <u>or her</u> estate; except a surviving spouse shall be allowed to continue the deferral which shall then be payable by that spouse as provided in this section.

**Sec. 2093.** RCW 35.55.070 and 1965 c 7 s 35.55.070 are each amended to read as follows:

When such assessment roll has been prepared it shall be filed in the office of the city clerk and thereupon the city clerk shall give notice by publication in at least three issues of the official paper that such roll is on file in his <u>or her</u> office and that at a date mentioned in said notice, which shall be at least twenty days after the date of the first publication thereof, the city council will sit as a board of equalization to equalize said roll and to hear, consider and determine protests and objections against the same.

At the time specified in the notice, the city council shall sit as a board of equalization to equalize the roll and they may adjourn the sitting from time to time until the equalization of such roll is completed. The city council as board of equalization may hear, consider and determine objections and protests against any assessment and may make such alterations and modifications in the assessment roll as justice and equity may require.

**Sec. 2094.** RCW 35.56.040 and 1965 c 7 s 35.56.040 are each amended to read as follows:

Upon the introduction of an ordinance providing for such fill, if the city council or commission desires to proceed, it shall fix a time, not less than ten days, in which protests against said fill may be filed in the office of the city clerk. Thereupon it shall be the duty of the clerk of said city to publish in the official newspaper of said city in at least two consecutive issues thereof before the time fixed for the filing of protests, a notice of the time fixed for the filing of protests together with a copy of the proposed ordinance as introduced.

Protests against the proposed fill to be effective must be filed by the owners of more than half of the area of land situated within the proposed filling district exclusive of streets, alleys and public places on or before the date fixed for such filing. If an effective

protest is filed the council shall not proceed further unless twothirds of the members of the city council vote to proceed with the work; if the city is operating under a commission form of government composed of three commissioners, the commission shall not proceed further except by a unanimous affirmative vote of all the members thereof, if the commission is composed of five members, at least four affirmative votes thereof shall be necessary before proceeding.

If no effective protest is filed or if an effective protest is filed and two-thirds of the ((councilmen)) councilmembers vote to proceed with the work or in cases where cities are operating under the commission form of government, the commissioners vote unanimously or four out of five commissioners vote to proceed with the work, the city council or commission shall at such meeting or in a succeeding meeting proceed to pass the proposed ordinance for the work, with such amendments and modifications as to the said city council or commission of said city may seem proper. The local improvement district shall be called "filling district No. . . . . "

**Sec. 2095.** RCW 35.56.080 and 1965 c 7 s 35.56.080 are each amended to read as follows:

When such assessment roll has been prepared it shall be filed in the office of the city clerk and thereupon the city clerk shall give notice by publication in at least three issues of the official paper that such roll is on file in his <u>or her</u> office and on a date mentioned in said notice, which shall be at least twenty days after the date of the first publication thereof, the city council or commission will sit as a board of equalization to equalize said roll and to hear, consider and determine protests and objections against the same.

At the time specified in the notice, the city council or commission shall sit as a board of equalization to equalize the roll and they may adjourn the sitting from time to time until the equalization of such roll is completed. The city council or commission as such board of equalization may hear, consider and determine objections and protests against any assessment and make such alterations and modifications in the assessment roll as justice and equity may require.

**Sec. 2096.** RCW 35.56.140 and 1965 c 7 s 35.56.140 are each amended to read as follows:

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The city may guarantee the payment of the whole or any part of the 1 2 bonds issued against a local improvement district, but the guaranties on the part of the city shall be made only by ordinance passed by the 3 vote of not less than two-thirds of the ((councilmen)) councilmembers 4 and the approval of the mayor, or three commissioners in case the 5 governing body consist of three commissioners, or four where such city 7 is governed by five commissioners.

8 Sec. 2097. RCW 35.58.070 and 1965 c 7 s 35.58.070 are each amended to read as follows: 9

A metropolitan municipal corporation may be created by vote of the qualified electors residing in a metropolitan area in the manner provided in this chapter. An election to authorize the creation of a metropolitan municipal corporation may be called pursuant to resolution or petition in the following manner:

- 15 (1) A resolution or concurring resolutions calling for such an 16 election may be adopted by either:
  - (a) The city council of a central city; or

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- (b) The city councils of two or more component cities other than a 18 19 central city; or
- 20 (c) The board of commissioners of a central county.
- 21 A certified copy of such resolution or certified copies of such concurring resolutions 22 shall be transmitted to the board of 23 commissioners of the central county.
- 24 (2) A petition calling for such an election shall be signed by at least four percent of the qualified voters residing within the 25 26 metropolitan area and shall be filed with the auditor of the central 27 county.

Any resolution or petition calling for such an election shall describe the boundaries of the proposed metropolitan area, name the metropolitan function or functions which the metropolitan municipal corporation shall be authorized to perform initially and state that the formation of the metropolitan municipal corporation will be conducive to the welfare and benefit of the persons and property within the metropolitan area. After the filing of a first sufficient petition or resolution with such county auditor or board of county commissioners respectively, action by such auditor or board shall be deferred on any

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subsequent petition or resolution until after the election has been held pursuant to such first petition or resolution.

Upon receipt of such a petition, the auditor shall examine the same and certify to the sufficiency of the signatures thereon. For the purpose of examining the signatures on such petition, the auditor shall be permitted access to the voter registration books of each component county and each component city. No person may withdraw his or her name from a petition after it has been filed with the auditor. Within thirty days following the receipt of such petition, the auditor shall transmit the same to the board of commissioners of the central county, together with his or her certificate as to the sufficiency thereof.

**Sec. 2098.** RCW 35.58.100 and 1967 c 105 s 2 are each amended to 13 read as follows:

A metropolitan municipal corporation may be authorized to perform one or more metropolitan functions in addition to those which it has previously been authorized to perform, with the approval of the voters at an election, in the manner provided in this section.

An election to authorize a metropolitan municipal corporation to perform one or more additional metropolitan functions may be called pursuant to a resolution or a petition in the following manner:

- (1) A resolution calling for such an election may be adopted by:
- (a) The city council of the central city; or
- (b) The city councils of at least one-half in number of the component cities other than the central city; or
- (c) The board of commissioners of the central county. Such resolution shall be transmitted to the metropolitan council.
- (2) A petition calling for such an election shall be signed by at least four percent of the registered voters residing within the metropolitan area and shall be filed with the auditor of the central county.

Any resolution or petition calling for such an election shall name the additional metropolitan functions which the metropolitan municipal corporation shall be authorized to perform.

Upon receipt of such a petition, the auditor shall examine the signatures thereon and certify to the sufficiency thereof. For the purpose of examining the signatures on such petition, the auditor shall be permitted access to all voter registration books of any component

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county and of all component cities. No person may withdraw his <u>or her</u>
name from a petition after it has been filed with the auditor. Within
thirty days following the receipt of such petition, the auditor shall
transmit the same to the metropolitan council, together with his <u>or her</u>
certificate as to the sufficiency of signatures thereon.

Upon receipt of a valid resolution or duly certified petition calling for an election on the authorization of the performance of one or more additional metropolitan functions, the metropolitan council shall cause to be called a special election to be held not more than one hundred and twenty days nor less than sixty days following such receipt. Such special election shall be conducted and canvassed as provided in this chapter for an election on the question of forming a metropolitan municipal corporation. The ballot proposition shall be in substantially the following form:

"Shall the . . . . . metropolitan municipal corporation be authorized to perform the additional metropolitan functions of . . . . . (here insert the title of each of the additional functions to be authorized as set forth in the petition or resolution)?

If a majority of the persons voting on the proposition shall vote in favor thereof, the metropolitan municipal corporation shall be authorized to perform such additional metropolitan function or functions.

**Sec. 2099.** RCW 35.58.130 and 1965 c 7 s 35.58.130 are each amended to read as follows:

At the first meeting of the metropolitan council following the formation of a metropolitan municipal corporation, the mayor of the central city shall serve as temporary ((chairman)) chair. As its first official act the council shall elect a ((chairman)) chair. The ((chairman)) chair shall be a voting member of the council and shall preside at all meetings. In the event of his or her absence or inability to act the council shall select one of its members to act as ((chairman)) chair pro tempore. A majority of all members of the council shall constitute a quorum for the transaction of business. A

- smaller number of councilmembers than a quorum may adjourn from time to 1 2 time and may compel the attendance of absent members in such manner and under such penalties as the council may provide. The council shall 3 determine its own rules and order of business, shall provide by 4 resolution for the manner and time of holding all regular and special 5 meetings and shall keep a journal of its proceedings which shall be a 6 7 public record. Every legislative act of the council of a general or 8 permanent nature shall be by resolution.
- 9 **Sec. 2100.** RCW 35.58.140 and 1971 ex.s. c 303 s 6 are each amended to read as follows:
- 11 Each member of a metropolitan council except those selected under 12 the provisions of RCW 35.58.120  $((\frac{1}{a}, \frac{5}{a}, \frac{7}{a}, \frac{1}{a}, \frac{8}{a}))$ , shall hold office at the pleasure of the body which selected him or her. 13 Each member, who shall hold office ex officio, may not hold office 14 15 after he or she ceases to hold the position of elected county 16 executive, mayor, commissioner, or ((councilman)) councilmember. 17 ((chairman)) chair shall hold office until the second Tuesday in July of each even-numbered year and may, if reelected, serve more than one 18 term. Each member shall hold office until his or her successor has 19 20 been selected as provided in this chapter.
- 21 **Sec. 2101.** RCW 35.58.150 and 1984 c 44 s 1 are each amended to 22 read as follows:
- 23 A vacancy in the office of a member of the metropolitan council 24 shall be filled in the same manner as provided for the original 25 The meeting of mayors to fill a vacancy of the member selected under the provisions of RCW 35.58.120((4)) or of special 26 district representatives to fill a vacancy of a member selected under 27 RCW 35.58.120( $(\frac{7}{})$ ) shall be held at such time and place as shall be 28 29 designated by the ((chairman)) chair of the metropolitan council after 30 ten days' written notice mailed to the mayors of each of the cities specified in RCW  $35.58.120((\frac{4}{4}))$  or to the representatives of the 31 32 special purpose districts specified in RCW  $35.58.120((\frac{(7)}{)})$ , whichever 33 is applicable.
- 34 **Sec. 2102.** RCW 35.58.160 and 1985 c 330 s 1 are each amended to read as follows:

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The ((chairman)) chair and committee ((chairmen)) chairs of the metropolitan council except elected public officials serving on a fulltime salaried basis may receive such compensation as the other members of the metropolitan council shall provide. Members of the council other than the ((chairman)) chair and committee ((chairmen)) chairs shall receive compensation of fifty dollars per day or portion thereof for attendance at metropolitan council or committee meetings, or for performing other services on behalf of the metropolitan municipal corporation, but not exceeding a total of four thousand eight hundred dollars in any year, in addition to any compensation which they may receive as officers of component cities or counties: PROVIDED, That elected public officers serving in such capacities on a full-time basis shall not receive compensation for attendance at metropolitan, council, or committee meetings, or otherwise performing services on behalf of the metropolitan municipal corporation: PROVIDED FURTHER, That committee ((chairmen)) chairs shall not receive compensation in any one year greater than one-third of the compensation authorized for the county commissioners or county ((councilmen)) councilmembers of the central county.

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Any member of the council may waive all or any portion of his or her compensation payable under this section as to any month or months during his or her term of office, by a written waiver filed with the council as provided in this section. The waiver, to be effective, must be filed any time after the member's selection and prior to the date on which the compensation would otherwise be paid. The waiver shall specify the month or period of months for which it is made.

All members of the council shall be reimbursed for expenses actually incurred by them in the conduct of official business for the metropolitan municipal corporation.

**Sec. 2103.** RCW 35.58.210 and 1999 c 153 s 33 are each amended to read as follows:

If a metropolitan municipal corporation shall be authorized to perform the function of metropolitan water pollution abatement, the metropolitan council shall, prior to the effective date of the assumption of such function, cause a metropolitan water pollution abatement advisory committee to be formed by notifying the legislative body of each component city and county which operates a sewer system to

appoint one person to serve on such advisory committee and the board of 1 2 commissioners of each water-sewer district which operates a sewer system, any portion of which lies within the metropolitan area, to 3 appoint one person to serve on such committee who shall be a 4 commissioner of such a water-sewer district. The metropolitan water 5 pollution abatement advisory committee shall meet at the time and place 6 7 provided in the notice and elect a ((chairman)) chair. The members of such committee shall serve at the pleasure of the appointing bodies and 8 shall receive no compensation other than reimbursement for expenses 9 10 actually incurred in the performance of their duties. The function of such advisory committee shall be to advise the metropolitan council in 11 matters relating to the performance of the water pollution abatement 12 13 function.

14 **Sec. 2104.** RCW 35.58.230 and 1999 c 153 s 35 are each amended to read as follows:

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If a metropolitan municipal corporation shall be authorized to perform the function of metropolitan water supply, the metropolitan council shall, prior to the effective date of the assumption of such function, cause a metropolitan water advisory committee to be formed by notifying the legislative body of each component city which operates a water system to appoint one person to serve on such advisory committee and the board of commissioners of each water-sewer district that operates a water system, any portion of which lies within the metropolitan area, to appoint one person to serve on such committee who shall be a water-sewer district commissioner. The metropolitan water advisory committee shall meet at the time and place provided in the notice and elect a ((chairman)) chair. The members of such committee shall serve at the pleasure of the appointing bodies and shall receive no compensation other than reimbursement for expenses actually incurred in the performance of their duties. The function of such advisory committee shall be to advise the metropolitan council with respect to matters relating to the performance of the water supply function.

The requirement to create a metropolitan water advisory committee shall not apply to a county that has assumed the rights, powers, functions, and obligations of the metropolitan municipal corporation under chapter 36.56 RCW.

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**Sec. 2105.** RCW 35.58.265 and 1965 c 91 s 1 are each amended to 1 2 read as follows:

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If a metropolitan municipal corporation shall perform the metropolitan transportation function and shall acquire any existing transportation system, it shall assume and observe all existing labor contracts relating to such system and, to the extent necessary for operation of facilities, all of the employees of such acquired transportation system whose duties are necessary to operate efficiently the facilities acquired shall be appointed to comparable positions to those which they held at the time of such transfer, and no employee or retired or pensioned employee of such systems shall be placed in any worse position with respect to pension seniority, wages, sick leave, vacation or other benefits that he or she enjoyed as an employee of such system prior to such acquisition. The metropolitan municipal corporation shall engage in collective bargaining with the duly appointed representatives of any employee labor organization having existing contracts with the acquired transportation system and may enter into labor contracts with such employee labor organization.

Sec. 2106. RCW 35.58.270 and 1993 c 240 s 6 are each amended to 20 read as follows:

If a metropolitan municipal corporation shall be authorized to perform the function of metropolitan transportation with a commission form of management, a metropolitan transit commission shall be formed prior to the effective date of the assumption of such function. Except as provided in this section, the metropolitan transit commission shall exercise all powers of the metropolitan municipal corporation with respect to metropolitan transportation facilities, including but not limited to the power to construct, acquire, maintain, operate, extend, alter, repair, control and manage a local public transportation system within and without the metropolitan area, to establish new passenger transportation services and to alter, curtail, or abolish any services as the commission may deem desirable and to fix tolls and fares.

The comprehensive plan for public transportation service and any amendments thereof shall be adopted by the metropolitan council and the metropolitan transit commission shall provide transportation facilities and service consistent with such plan. The metropolitan transit commission shall authorize expenditures for transportation purposes

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within the budget adopted by the metropolitan council. Tolls and fares may be fixed or altered by the commission only after approval thereof by the metropolitan council. Bonds of the metropolitan municipal corporation for public transportation purposes shall be issued by the metropolitan council as provided in this chapter.

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The metropolitan transit commission shall consist of seven members. 6 7 Six of such members shall be appointed by the metropolitan council and the seventh member shall be the ((chairman)) chair of the metropolitan 8 council who shall be ex officio the ((chairman)) chair of the 10 metropolitan transit commission. Three of the six appointed members of the commission shall be residents of the central city and three shall 11 be residents of the metropolitan area outside of the central city. The 12 13 three central city members of the first metropolitan transit commission 14 shall be selected from the existing transit commission of the central city, if there be a transit commission in such city. The terms of 15 16 first appointees shall be for one, two, three, four, five and six 17 years, respectively. Thereafter, commissioners shall serve for a term of four years. Compensation of transit commissioners shall be 18 determined by the metropolitan council.

The requirement to create a metropolitan transit commission shall not apply to a county that has assumed the rights, powers, functions, and obligations of the metropolitan municipal corporation under chapter 36.56 RCW.

Sec. 2107. RCW 35.58.370 and 1965 c 7 s 35.58.370 are each amended to read as follows:

The metropolitan council shall establish and provide for the operation and maintenance of a personnel merit system for the employment, classification, promotion, demotion, suspension, transfer, layoff and discharge of its appointive officers and employees solely on the basis of merit and fitness without regard to political influence or affiliation. The person appointed or body created for the purpose of administering such personnel system shall have power to make, amend and repeal rules and regulations as are deemed necessary for such merit system. Such rules and regulations shall provide:

(1) That the person to be discharged or demoted must be presented with the reasons for such discharge or demotion specifically stated; and

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1 (2) That he <u>or she</u> shall be allowed a reasonable time in which to 2 reply thereto in writing and that he <u>or she</u> be given a hearing thereon 3 within a reasonable time.

**Sec. 2108.** RCW 35.58.390 and 1965 c 7 s 35.58.390 are each amended to read as follows:

Where a metropolitan municipal corporation employs a person employed immediately prior thereto by a component city or county, or by a special district, such employee shall be deemed to remain an employee of such city, county, or special district for the purposes of any pension plan of such city, county, or special district, and shall continue to be entitled to all rights and benefits thereunder as if he or she had remained as an employee of the city, county, or special district, until the metropolitan municipal corporation has provided a pension plan and such employee has elected, in writing, to participate therein.

Until such election, the metropolitan municipal corporation shall deduct from the remuneration of such employee the amount which such employee is or may be required to pay in accordance with the provisions of the plan of such city, county, or special district and the metropolitan municipal corporation shall pay to the city, county, or special district any amounts required to be paid under the provisions of such plan by employer or employee.

**Sec. 2109.** RCW 35.58.400 and 1965 c 7 s 35.58.400 are each amended to read as follows:

Where a metropolitan municipal corporation employs a person employed immediately prior thereto by a component city or county or by a special district, the employee shall be deemed to remain an employee of such city, county, or special district for the purposes of any sick leave credit plan of the component city, county, or special district until the metropolitan municipal corporation has established a sick leave credit plan for its employees, whereupon the metropolitan municipal corporation shall place to the credit of the employee the sick leave credits standing to his or her credit in the plan of such city, county, or special district.

Where a metropolitan municipal corporation employs a person theretofore employed by a component city, county, or by a special

district, the metropolitan municipal corporation shall, during the first year of his <u>or her</u> employment by the metropolitan municipal corporation, provide for such employee a vacation with pay equivalent to that which he <u>or she</u> would have been entitled if he <u>or she</u> had remained in the employment of the city, county, or special district.

**Sec. 2110.** RCW 35.58.460 and 1993 c 240 s 14 are each amended to read as follows:

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(1) A metropolitan municipal corporation may issue revenue bonds to provide funds to carry out its authorized metropolitan water pollution abatement, water supply, garbage disposal or transportation purposes, without submitting the matter to the voters of the metropolitan municipal corporation. The metropolitan council shall create a special fund or funds for the sole purpose of paying the principal of and interest on the bonds of each such issue, into which fund or funds the metropolitan council may obligate the metropolitan corporation to pay such amounts of the gross revenue of the particular utility constructed, acquired, improved, added to, or repaired out of the proceeds of sale of such bonds, as the metropolitan council shall determine and may obligate the metropolitan municipal corporation to pay such amounts out of otherwise unpledged revenue which may be derived from the ownership, use or operation of properties facilities owned, used or operated incident to the performance of the authorized function for which such bonds are issued or out of otherwise unpledged fees, tolls, charges, tariffs, fares, rentals, special taxes or other sources of payment lawfully authorized for such purpose, as the metropolitan council shall determine. The principal of, and interest on, such bonds shall be payable only out of such special fund or funds, and the owners of such bonds shall have a lien and charge against the gross revenue of such utility or any other revenue, fees, tolls, charges, tariffs, fares, special taxes or other authorized sources pledged to the payment of such bonds.

Such revenue bonds and the interest thereon issued against such fund or funds shall be a valid claim of the owners thereof only as against such fund or funds and the revenue pledged therefor, and shall not constitute a general indebtedness of the metropolitan municipal corporation.

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Each such revenue bond shall state upon its face that it is payable from such special fund or funds, and all revenue bonds issued under this chapter shall be negotiable securities within the provisions of the law of this state. Such revenue bonds may be registered either as to principal only or as to principal and interest as provided in RCW 39.46.030, or may be bearer bonds; shall be in such denominations as the metropolitan council shall deem proper; shall be payable at such time or times and at such places as shall be determined by the metropolitan council; shall bear interest at such rate or rates as shall be determined by the metropolitan council; shall be signed by the ((chairman)) chair and attested by the secretary of the metropolitan council, any of which signatures may be facsimile signatures, and the seal of the metropolitan municipal corporation shall be impressed or imprinted thereon; any attached interest coupons shall be signed by the facsimile signatures of said officials. 

Such revenue bonds shall be sold in such manner, at such price and at such rate or rates of interest as the metropolitan council shall deem to be for the best interests of the metropolitan municipal corporation, either at public or private sale.

The metropolitan council may at the time of the issuance of such revenue bonds make such covenants with the owners of said bonds as it may deem necessary to secure and guarantee the payment of the principal thereof and the interest thereon, including but not being limited to covenants to set aside adequate reserves to secure or guarantee the payment of such principal and interest, to maintain rates sufficient to pay such principal and interest and to maintain adequate coverage over debt service, to appoint a trustee or trustees for the bond owners to safeguard the expenditure of the proceeds of sale of such bonds and to fix the powers and duties of such trustee or trustees and to make such other covenants as the metropolitan council may deem necessary to accomplish the most advantageous sale of such bonds. The metropolitan council may also provide that revenue bonds payable out of the same source may later be issued on a parity with revenue bonds being issued and sold.

The metropolitan council may include in the principal amount of any such revenue bond issue an amount to establish necessary reserves, an amount for working capital and an amount necessary for interest during the period of construction of any such metropolitan facilities plus six

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months. The metropolitan council may, if it deems it to the best interest of the metropolitan municipal corporation, provide in any contract for the construction or acquisition of any metropolitan facilities or additions or improvements thereto or replacements or extensions thereof that payment therefor shall be made only in such revenue bonds at the par value thereof.

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If the metropolitan municipal corporation shall fail to carry out or perform any of its obligations or covenants made in the authorization, issuance and sale of such bonds, the owner of any such bond may bring action against the metropolitan municipal corporation and compel the performance of any or all of such covenants.

12 (2) Notwithstanding subsection (1) of this section, such bonds may 13 be issued and sold in accordance with chapter 39.46 RCW.

**Sec. 2111.** RCW 35.58.530 and 1993 c 240 s 18 are each amended to read as follows:

Territory located within a component county that is annexed to a component city after the establishment of a metropolitan municipal corporation shall by such act be annexed to the metropolitan municipal corporation. Territory within a metropolitan municipal corporation may be annexed to a city which is not within such metropolitan municipal corporation in the manner provided by law and in such event either (1) such city may be annexed to such metropolitan municipal corporation by ordinance of the legislative body of the city concurred in by resolution of the metropolitan council, or (2) if such city shall not be so annexed such territory shall remain within the metropolitan municipal corporation unless such city shall by resolution of its legislative body request the withdrawal of such territory subject to any outstanding indebtedness of the metropolitan corporation and the metropolitan council shall by resolution consent to such withdrawal.

Any territory located within a component county that is contiguous to a metropolitan municipal corporation and lying wholly within an incorporated city or town may be annexed to such metropolitan municipal corporation by ordinance of the legislative body of such city or town requesting such annexation concurred in by resolution of the metropolitan council.

Any other territory located within a component county that is adjacent to a metropolitan municipal corporation may be annexed thereto

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by vote of the qualified electors residing in the territory to be annexed, in the manner provided in this chapter. An election to annex such territory may be called pursuant to a petition or resolution in the following manner:

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- (1) A petition calling for such an election shall be signed by at least four percent of the qualified voters residing within the territory to be annexed and shall be filed with the auditor of the central county.
- 9 (2) A resolution calling for such an election may be adopted by the metropolitan council.

Any resolution or petition calling for such an election shall describe the boundaries of the territory to be annexed, and state that the annexation of such territory to the metropolitan municipal corporation will be conducive to the welfare and benefit of the persons or property within the metropolitan municipal corporation and within the territory proposed to be annexed.

Upon receipt of such a petition, the auditor shall examine the same and certify to the sufficiency of the signatures thereon. Within thirty days following the receipt of such petition, the auditor shall transmit the same to the metropolitan council, together with his or her certificate as to the sufficiency thereof.

22 **Sec. 2112.** RCW 35.61.230 and 1965 c 7 s 35.61.230 are each amended to read as follows:

Any person, firm or corporation feeling aggrieved by the assessment against his <u>or her</u> or its property may file objections with the city council and may appeal from the order confirming the assessment roll in the same manner as objections and appeals are made in regard to local improvements in cities of the first class.

29 **Sec. 2113.** RCW 35.63.020 and 1965 c 7 s 35.63.020 are each amended 30 to read as follows:

If any council or board desires to avail itself of the powers conferred by this chapter it shall create a city or county planning commission consisting of from three to twelve members to be appointed by the mayor or ((chairman)) chair of the municipality and confirmed by the council or board: PROVIDED, That in cities of the first class having a commission form of government consisting of three or more

- 1 members, the commissioner of public works shall appoint the planning
- 2 commission, which appointment shall be confirmed by a majority of the
- 3 city commissioners. Cities of the first class operating under self-
- 4 government charters may extend the membership and the duties and powers
- of its commission beyond those prescribed in this chapter.
- 6 **Sec. 2114.** RCW 35.63.030 and 1965 c 7 s 35.63.030 are each amended to read as follows:
- 8 The ordinance, resolution or act creating the commission shall set forth the number of members to be appointed, not more than one-third of 9 which number may be ex officio members by virtue of office held in any 10 The term of office for ex officio members shall 11 correspond to their respective tenures. The term of office for the 12 first appointive members appointed to such commission shall be 13 designated from one to six years in such manner as to provide that the 14 15 fewest possible terms will expire in any one year. Thereafter the term 16 of office for each appointive member shall be six years.
- Vacancies occurring otherwise than through the expiration of terms shall be filled for the unexpired term. Members may be removed, after public hearing, by the appointing official, with the approval of his or her council or board, for inefficiency, neglect of duty or malfeasance in office.
- The members shall be selected without respect to political affiliations and they shall serve without compensation.
- 24 **Sec. 2115.** RCW 35.63.040 and 1965 c 7 s 35.63.040 are each amended 25 to read as follows:
- The commission shall elect its own ((chairman)) chair and create and fill such other offices as it may determine it requires. The commission shall hold at least one regular meeting in each month for not less than nine months in each year. It shall adopt rules for transaction of business and shall keep a written record of its meetings, resolutions, transactions, findings and determinations which record shall be a public record.
- 33 **Sec. 2116.** RCW 35.63.100 and 1967 ex.s. c 144 s 8 are each amended to read as follows:
- 35 The commission may recommend to its council or board the plan

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prepared by it as a whole, or may recommend parts of the plan by successive recommendations; the parts corresponding with geographic or political sections, division or subdivisions of the municipality, or with functional subdivisions of the subject matter of the plan, or in the case of counties, with suburban settlement or arterial highway area. It may also prepare and recommend any amendment or extension thereof or addition thereto.

Before the recommendation of the initial plan to the municipality the commission shall hold at least one public hearing thereon, giving notice of the time and place by one publication in a newspaper of general circulation in the municipality and in the official gazette, if any, of the municipality.

The council may adopt by resolution or ordinance and the board may adopt by resolution the plan recommended to it by the commission, or any part of the plan, as the comprehensive plan.

A true copy of the resolution of the board adopting or embodying such plan or any part thereof or any amendment thereto shall be certified by the clerk of the board and filed with the county auditor. A like certified copy of any map or plat referred to or adopted by the county resolution shall likewise be filed with the county auditor. The auditor shall record the resolution and keep on file the map or plat.

The original resolution or ordinance of the council adopting or embodying such plan or any part thereof or any amendment thereto shall be certified by the clerk of the city and filed by him or her. The original of any map or plat referred to or adopted by the resolution or ordinance of the council shall likewise be certified by the clerk of the city and filed by him or her. The clerk shall keep on file the resolution or ordinance and map or plat.

**Sec. 2117.** RCW 35.68.020 and 1965 c 7 s 35.68.020 are each amended 30 to read as follows:

No such improvement shall be undertaken or required except pursuant to a resolution of the council or commission of the city or town, hereinafter referred to as the city council. The resolution shall state whether the cost of the improvement shall be borne by the city or whether all or a specified portion shall be borne by the city or whether all or a specified portion shall be borne by the abutting property owner; or whether the abutting owner is required to construct

the improvement at his <u>or her</u> own cost and expense. If the abutting owner is required to construct the improvement the resolution shall specify the time within which the construction shall be commenced and completed; and further that if the improvement or construction is not undertaken and completed within the time specified that the city will perform or complete the improvement and assess the cost against the abutting owner.

**Sec. 2118.** RCW 35.69.030 and 1965 c 7 s 35.69.030 are each amended to read as follows:

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Whenever the city council of any such city has adopted such resolution it shall cause a notice to be served on the owner of the property directly abutting on such portion of such street, instructing him or her to construct or reconstruct a sidewalk on such portion in accordance with the plans and specifications which shall be attached to The notice shall be deemed sufficiently served if delivered in person to the owner or if left at the home of such owner with a person of suitable age and discretion then resident therein, or with an agent of such owner, authorized to collect rentals on such property, or, if the owner is a nonresident of the state of Washington, by mailing a copy to his or her last known address, or if he or she is unknown or if his or her address is unknown, then by posting a copy in a conspicuous place at such portion of the street where the improvement is to be made. The notice shall specify a reasonable time within which such construction or reconstruction shall be made, and shall state that in case the owner fails to make the same within such time, the city will proceed to make it through the officer or department thereof charged with the inspection of sidewalks and that such officer or department will report to the city council, at a subsequent date, to be definitely stated in the notice, an assessment roll showing the lot or parcel of land directly abutting on such portion of the street so improved, the cost of the improvement, and the name of the owner, if known, and that the city council at the time stated in the notice or at the time or times to which the same may be adjourned, will hear any and all protests against the proposed assessment. Upon the expiration of the time fixed within which the owner is required to construct or reconstruct such sidewalk, if the owner has failed to perform such work, the city may proceed to perform it, and the officer or department

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- of the city performing the work shall, within the time fixed in the 1 2 notice, report to the city council an assessment roll showing the lot or parcel of land directly abutting on that portion of the street so 3 improved, the cost of the work, and the name of the owner, if known. 4 5 The city council shall, at the time in such notice designated, or at an adjourned time or times, assess the cost of such improvement against 6 7 said property and shall fix the time and manner for payment thereof, 8 which said assessment shall become a lien upon said property and shall 9 be collected in the manner as is provided by law for collection of
- 11 **Sec. 2119.** RCW 35.70.030 and 1965 c 7 s 35.70.030 are each amended 12 to read as follows:

local improvements assessments under this title.

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- If in the judgment of the officer or department having superintendence of streets and public places, public convenience or safety requires that a sidewalk be constructed along either side of any street, he or she shall report the fact to the city or town council immediately.
- 18 **Sec. 2120.** RCW 35.70.040 and 1965 c 7 s 35.70.040 are each amended 19 to read as follows:

If upon receiving a report from the proper officer, the city or town council deems the construction of the proposed sidewalk necessary or convenient for the public it shall by an appropriate resolution order the sidewalk constructed and shall cause a written notice to be served upon the owner of each parcel of land abutting upon that portion and side of the street where the sidewalk is constructed requiring him or her to construct the sidewalk in accordance with the resolution.

- 27 **Sec. 2121.** RCW 35.70.060 and 1985 c 469 s 36 are each amended to 28 read as follows:
  - The notice shall be served:
- 30 (1) By delivering a copy to the owner or reputed owner of each parcel of land affected, or to the authorized agent of the owners, or
- 32 (2) By leaving a copy thereof at the usual place of abode of the 33 owner in the city or town with a person of suitable age and discretion 34 residing therein, or

(3) If the owner is a nonresident of the city or town and his <u>or</u> <u>her</u> place of residence is known by mailing a copy to the owner addressed to his or her last known place of residence, or

- (4) If the place of residence of the owner is unknown or if the owner of any parcel of land affected is unknown, by publication in the official newspaper of the city or town once a week for two consecutive weeks. The notice shall specify a reasonable time within which the sidewalk shall be constructed which in the case of publication of the notice shall not be less than sixty days from the date of the first publication of such notice.
- **Sec. 2122.** RCW 35.71.050 and 1965 c 7 s 35.71.050 are each amended 12 to read as follows:

The corporate authority is authorized to engage duly qualified real estate appraisers, for the purpose of determining the value, or legal damages, if any, to any person, owning or having any legal or equitable interest in any real property who contends that he <u>or she</u> would suffer damage if a projected mall were established; in connection therewith the city shall take into account any increment in value that may result from the establishment of the mall. The appraisers shall submit their findings in writing to the chief executive of the city.

**Sec. 2123.** RCW 35.77.030 and 1965 c 7 s 35.77.030 are each amended 22 to read as follows:

Pursuant to an agreement authorized by RCW 35.77.020, the board of county commissioners may expend funds from the county road fund for the construction, repair, and maintenance of the streets of such city or town and for engineering and administrative services. Payments by a city or town under such an agreement shall be made to the county treasurer and by him or her deposited in the county road fund. Such construction, repair, maintenance, and engineering service shall be ordered by resolution and proceedings conducted in respect thereto in the same manner as provided for the construction, repair, and maintenance of county roads by counties, and for the preparation of maps, plans and specifications, advertising and award of contracts therefor: PROVIDED, That except in case of emergency all construction work performed by a county on city streets pursuant to RCW 35.77.020 through 35.77.040, which exceeds ten thousand dollars, shall be done by

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- 1 contract, unless after advertisement and solicitation of competitive
- 2 bids it appears that bids are unobtainable or that the lowest bid
- 3 exceeds the amount for which such construction can be done by means
- 4 other than contract. No street construction project shall be divided
- 5 into lesser component parts for the purpose of avoiding the
- 6 requirements for competitive bidding.

- **Sec. 2124.** RCW 35.82.050 and 1998 c 140 s 3 are each amended to 8 read as follows:
  - (1) No commissioner, employee, or appointee to any decision-making body for the housing authority shall own or hold an interest in any contract or property or engage in any business, transaction, or professional or personal activity, that would:
  - (a) Be, or appear to be, in conflict with the commissioner's, employee's, or appointee's official duties to any decision-making body for the housing authority duties relating to the housing authority served by or subject to the authority of such commissioner, employee, or appointee to any decision-making body for the housing authority;
  - (b) Secure, or appear to secure, unwarranted privileges or advantages for such commissioner, employee, or appointee to any decision-making body for the housing authority, or others; or
  - (c) Prejudice, or appear to prejudice, such commissioner's, employee's, or appointee's to any decision-making body for the housing authority independence of judgment in exercise of his or her official duties relating to the housing authority served by or subject to the authority of the commissioner, employee, or appointee to any decision-making body for the housing authority.
  - (2) No commissioner, employee, or appointee to any decision-making body for the housing authority shall act in an official capacity in any manner in which such commissioner, employee, or appointee to any decision-making body of the housing authority has a direct or indirect financial or personal involvement.
  - (3) No commissioner, employee, or appointee to any decision-making body for the housing authority shall use his or her public office or employment to secure financial gain to such commissioner, employee, or appointee to any decision-making body for the housing authority.
  - (4) If any commissioner or employee of an authority or any appointee to any decision-making body for the housing authority owns or

controls an interest direct or indirect in any property included or planned to be included in any housing project, he <u>or she</u> immediately shall disclose the same in writing to the authority and such disclosure shall be entered upon the minutes of the authority. Failure to disclose such interest shall constitute misconduct in office. Upon such disclosure such commissioner, employee, or appointee to any decision-making body for the housing authority shall not participate in any action by the authority affecting such property.

(5) No provision of this section shall preclude a tenant of the public housing authority from serving as a commissioner, employee, or appointee to any decision-making body of the housing authority. No provision of this section shall preclude a tenant of the public housing authority who is serving as a commissioner, employee, or appointee to any decision-making body of the housing authority from voting on any issue or decision, or participating in any action by the authority, unless a conflict of interest, as set forth in subsections (1) through (4) of this section, exists as to that particular tenant and the particular property or interest at issue before, or subject to action by the housing authority.

**Sec. 2125.** RCW 35.82.060 and 1965 c 7 s 35.82.060 are each amended to read as follows:

For inefficiency or neglect of duty or misconduct in office, a commissioner of an authority may be removed by the mayor (or in the case of an authority for a county, by the governing body of said county), but a commissioner shall be removed only after he or she shall have been given a copy of the charges at least ten days prior to the hearing thereon and had an opportunity to be heard in person or by counsel. In the event of the removal of any commissioner, a record of the proceedings, together with the charges and findings thereon, shall be filed in the office of the clerk.

**Sec. 2126.** RCW 35.82.180 and 1965 c 7 s 35.82.180 are each amended to read as follows:

An authority shall have power by its resolution, trust indenture, mortgage, lease or other contract to confer upon any obligee holding or representing a specified amount in bonds, or holding a lease, the right (in addition to all rights that may otherwise be conferred), upon the

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happening of an event of default as defined in such resolution or instrument, by suit, action or proceeding in any court of competent jurisdiction:

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- (1) To cause possession of any housing project or any part thereof to be surrendered to any such obligee.
- (2) To obtain the appointment of a receiver of any housing project of said authority or any part thereof and of the rents and profits therefrom. If such receiver be appointed, he or she may enter and take possession of such housing project or any part thereof and operate and maintain same, and collect and receive all fees, rents, revenues, or other charges thereafter arising therefrom, and shall keep such moneys in a separate account or accounts and apply the same in accordance with the obligations of said authority as the court shall direct.
- 14 (3) To require said authority and the commissioners thereof to 15 account as if it and they were the trustees of an express trust.
- 16 **Sec. 2127.** RCW 35.84.050 and 1965 c 7 s 35.84.050 are each amended to read as follows:
- Whenever a ((fireman)) firefighter engages in any duty outside the limits of such municipality, such duty shall be considered as part of his or her duty as ((fireman)) firefighter for the municipality, and a ((fireman)) firefighter who is injured while engaged in such duties outside the limits of the municipality shall be entitled to the same benefits that he or she or his or her family would be entitled to receive had he or she been injured within the municipality.
- 25 **Sec. 2128.** RCW 35.86A.060 and 1969 ex.s. c 204 s 6 are each 26 amended to read as follows:
- The parking commission shall select from its members a ((chairman))

  chair, and may establish its own rules, regulations and procedures not

  inconsistent with this chapter. No resolution shall be adopted by the

  parking commission except upon the concurrence of at least three

  members.
- 32 **Sec. 2129.** RCW 35.88.050 and 1965 c 7 s 35.88.050 are each amended to read as follows:
- If upon the trial of any person for the violation of any of the provisions of this chapter he <u>or she</u> is found guilty of creating or

maintaining a nuisance or of violating any of the provisions of this chapter, he or she shall forthwith abate the nuisance, and if he or she fails so to do within one day after such conviction, unless further time is granted by the court, a warrant shall be issued by the court wherein the conviction was obtained, directed to the sheriff of the county in which such nuisance exists and the sheriff shall forthwith proceed to abate the said nuisance and the cost thereof shall be taxed against the person so convicted as a part of the costs of such case. 

**Sec. 2130.** RCW 35.88.060 and 1965 c 7 s 35.88.060 are each amended to read as follows:

The city health officer, city physician, board of public health, mayor, or any other officer, who has the sanitary condition of the city or town in charge, shall see that the provisions of this chapter are enforced and upon complaint being made to any such officer of an alleged violation, he or she shall immediately investigate the said complaint and if the same appears to be well founded he or she shall file a complaint against the person or persons violating any of the provisions of this chapter and cause their arrest and prosecution.

**Sec. 2131.** RCW 35.88.090 and 1979 c 141 s 41 are each amended to 20 read as follows:

The secretary of social and health services shall have the power, and it shall be his <u>or her</u> duty, to investigate the system of disposal of sewage, garbage, feculent matter, offal, refuse, filth, or any animal, mineral, or vegetable matter or substance, by cities not located on tidewater, having a population of one hundred thousand or more, and if he <u>or she</u> shall determine upon investigation that any such system or systems of disposal is or may be injurious or dangerous to health, he <u>or she</u> shall have the power, and it shall be his <u>or she</u> duty, to order such city or cities to provide for, construct, and maintain a system or systems of disposal which will not be injurious or dangerous to health.

**Sec. 2132.** RCW 35.92.260 and 1965 c 130 s 3 are each amended to read as follows:

When a city or town makes local improvements for any of the purposes specified in RCW 35.92.220 and RCW 35.92.230, as now or

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hereafter amended, the proceedings relative to the creation of 1 2 districts, financing of improvements, levying and collecting assessments and all other procedure shall be had, and the legislative 3 authority shall proceed in accordance with the provisions of the laws 4 5 relating to local improvement districts in cities of the first class: PROVIDED, That when the improvement is initiated upon petition, the 6 7 petition shall set forth the fact that the signers are the owners according to the records in the office of the county auditor, of 8 property to an aggregate amount of a majority of the surface area 9 10 within the limits of the assessment district to be created: FURTHER, That when an assessment is made for any purpose other than the 11 12 construction or reconstruction of any system or means of distribution 13 or delivery of water, it shall not be necessary for the legislative 14 authority to be furnished with a statement of the aggregate assessed 15 valuation of the real estate exclusive of improvements in the district according to the valuation last placed upon it for purposes of general 16 17 taxation, or the estimated amount of the cost of the improvement to be borne by each tract of land or other property, but a statement by the 18 engineer or other officer, showing the estimated cost of 19 improvement per square foot, shall be sufficient: PROVIDED FURTHER, 20 21 That when the legislative authority of a city or town shall deem it 22 necessary to levy special assessments for the purposes specified in RCW 35.92.230, as now or hereafter amended, other than for the purpose of 23 24 paying the costs of acquiring, constructing or reconstructing any 25 system or means of distribution or delivery of water for irrigation or 26 domestic purposes, the legislative authority for such city or town may 27 hold a single hearing on the assessment rolls for all irrigation local improvement districts within the city or town. Such legislative 28 authority shall fix the date of such hearing and shall direct the city 29 or town clerk to give notice thereof, in the form prescribed by RCW 30 35.44.080, by publication thereof in a legal newspaper of general 31 32 circulation in the city or town, once, not less than fifteen days prior to the date fixed for hearing; and by mailing, not less than fifteen 33 days prior to the date fixed for hearing, notice thereof to the owner 34 35 or reputed owner of each item of property described on the assessment 36 roll whose name appears on such roll at the address of such owner or 37 reputed owner shown on the tax rolls of the county treasurer for each such item of property: PROVIDED FURTHER, That when an assessment roll 38

is once prepared and does not include the cost of purchase, 1 2 construction, or reconstruction of works of delivery or distribution and the legislative authority of such city or town decides to raise a 3 similar amount the ensuing year, it shall not be necessary to prepare 4 5 a new assessment roll, but the legislative authority may pass a resolution of intention estimating the cost for the ensuing year to be 6 7 the same as the preceding year, and directing the clerk to give notice stating the estimated cost per square foot of all land within the 8 9 district and refer persons interested to the books of the treasurer, 10 and fixing the date for a hearing on such assessment roll. Notice of such hearing shall be given by the city or town clerk in the form and 11 12 manner required in the preceding proviso. The treasurer shall be 13 present at the hearing and shall note any changes on his or her books. 14 The legislative authority shall have the same right to make changes in the assessment roll as in an original assessment, and after all changes 15 16 have been made it shall, by ordinance, confirm the assessment and 17 direct the treasurer to extend it on the books of his or her office.

## **Sec. 2133.** RCW 35.94.020 and 1985 c 469 s 40 are each amended to read as follows:

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The legislative authority of the city, if it deems it advisable to lease or sell the works, plant, or system, or any part thereof, shall adopt a resolution stating whether it desires to lease or sell. If it desires to lease, the resolution shall state the general terms and conditions of the lease, but not the rent. If it desires to sell the general terms of sale shall be stated, but not the price. The resolution shall direct the city clerk, or other proper official, to publish the resolution not less than once a week for four weeks in the official newspaper of the city, together with a notice calling for sealed bids to be filed with the clerk or other proper official not later than a certain time, accompanied by a certified check payable to the order of the city, for such amount as the resolution shall require, or a deposit of a like sum in money. Each bid shall state that the bidder agrees that if his or her bid is accepted and he or she fails to comply therewith within the time hereinafter specified, the check or deposit shall be forfeited to the city. If bids for a lease are called for, bidders shall bid the amount to be paid as the rent for each year of the term of the lease. If bids for a sale are called for, the bids

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shall state the price offered. The legislative authority of the city 1 2 may reject any or all bids and accept any bid which it deems best. At the first meeting of the legislative authority of the city held after 3 the expiration of the time fixed for receiving bids, or at some later 4 5 meeting, the bids shall be considered. In order for the legislative authority to declare it advisable to accept any bid it shall be 6 7 necessary for two-thirds of all the members elected to the legislative authority to vote in favor of a resolution making the declaration. 8 9 the resolution is adopted it shall be necessary, in order that the bid 10 be accepted, to enact an ordinance accepting it and directing the execution of a lease or conveyance by the mayor and city clerk or other 11 12 proper official. The ordinance shall not take effect until it has been 13 submitted to the voters of the city for their approval or rejection at 14 the next general election or at a special election called for that purpose, and a majority of the voters voting thereon have approved it. 15 16 If approved it shall take effect as soon as the result of the vote is 17 proclaimed by the mayor. If it is so submitted and fails of approval, 18 it shall be rejected and annulled. The mayor shall proclaim the vote 19 as soon as it is properly certified.

20 **Sec. 2134.** RCW 35.94.030 and 1965 c 7 s 35.94.030 are each amended to read as follows:

Upon the taking effect of the ordinance the mayor and the city clerk or other proper official shall execute, in the name and on behalf of the city, the lease or conveyance directed thereby. The lessee or grantee shall accept and execute the instrument within ten days after notice of its execution by the city or forfeit to the city, the amount of the check or deposit accompanying his or her bid: PROVIDED, That if litigation in good faith is instituted within ten days to determine the rights of the parties, no forfeiture shall take place unless the lessee or grantee fails for five days after the termination of the litigation in favor of the city to accept and execute the lease or conveyance.

32 **Sec. 2135.** RCW 35.96.050 and 1967 c 119 s 6 are each amended to read as follows:

When service from the underground electric and communication facilities is available in all or part of a conversion area, the city

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or town shall mail a notice to the owners of all structures or improvements served from the existing overhead facilities in the area, which notice shall state that:

(1) Service from the underground facilities is available;

- (2) All electric and communication service lines from the existing overhead facilities within the area to any structure or improvement must be disconnected and removed within ninety days after the date of the mailing of the notice;
- (3) Should such owner fail to convert such service lines from overhead to underground within ninety days after the date of the mailing of the notice, the city or town will order the electric and communication utilities to disconnect and remove the service lines;
- (4) Should the owner object to the disconnection and removal of the service lines he <u>or she</u> may file his <u>or her</u> written objections thereto with the city or town clerk within thirty days after the date of the mailing of the notice and failure to so object within such time will constitute a waiver of his <u>or her</u> right thereafter to object to such disconnection and removal.

If the owner of any structure or improvement served from the existing overhead electric and communication facilities within a conversion area shall fail to convert to underground the service lines from such overhead facilities to such structure or improvement within ninety days after the mailing to him or her of the notice, the city or town shall order the electric and communication utilities to disconnect and remove all such service lines: PROVIDED, That if the owner has filed his or her written objections to such disconnection and removal with the city or town clerk within thirty days after the mailing of the notice then the city or town shall not order such disconnection and removal until after the hearing on such objections.

Upon the timely filing by the owner of objections to the disconnection and removal of the service lines, the legislative authority of such city or town, or a committee thereof, shall conduct a hearing to determine whether the removal of all or any part of the service lines is in the public benefit. The hearing shall be held at such time as the legislative authority of such city or town may establish for hearings on the objections and shall be held in accordance with the regularly established procedure set by the legislative authority of the city or town. If the hearing is before a

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- 1 committee, the committee shall following the hearing report its
- 2 recommendation to the legislative authority of the city or town for
- 3 final action. The determination reached by the legislative authority
- 4 shall be final in the absence of an abuse of discretion.

5 PART III

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6 **Sec. 3001.** RCW 35A.02.055 and 1979 ex.s. c 18 s 8 are each amended to read as follows:

Where a city elects to become a noncharter code city under one of the optional plans of government provided in Title 35A RCW for code cities which involves the same general plan of government as that under which the city operated prior to the choice and where with the change in classification the number of ((councilmanic)) council positions in a city remains the same or increases from five to seven, the procedures for the first election of officers which appear in RCW 35A.02.050 shall not be followed. When membership in a city council remains the same or is increased upon becoming a noncharter code city, the terms of incumbent councilmembers shall not be affected. If the number of councilmembers is increased from five to seven, the city council shall, by majority vote, pursuant to RCW 35A.12.050 and 35A.13.020, appoint two persons to serve in these offices until the next municipal general election, at which election one person shall be elected for a two-year term and one person shall be elected for a four-year term.

A first election of all officers upon a change in classification to a noncharter code city is also not required where the change in classification otherwise retains the same general or specific plan of government and where the change in classification results in a decrease in the number of ((councilmanic)) council positions in a city.

If the membership in a city council is decreased from seven to five members upon adopting the classification of noncharter code city, this decrease in the number of councilmembers shall be determined in the following manner: The councilmembers shall determine by lot which two ((councilmanic)) council positions shall be eliminated upon the expiration of their terms of office. The terms of the remaining councilmembers shall not be affected.

**Sec. 3002.** RCW 35A.08.020 and 1979 c 151 s 32 are each amended to read as follows:

For the purposes of this chapter, the population of a city shall be the number of residents shown by the figures released for the most recent official state or federal census, by a population determination made under the direction of the office of financial management, or by a city census conducted in the following manner:

- (1) The legislative authority of any such city may provide by ordinance for the appointment by the mayor thereof, of such number of persons as may be designated in the ordinance to make an enumeration of all persons residing within the corporate limits of the city. The enumerators so appointed, before entering upon their duties, shall take an oath for the faithful performance thereof and within five days after their appointment proceed, within their respective districts, to make an enumeration of all persons residing therein, with their names and places of residence.
- (2) Immediately upon the completion of the enumeration, the enumerators shall make return thereof upon oath to the legislative authority of the city, who at its next meeting or as soon thereafter as practicable, shall canvass and certify the returns.
- (3) If it appears therefrom that the whole number of persons residing within the corporate limits of the city is ten thousand or more, the mayor and clerk under the corporate seal of the city shall certify the number so ascertained to the secretary of state, who shall file it in his <u>or her</u> office. This certificate when so filed shall be conclusive evidence of the population of the city.
- Sec. 3003. RCW 35A.08.040 and 1990 c 259 s 7 are each amended to read as follows:

The election on the question whether to adopt a charter and become a charter code city and the nomination and election of the members of the charter commission shall be conducted, and the result declared, according to the laws regulating and controlling elections in the city. Candidates for election to the charter commission must be nominated by petition signed by ten registered voters of the city and residents therein for a period of at least two years preceding the election. A nominating petition shall be filed within the time allowed for filing declarations of candidacy and shall be verified by an affidavit of one

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or more of the signers to the effect that the affiant believes that the 1 2 candidate and all of the signers are registered voters of the city and he or she signed the petition in good faith for the purpose of 3 endorsing the person named therein for election to the charter 4 5 commission. A written acceptance of the nomination by the nominee shall be affixed to the petition when filed with the county auditor. 6 7 Nominating petitions need not be in the form prescribed in RCW Any nominee may withdraw his or her nomination by a 8 35A.01.040. written statement of withdrawal filed at any time not later than five 9 days before the last day allowed for filing nominations. The positions 10 on the charter commission shall be designated by consecutive numbers 11 one through fifteen, and the positions so designated shall be 12 13 considered as separate offices for all election purposes. A nomination 14 shall be made for a specific numbered position.

**Sec. 3004.** RCW 35A.08.050 and 1967 ex.s. c 119 s 35A.08.050 are each amended to read as follows:

Within ten days after its election the charter commission shall hold its first meeting, elect one of the members as ((chairman)) chair, and adopt such rules for the conduct of its business as it may deem advisable. In the event of a vacancy in the charter commission, the remaining members shall fill it by appointment thereto of some properly qualified person. A majority shall constitute a quorum for transaction of business but final charter recommendations shall require a majority vote of the whole membership of the commission. The commission shall study the plan of government of the city, compare it with other available plans of government, and determine whether, in its judgment, the government of the city could be strengthened, made more responsive or accountable to the people, or whether its operation could be made more economical or more efficient by amendment of the existing plan or adoption of another plan of government. The commission shall consider the plans of government described in this title but shall not be limited to such plans in its recommendations for the government of the city and may frame a charter for any plan it deems suitable for the good government of the city; except that the provisions of such charter shall not be valid if inconsistent with the Constitution of this state, the provisions of this title, or the general laws of the state, insofar as they are applicable to cities governed under this title.

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1 **Sec. 3005.** RCW 35A.12.010 and 1997 c 361 s 6 are each amended to 2 read as follows:

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The government of any noncharter code city or charter code city electing to adopt the mayor-council plan of government authorized by this chapter shall be vested in an elected mayor and an elected The council of a noncharter code city having less than twenty-five hundred inhabitants shall consist of five members; when there are twenty-five hundred or more inhabitants, the council shall consist of seven members. A city with a population of less than twenty-five hundred at the time of reclassification as an optional municipal code city may choose to maintain a seven-member council. decision concerning the number of councilmembers shall be made by the council and be incorporated as a section of the ordinance adopting for the city the classification of noncharter code city. If the population of a city after having become a code city decreases from twenty-five hundred or more to less than twenty-five hundred, it shall continue to have a seven member council. If, after a city has become a mayorcouncil code city, its population increases to twenty-five hundred or more inhabitants, the number of ((councilmanic)) council offices in such city may increase from five to seven members upon the affirmative vote of a majority of the existing council to increase the number of ((councilmanic)) council offices in the city. When the population of a mayor-council code city having five ((councilmanic)) council offices increases to five thousand or more inhabitants, the number of ((councilmanic)) council offices in the city shall increase from five to seven members. In the event of an increase in the number of ((councilmanic)) council offices, the city council shall, by majority vote, pursuant to RCW 35A.12.050, appoint two persons to serve in these offices until the next municipal general election, at which election one person shall be elected for a two-year term and one person shall be The number of inhabitants shall be elected for a four-year term. determined by the most recent official state or federal census or determination by the state office of financial management. A charter adopted under the provisions of this title, incorporating the mayorcouncil plan of government set forth in this chapter, may provide for an uneven number of councilmembers not exceeding eleven.

A noncharter code city of less than five thousand inhabitants which has elected the mayor-council plan of government and which has seven

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((councilmanic)) council offices may establish a five-member council in accordance with the following procedure. At least six months prior to a municipal general election, the city council shall adopt an ordinance providing for reduction in the number of ((councilmanic)) council offices to five. The ordinance shall specify which two ((councilmanic)) council offices, the terms of which expire at the next general election, are to be terminated. The ordinance shall provide for the renumbering of council positions and shall also provide for a two-year extension of the term of office of a retained ((councilmanic)) council office, if necessary, in order to comply with RCW 35A.12.040. 

However, a noncharter code city that has retained its old mayor-council plan of government, as provided in RCW 35A.02.130, is subject to the laws applicable to that old plan of government.

**Sec. 3006.** RCW 35A.12.030 and 1979 ex.s. c 18 s 20 are each 15 amended to read as follows:

No person shall be eligible to hold elective office under the mayor-council plan unless the person is a registered voter of the city at the time of filing his <u>or her</u> declaration of candidacy and has been a resident of the city for a period of at least one year next preceding his <u>or her</u> election. Residence and voting within the limits of any territory which has been included in, annexed to, or consolidated with such city is construed to have been residence within the city. A mayor or ((councilman)) councilmember shall hold within the city government no other public office or employment except as permitted under the provisions of chapter 42.23 RCW.

**Sec. 3007.** RCW 35A.12.065 and 1967 ex.s. c 119 s 35A.12.065 are each amended to read as follows:

Biennially at the first meeting of a new council, or periodically, the members thereof, by majority vote, may designate one of their number as mayor pro tempore or deputy mayor for such period as the council may specify, to serve in the absence or temporary disability of the mayor; or, in lieu thereof, the council may, as the need may arise, appoint any qualified person to serve as mayor pro tempore in the absence or temporary disability of the mayor. In the event of the extended excused absence or disability of a ((councilman))

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councilmember, the remaining members by majority vote may appoint a ((councilman)) councilmember pro tempore to serve during the absence or disability.

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**Sec. 3008.** RCW 35A.12.070 and 1971 ex.s. c 251 s 5 are each amended to read as follows:

The salaries of the mayor and the ((councilmen)) councilmembers shall be fixed by ordinance and may be revised from time to time by ordinance, but any increase in the compensation attaching to an office shall not be applicable to the term then being served by the incumbent if such incumbent is a member of the city legislative body fixing his or her own compensation or as mayor in a mayor-council code city casts a tie-breaking vote relating to such ordinance: PROVIDED, That if the mayor of such a city does not cast such a vote, his or her salary may be increased during his or her term of office.

Until the first elective officers under this mayor-council plan of government may lawfully be paid the compensation provided by such salary ordinance, such officers shall be entitled to be compensated in the same manner and in the same amount as the compensation paid to officers of such city performing comparable services immediately prior to adoption of this mayor-council plan.

Until a salary ordinance can be passed and become effective as to elective officers of a newly incorporated code city, such first officers shall be entitled to compensation as follows: In cities having less than five thousand inhabitants, the mayor shall be entitled to a salary of one hundred and fifty dollars per calendar month and a ((councilman)) councilmember shall be entitled to twenty dollars per meeting for not more than two meetings per month; in cities having more than five thousand but less than fifteen thousand inhabitants, the mayor shall be entitled to a salary of three hundred and fifty dollars per calendar month and a ((councilman)) councilmember shall be entitled to one hundred and fifty dollars per calendar month; in cities having more than fifteen thousand inhabitants, the mayor shall be entitled to a salary of twelve hundred and fifty dollars per calendar month and a ((councilman)) councilmember shall be entitled to four hundred dollars per calendar month: PROVIDED, That such interim compensation shall remain in effect only until a salary ordinance is passed and becomes effective as to such officers, and the amounts herein provided shall

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- 1 not be construed as fixing the usual salary of such officers. The
- 2 mayor and ((councilmen)) councilmembers shall receive reimbursement for
- 3 their actual and necessary expenses incurred in the performance of the
- 4 duties of their office, or the council by ordinance may provide for a
- 5 per diem allowance. Procedure for approval of claims for expenses
- 6 shall be as provided by ordinance.

**Sec. 3009.** RCW 35A.12.080 and 1986 c 167 s 20 are each amended to 8 read as follows:

Any officer before entering upon the performance of his <u>or her</u> duties may be required to take an oath or affirmation as prescribed by charter or by ordinance for the faithful performance of his <u>or her</u> duties. The oath or affirmation shall be filed with the county auditor. The clerk, treasurer, if any, chief of police, and such other officers or employees as may be designated by ordinance or by charter shall be required to furnish annually an official bond conditioned on the honest and faithful performance of their official duties. The terms and penalty of official bonds and the surety therefor shall be prescribed by ordinance or charter and the bond shall be approved by the chief administrative officer of the city. The premiums on such bonds shall be paid by the city. When the furnishing of an official bond is required of an officer or employee, compliance with such provisions shall be an essential part of qualification for office.

Sec. 3010. RCW 35A.12.100 and 1979 ex.s. c 18 s 22 are each amended to read as follows:

The mayor shall be the chief executive and administrative officer of the city, in charge of all departments and employees, with authority to designate assistants and department heads. The mayor may appoint and remove a chief administrative officer or assistant administrative officer, if so provided by ordinance or charter. He or she shall see that all laws and ordinances are faithfully enforced and that law and order is maintained in the city, and shall have general supervision of the administration of city government and all city interests. All official bonds and bonds of contractors with the city shall be submitted to the mayor or such person as he or she may designate for approval or disapproval. He or she shall see that all contracts and agreements made with the city or for its use and benefit are faithfully

kept and performed, and to this end he or she may cause any legal 1 2 proceedings to be instituted and prosecuted in the name of the city, subject to approval by majority vote of all members of the council. 3 The mayor shall preside over all meetings of the city council, when 4 present, but shall have a vote only in the case of a tie in the votes 5 of the ((councilmen)) councilmembers with respect to matters other than 6 7 the passage of any ordinance, grant, or revocation of franchise or license, or any resolution for the payment of money. He or she shall 8 report to the council concerning the affairs of the city and its 9 10 financial and other needs, and shall make recommendations for council consideration and action. He or she shall prepare and submit to the 11 12 council a proposed budget, as required by chapter 35A.33 RCW. 13 mayor shall have the power to veto ordinances passed by the council and 14 submitted to him or her as provided in RCW 35A.12.130 but such veto may be overridden by the vote of a majority of all councilmembers plus one 15 more vote. The mayor shall be the official and ceremonial head of the 16 17 city and shall represent the city on ceremonial occasions, except that when illness or other duties prevent the mayor's attendance at an 18 19 official function and no mayor pro tempore has been appointed by the council, a member of the council or some other suitable person may be 20 21 designated by the mayor to represent the city on such occasion.

22 **Sec. 3011.** RCW 35A.12.110 and 1993 c 199 s 3 are each amended to 23 read as follows:

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The city council and mayor shall meet regularly, at least once a month, at a place and at such times as may be designated by the city council. All final actions on resolutions and ordinances must take place within the corporate limits of the city. Special meetings may be called by the mayor or any three members of the council by written notice delivered to each member of the council at least twenty-four hours before the time specified for the proposed meeting. All actions that have heretofore been taken at special council meetings held pursuant to this section, but for which the number of hours of notice given has been at variance with requirements of RCW 42.30.080, are hereby validated. All council meetings shall be open to the public except as permitted by chapter 42.30 RCW. No ordinance or resolution shall be passed, or contract let or entered into, or bill for the payment of money allowed at any meeting not open to the public, nor at

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any public meeting the date of which is not fixed by ordinance, resolution, or rule, unless public notice of such meeting has been given by such notice to each local newspaper of general circulation and to each local radio or television station, as provided in RCW 42.30.080 as now or hereafter amended. Meetings of the council shall be presided over by the mayor, if present, or otherwise by the mayor pro tempore, or deputy mayor if one has been appointed, or by a member of the council selected by a majority of the councilmembers at such meeting. Appointment of a councilmember to preside over the meeting shall not in any way abridge his or her right to vote on matters coming before the council at such meeting. In the absence of the clerk, a deputy clerk or other qualified person appointed by the clerk, the mayor, or the council, may perform the duties of clerk at such meeting. A journal of all proceedings shall be kept, which shall be a public record.

**Sec. 3012.** RCW 35A.12.120 and 1967 ex.s. c 119 s 35A.12.120 are each amended to read as follows:

At all meetings of the council a majority of the ((councilmen)) councilmembers shall constitute a quorum for the transaction of business, but a less number may adjourn from time to time and may compel the attendance of absent members in such manner and under such penalties as may be prescribed by ordinance. The council shall determine its own rules and order of business, and may establish rules for the conduct of council meetings and the maintenance of order. At the desire of any member, any question shall be voted upon by roll call and the ayes and nays shall be recorded in the journal.

The passage of any ordinance, grant or revocation of franchise or license, and any resolution for the payment of money shall require the affirmative vote of at least a majority of the whole membership of the council.

**Sec. 3013.** RCW 35A.12.130 and 1967 ex.s. c 119 s 35A.12.130 are each amended to read as follows:

The enacting clause of all ordinances shall be as follows: "The city council of the city of . . . . . do ordain as follows:" No ordinance shall contain more than one subject and that must be clearly expressed in its title.

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No ordinance or any section or subsection thereof shall be revised or amended unless the new ordinance sets forth the revised ordinance or the amended section or subsection at full length.

No ordinance shall take effect until five days after the date of its publication unless otherwise provided by statute or charter, except that an ordinance passed by a majority plus one of the whole membership of the council, designated therein as a public emergency ordinance necessary for the protection of public health, public safety, public property or the public peace, may be made effective upon adoption, but such ordinance may not levy taxes, grant, renew, or extend a franchise, or authorize the borrowing of money.

Every ordinance which passes the council in order to become valid must be presented to the mayor; if he <u>or she</u> approves it, he <u>or she</u> shall sign it, but if not, he <u>or she</u> shall return it with his <u>or her</u> written objections to the council and the council shall cause his <u>or her</u> objections to be entered at large upon the journal and proceed to a reconsideration thereof. If upon reconsideration a majority plus one of the whole membership, voting upon a call of ayes and nays, favor its passage, the ordinance shall become valid notwithstanding the mayor's veto. If the mayor fails for ten days to either approve or veto an ordinance, it shall become valid without his <u>or her</u> approval. Ordinances shall be signed by the mayor and attested by the clerk.

**Sec. 3014.** RCW 35A.12.150 and 1967 ex.s. c 119 s 35A.12.150 are each amended to read as follows:

The city clerk shall authenticate by his <u>or her</u> signature and record in full in a properly indexed book kept for the purpose all ordinances and resolutions adopted by the council. Such book, or copies of ordinances and resolutions, shall be available for inspection by the public at reasonable times and under reasonable conditions.

**Sec. 3015.** RCW 35A.12.170 and 1967 ex.s. c 119 s 35A.12.170 are each amended to read as follows:

All demands against a code city shall be presented and audited in accordance with such regulations as may be prescribed by charter or ordinance; and upon the allowance of a demand, the clerk shall draw a warrant upon the treasurer for it, which warrant shall be countersigned by the mayor, or such person as he or she may designate, and shall

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specify the fund from which it is to be paid; or, payment may be made by a bank check when authorized by the legislative body of the code city under authority granted by RCW 35A.40.020, which check shall bear the signatures of the officers designated by the legislative body as required signatories of checks of such city, and shall specify the fund from which it is to be paid.

7 **Sec. 3016.** RCW 35A.13.010 and 1994 c 223 s 35 are each amended to 8 read as follows:

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The councilmembers shall be the only elective officers of a code city electing to adopt the council-manager plan of government authorized by this chapter, except where statutes provide for an elective municipal judge. The council shall appoint an officer whose title shall be "city manager" who shall be the chief executive officer and head of the administrative branch of the city government. The city shall be responsible to the council for the proper administration of all affairs of the code city. The council of a noncharter code city having less than twenty-five hundred inhabitants shall consist of five members; when there are twenty-five hundred or more inhabitants the council shall consist of seven members: PROVIDED, That if the population of a city after having become a code city decreases from twenty-five hundred or more to less than twenty-five hundred, it shall continue to have a seven member council. a city has become a council-manager code city its population increases to twenty-five hundred or more inhabitants, the number ((councilmanic)) council offices in such city may increase from five to seven members upon the affirmative vote of a majority of the existing council to increase the number of ((councilmanic)) council offices in the city. When the population of a council-manager code city having five ((councilmanic)) council offices increases to five thousand or more inhabitants, the number of ((councilmanic)) council offices in the city shall increase from five to seven members. In the event of an increase in the number of ((councilmanic)) council offices, the city council shall, by majority vote, pursuant to RCW 35A.13.020, appoint two persons to serve in these offices until the next municipal general election, at which election one person shall be elected for a two-year term and one person shall be elected for a four-year term. The number of inhabitants shall be determined by the most recent official state or

federal census or determination by the state office of financial management. A charter adopted under the provisions of this title, incorporating the council-manager plan of government set forth in this chapter may provide for an uneven number of councilmembers not exceeding eleven.

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A noncharter code city of less than five thousand inhabitants which has elected the council-manager plan of government and which has seven ((councilmanic)) council offices may establish a five-member council in accordance with the following procedure. At least six months prior to a municipal general election, the city council shall adopt an ordinance providing for reduction in the number of ((councilmanic)) council offices to five. The ordinance shall specify which ((councilmanic)) council offices, the terms of which expire at the next general election, are to be terminated. The ordinance shall provide for the renumbering of council positions and shall also provide for a two-year extension of the term of office of a retained ((councilmanic)) council office, if necessary, in order to comply with RCW 35A.12.040.

However, a noncharter code city that has retained its old council-manager plan of government, as provided in RCW 35A.02.130, is subject to the laws applicable to that old plan of government.

21 **Sec. 3017.** RCW 35A.13.020 and 1994 c 223 s 36 are each amended to 22 read as follows:

In council-manager code cities, eligibility for election to the council, the manner of electing ((councilmen)) councilmembers, the numbering of council positions, of ((<del>councilmen</del>)) the terms councilmembers, the occurrence and the filling of vacancies, the grounds for forfeiture of office, and appointment of a mayor pro tempore or deputy mayor or ((councilman)) councilmember pro tempore shall be governed by the corresponding provisions of RCW 35A.12.030, 35A.12.040, 35A.12.050, 35A.12.060, and 35A.12.065 relating to the council of a code city organized under the mayor-council plan, except that in council-manager cities where all council positions are at-large positions, the city council may, pursuant to RCW 35A.13.033, provide that the person elected to council position one shall be the council ((chairman)) chair and shall carry out the duties prescribed by RCW 35A.13.030.

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Biennially at the first meeting of the new council the members thereof shall choose a ((chairman)) chair from among their number unless the ((chairman)) chair is elected pursuant to RCW 35A.13.033. The ((<del>chairman</del>)) <u>chair</u> of the council shall have the title of mayor and shall preside at meetings of the council. In addition to the powers conferred upon him or her as mayor, he or she shall continue to have all the rights, privileges, and immunities of a member of the council. The mayor shall be recognized as the head of the city for ceremonial purposes and by the governor for purposes of military law. shall have no regular administrative duties, but in time of public danger or emergency, if so authorized by ordinance, shall take command of the police, maintain law, and enforce order.

Sec. 3019. RCW 35A.13.033 and 1975 1st ex.s. c 155 s 3 are each amended to read as follows:

The city council of a council-manager city may by resolution place before the voters of the city, a proposition to designate the person elected to council position one as the ((chairman)) chair of the council with the powers and duties set forth in RCW 35A.13.030. If a majority of those voting on the proposition cast a positive vote, then at all subsequent general elections at which position one is on the ballot, the person who is elected to position one shall become the ((chairman)) chair upon taking office.

Sec. 3020. RCW 35A.13.035 and 1969 ex.s. c 81 s 1 are each amended to read as follows:

Biennially at the first meeting of a new council, or periodically, the members thereof, by majority vote, may designate one of their number as mayor pro tempore or deputy mayor for such period as the council may specify, to serve in the absence or temporary disability of the mayor; or, in lieu thereof, the council may, as the need may arise, appoint any qualified person to serve as mayor pro tempore in the absence or temporary disability of the mayor. In the event of the extended excused absence or disability of a ((councilman)) councilmember, the remaining members by majority vote may appoint a

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1 ((councilman)) councilmember pro tempore to serve during the absence or disability.

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Sec. 3021. RCW 35A.13.040 and 1979 ex.s. c 18 s 25 are each amended to read as follows:

The salaries of the ((councilmen)) councilmembers, including the mayor, shall be fixed by ordinance and may be revised from time to time by ordinance, but any increase or reduction in the compensation attaching to an office shall not become effective until the expiration of the term then being served by the incumbent: PROVIDED, That compensation of ((councilmen)) councilmembers may not be increased or diminished after their election nor may the compensation of the mayor be increased or diminished after the mayor has been chosen by the council.

Until ((councilmen)) councilmembers of a newly organized councilmanager code city may lawfully be paid as provided by salary ordinance, such ((councilmen)) councilmembers shall be entitled to compensation in the same manner and in the same amount as ((councilmen)) councilmembers of such city prior to the adoption of this council-manager plan.

Until a salary ordinance can be passed and become effective as to elective officers of a newly incorporated code city, the first ((councilmen)) councilmembers shall be entitled to compensation as follows: In cities having less than five thousand inhabitants -- twenty dollars per meeting for not more than two meetings per month; in cities having more than five thousand but less than fifteen thousand inhabitants--a salary of one hundred and fifty dollars per calendar month; in cities having more than fifteen thousand inhabitants--a salary of four hundred dollars per calendar month. A ((councilman)) councilmember who is occupying the position of mayor, in addition to his or her salary as a ((councilman)) councilmember, shall be entitled, while serving as mayor, to an additional amount per calendar month, or portion thereof, equal to twenty-five percent of the ((councilmanic)) councilmember salary: PROVIDED, That such interim compensation shall remain in effect only until a salary ordinance is passed and becomes effective as to such officers, and the compensation provided herein shall not be construed as fixing the usual compensation of such officers. ((Councilmen)) Councilmembers shall receive reimbursement for their actual and necessary expenses incurred in the performance of

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- 1 the duties of their office, or the council by ordinance may provide for
- 2 a per diem allowance. Procedure for approval of claims for expenses
- 3 shall be as provided by ordinance.
- 4 **Sec. 3022.** RCW 35A.13.050 and 1967 ex.s. c 119 s 35A.13.050 are each amended to read as follows:

The city manager need not be a resident at the time of his or her 6 7 appointment, but shall reside in the code city after his or her 8 appointment unless such residence is waived by the council. He or she shall be chosen by the council solely on the basis of his or her 9 executive and administrative qualifications with special reference to 10 his or her actual experience in, or his or her knowledge of, accepted 11 practice in respect to the duties of his or her office. No person 12 elected to membership on the council shall be eligible for appointment 13 as city manager until one year has elapsed following the expiration of 14 15 the term for which he or she was elected.

- 16 **Sec. 3023.** RCW 35A.13.060 and 1967 ex.s. c 119 s 35A.13.060 are each amended to read as follows:
- Whether the city manager shall devote his <u>or her</u> full time to the affairs of one code city shall be determined by the council. A city manager may serve two or more cities in that capacity at the same time.
- 21 **Sec. 3024.** RCW 35A.13.070 and 1967 ex.s. c 119 s 35A.13.070 are 22 each amended to read as follows:
- Before entering upon the duties of his <u>or her</u> office the city manager shall take an oath or affirmation for the faithful performance of his <u>or her</u> duties and shall execute and file with the clerk of the council a bond in favor of the code city in such sum as may be fixed by the council. The premium on such bond shall be paid by the city.
- 28 **Sec. 3025.** RCW 35A.13.080 and 1987 c 3 s 17 are each amended to 29 read as follows:
- The powers and duties of the city manager shall be:
- 31 (1) To have general supervision over the administrative affairs of 32 the code city;
- 33 (2) To appoint and remove at any time all department heads, 34 officers, and employees of the code city, except members of the

council, and subject to the provisions of any applicable law, rule, or 1 2 regulation relating to civil service: PROVIDED, That the council may provide for the appointment by the mayor, subject to confirmation by 3 the council, of a city planning commission, and other advisory 4 citizens' committees, commissions, and boards advisory to the city 5 PROVIDED FURTHER, That if the municipal judge of the code 6 7 city is appointed, such appointment shall be made by the city manager subject to confirmation by the council, for a four year term. 8 9 council may cause an audit to be made of any department or office of the code city government and may select the persons to make it, without 10 the advice or consent of the city manager; 11

(3) To attend all meetings of the council at which his <u>or her</u> attendance may be required by that body;

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- (4) To see that all laws and ordinances are faithfully executed, subject to the authority which the council may grant the mayor to maintain law and order in times of emergency;
- (5) To recommend for adoption by the council such measures as he <u>or</u> <u>she</u> may deem necessary or expedient;
- (6) To prepare and submit to the council such reports as may be required by that body or as he or she may deem it advisable to submit;
- (7) To keep the council fully advised of the financial condition of the code city and its future needs;
- 23 (8) To prepare and submit to the council a proposed budget for the 24 fiscal year, as required by chapter 35A.33 RCW, and to be responsible 25 for its administration upon adoption;
- 26 (9) To perform such other duties as the council may determine by ordinance or resolution.
- 28 **Sec. 3026.** RCW 35A.13.100 and 1967 ex.s. c 119 s 35A.13.100 are each amended to read as follows:

The city manager may authorize the head of a department or office responsible to him <u>or her</u> to appoint and remove subordinates in such department or office. Any officer or employee who may be appointed by the city manager, or by the head of a department or office, except one who holds his <u>or her</u> position subject to civil service, may be removed by the manager or other such appointing officer at any time subject to any applicable law, rule, or regulation relating to civil service. Subject to the provisions of RCW 35A.13.080 and any applicable civil

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1 service provisions, the decision of the manager or other appointing

2 officer, shall be final and there shall be no appeal therefrom to any

3 other office, body, or court whatsoever.

**Sec. 3027.** RCW 35A.13.120 and 1967 ex.s. c 119 s 35A.13.120 are each amended to read as follows:

Neither the council, nor any of its committees or members, shall direct the appointment of any person to, or his <u>or her</u> removal from, office by the city manager or any of his <u>or her</u> subordinates. Except for the purpose of inquiry, the council and its members shall deal with the administrative service solely through the manager and neither the council nor any committee or member thereof shall give orders to any subordinate of the city manager, either publicly or privately. The provisions of this section do not prohibit the council, while in open session, from fully and freely discussing with the city manager anything pertaining to appointments and removals of city officers and employees and city affairs.

**Sec. 3028.** RCW 35A.13.130 and 1967 ex.s. c 119 s 35A.13.130 are each amended to read as follows:

The city manager shall be appointed for an indefinite term and may be removed by a majority vote of the council. At least thirty days before the effective date of his <u>or her</u> removal, the city manager must be furnished with a formal statement in the form of a resolution passed by a majority vote of the city council stating the council's intention to remove him <u>or her</u> and the reasons therefor. Upon passage of the resolution stating the council's intention to remove the manager, the council by a similar vote may suspend him <u>or her</u> from duty, but his <u>or her</u> pay shall continue until his <u>or her</u> removal becomes effective.

**Sec. 3029.** RCW 35A.13.140 and 1967 ex.s. c 119 s 35A.13.140 are each amended to read as follows:

The city manager may, within thirty days from the date of service upon him <u>or her</u> of a copy thereof, reply in writing to the resolution stating the council's intention to remove him <u>or her</u>. In the event no reply is timely filed, the resolution shall upon the thirty-first day from the date of such service, constitute the final resolution removing the manager and his <u>or her</u> services shall terminate upon that day. If

- 1 a reply shall be timely filed with the city clerk, the council shall
- 2 fix a time for a public hearing upon the question of the manager's
- 3 removal and a final resolution removing the manager shall not be
- 4 adopted until a public hearing has been had. The action of the council
- 5 in removing the manager shall be final.

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- 6 **Sec. 3030.** RCW 35A.14.190 and 1967 ex.s. c 119 s 35A.14.190 are each amended to read as follows:
  - The members of each annexation review board shall elect from among the members a ((chairman)) chair and a vice ((chairman)) chair, and may employ a nonmember as chief clerk, who shall be the secretary of the board. The board shall determine its own rules and order of business, shall provide by resolution for the time and manner of holding regular or special meetings, and shall keep a journal of its proceedings which shall be a public record. A majority of all the members shall constitute a quorum for the transaction of business.
  - The chief clerk of the board, the ((chairman)) chair, or the vice ((chairman)) chair shall have the power to administer oaths and affirmations, certify to all official acts, issue subpoenas to any public officer or employee ordering him or her to testify before the board and produce public records, papers, books or documents. The chief clerk, the ((chairman)) chair or the vice ((chairman)) chair may invoke the aid of any court of competent jurisdiction to carry out such powers.
  - The planning departments of the county, other counties, and any city, and any state or regional planning agency shall furnish such information to the board at its request as may be reasonably necessary for the performance of its duties.
- 28 At the request of the board, the state attorney general shall 29 provide counsel for the board.
- 30 **Sec. 3031.** RCW 35A.21.030 and 1967 ex.s. c 119 s 35A.21.030 are each amended to read as follows:
- Except as otherwise provided in this title, every officer of a code city shall perform, in the manner provided, all duties of his <u>or her</u> office which are imposed by state law on officers of every other class of city who occupy a like position and perform like functions.

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Sec. 3032. RCW 35A.33.010 and 1969 ex.s. c 81 s 2 are each amended to read as follows:

Unless the context clearly indicates otherwise, the following words as used in this chapter shall have the meaning herein prescribed:

- (1) "Clerk" as used in this chapter includes the officer performing the functions of a finance or budget director, comptroller, auditor, or by whatever title he <u>or she</u> may be known in any code city.
- (2) "Department" as used in this chapter includes each office, division, service, system or institution of the city for which no other statutory or charter provision is made for budgeting and accounting procedures or controls.
- (3) "Council" as used in this chapter includes the commissioners in cities having a commission form of government and any other group of city officials serving as the legislative body of a code city.
- (4) "Chief administrative officer" as used in this chapter includes the mayor of cities having a mayor-council form of government, the commissioners in cities having a commission form of government, the city manager, or any other city official designated by the charter or ordinances of such city under the plan of government governing the same, or the budget or finance officer designated by the mayor, manager or commissioners, to perform the functions, or portions thereof, contemplated by this chapter.
- 23 (5) "Fiscal year" as used in this chapter means that fiscal period 24 set by the code city pursuant to authority given under RCW 1.16.030.
  - (6) "Fund", as used in this chapter and "funds" where clearly used to indicate the plural of "fund", shall mean the budgeting or accounting entity authorized to provide a sum of money for specified activities or purposes.
  - (7) "Funds" as used in this chapter where not used to indicate the plural of "fund" shall mean money in hand or available for expenditure or payment of a debt or obligation.
  - (8) Except as otherwise defined herein, municipal accounting terms used in this chapter have the meaning prescribed in "Governmental Accounting, Auditing and Financial Reporting" prepared by the National Committee on Governmental Accounting, 1968.
- **Sec. 3033.** RCW 35A.33.052 and 1967 ex.s. c 119 s 35A.33.052 are each amended to read as follows:

The chief administrative officer shall prepare the preliminary budget in detail, making any revisions or addition to the reports of the department heads deemed advisable by such chief administrative officer and at least sixty days before the beginning of the city's next fiscal year he or she shall file it with the city clerk as the recommendation of the chief administrative officer for the final budget. The clerk shall provide a sufficient number of copies of such preliminary budget and budget message to meet the reasonable demands of taxpayers therefor and have them available for distribution not later than six weeks before the beginning of the city's next fiscal year.

**Sec. 3034.** RCW 35A.33.135 and 1967 ex.s. c 119 s 35A.33.135 are each amended to read as follows:

At a time fixed by the city's ordinance or charter, not later than the first Monday in October of each year, the chief administrative officer shall provide the city's legislative body with current information on estimates of revenues from all sources as adopted in the budget for the current year, together with estimates submitted by the clerk under RCW 35A.33.050. The city's legislative body and the city's administrative officer or his or her designated representative shall consider the city's total anticipated financial requirements for the ensuing fiscal year, and the legislative body shall determine and fix by ordinance the amount to be raised by ad valorem taxes. Upon adoption of the ordinance fixing the amount of ad valorem taxes to be levied, the clerk shall certify the same to the board of county commissioners as required by RCW 84.52.020.

**Sec. 3035.** RCW 35A.33.160 and 1967 ex.s. c 119 s 35A.33.160 are each amended to read as follows:

Upon the conviction of any city official, department head or other city employee of knowingly failing, or refusing, without just cause, to perform any duty imposed upon such officer or employee by this chapter, or city ordinance or charter, in connection with the giving of notice, the preparing and filing of estimates of revenues or expenditures or other information required for preparing a budget report in the time and manner required, or of knowingly making expenditures in excess of budget appropriations, he or she shall be guilty of a misdemeanor and

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- shall be fined not more than five hundred dollars for each separate violation.
- 3 **Sec. 3036.** RCW 35A.36.010 and 1967 ex.s. c 119 s 35A.36.010 are each amended to read as follows:

The mayor, finance officer, city clerk, or other officer of a code 5 6 city who is authorized or required by law, charter, or ordinance to 7 execute bonds of the city or any subdivision or district thereof may 8 designate one or more bonded persons to affix such officer's signature to any bond or bonds requiring his or her signature. If the signature 9 of one of these officers is affixed to a bond during his or her 10 11 continuance in office by a proxy designated by him or her whose authority has not been revoked, the bond shall be as binding upon the 12 city and all concerned as though the officer had signed the bond in 13 person. This chapter shall apply to all bonds, whether they constitute 14 15 obligations of the city as a whole or of any local improvement or other 16 district or subdivision thereof, whether they call for payment from the 17 general funds of the city or from a local, special or other fund, and 18 whether negotiable or otherwise.

- 19 **Sec. 3037.** RCW 35A.36.050 and 1967 ex.s. c 119 s 35A.36.050 are 20 each amended to read as follows:
- A code city officer authorizing the affixing of his <u>or her</u> signature to a bond by a proxy shall be subject to the same liability personally and on his <u>or her</u> bond for any signature so affixed and to the same extent as if he <u>or she</u> had affixed his <u>or her</u> signature in person.
- 26 **Sec. 3038.** RCW 35A.36.060 and 1967 ex.s. c 119 s 35A.36.060 are each amended to read as follows:
  - In order to designate a proxy to affix his <u>or her</u> signature to bonds, a code city officer shall address a written notice to the legislative body of the city giving the name of the person whom he <u>or she</u> has selected therefor and stating generally or specifically what bonds are to be so signed.
- Attached to or included in the notice shall be a written signature of the officer making the designation executed by the proposed proxy followed by the word "by" and his <u>or her</u> own signature; or, if the

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notice so states, the specimen signatures may consist of a facsimile reproduction of the officer's signature impressed by some mechanical process followed by the word "by" and the proxy's own signature.

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If the authority is intended to include the signature upon bonds bearing an earlier date than the effective date of the notice, the prior dated bonds must be specifically described by reasonable reference thereto.

The notice designating a proxy shall be filed with the city finance officer or city clerk, together with the specimen signatures attached thereto and a record of the filing shall be made in the journal of the legislative body. This record shall note the date and hour of filing and may be made by the official who keeps the journal at any time after the filing of the notice, even during a period of recess or adjournment of the legislative body. The notice shall be effective from the time of its recording.

Sec. 3039. RCW 35A.42.010 and 1987 c 331 s 78 are each amended to read as follows:

In addition to authority granted and duties imposed upon code city treasurers by this title, code city treasurers, or the officers designated by charter or ordinance to perform the duties of a treasurer, shall have the duties and the authority to perform the following: (1) As provided in RCW 8.12.500 relating to bonds and compensation payments in eminent domain proceedings; (2) as provided in RCW 68.52.050 relating to cemetery improvement funds; (3) as provided in RCW 41.28.080 relating to custody of employees' retirement funds; (4) as provided in RCW 47.08.100 relating to the use of city street funds; (5) as provided in RCW 46.68.080 relating to motor vehicle funds; (6) as provided in RCW 41.16.020 and chapter 41.20 RCW relating to police and ((firemen's)) firefighters' relief and pension boards; (7) as provided in chapter 42.20 RCW relating to misappropriation of funds; and (8) as provided in chapter 39.60 RCW relating to investment of municipal funds. The treasurer shall be subject to the penalties imposed for the violation of any of such provisions. Where a provision of this title, or the general law, names the city treasurer as an officer of a board or other body, or assigns duties to a city treasurer, such position shall be filled, or such duties performed, by

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- 1 the officer of a code city who is performing the duties usually
- 2 performed by a city treasurer, although he or she may not have that
- 3 designation.

**Sec. 3040.** RCW 35A.42.030 and 1967 ex.s. c 119 s 35A.42.030 are each amended to read as follows:

In the event that the mayor, manager or other chief executive officer of any code city is unavailable by reason of enemy attack to exercise the powers and to discharge the duties of his <u>or her</u> office, his <u>or her</u> successor or substitute shall be selected in the manner provided by RCW 42.14.050 subject to rules and regulations providing for the appointment of temporary interim successors adopted under RCW 42.14.070.

**Sec. 3041.** RCW 35A.63.020 and 1979 ex.s. c 18 s 33 are each 14 amended to read as follows:

By ordinance a code city may create a planning agency and provide for its membership, organization, and expenses. The planning agency shall serve in an advisory capacity to the chief administrative officer or the legislative body, or both, as may be provided by ordinance and shall have such other powers and duties as shall be provided by ordinance. If any person or persons on a planning agency concludes that he or she has a conflict of interest or an appearance of fairness problem with respect to a matter pending before the agency so that he or she cannot discharge his or her duties on such an agency, he or she shall disqualify himself or herself from participating in the deliberations and the decision-making process with respect to the matter. If this occurs, the appointing authority that appoints such a person may appoint a person to serve as an alternate on the agency to serve in his or her stead in regard to such a matter.

Sec. 3042. RCW 35A.63.110 and 2001 c 200 s 1 are each amended to read as follows:

A code city which pursuant to this chapter creates a planning agency and which has twenty-five hundred or more inhabitants, by ordinance, shall create a board of adjustment and provide for its membership, terms of office, organization, jurisdiction. A code city which pursuant to this chapter creates a planning agency and which has

a population of less than twenty-five hundred may, by ordinance, 1 similarly create a board of adjustment. In the event a code city with 2 a population of less than twenty-five hundred creates a planning 3 agency, but does not create a board of adjustment, the code city shall 4 provide that the city legislative authority shall itself hear and 5 decide the items listed in subdivisions (1), (2), and (3) of this 6 7 section. The action of the board of adjustment shall be final and conclusive, unless, within twenty-one days from the date of the action, 8 the original applicant or an adverse party makes application to the 9 superior court for the county in which that city is located for a writ 10 of certiorari, a writ of prohibition, or a writ of mandamus. No member 11 12 of the board of adjustment shall be a member of the planning agency or 13 the legislative body. Subject to conditions, safeguards, and procedures provided by ordinance, the board of adjustment may be 14 empowered to hear and decide: 15

(1) Appeals from orders, recommendations, permits, decisions, or determinations made by a code city official in the administration or enforcement of the provisions of this chapter or any ordinances adopted pursuant to it.

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- (2) Applications for variances from the terms of the zoning ordinance, the official map ordinance or other land-use regulatory ordinances under procedures and conditions prescribed by city ordinance, which among other things shall provide that no application for a variance shall be granted unless the board of adjustment finds:
- (a) the variance shall not constitute a grant of special privilege inconsistent with the limitation upon uses of other properties in the vicinity and zone in which the property on behalf of which the application was filed is located; and
- (b) that such variance is necessary, because of special circumstances relating to the size, shape, topography, location, or surroundings of the subject property, to provide it with use rights and privileges permitted to other properties in the vicinity and in the zone in which the subject property is located; and
- (c) that the granting of such variance will not be materially detrimental to the public welfare or injurious to the property or improvements in the vicinity and zone in which the subject property is situated.

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- (3) Applications for conditional-use permits, unless such applications are to be heard and decided by the planning agency. A conditional use means a use listed among those classified in any given zone but permitted to locate only after review as herein provided in accordance with standards and criteria set forth in the zoning ordinance.
- (4) Such other quasi judicial and administrative determinations as may be delegated by ordinance.

In deciding any of the matters referred to in subsections (1), (2), (3), and (4) of this section, the board of adjustment shall issue a written report giving the reasons for its decision. If a code city provides for a hearing examiner and vests in him <u>or her</u> the authority to hear and decide the items listed in subdivisions (1), (2), and (3) of this section pursuant to RCW 35A.63.170, then the provisions of this section shall not apply to such a city.

16 PART IV

**Sec. 4001.** RCW 36.08.020 and 1963 c 4 s 36.08.020 are each amended to read as follows:

The election shall be conducted in all respects as general elections are conducted under the laws governing general elections, in so far as they may be applicable, except that there shall be triplicate returns made, one to each of the respective county auditors and another to the office of the secretary of state. The ballots used at such election shall contain the words "for transferring territory," or "against transferring territory." The votes shall be canvassed, as by law required, within twenty days, and if three-fifths of the votes cast in the territory at such election are "for transferring territory," the territory described in the petition shall become a part of and be added to and made a part of the county contiguous thereto, and within thirty days after the canvass of the returns of the election, the governor shall issue his or her proclamation of the change of county lines.

- **Sec. 4002.** RCW 36.08.070 and 1963 c 4 s 36.08.070 are each amended to read as follows:
- If the board of appraisers and adjusters do not agree on any

- 1 subject, value, or settlement, they shall choose a third ((man)) person
- 2 from an adjoining county to settle their differences, and the decision
- 3 thus arrived at shall be final.

**Sec. 4003.** RCW 36.08.090 and 1963 c 4 s 36.08.090 are each amended to read as follows:

The county auditor of the county to which any territory may be transferred may take transcripts of all records, books, papers, etc., on file in the office of the county auditor of the county from which the territory has been transferred, which may be necessary to perfect the records of his <u>or her</u> county, and for this purpose he <u>or she</u> shall have access to the records of the county from which such territory is stricken, free of cost.

**Sec. 4004.** RCW 36.09.020 and 1963 c 4 s 36.09.020 are each amended to read as follows:

The auditor of the old county shall give the auditor of the new county reasonable notice to meet him <u>or her</u> on a certain day at the county seat of the old county, or at some other convenient place, to settle upon and fix the amount which the new county shall pay. In doing so, they shall not charge either county with any share of debts arising from the erection of public buildings, or out of the construction of roads or bridges which shall be and remain, after the division, within the limits of the other county, and of the other debts they shall apportion to each county such a share of the indebtedness as may be just and equitable, taking into consideration the population of such portion of territory so forming a part of the said counties while so united, and also the relative advantages, derived from the old county organization.

**Sec. 4005.** RCW 36.09.040 and 1963 c 4 s 36.09.040 are each amended to read as follows:

The auditor of the county indebted upon such decision shall give to the auditor of the other county his <u>or her</u> order upon the treasurer for the amount to be paid out of the proper fund, as in other cases, and also make out a transfer of such property as shall be assigned to either county.

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All persons resident in the county, having knowledge of the facts, shall give the information required herein to any duly authorized census enumerator when requested by him or her.

**Sec. 4007.** RCW 36.16.040 and 1963 c 4 s 36.16.040 are each amended 7 to read as follows:

Every person elected to county office shall before he <u>or she</u> enters upon the duties of his <u>or her</u> office take and subscribe an oath or affirmation that he <u>or she</u> will faithfully and impartially discharge the duties of his <u>or her</u> office to the best of his <u>or her</u> ability. This oath, or affirmation, shall be administered and certified by an officer authorized to administer oaths, without charge therefor.

**Sec. 4008.** RCW 36.16.060 and 1963 c 4 s 36.16.060 are each amended to read as follows:

Every county officer, before entering upon the duties of his <u>or her</u> office, shall file his <u>or her</u> oath of office in the office of the county auditor and his <u>or her</u> official bond in the office of the county clerk: PROVIDED, That the official bond of the county clerk, after first being recorded by the county auditor, shall be filed in the office of the county treasurer.

Oaths and bonds of deputies shall be filed in the offices in which the oaths and bonds of their principals are required to be filed.

**Sec. 4009.** RCW 36.16.070 and 1969 ex.s. c 176 s 92 are each 25 amended to read as follows:

In all cases where the duties of any county office are greater than can be performed by the person elected to fill it, the officer may employ deputies and other necessary employees with the consent of the board of county commissioners. The board shall fix their compensation and shall require what deputies shall give bond and the amount of bond required from each. The sureties on deputies' bonds must be approved by the board and the premium therefor is a county expense.

A deputy may perform any act which his or her principal is authorized to perform. The officer appointing a deputy or other

- 1 employee shall be responsible for the acts of his or her appointees
- 2 upon his or her official bond and may revoke each appointment at
- 3 pleasure.
- 4 **Sec. 4010.** RCW 36.16.087 and 1963 c 4 s 36.16.087 are each amended to read as follows:
- 6 In all cases in which the county treasurer of any county in the 7 state of Washington shall have executed a tax deed or deeds prior to 8 February 21, 1903, either to his or her county or to any private person or persons or corporation whomsoever, said deed or deeds shall not be 9 10 deemed invalid by reason of the county treasurer who executed the same not having affixed a seal of office to the same, or having affixed a 11 seal not an official seal; nor shall said deed or deeds be deemed 12 invalid by reason of the fact that at the date of the execution of said 13 deed or deeds there was in the state of Washington no statute providing 14 15 for an official seal for the office of county treasurer.
- 16 **Sec. 4011.** RCW 36.16.120 and 1963 c 4 s 36.16.120 are each amended to read as follows:
- All county officers shall complete the business of their offices, to the time of the expiration of their respective terms, and in case any officer, at the close of his <u>or her</u> term, leaves to his <u>or her</u> successor official labor to be performed, which it was his <u>or her</u> duty to perform, he <u>or she</u> shall be liable to his <u>or her</u> successor for the full value of such services.
- 24 **Sec. 4012.** RCW 36.17.045 and 1963 c 164 s 3 are each amended to 25 read as follows:
- Employees of the counties shall have the right to voluntarily authorize the monthly deduction of their pledges to the United Good Neighbor or its successor, monthly payment to a credit unit, and monthly dues to a labor union, from their salaries or wages. When such written authorization is received by the county auditor, he or she shall make such monthly deduction.
- 32 **Sec. 4013.** RCW 36.17.050 and 1999 c 71 s 3 are each amended to 33 read as follows:
- 34 The auditor shall not draw his <u>or her</u> warrant for the salary of any

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- 1 officer until the latter shall have first filed his or her duplicate
- 2 receipt with the auditor, properly signed by the treasurer, showing he
- 3 or she has made the last required monthly statement and settlement. If
- 4 the superior court issues a declaratory judgment under RCW 36.16.125
- 5 finding that a county officer has abandoned his or her duties, the
- 6 county officer may not be paid a salary.
- 7 **Sec. 4014.** RCW 36.18.030 and 1963 c 4 s 36.18.030 are each amended 8 to read as follows:
- 9 Coroners shall collect for their official services, the following 10 fees:
- 11 For each inquest held, besides mileage, twenty dollars.
- 12 For issuing a venire, two dollars.
- 13 For drawing all necessary writings, two dollars for first page and
- 14 one dollar for each page thereafter.
- 15 For mileage each way, per mile, ten cents.
- For performing the duties of a sheriff, he <u>or she</u> shall receive the
- 17 same fees as a sheriff would receive for the same service.
- 18 Sec. 4015. RCW 36.18.050 and 1963 c 4 s 36.18.050 are each amended
- 19 to read as follows:
- 20 Every officer who shall be called on or required to perform service
- 21 for which no fees or compensation are provided for in this chapter
- 22 shall be allowed fees similar and equal to those allowed him <u>or her</u> for
- 23 services of the same kind for which allowance is made herein.
- 24 **Sec. 4016.** RCW 36.18.060 and 1981 c 194 s 2 are each amended to
- 25 read as follows:
- The officers mentioned in this chapter except the county sheriff
- 27 shall not, in any case, except for the state or county, perform any
- 28 official services unless the fees prescribed therefor are paid in
- 29 advance, and on such payment the officer must perform the services
- 30 required. The county sheriff may allow payment to be made after
- 31 official services have been performed as the sheriff deems appropriate.
- 32 For every failure or refusal to perform official duty when the fees are
- 33 tendered, the officer is liable on his or her official bond.

- When any sheriff, constable or coroner serves more than one process in the same cause or on the same person not requiring more than one
- 5 journey from his <u>or her</u> office, he <u>or she</u> shall receive mileage only
- 6 for the most distant service.
- 7 **Sec. 4018.** RCW 36.18.080 and 1963 c 4 s 36.18.080 are each amended 8 to read as follows:
- 9 Every county officer entitled to collect fees from the public shall 10 keep posted in his <u>or her</u> office a plain and legible statement of the 11 fees allowed by law and failure so to do shall subject the officer to
- 12 a fine of one hundred dollars and costs, to be recovered in any court
- 13 of competent jurisdiction.
- 14 **Sec. 4019.** RCW 36.18.090 and 1963 c 4 s 36.18.090 are each amended to read as follows:
- 16 Every officer, when requested so to do, shall make out a bill of
- 17 his <u>or her</u> fees in every case, and for any services, specifying each
- 18 particular item thereof, and receipt the same when it is paid, which
- 19 bill of fees shall always be subject to examination and correction by
- 20 the courts. Any officer who fails to comply with the requirements of
- 21 this section shall be liable to the person paying the fees in treble
- 22 the amount so paid.
- 23 **Sec. 4020.** RCW 36.18.130 and 1963 c 4 s 36.18.130 are each amended to read as follows:
- 25 If any errors or irregularities are found by the checking officer
- 26 he or she shall immediately notify the officer interested, and if
- 27 within three days after such notification the errors or irregularities
- 28 are not corrected by such officer, the checking officer shall notify
- 29 the board of county commissioners in writing and upon receipt of such
- 30 notification the board shall proceed against such officer in the manner
- 31 provided by law.
- 32 **Sec. 4021.** RCW 36.18.160 and 1963 c 4 s 36.18.160 are each amended 33 to read as follows:
- If any officer takes more or greater fees than are allowed by law

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- 1 he or she shall be subject to prosecution, and on conviction, shall be
- 2 removed from office and fined in a sum not exceeding one thousand
- 3 dollars.
- 4 **Sec. 4022.** RCW 36.18.180 and 1963 c 4 s 36.18.180 are each amended to read as follows:
- The board of county commissioners of any county in this state, upon receiving a certified copy of the record of conviction of any officer
- 8 for receiving illegal fees, or where the officer collects fees and
- 9 fails to account for the same, upon proof thereof must declare his or
- 10 <u>her</u> office vacant and appoint his <u>or her</u> successor.
- 11 **Sec. 4023.** RCW 36.22.030 and 1963 c 4 s 36.22.030 are each amended 12 to read as follows:
- 13 Auditors and their deputies may administer oaths necessary in the
- 14 performance of their duties and in all other cases where oaths are
- 15 required by law to be administered and take acknowledgments of deeds
- 16 and other instruments in writing: PROVIDED, That any deputy county
- 17 auditor, in administering such oath or taking such acknowledgment,
- 18 shall certify to the same in his <u>or her</u> own name as deputy, and not in
- 19 the name of his or her principal, and shall attach thereto the seal of
- 20 the office: PROVIDED, That all oaths administered or acknowledgments
- 21 taken by any deputy of any county auditor certifying to the same in the
- 22 name of his <u>or her</u> principal by himself <u>or herself</u> as such deputy,
- 23 prior to the taking effect of chapter 119, Laws of 1893 be and the same
- 24 are hereby legalized and made valid and binding.
- 25 **Sec. 4024.** RCW 36.22.040 and 1963 c 4 s 36.22.040 are each amended to read as follows:
- 27 The county auditor shall audit all claims, demands, and accounts
- 28 against the county which by law are chargeable to the county, except
- 29 such cost or fee bills as are by law to be examined or approved by some
- 30 other judicial tribunal or officer. Such claims as it is his or her
- 31 duty to audit shall be presented to the board of county commissioners
- 32 for their examination and allowance.
- 33 Sec. 4025. RCW 36.22.050 and 1975 c 31 s 1 are each amended to
- 34 read as follows:

For claims allowed by the county commissioners, and also for cost bills and other lawful claims duly approved by the competent tribunal designated by law for their allowance, he or she shall draw a warrant on the county treasurer, made payable to the claimant or his or her order, bearing date from the time of and regularly numbered in the order of their issue. If there is not sufficient cash in the county treasury to cover such claims or cost bills, or if a claimant requests, the auditor may issue a number of smaller warrants, the total principal amounts of which shall equal the amount of said claim or cost bill.

**Sec. 4026.** RCW 36.22.120 and 1963 c 4 s 36.22.120 are each amended 11 to read as follows:

In case the auditor is unable to attend to the duties of his <u>or her</u> office during any session of the board of county commissioners, and has no deputy by him <u>or her</u> appointed in attendance, the board may temporarily appoint a suitable person not by law disqualified from acting as such to perform the auditor's duties.

**Sec. 4027.** RCW 36.22.150 and 1963 c 4 s 36.22.150 are each amended to read as follows:

Each auditor, on retiring from office, shall deliver to his <u>or her</u> successor the seal of office and all the books, records, and instruments of writing belonging to the office, and take his <u>or her</u> receipt therefor. In case of the death of the auditor, his <u>or her</u> legal representatives shall deliver over the seal, books, records and papers.

**Sec. 4028.** RCW 36.23.020 and 1963 c 4 s 36.23.020 are each amended to read as follows:

When the judge or judges of any court, or a majority of them, believe that the clerk of the court does not have a good and sufficient bond on file, or that the bond is not large enough in amount, such judge or judges shall enter an order requiring him or her, within such time as may be specified in the order, to execute and present to them a good and sufficient bond, in such sum as may be fixed by the order. In case of his or her failure to file the bond within ten days from the expiration of the date fixed the judge or judges shall declare the office vacant.

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- The clerk shall be responsible for the safe custody and delivery to his <u>or her</u> successor of all books and papers belonging to his <u>or her</u> office.
- 6 **Sec. 4030.** RCW 36.23.080 and 1963 c 4 s 36.23.080 are each amended 7 to read as follows:
- 8 The office of the clerk of the superior court shall be kept at the 9 county seat of the county of which he or she is clerk.
- 10 **Sec. 4031.** RCW 36.24.010 and 1963 c 4 s 36.24.010 are each amended 11 to read as follows:

The coroner shall perform the duties of the sheriff in all cases 12 where the sheriff is interested or otherwise incapacitated from 13 14 serving; and whenever the coroner acts as sheriff he or she shall 15 possess the powers and perform all the duties of sheriff, and shall be liable on his or her official bond in like manner as the sheriff would 16 be, and shall be entitled to the same fees as are allowed by law to the 17 sheriff for similar services: PROVIDED, That nothing herein contained 18 shall prevent the court from appointing a suitable person to discharge 19 20 such duties, as provided by RCW 36.28.090.

21 **Sec. 4032.** RCW 36.24.020 and 1988 c 188 s 18 are each amended to 22 read as follows:

Any coroner, in his or her discretion, may hold an inquest if the coroner suspects that the death of a person was unnatural, or violent, or resulted from unlawful means, or from suspicious circumstances, or was of such a nature as to indicate the possibility of death by the hand of the deceased or through the instrumentality of some other person: PROVIDED, That, except under suspicious circumstances, no inquest shall be held following a traffic death.

The coroner in the county where an inquest is to be convened pursuant to this chapter shall notify the superior court to provide persons to serve as a jury of inquest to hear all the evidence concerning the death and to inquire into and render a true verdict on the cause of death. Jurors shall be selected and summoned in the same manner and shall have the same qualifications as specified in chapter

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- 1 2.36 RCW. The prosecuting attorney having jurisdiction shall be
- 2 notified in advance of any such inquest to be held, and at his or her
- 3 discretion may be present at and assist the coroner in the conduct of
- 4 the same. The coroner may adjourn the inquest from time to time as he
- 5 <u>or she</u> may deem necessary.
- The costs of inquests shall be borne by the county in which the inquest is held.
- 8 **Sec. 4033.** RCW 36.24.040 and 1963 c 4 s 36.24.040 are each amended 9 to read as follows:
- When four or more of the jurors attend, they shall be sworn by the coroner to inquire who the person was, and when, where, and by what means he or she came to his or her death, and into the circumstances
- 13 attending his or her death, and to render a true verdict therein,
- 14 according to the evidence afforded them, or arising from the inspection
- 15 of the body.
- 16 **Sec. 4034.** RCW 36.24.070 and 1963 c 4 s 36.24.070 are each amended 17 to read as follows:
- 18 After hearing the testimony, the jury shall render its verdict and
- 19 certify the same in writing signed by the jurors, and setting forth who
- 20 the person killed is, if known, and when, where and by what means he  $\underline{\text{or}}$
- 21 <u>she</u> came to his <u>or her</u> death; or if he <u>or she</u> was killed, or his <u>or her</u>
- 22 death was occasioned by the act of another by criminal means, who is
- 23 guilty thereof, if known.
- 24 **Sec. 4035.** RCW 36.24.080 and 1963 c 4 s 36.24.080 are each amended to read as follows:
- In all cases where murder or manslaughter is supposed to have been
- 27 committed, the testimony of witnesses taken before the coroner's jury
- 28 shall be reduced to writing by the coroner, or under his <u>or her</u>
- 29 direction, and he <u>or she</u> shall also recognize such witnesses to appear
- 30 and testify in the superior court of the county, and shall forthwith
- 31 file the written testimony, inquisition, and recognizance with the
- 32 clerk of such court.
- 33 Sec. 4036. RCW 36.24.090 and 1963 c 4 s 36.24.090 are each amended
- 34 to read as follows:

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If the person charged with the commission of the offense has been arrested before the inquisition has been filed, the coroner shall deliver the recognizance and the inquisition, with the testimony taken, to the magistrate before whom such person may be brought, who shall return the same, with the depositions and statements taken before him or her to the clerk of the superior court of the county.

**Sec. 4037.** RCW 36.24.110 and 1963 c 4 s 36.24.110 are each amended 8 to read as follows:

The coroner's warrant shall be in substantially the following form:

State of Washington, To any sheriff or constable of the county. An inquisition having been this day found by the coroner's jury, before me, stating that A B has come to his or her death by the act of C D, by criminal means (or as the case may be, as found by the inquisition), you are therefore commanded, in the name of the state of Washington, forthwith to arrest the above named C D, and take him or her before the nearest or most accessible magistrate in this county. Given under my hand this . . . . day of . . . . . , A.D. 19. . . E F, coroner of the county of . . . . . . . . .

Sec. 4038. RCW 36.24.155 and 1969 ex.s. c 259 s 2 are each amended to read as follows:

Whenever anyone shall die within a county without making prior plans for the disposition of his <u>or her</u> body and there is no other person willing to provide for the disposition of the body, the county coroner shall cause such body to be entrusted to a funeral home in the county where the body is found. Disposition shall be on a rotation basis, which shall treat equally all funeral homes or mortuaries desiring to participate, such rotation to be established by the coroner after consultation with representatives of the funeral homes or mortuaries in the county or counties involved.

- 1 Sec. 4039. RCW 36.24.170 and 1963 c 4 s 36.24.170 are each amended
  2 to read as follows:
- The coroner shall not appear or practice as attorney in any court, except in defense of himself or herself or his or her deputies.
- **Sec. 4040.** RCW 36.24.180 and 1963 c 4 s 36.24.180 are each amended to read as follows:

Before auditing and allowing the account of the coroner the board of county commissioners shall require from him <u>or her</u> a verified statement in writing, accounting for all money or other property found upon persons on whom inquests have been held by him <u>or her</u>, and that the money or property mentioned in it has been delivered to the legal representatives of the deceased, or to the county treasurer.

**Sec. 4041.** RCW 36.26.050 and 1969 c 94 s 5 are each amended to 14 read as follows:

The public defender shall make an annual report to each board of county commissioners within his or her district. If any public defender district embraces more than one county or a cooperating city, the public defender shall maintain records of expenses allocable to each county or city within the district, and shall charge such expenses only against the county or city for which the services were rendered or the costs incurred. The boards of county commissioners of counties and the governing authority of any city participating jointly in a public defender district are authorized to provide for the sharing of the costs of the district by mutual agreement, for any costs which cannot be specifically apportioned to any particular county or city within the district.

Expenditures by the public defender shall be subject to the provisions of chapter 36.40 RCW and other statutes relating to expenditures by counties or cities.

- **Sec. 4042.** RCW 36.26.060 and 1969 c 94 s 6 are each amended to read as follows:
  - (1) The board of county commissioners shall:
- 33 (a) Fix the compensation of the public defender and of any staff 34 appointed to assist him <u>or her</u> in the discharge of his <u>or her</u> duties:

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- PROVIDED, That the compensation of the public defender shall not exceed that of the county prosecutor in those districts which comprise only one county;
- (b) Provide office space, furniture, equipment and supplies for the use of the public defender suitable for the conduct of his <u>or her</u> office in the discharge of his <u>or her</u> duties, or provide an allowance in lieu of facilities and supplies.

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- (2) The public defender may appoint as many assistant attorney public defenders, clerks, investigators, stenographers and other employees as the board of county commissioners considers necessary in the discharge of his <u>or her</u> duties as a public defender.
- 12 **Sec. 4043.** RCW 36.26.070 and 1984 c 76 s 18 are each amended to 13 read as follows:

The public defender must represent, without charge to any accused, every indigent person who is or has been arrested or charged with a crime for which court appointed counsel for indigent defendants is required either under the Constitution of the United States or under the Constitution and laws of the state of Washington:

- 19 (1) If such arrested person or accused, having been apprised of his 20 <u>or her</u> constitutional and statutory rights to counsel, requests the 21 appointment of counsel to represent him <u>or her</u>; and
- 22 (2) If a court, on its own motion or otherwise, does not appoint 23 counsel to represent the accused; and
- (3) Unless the arrested person or accused, having been apprised of his <u>or her</u> right to counsel in open court, affirmatively rejects or intelligently repudiates his <u>or her</u> constitutional and statutory rights to be represented by counsel.
- 28 **Sec. 4044.** RCW 36.26.080 and 1969 c 94 s 8 are each amended to 29 read as follows:

Whenever the public defender represents any indigent person held in custody without commitment or charged with any criminal offense, he or she must (1) counsel and defend such person, and (2) prosecute any appeals and other remedies, whether before or after conviction, which he or she considers to be in the interests of justice.

Sec. 4045. RCW 36.27.010 and 1963 c 4 s 36.27.010 are each amended to read as follows:

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No person shall be eligible to the office of prosecuting attorney in any county of this state, unless he <u>or she</u> is a qualified elector therein, and has been admitted as an attorney and counselor of the courts of this state.

7 **Sec. 4046.** RCW 36.27.030 and 1963 c 4 s 36.27.030 are each amended 8 to read as follows:

When from illness or other cause the prosecuting attorney is temporarily unable to perform his <u>or her</u> duties, the court or judge may appoint some qualified person to discharge the duties of such officer in court until the disability is removed.

When any prosecuting attorney fails, from sickness or other cause, to attend a session of the superior court of his or her county, or is unable to perform his or her duties at such session, the court or judge may appoint some qualified person to discharge the duties of such session, and the appointee shall receive a compensation to be fixed by the court, to be deducted from the stated salary of the prosecuting attorney, not exceeding, however, one-fourth of the quarterly salary of the prosecuting attorney: PROVIDED, That in counties wherein there is no person qualified for the position of prosecuting attorney, or wherein no qualified person will consent to perform the duties of that office, the judge of the superior court shall appoint some suitable person, a duly admitted and practicing attorney-at-law and resident of the state to perform the duties of prosecuting attorney for such county, and he or she shall receive such reasonable compensation for his or her services as shall be fixed and ordered by the court, to be paid by the county for which the services are performed.

29 **Sec. 4047.** RCW 36.27.040 and 2000 c 23 s 2 are each amended to 30 read as follows:

The prosecuting attorney may appoint one or more deputies who shall have the same power in all respects as their principal. Each appointment shall be in writing, signed by the prosecuting attorney, and filed in the county auditor's office. Each deputy thus appointed shall have the same qualifications required of the prosecuting attorney, except that such deputy need not be a resident of the county

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in which he or she serves. The prosecuting attorney may appoint one or more special deputy prosecuting attorneys upon a contract or fee basis whose authority shall be limited to the purposes stated in the writing signed by the prosecuting attorney and filed in the county auditor's office. Such special deputy prosecuting attorney shall be admitted to practice as an attorney before the courts of this state but need not be a resident of the county in which he or she serves and shall not be under the legal disabilities attendant upon prosecuting attorneys or their deputies except to avoid any conflict of interest with the purpose for which he or she has been engaged by the prosecuting attorney. The prosecuting attorney shall be responsible for the acts of his or her deputies and may revoke appointments at will. 

Two or more prosecuting attorneys may agree that one or more deputies for any one of them may serve temporarily as deputy for any other of them on terms respecting compensation which are acceptable to said prosecuting attorneys. Any such deputy thus serving shall have the same power in all respects as if he <u>or she</u> were serving permanently.

The provisions of chapter 39.34 RCW shall not apply to such agreements.

The provisions of RCW 41.56.030(2) shall not be interpreted to permit a prosecuting attorney to alter the at-will relationship established between the prosecuting attorney and his or her appointed deputies by this section for a period of time exceeding his or her term of office. Neither shall the provisions of RCW 41.56.030(2) require a prosecuting attorney to alter the at-will relationship established by this section.

**Sec. 4048.** RCW 36.27.050 and 1963 c 4 s 36.27.050 are each amended to read as follows:

No prosecuting attorney shall receive any fee or reward from any person, on behalf of any prosecution, or for any of his <u>or her</u> official services, except as provided in this title, nor shall he <u>or she</u> be engaged as attorney or counsel for any party in any action depending upon the same facts involved in any criminal proceeding.

**Sec. 4049.** RCW 36.27.070 and 1963 c 4 s 36.27.070 are each amended to read as follows:

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The prosecuting attorney of each county in the state of Washington must keep an office at the county seat of the county of which he or she is prosecuting attorney.

Sec. 4050. RCW 36.28.010 and 1965 c 92 s 1 are each amended to read as follows:

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The sheriff is the chief executive officer and conservator of the peace of the county. In the execution of his <u>or her</u> office, he <u>or she</u> and his <u>or her</u> deputies:

- (1) Shall arrest and commit to prison all persons who break the peace, or attempt to break it, and all persons guilty of public offenses;
- 12 (2) Shall defend the county against those who, by riot or 13 otherwise, endanger the public peace or safety;
- 14 (3) Shall execute the process and orders of the courts of justice 15 or judicial officers, when delivered for that purpose, according to 16 law;
  - (4) Shall execute all warrants delivered for that purpose by other public officers, according to the provisions of particular statutes;
  - (5) Shall attend the sessions of the courts of record held within the county, and obey their lawful orders or directions;
    - (6) Shall keep and preserve the peace in their respective counties, and quiet and suppress all affrays, riots, unlawful assemblies and insurrections, for which purpose, and for the service of process in civil or criminal cases, and in apprehending or securing any person for felony or breach of the peace, they may call to their aid such persons, or power of their county as they may deem necessary.
- 27 **Sec. 4051.** RCW 36.28.020 and 1963 c 4 s 36.28.020 are each amended to read as follows:
- Every deputy sheriff shall possess all the power, and may perform any of the duties, prescribed by law to be performed by the sheriff, and shall serve or execute, according to law, all process, writs, precepts, and orders, issued by lawful authority.
- Persons may also be deputed by the sheriff in writing to do particular acts; including the service of process in civil or criminal cases, and the sheriff shall be responsible on his <u>or her</u> official bond for their default or misconduct.

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1 Sec. 4052. RCW 36.28.030 and 1963 c 4 s 36.28.030 are each amended
2 to read as follows:

Whenever the company acting as surety on the official bond of a 3 sheriff is disqualified, insolvent, or the penalty of the bond becomes 4 5 insufficient on account of recovery had thereon, or otherwise, the sheriff shall submit a new or additional bond for approval to the board 6 7 of county commissioners, if in session, or, if not in session, for the approval of the ((chairman)) chair of such board, and file the same, 8 9 when approved, in the office of the county clerk of his or her county, and such new or additional bond shall be in a penal sum sufficient in 10 amount to equal the sum specified in the original bond when added to 11 the penalty of any existing bond, so that under one or more bonds there 12 13 shall always be an enforceable obligation of the surety on the official bond or bonds of the sheriff in a penal sum of not less than the amount 14 of the bond as originally approved. 15

16 **Sec. 4053.** RCW 36.28.040 and 1963 c 4 s 36.28.040 are each amended 17 to read as follows:

No sheriff, deputy sheriff, or coroner shall be liable for any damages for neglecting or refusing to serve any civil process unless his or her legal fees are first tendered him or her.

21 **Sec. 4054.** RCW 36.28.050 and 1963 c 4 s 36.28.050 are each amended 22 to read as follows:

If any property levied upon by virtue of any writ of attachment or execution or other order issued to the sheriff out of any court in this state is claimed by any person other than the defendant, and such person or his <u>or her</u> agent or attorney makes affidavit of his <u>or her</u> title thereto or his <u>or her</u> right to possession thereof, stating the value thereof and the basis of such right or title, the sheriff may release such levy, unless the plaintiff on demand indemnifies the sheriff against such claim by an undertaking executed by a sufficient surety.

No claim to such property by any person other than the defendant shall be valid against the sheriff, unless the supporting affidavit is made. Notwithstanding receipt of a proper claim the sheriff shall retain such property under levy a reasonable time to demand such indemnity.

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Any sheriff, or other levying officer, may require an indemnifying bond of the plaintiff in all cases where he <u>or she</u> has to take possession of personal property.

**Sec. 4055.** RCW 36.28.090 and 1963 c 4 s 36.28.090 are each amended to read as follows:

When there is no sheriff of a county, or he <u>or she</u> is disqualified from any cause from discharging any particular duty, it shall be lawful for the officer or person commanding or desiring the discharge of that duty to appoint some suitable person, a citizen of the county, to execute the same: PROVIDED, That final process shall in no case be executed by any person other than the legally authorized officer; or in case he <u>or she</u> is disqualified, some suitable person appointed by the court, or judge thereof, out of which the process issues, who shall make such appointment in writing; and before such appointment shall take effect, the person appointed shall give security to the party interested for the faithful performance of his <u>or her</u> duties, which bond of suretyship shall be in writing, approved by the court or judge appointing him <u>or her</u>, and be placed on file with the papers in the case.

**Sec. 4056.** RCW 36.28.130 and 1963 c 4 s 36.28.130 are each amended to read as follows:

In all cases where any sheriff, constable or coroner has executed any writ or other process delivered to him <u>or her</u> by his <u>or her</u> predecessor, or has completed any business commenced by his <u>or her</u> predecessor under any writ or process, and has completed any other business commenced by his <u>or her</u> predecessor, and in all cases where any sheriff, constable or coroner has executed any writ or other process, or completed any business connected with his <u>or her</u> office after the expiration of his <u>or her</u> term of office, which writ or process he <u>or she</u> had commenced to execute, or which business he <u>or she</u> had commenced to perform, prior to the expiration of his <u>or her</u> term of office, such action shall be valid and effectual for all purposes.

**Sec. 4057.** RCW 36.28.150 and 1963 c 4 s 36.28.150 are each amended to read as follows:

Whenever any sheriff neglects to make due return of any writ or

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- 1 other process delivered to him or her to be executed, or is guilty of
- 2 any default or misconduct in relation thereto, he or she shall be
- 3 liable to fine or attachment, or both, at the discretion of the court,
- 4 subject to appeal, such fine, however, not to exceed two hundred
- 5 dollars; and also to an action for damages to the party aggrieved.
- 6 **Sec. 4058.** RCW 36.28.160 and 1963 c 4 s 36.28.160 are each amended 7 to read as follows:
- 8 The sheriff must keep his <u>or her</u> office at the county seat of the 9 county of which he or she is sheriff.
- 10 **Sec. 4059.** RCW 36.28.170 and 1963 c 50 s 1 are each amended to 11 read as follows:
- The executive secretary of the Washington state association of 12 elected county officials, upon written approval of a majority of the 13 sheriffs in the state, shall file with the secretary of state a 14 15 description of a standard uniform which may be withdrawn or modified by re-filing in the same manner as originally filed. A uniform of the 16 description so filed shall thereafter be reserved exclusively for the 17 18 use of sheriffs and their deputies: PROVIDED, That the filing of a standard uniform description shall not make mandatory the adoption of 19 20 said uniform by any county sheriff or his or her deputies.
- 21 **Sec. 4060.** RCW 36.28.180 and 1979 c 132 s 1 are each amended to 22 read as follows:
- A county may from available funds provide for an allowance for clothing and other incidentals necessary to the performance of official duties for the sheriff and his <u>or her</u> deputies.
- 26 **Sec. 4061.** RCW 36.29.025 and 1963 c 4 s 36.29.025 are each amended to read as follows:
- The county treasurer in each of the organized counties of the state of Washington, shall be by his <u>or her</u> county provided with a seal of office for the authentication of all tax deeds, papers, writing and documents required by law to be certified or authenticated by him <u>or her</u>. Such seal shall bear the device of crosskeys and the words:

  Official Seal Treasurer . . . . . County, Washington; and an imprint

- 1 of such seal, together with the certificate of the county treasurer
- 2 that such seal has been regularly adopted, shall be filed in the office
- 3 of the county auditor of such county.
- 4 Sec. 4062. RCW 36.29.130 and 1963 c 4 s 36.29.130 are each amended
- 5 to read as follows:
- 6 The county treasurer, upon receipt of the tax roll, shall proceed
- 7 to collect and receipt for the municipal taxes extended thereon at the
- 8 same time and in the same manner as he or she proceeds in the
- 9 collection of other taxes on such roll.
- 10 Sec. 4063. RCW 36.32.050 and 1963 c 4 s 36.32.050 are each amended
- 11 to read as follows:
- 12 County commissioners shall be elected by the qualified voters of
- 13 the county and the person receiving the highest number of votes for the
- 14 office of commissioner for the district in which he <u>or she</u> resides
- 15 shall be declared duly elected from that district.
- 16 Sec. 4064. RCW 36.32.060 and 1963 c 4 s 36.32.060 are each amended
- 17 to read as follows:
- 18 The bond of each county commissioner shall be payable to the
- 19 county, and it shall be conditioned that the commissioner shall well
- 20 and faithfully discharge the duties of his or her office, and not
- 21 approve, audit, or order paid any illegal, unwarranted, or unjust claim
- 22 against the county for personal services.
- 23 Sec. 4065. RCW 36.32.100 and 1963 c 4 s 36.32.100 are each amended
- 24 to read as follows:
- 25 The board of county commissioners at their first session after the
- 26 general election shall elect one of its number to preside at its
- 27 meetings. He <u>or she</u> shall sign all documents requiring the signature
- 28 of the board, and his or her signature as ((chairman)) chair of the
- 29 board shall be as legal and binding as if all members had affixed their
- 30 names. In case the ((chairman)) chair is absent at any meeting of the
- 31 board, all documents requiring the signature of the board shall be
- 32 signed by both members present.

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1 Sec. 4066. RCW 36.32.135 and 1963 c 4 s 36.32.135 are each amended
2 to read as follows:

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The county commissioners of each county shall have and use a seal for the purpose of sealing their proceedings, and copies of the same when signed and sealed by the said county commissioners, and attested by their clerk, shall be admitted as evidence of such proceedings in the trial of any cause in any court in this state; and until such seal shall be provided, the private seal of the ((chairman)) chair of such board of county commissioners shall be adopted as a seal.

**Sec. 4067.** RCW 36.32.310 and 1963 c 4 s 36.32.310 are each amended to read as follows:

Whenever a member of the board of county commissioners of any county has a claim for compensation for per diem and expenses for attendance upon any special session of the board or a claim for compensation for extra services or expenses incurred as such commissioners, including services performed as road commissioner, the claim shall be verified by him or her and after being approved by a majority of the board of county commissioners of the county shall be filed with the clerk of the superior court and be approved by a judge of the superior court of such county or any superior court judge holding court in such county. The judge may make such investigation as he or she deems necessary to determine the correctness of the claim and may, after such investigation, approve or reject any part of such claim. If the judge so approve the claim or any part thereof the same shall be certified by the clerk under the seal of his or her office and be returned to the county auditor who shall draw a warrant therefor. The court shall not be required oftener than once in each month to pass upon such claims and it may fix a time in each month by general order filed with the clerk of the board of county commissioners on or before which such claims must be filed with the clerk of the court.

**Sec. 4068.** RCW 36.32.330 and 1963 c 4 s 36.32.330 are each amended to read as follows:

Any person may appeal to the superior court from any decision or order of the board of county commissioners. Such appeal shall be taken within twenty days after the decision or order, and the appellant shall within that time serve notice of appeal on the county commissioners.

The notice shall be in writing and shall be delivered to at least one of the county commissioners personally, or left with the county auditor. The appellant shall, within ten days after service of the notice of appeal give a bond to the county with one or more sureties, to be approved by the county auditor, conditioned for the payment of all costs which shall be adjudged against him or her on such appeal in the superior court. The practice regulating appeals from and writs of certiorari to justice's courts shall, insofar as applicable, govern in matters of appeal from a decision or order of the board of county commissioners.

Nothing herein contained shall be construed to prevent a party having a claim against any county in this state from enforcing the collection thereof by civil action in any court of competent jurisdiction after the same has been presented to and filed as provided by law and disallowed in whole or in part by the board of county commissioners of the proper county. Such action must, however, be commenced within the time limitation provided in RCW 36.45.030.

**Sec. 4069.** RCW 36.33.070 and 1963 c 4 s 36.33.070 are each amended to read as follows:

Whenever the county treasurer deems it expedient and for the best interests of the county he <u>or she</u> may invest any moneys in the county current expense fund in outstanding warrants on the county tax refund fund in the following manner: When he <u>or she</u> has determined the amount of moneys in the county current expense fund available for investment, he <u>or she</u> shall call, in the order of their issuance, a sufficient number of warrants drawn on the county tax refund fund as nearly as possible equaling in amount but not exceeding the moneys to be invested, and upon presentation and surrender thereof he <u>or she</u> shall pay to the holders of such warrants the face amount thereof and the accrued interest thereon out of moneys in the county current expense fund.

**Sec. 4070.** RCW 36.33.080 and 1963 c 4 s 36.33.080 are each amended to read as follows:

Upon receipt of any such warrant on the tax refund fund the county treasurer shall enter the principal amount thereof, and accrued interest thereon, as a suspense credit upon his <u>or her</u> records, and

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- 1 shall hold the warrant until it with interest, if any, is paid in due
- 2 course out of the county tax refund fund, and upon such payment, the
- 3 amount thereof shall be restored to the county current expense fund.
- 4 The refund warrants held by the county treasurer shall continue to draw
- 5 interest until the payment thereof out of the county tax refund fund,
- 6 which interest accruing subsequent to acquisition of the warrants by
- 7 the county treasurer shall be paid into the county current expense
- 8 fund.

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- 9 **Sec. 4071.** RCW 36.33.190 and 1963 c 4 s 36.33.190 are each amended to read as follows:
- 11 The county treasurer shall cash any United States bonds owned by
- 12 the county as they mature or, with the approval of the state finance
- 13 committee and of the county finance committee, he or she may at any
- 14 time sell them. In either event he or she must return the proceeds
- 15 into the treasury.
- 16 **Sec. 4072.** RCW 36.34.070 and 1963 c 4 s 36.34.070 are each amended to read as follows:
  - The board may advertise and sell used highway or other equipment belonging to the county or to any taxing division thereof subject to its jurisdiction in the manner prescribed for the sale of county property, or it may trade it in on the purchase of new equipment. If the board elects to trade in the used equipment it shall include in its call for bids on the new equipment a notice that the county has for sale or trade-in used equipment of a specified type and description which will be sold or traded in on the same day and hour that the bids on the new equipment are opened. Any bidder on the new equipment may include in his or her offer to sell, an offer to accept the used equipment as a part payment of the new equipment purchase price, setting forth the amount of such allowance.

In determining the lowest and best bid on the new equipment the board shall consider the net cost to the county of such new equipment after trade-in allowances have been deducted. The board may accept the new equipment bid of any bidder without trading in the used equipment but may not require any such bidder to purchase the used equipment without awarding the bidder the new equipment contract. Nothing in this section shall bar anyone from making an offer for the purchase of

- 1 the used equipment independent of a bid on the new equipment and the
- 2 board shall consider such offers in relation to the trade-in allowances
- 3 offered to determine the net best sale and purchase combination for the
- 4 county.
- 5 **Sec. 4073.** RCW 36.34.150 and 1963 c 4 s 36.34.150 are each amended to read as follows:

7 Any person desiring to lease county lands shall make application in 8 writing to the board of county commissioners. Each application shall be accompanied by a deposit of not less than ten dollars or such other 9 10 sum as the county commissioners may require, not to exceed twenty-five 11 dollars. The deposit shall be in the form of a certified check or certificate of deposit on some bank in the county, or may be paid in 12 In case the lands applied for are leased at the time they are 13 offered, the deposit shall be returned to the applicant, but if the 14 15 party making application fails or refuses to comply with the terms of 16 his or her application and to execute the lease, the deposit shall be forfeited to the county, and the board of county commissioners shall 17 pay the deposit over to the county treasurer, who shall place it to the 18 19 credit of the current expense fund.

- 20 **Sec. 4074.** RCW 36.34.200 and 1963 c 4 s 36.34.200 are each amended to read as follows:
- Upon the decision of the board of county commissioners to lease the lands applied for, a lease shall be executed in duplicate to the lessee by the ((chairman)) chair of the board and the county auditor, attested by his or her seal of office, which lease shall also be signed by the lessee. The lease shall refer to the order of the board directing the lease, with a description of the lands conveyed, the periods of payment, and the amounts to be paid for each period.
- 29 **Sec. 4075.** RCW 36.35.180 and 1998 c 106 s 17 are each amended to 30 read as follows:
- 31 Upon filing a copy of the summons and notice in the office of the 32 county clerk, service thereof as against every interest in and claim 33 against any and every part of the property described in such summons 34 and notice, and every person, firm, or corporation, except one who is 35 in the actual, open and notorious possession of any of the properties,

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shall be had by publication in the official county newspaper for six consecutive weeks; and no affidavit for publication of such summons and notice shall be required. In case special assessments imposed by a city or town against any of the real property described in the summons and notice remain outstanding, a copy of the same shall be served on the treasurer of the city or town within which such real property is situated within five days after such summons and notice is filed.

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The summons and notice in such action shall contain the title of the court; specify in general terms the years for which the taxes were levied and the amount of the taxes and the costs for which each tract of land was sold; give the legal description of each tract of land involved, and the tax record owner thereof during the years in which the taxes for which the property was sold were levied; state that the purpose of the action is to foreclose all adverse claims of every nature in and to the property described, and to have the title of existing liens and claims of every nature against the described real property, except that of the county, forever barred.

The summons and notice shall also summon all persons, firms and corporations claiming any right, title and interest in and to the described real property to appear within sixty days after the date of the first publication, specifying the day and year, and state in writing what right, title and interest they have or claim to have in and to the property described, and file the same with the clerk of the court above named; and shall notify them that in case of their failure so to do, judgment will be rendered determining that the title to the real property is in the county free from all existing adverse interests, rights or claims whatsoever: PROVIDED, That in case any of the lands involved is in the actual, open and notorious possession of anyone at the time the summons and notice is filed, as herein provided, a copy of the same modified as herein specified shall be served personally upon such person in the same manner as summons is served in civil actions generally. The summons shall be substantially in the form above outlined, except that in lieu of the statement relative to the date and day of publication it shall require the person served to appear within twenty days after the day of service, exclusive of the date of service, and that the day of service need not be specified therein, and except further that the recitals regarding the amount of

the taxes and costs and the years the same were levied, the legal description of the land and the tax record owner thereof may be omitted except as to the land occupied by the persons served.

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Every summons and notice provided for in RCW 36.35.160 through 36.35.270 shall be subscribed by the prosecuting attorney of the county, or by any successor or assign of the county or his <u>or her</u> attorney, as the case may be, followed by the post office address of the successor or assign.

**Sec. 4076.** RCW 36.35.190 and 1961 c 15 s 84.64.360 are each amended to read as follows:

Any person, firm or corporation who or which may have been entitled to redeem the property involved prior to the issuance of the treasurer's deed to the county, and his or her or its successor in interest, shall have the right, at any time after the commencement of, and prior to the judgment in the action authorized herein, to redeem such property by paying to the county treasurer the amount of the taxes for which the property was sold to the county, and the amount of any other general taxes which may have accrued prior to the issuance of said treasurer's deed, together with interest on all such taxes from the date of delinquency thereof, respectively, at the rate of twelve percent per annum, and by paying for the benefit of the assessment district concerned the amount of principal, penalty and interest of all special assessments, if any, which shall have been levied against such property and by paying such proportional part of the costs of the tax foreclosure proceedings and of the action herein authorized as the county treasurer shall determine.

Upon redemption of any property before judgment as herein provided, the county treasurer shall issue to the redemptioner a certificate specifying the amount of the taxes, special assessments, penalty, interest and costs charged describing the land and stating that the taxes, special assessments, penalty, interest and costs specified have been fully paid, and the lien thereof discharged. Such certificate shall clear the land described therein from any claim of the county based on the treasurer's deed previously issued in the tax foreclosure proceedings.

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1 Sec. 4077. RCW 36.35.220 and 1961 c 15 s 84.64.390 are each
2 amended to read as follows:

Any person filing a statement in such action shall pay the clerk of the court an appearance fee in the amount required by the county for appearances in civil actions, and shall be required to tender the amount of all taxes, interest and costs charged against the real property to which he or she lays claim, and no further costs in such action shall be required or recovered.

**Sec. 4078.** RCW 36.35.230 and 1988 c 202 s 71 are each amended to read as follows:

Any person aggrieved by the judgment rendered in such action may seek appellate review of the part of said judgment objectionable to him or her in the manner and within the time prescribed for appeals in RCW 84.64.120.

**Sec. 4079.** RCW 36.35.240 and 1961 c 15 s 84.64.410 are each amended to read as follows:

The judgment rendered in such action, unless appealed from within the time prescribed herein and upon final judgment on appeal, shall be conclusive, without the right of redemption upon and against every person who may or could claim any lien or any right, title or interest in or to any of the properties involved in said action, including minors, insane persons, those convicted of crime, as well as those free from disability, and against those who may have at any time attempted to pay any tax on any of the properties, and against those in actual open and notorious possession of any of said properties.

Such judgment shall be conclusive as to those who appeal therefrom, except as to the particular property to which such appellant laid claim in the action and concerning which he or she appealed, and shall be conclusive as to those in possession of any property and who were not served except as to the property which such person is in the actual, open and notorious possession of, and in any case where it is asserted that the judgment was not conclusive because of such possession, the burden of showing such actual, open and notorious possession shall be on the one asserting such possession.

In addition to the provisions levying and fixing the amount of tax, the ordinance may contain any or all of the following provisions:

- (1) A provision defining the words and terms used therein;
- (2) A provision requiring the price (exclusive of the tax to be paid by the person paying for admission) at which every admission ticket or card is sold to be conspicuously and indelibly printed or written on the face or back of that part of the ticket which is to be taken up by the management of the place for which an admission charge is exacted, and making the violation of such provision a misdemeanor punishable by fine of not exceeding one hundred dollars;
  - (3) Provisions fixing reasonable exemptions from such tax;
- (4) Provisions allowing as an offset against the tax, the amount of like taxes levied, fixed, and collected within their jurisdiction by incorporated cities and towns in the county;
- (5) A provision requiring persons receiving payments for admissions taxed under said ordinance to collect the amount of the tax from the persons making such payments;
- (6) A provision to the effect that the tax imposed by said ordinance shall be deemed to be held in trust by the person required to collect the same until paid to the county treasurer, and making it a misdemeanor for any person receiving payment of the tax and appropriating or converting the same to his <u>or her</u> own use or to any use other than the payment of the tax as provided in said ordinance to the extent that the amount of such tax is not available for payment on the due date for filing returns as provided in said ordinance;
- (7) A provision that in case any person required by the ordinance to collect the tax imposed thereby fails to collect the same, or having collected the tax fails to pay the same to the county treasurer in the manner prescribed by the ordinance, whether such failure is the result of such person's own acts or the result of acts or conditions beyond such person's control, such person shall nevertheless be personally liable to the county for the amount of the tax;
- (8) Provisions fixing the time when the taxes imposed by the ordinance shall be due and payable to the county treasurer; requiring persons receiving payments for admissions to make periodic returns to the county treasurer on such forms and setting forth such information

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as the county treasurer may specify; requiring such return to show the amount of tax upon admissions for which such person is liable for specified preceding periods, and requiring such person to sign and transmit the same to the county treasurer together with a remittance for the amount;

- (9) A provision requiring taxpayers to file with the county treasurer verified annual returns setting forth such additional information as he <u>or she</u> may deem necessary to determine tax liability correctly;
- (10) A provision to the effect that whenever a certificate of registration, if required by the ordinance, is obtained for operating or conducting temporary places of amusement by persons who are not the owners, lessees, or custodians of the building, lot or place where the amusement is to be conducted, or whenever the business is permitted to be conducted without the procurement of a certificate, the tax imposed shall be returned and paid as provided in the ordinance by such owner, lessee, or custodian, unless paid by the person conducting the place of amusement;
- (11) A provision requiring the applicant for a temporary certificate of registration, if required by the ordinance, to furnish with the application therefor, the name and address of the owner, lessee, or custodian of the premises upon which the amusement is to be conducted, and requiring the county treasurer to notify such owner, lessee, or custodian of the issuance of any such temporary certificate, and of the joint liability for such tax;
- (12) A provision empowering the county treasurer to declare the tax upon temporary or itinerant places of amusement to be immediately due and payable and to collect the same, when he <u>or she</u> believes there is a possibility that the tax imposed under the ordinance will not be otherwise paid;
- (13) Any or all of the applicable general administrative provisions contained in RCW 82.32.010 through 82.32.340 and 82.32.380, and the amendments thereto, except that unless otherwise indicated by the context of said sections, in all provisions so incorporated in such ordinance (a) the term "county treasurer" (of the county enacting said ordinance) shall be substituted for each reference made in said sections to the "department," the "department of revenue," "any employee of the department," or "director of the department of

revenue"; (b) the name of the county enacting such ordinance shall be substituted for each reference made in said sections to the "state" or to the "state of Washington"; (c) the term "this ordinance" shall be substituted for each reference made in said sections to "this chapter"; (d) the name of the county enacting said ordinance shall be substituted for each reference made in said sections to "Thurston county"; and (e) the term "board of county commissioners" shall be substituted for each reference made in said sections to the "director of financial management." 

**Sec. 4081.** RCW 36.40.010 and 1963 c 4 s 36.40.010 are each amended to read as follows:

On or before the second Monday in July of each year the county auditor shall notify in writing each county official, elective or appointive, in charge of an office, department, service, or institution of the county, to file with him <u>or her</u> on or before the second Monday in August thereafter detailed and itemized estimates, both of the probable revenues from sources other than taxation, and of all expenditures required by such office, department, service, or institution for the ensuing fiscal year.

**Sec. 4082.** RCW 36.40.130 and 1963 c 4 s 36.40.130 are each amended 21 to read as follows:

Expenditures made, liabilities incurred, or warrants issued in excess of any of the detailed budget appropriations or as revised by transfer as in RCW 36.40.100, 36.40.110 or 36.40.120 provided shall not be a liability of the county, but the official making or incurring such expenditure or issuing such warrant shall be liable therefor personally and upon his or her official bond. The county auditor shall issue no warrant and the county commissioners shall approve no claim for any expenditure in excess of the detailed budget appropriations or as revised under the provisions of RCW 36.40.100 through 36.40.130, except upon an order of a court of competent jurisdiction, or for emergencies as hereinafter provided. Any county commissioner, or county auditor, approving any claim or issuing any warrant in excess of any such budget appropriation except as herein provided shall forfeit to the county fourfold the amount of such claim or warrant which shall be recovered

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- 1 by action against such county commissioner or auditor, or all of them,
- 2 and the several sureties on their official bonds.
- 3 **Sec. 4083.** RCW 36.40.210 and 1963 c 4 s 36.40.210 are each amended 4 to read as follows:

On or before the twenty-fifth day of each month the auditor shall submit to the board of county commissioners a report showing the expenditures and liabilities against each separate budget appropriation incurred during the preceding calendar month and like information for the whole of the current fiscal year to the first day of said month, together with the unexpended and unencumbered balance of each appropriation. He or she shall also set forth the receipts from taxes

- 12 and from sources other than taxation for the same periods.
- 13 **Sec. 4084.** RCW 36.48.040 and 1963 c 4 s 36.48.040 are each amended to read as follows:
- The county treasurer shall deposit with any depositary, which has fully complied with all requirements of RCW 36.48.010 through 36.48.060, any county money in his <u>or her</u> hands or under his <u>or her</u> official control, and for the purpose of making the quarterly settlement and counting funds in the hands of the treasurer any sums so
- 20 on deposit shall be deemed to be in the county treasury.
- 21 **Sec. 4085.** RCW 36.48.050 and 1963 c 4 s 36.48.050 are each amended 22 to read as follows:
- The provisions of RCW 36.48.010 through 36.48.060 shall in no way relieve or release the county treasurer from any liability upon his or <a href="her">her</a> official bond as such treasurer, or any surety upon such bond, and shall in no way affect the duty of the several county treasurers to give bond as required by law.
- 28 **Sec. 4086.** RCW 36.53.030 and 1963 c 4 s 36.53.030 are each amended to read as follows:

No license shall be granted to any person other than the owner of the land embracing or adjoining the lake or stream where the ferry is proposed to be kept, unless the owner neglects to apply therefor. Whenever application for a license is made by any person other than the owner, the board of county commissioners shall not grant it, unless

- 1 proof is made that the applicant caused notice, in writing, of his or
- 2 her intention to make such application to be given to such owner, if
- 3 residing in the county, at least ten days before the session of the
- 4 board of county commissioners at which application is made.

**Sec. 4087.** RCW 36.53.040 and 1963 c 4 s 36.53.040 are each amended to read as follows:

Every person intending to apply for a license to keep a ferry at any place shall give notice of his <u>or her</u> intention by posting up at least three notices in public places in the neighborhood where the ferry is proposed to be kept, twenty days prior to any regular session of the board of county commissioners at which the application is to be made.

**Sec. 4088.** RCW 36.53.060 and 1963 c 4 s 36.53.060 are each amended to read as follows:

Every person obtaining a license to keep a ferry shall provide and keep in good and complete repair the necessary boat or boats for the safe conveyance of all persons and property, and furnish such boats at all times with suitable oars, setting poles, and other implements necessary for the service thereof, and shall keep a sufficient number of discreet and skillful men or women ferry workers to attend and manage the same; and he or she shall also at all times keep the place of embarking and landing in good order and repair, by cutting away the bank of the stream so that persons and property may be embarked and landed without danger or unnecessary delay.

**Sec. 4089.** RCW 36.53.100 and 1963 c 4 s 36.53.100 are each amended to read as follows:

Every person licensed to keep a ferry shall post up, in some conspicuous place near his or her ferry landing a list of the rates of ferriage which are chargeable by law at such ferry, which list of rates shall at all times be plain and legible and posted up so near the place where persons pass across the ferry that it may be easily read. If the keeper neglects or refuses to post and keep up such list, it shall not be lawful to charge or take any ferriage or compensation at the ferry, during the time of such delinquency.

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1 **Sec. 4090.** RCW 36.53.120 and 1963 c 4 s 36.53.120 are each amended 2 to read as follows:

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Every person licensed to keep a ferry under the provisions of RCW 36.53.010 through 36.53.140 shall have the exclusive privilege of transporting all persons and property over and across the stream where the ferry is established, and shall be entitled to all the fare arising by law therefrom: PROVIDED, That any person may cross such stream at the ferry location in his <u>or her</u> own boat, or take in and carry over his <u>or her</u> neighbor, when done without fee or charge, and not with intent to injure the person licensed to keep a ferry.

11 **Sec. 4091.** RCW 36.53.130 and 1963 c 4 s 36.53.130 are each amended 12 to read as follows:

If any person licensed to keep a ferry fails to pay the taxes assessed thereon when due, or to provide and keep in good and complete repair the necessary boat or boats, with the oars, setting poles, and other necessary implements for the service thereof, or to employ a sufficient number of skilled and discreet ((ferrymen)) ferry workers within three months from the time license is granted, or if the ferry is not at any time kept in good condition and repair, or if it is abandoned, disused, or unfrequented for the space of six months at any one time, the board of county commissioners, on complaint being made in writing, may summon the person licensed to keep such ferry, to show cause why his or her license should not be revoked. The board may revoke or not according to the testimony adduced and the laws of this state, the decision subject to review by the superior court: PROVIDED, That if disuse resulted because the stream is fordable at certain seasons of the year, or because travel by that route is subject to periodical fluctuations, it shall not work a forfeiture within the meaning of this section.

**Sec. 4092.** RCW 36.54.040 and 1963 c 4 s 36.54.040 are each amended to read as follows:

The boards of county commissioners of the two counties, participating in a joint ferry, shall meet in joint session at the county seat of one of the counties interested, and shall elect one of their members as ((chairman)) chair of the joint board of commissioners, who shall act as such ((chairman)) chair during the

remainder of his or her term of office, and, at the expiration of his or her term of office, the two boards of county commissioners shall meet and elect a new ((chairman)) chair, who shall act as such ((chairman)) chair during his or her term of office as county commissioner, and they shall continue to elect a ((chairman)) chair in like manner thereafter. The county auditors of the counties shall be clerks of such joint commission, and the county auditor of the county where each meeting is held shall act as clerk of the commission at all meetings held in his or her county. Each county auditor, as soon as the joint commission is organized, shall procure a record book and enter therein a complete record of the proceedings of the commission, and immediately after each adjournment the county auditor of the county in which the meeting is held shall forward a complete copy of the minutes of the proceedings of the commission to the auditor of the other county to be entered by him or her in his or her record. Each county shall keep a complete record of the proceedings of the commission.

**Sec. 4093.** RCW 36.54.060 and 1963 c 4 s 36.54.060 are each amended to read as follows:

All claims and accounts for the construction, operation and maintenance of a joint county ferry shall be presented to and audited by the joint commission: PROVIDED, That items of expense connected with the operation of such ferry which do not exceed the sum of thirty dollars may be presented to the ((chairman)) chair of the joint commission and allowed by him or her and when allowed shall be a joint charge against the road fund of each of the counties operating such ferry.

**Sec. 4094.** RCW 36.55.050 and 1963 c 4 s 36.55.050 are each amended 29 to read as follows:

The hearing may be adjourned from time to time by the order of the board of county commissioners. If, after the hearing, the board deems it to be for the public interest to grant the franchise in whole or in part, it may make and enter a resolution to that effect and may require the applicant to place his <u>or her</u> utility and its appurtenances in such location on or along the county road as the board finds will cause the least interference with other uses of the road.

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Sec. 4095. RCW 36.57.050 and 1974 ex.s. c 167 s 5 are each amended to read as follows:

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The authority shall elect a ((chairman)) chair, and appoint a general manager who shall be experienced in administration, and who shall act as executive secretary to, and administrative officer for the authority. He or she shall also be empowered to employ such technical and other personnel as approved by the authority. The general manager shall be paid such salary and allowed such expenses as shall be determined by the authority. The general manager shall hold office at the pleasure of the authority, and shall not be removed until after notice is given him or her, and an opportunity for a hearing before the authority as to the reason for his or her removal.

13 **Sec. 4096.** RCW 36.57.090 and 1974 ex.s. c 167 s 9 are each amended to read as follows:

A county transportation authority may acquire any existing transportation system by conveyance, sale, or lease. In any purchase from a county or city, the authority shall receive credit from the county or city for any federal assistance and state matching assistance used by the county or city in acquiring any portion of such system. The authority shall assume and observe all existing labor contracts relating to such system and, to the extent necessary for operation of facilities, all of the employees of such acquired transportation system whose duties are necessary to operate efficiently the facilities acquired shall be appointed to comparable positions to those which they held at the time of such transfer, and no employee or retired or pensioned employee of such systems shall be placed in any worse position with respect to pension seniority, wages, sick leave, vacation or other benefits that he or she enjoyed as an employee of such system prior to such acquisition. The authority shall engage in collective bargaining with the duly appointed representatives of any employee labor organization having existing contracts with the acquired transportation system and may enter into labor contracts with such employee labor organization.

34 **Sec. 4097.** RCW 36.57A.050 and 2007 c 469 s 14 are each amended to read as follows:

36 Within sixty days of the establishment of the boundaries of the

public transportation benefit area the members of the county legislative authority and the elected representative of each city within the area shall provide for the selection of the governing body of such area, the public transportation benefit area authority, which shall consist of elected officials selected by and serving at the pleasure of the governing bodies of component cities within the area and the county legislative authority of each county within the area. If at the time a public transportation benefit area authority assumes the public transportation functions previously provided under the Interlocal Cooperation Act (chapter 39.34 RCW) there are citizen positions on the governing board of the transit system, those positions may be retained as positions on the governing board of the public transportation benefit area authority.

Within such sixty-day period, any city may by resolution of its legislative body withdraw from participation in the public transportation benefit area. The county legislative authority and each city remaining in the public transportation benefit area may disapprove and prevent the establishment of any governing body of a public transportation benefit area if the composition thereof does not meet its approval.

In no case shall the governing body of a single county public transportation benefit area be greater than nine members and in the case of a multicounty area, fifteen members. Those cities within the transportation benefit area and excluded from direct membership on the authority are hereby authorized to designate a member of the authority who shall be entitled to represent the interests of such city which is excluded from direct membership on the authority. The legislative body of such city shall notify the authority as to the determination of its authorized representative on the authority.

Each member of the authority is eligible to be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060 and to receive compensation, as set by the authority, in an amount not to exceed forty-four dollars for each day during which the member attends official meetings of the authority or performs prescribed duties approved by the ((chairman)) chair of the authority. Except that the authority may, by resolution, increase the payment of per diem compensation to each member from forty-four dollars up to ninety dollars per day or portion of a day for actual attendance at board

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meetings or for performance of other official services or duties on behalf of the authority. In no event may a member be compensated in any year for more than seventy-five days, except the ((chairman)) chair who may be paid compensation for not more than one hundred days: PROVIDED, That compensation shall not be paid to an elected official or employee of federal, state, or local government who is receiving 7 regular full-time compensation from such government for attending meetings and performing prescribed duties of the authority.

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The dollar thresholds established in this section must be adjusted for inflation by the office of financial management every five years, beginning July 1, 2008, based upon changes in the consumer price index during that time period. "Consumer price index" means, for any calendar year, that year's annual average consumer price index, for Washington state, for wage earners and clerical workers, all items, compiled by the bureau of labor and statistics, United States department of labor. If the bureau of labor and statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the adjustments for inflation in this section. The office of financial management must calculate the new dollar threshold and transmit it to the office of the code reviser for publication in the Washington State Register at least one month before the new dollar threshold is to take effect.

A person holding office as commissioner for two or more special purpose districts shall receive only that per diem compensation authorized for one of his or her commissioner positions as compensation for attending an official meeting or conducting official services or duties while representing more than one of his or her districts. However, such commissioner may receive additional per diem compensation if approved by resolution of all boards of the affected commissions.

Sec. 4098. RCW 36.57A.120 and 1975 1st ex.s. c 270 s 22 are each amended to read as follows:

If a public transportation benefit area shall acquire any existing transportation system, it shall assume and observe all existing labor contracts relating to such system and, to the extent necessary for operation of facilities, all of the employees of such acquired

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transportation system whose duties are necessary to operate efficiently 1 2 the facilities acquired shall be appointed to comparable positions to those which they held at the time of such transfer, and no employee or 3 retired or pensioned employee of such systems shall be placed in any 4 5 worse position with respect to pension seniority, wages, sick leave, vacation or other benefits that he or she enjoyed as an employee of 6 such system prior to such acquisition. 7 The public transportation 8 benefit area authority shall engage in collective bargaining with the 9 duly appointed representatives of any employee labor organization having existing contracts with the acquired transportation system and 10 11 may enter into labor contracts with such employee labor organization.

12 **Sec. 4099.** RCW 36.63.255 and 1981 c 136 s 60 are each amended to 13 read as follows:

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Any person imprisoned in a county jail pending the appeal of his <u>or</u> <u>her</u> conviction of a felony and who has not obtained bail bond pending his <u>or her</u> appeal shall be transferred after thirty days but within forty days from the date judgment was entered against him <u>or her</u> to a state institution for felons designated by the secretary of corrections: PROVIDED, That when good cause is shown, a superior court judge may order the prisoner detained in the county jail beyond said forty days for an additional period not to exceed ten days.

22 **Sec. 4100.** RCW 36.64.090 and 1965 ex.s. c 84 s 2 are each amended to read as follows:

The governing bodies of the counties and cities so associated in a conference shall adopt articles of association and bylaws, select a ((chairman)) chair and such other officers as they may determine, and may employ and discharge such agents and employees as the officers deem convenient to carry out the purposes of the conference.

- **Sec. 4101.** RCW 36.67.530 and 1983 c 167 s 80 are each amended to read as follows:
- 31 (1) When revenue bonds are issued for authorized purposes, said 32 bonds shall be either registered as to principal only or as to 33 principal and interest as provided in RCW 39.46.030, or shall be bearer 34 bonds; shall be in such denominations, shall be numbered, shall bear 35 such date, shall be payable at such time or times up to a maximum

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period of not to exceed thirty years and payable at the office of the 1 2 county treasurer, and such other places as determined by the county legislative authority of the county; shall bear interest payable and 3 evidenced to maturity on bonds not registered as to interest by coupons 4 5 attached to said bonds bearing a coupon interest rate or rates as authorized by the county legislative authority; shall be executed by 6 7 the ((chairman)) chair of the county legislative authority, and attested by the clerk of the legislative authority, and the seal of 8 9 such legislative authority shall be affixed to each bond, but not to any coupon; and may have facsimile signatures of the ((chairman)) chair 10 11 and the clerk imprinted on each bond and any interest coupons in lieu of original signatures and the facsimile seal imprinted on each bond. 12

- 13 (2) Notwithstanding subsection (1) of this section, such bonds may 14 be issued and sold in accordance with chapter 39.46 RCW.
- 15 **Sec. 4102.** RCW 36.68.060 and 1963 c 4 s 36.68.060 are each amended to read as follows:

The county park and recreation board:

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- (1) Shall elect its officers, including a ((chairman)) chair, vice ((chairman)) chair and secretary, and such other officers as it may determine it requires.
  - (2) Shall hold regular public meetings at least monthly.
- (3) Shall adopt rules for transaction of business and shall keep a written record of its meetings, resolutions, transactions, findings and determinations, which record shall be a public record.
- (4) Shall initiate, direct, and administer county recreational activities, and shall select and employ a county park and recreation superintendent and such other properly qualified employees as it may deem desirable.
- (5) Shall improve, operate, and maintain parks, playgrounds, and other recreational facilities, together with all structures and equipment useful in connection therewith, and may recommend to the board of county commissioners acquisition of real property.
- 33 (6) Shall promulgate and enforce reasonable rules and regulations 34 deemed necessary in the operation of parks, playgrounds, and other 35 recreational facilities, and may recommend to the board of county 36 commissioners adoption of any rules or regulations requiring

enforcement by legal process which relate to parks, playgrounds, or other recreational facilities.

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- (7) Shall each year submit to the board of county commissioners for approval a proposed budget for the following year in the manner provided by law for the preparation and submission of budgets by elective or appointive county officials.
- (8) May, subject to the approval of the board of county commissioners, enter into contracts with any other municipal corporation, governmental or private agency for the conduct of park and recreational programs.
- 11 **Sec. 4103.** RCW 36.69.120 and 1963 c 4 s 36.69.120 are each amended 12 to read as follows:
- 13 The park and recreation district board of commissioners shall:
- 14 (1) Elect its officers including a ((chairman)) chair, vice 15 ((chairman)) chair, secretary, and such other officers as it may 16 determine it requires;
  - (2) Hold regular public meetings at least monthly;
- 18 (3) Adopt policies governing transaction of board business, keeping 19 of records, resolutions, transactions, findings and determinations, 20 which shall be of public record;
- 21 (4) Initiate, direct and administer district park and recreation 22 activities, and select and employ such properly qualified employees as 23 it may deem necessary.
- 24 **Sec. 4104.** RCW 36.69.230 and 1963 c 4 s 36.69.230 are each amended to read as follows:

If such local improvement district is initiated by petition, such petition shall set forth the nature and territorial extent of the proposed improvement requested to be ordered and the fact that the signers thereof are the owners (according to the records of the county auditor) of at least fifty-one percent of the area of land within the limits of the local improvement district to be created. Upon the filing of such petition the board of park and recreation commissioners shall determine whether it is sufficient, and the board's determination thereof shall be conclusive upon all persons. No person shall withdraw his or her name from the petition after it has been filed with the board. If the board shall find the petition to be sufficient, it shall

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proceed to adopt a resolution declaring its intention to order the improvement petitioned for, setting forth the nature and territorial extent of said improvement, designating the number of the proposed local district and describing the boundaries thereof, stating the estimated cost and expense of the improvement and the proportionate amount thereof which will be borne by the property within the proposed local district, and fixing a date, time and place for a public hearing on the formation of the proposed local district. 

The resolution of intention, whether adopted on the initiative of the board or pursuant to a petition of the property owners, shall be published in at least two consecutive issues of a newspaper of general circulation in the proposed local district, the date of the first publication to be at least fifteen days prior to the date fixed by such resolution for hearing before the board.

- **Sec. 4105.** RCW 36.69.370 and 1983 c 167 s 86 are each amended to read as follows:
  - (1) When revenue bonds are issued for authorized purposes, said bonds shall be either registered as to principal only or principal and interest as provided in RCW 39.46.030 or shall be bearer bonds; shall be in such denominations, shall be numbered, shall bear such date, shall be payable at such time or times up to a maximum period of not to exceed thirty years and payable as determined by the park and recreation commissioners of the district; shall bear interest payable semiannually; shall be executed by the ((chairman)) chair of the board of park and recreation commissioners, and attested by the secretary of the board, and the seal of such board shall be affixed to each bond, but not to any coupon; and may have facsimile signatures of the ((chairman)) chair and the secretary imprinted on any interest coupons in lieu of original signatures.
- 30 (2) Notwithstanding subsection (1) of this section, such bonds may 31 be issued and sold in accordance with chapter 39.46 RCW.
- **Sec. 4106.** RCW 36.70.020 and 1963 c 4 s 36.70.020 are each amended to read as follows:
- The following words or terms as used in this chapter shall have the following meaning unless a different meaning is clearly indicated by the context:

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- (1) "Approval by motion" is a means by which a board, through other than by ordinance, approves and records recognition of a comprehensive plan or amendments thereto.
  - (2) "Board" means the board of county commissioners.

- (3) "Certification" means the affixing on any map or by adding to any document comprising all or any portion of a comprehensive plan a record of the dates of action thereon by the commission and by the board, together with the signatures of the officer or officers authorized by ordinance to so sign.
  - (4) "Commission" means a county or regional planning commission.
- (5) "Commissioners" means members of a county or regional planning commission.
- (6) "Comprehensive plan" means the policies and proposals approved and recommended by the planning agency or initiated by the board and approved by motion by the board (a) as a beginning step in planning for the physical development of the county; (b) as the means for coordinating county programs and services; (c) as a source of reference to aid in developing, correlating, and coordinating official regulations and controls; and (d) as a means for promoting the general welfare. Such plan shall consist of the required elements set forth in RCW 36.70.330 and may also include the optional elements set forth in RCW 36.70.350 which shall serve as a policy guide for the subsequent public and private development and official controls so as to present all proposed developments in a balanced and orderly relationship to existing physical features and governmental functions.
- (7) "Conditional use" means a use listed among those classified in any given zone but permitted to locate only after review by the board of adjustment, or zoning adjustor if there be such, and the granting of a conditional use permit imposing such performance standards as will make the use compatible with other permitted uses in the same vicinity and zone and assure against imposing excessive demands upon public utilities, provided the county ordinances specify the standards and criteria that shall be applied.
- (8) "Department" means a planning department organized and functioning as any other department in any county.
- (9) "Element" means one of the various categories of subjects, each of which constitutes a component part of the comprehensive plan.

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(10) "Ex officio member" means a member of the commission who serves by virtue of his <u>or her</u> official position as head of a department specified in the ordinance creating the commission.

- (11) "Official controls" means legislatively defined and enacted policies, standards, precise detailed maps and other criteria, all of which control the physical development of a county or any part thereof or any detail thereof, and are the means of translating into regulations and ordinances all or any part of the general objectives of the comprehensive plan. Such official controls may include, but are not limited to, ordinances establishing zoning, subdivision control, platting, and adoption of detailed maps.
- (12) "Ordinance" means a legislative enactment by a board; in this chapter the word, "ordinance", is synonymous with the term "resolution", as representing a legislative enactment by a board of county commissioners.
- (13) "Planning agency" means (a) a planning commission, together with its staff members, employees and consultants, or (b) a department organized and functioning as any other department in any county government together with its planning commission.
- (14) "Variance." A variance is the means by which an adjustment is made in the application of the specific regulations of a zoning ordinance to a particular piece of property, which property, because of special circumstances applicable to it, is deprived of privileges commonly enjoyed by other properties in the same vicinity and zone and which adjustment remedies disparity in privileges.
- **Sec. 4107.** RCW 36.70.080 and 1963 c 4 s 36.70.080 are each amended 27 to read as follows:

The members of a commission shall be appointed by the ((chairman)) chair of the board with the approval of a majority of the board:

PROVIDED, That each member of the board shall submit to the ((chairman)) chair a list of nominees residing in his or her commissioner district, and the ((chairman)) chair shall make his or her appointments from such lists so that as nearly as mathematically possible, each commissioner district shall be equally represented on the commission.

Sec. 4108. RCW 36.70.090 and 1963 c 4 s 36.70.090 are each amended
to read as follows:

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When a commission is created after June 10, 1959, the first terms of the members of the commission consisting of five, seven, and nine members, respectively, other than ex officio members, shall be as follows:

- 7 (1) For a five-member commission--one, shall be appointed for one 8 year; one, for two years; one, for three years; and two, for four 9 years.
- 10 (2) For a seven-member commission--one, shall be appointed for one 11 year; two, for two years; two, for three years; and two, for four 12 years.
- 13 (3) For a nine-member commission--two, shall be appointed for one 14 year; two, for two years; two, for three years; and three, for four 15 years.

Thereafter, the successors to the first member shall be appointed for four year terms: PROVIDED, That where the commission includes one ex officio member, the number of appointive members first appointed for a four year term shall be reduced by one; if there are to be two ex officio members, the number of appointive members for the three year and four year terms shall each be reduced by one; if there are to be three ex officio members, the number of appointive members for the four year term, the three year term, and the two year term shall each be reduced by one. The term of an ex officio member shall correspond to his or her official tenure: PROVIDED FURTHER, That where a commission, on the effective date of this chapter, is operating with members appointed for longer than four year terms, such members shall serve out the full term for which they were appointed, but their successors, if any, shall be appointed for four year terms.

- 30 **Sec. 4109.** RCW 36.70.110 and 1963 c 4 s 36.70.110 are each amended to read as follows:
- After public hearing, any appointee member of a commission may be removed by the ((chairman)) chair of the board, with the approval of the board, for inefficiency, neglect of duty, or malfeasance in office.
- 35 **Sec. 4110.** RCW 36.70.120 and 1963 c 4 s 36.70.120 are each amended to read as follows:

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- 1 Each commission shall elect its ((chairman)) chair and vice
- 2 ((chairman)) chair from among the appointed members. The commission
- 3 shall appoint a secretary who need not be a member of the commission.
- 4 Sec. 4111. RCW 36.70.150 and 1963 c 4 s 36.70.150 are each amended
- 5 to read as follows:
- 6 Two or more county planning agencies in any combination may hold
- 7 joint meetings and by approval of their respective boards may have the
- 8 same ((<del>chairman</del>)) <u>chair</u>.
- 9 **Sec. 4112.** RCW 36.70.160 and 1963 c 4 s 36.70.160 are each amended
- 10 to read as follows:
- If a director of planning is provided for, he or she shall be
- 12 appointed:
- 13 (1) By the commission when a commission is created under RCW
- 14 36.70.030;
- 15 (2) If a planning department is established as provided in RCW
- 16 36.70.040, then he or she shall be appointed by the board.
- 17 Sec. 4113. RCW 36.70.170 and 1963 c 4 s 36.70.170 are each amended
- 18 to read as follows:
- 19 The director of planning shall be authorized to appoint such
- 20 employees as are necessary to perform the duties assigned to him or her
- 21 within the budget allowed.
- 22 **Sec. 4114.** RCW 36.70.180 and 1963 c 4 s 36.70.180 are each amended
- 23 to read as follows:
- 24 The boards of two or more counties or the legislative bodies of
- 25 other political subdivisions or special districts may jointly engage a
- 26 single director of planning and may authorize him or her to employ such
- 27 other personnel as may be necessary to carry out the joint planning
- 28 program.
- 29 **Sec. 4115.** RCW 36.70.250 and 1963 c 4 s 36.70.250 are each amended
- 30 to read as follows:
- 31 Any member of the board of adjustment may be removed by the
- 32 ((chairman)) chair of the board with the approval of the board for
- inefficiency, neglect of duty or malfeasance in office.

Sec. 4116. RCW 36.70.260 and 1963 c 4 s 36.70.260 are each amended to read as follows:

The board of adjustment shall elect a ((chairman)) chair and vice ((chairman)) chair from among its members. The board of adjustment shall appoint a secretary who need not be a member of the board.

**Sec. 4117.** RCW 36.70.400 and 1963 c 4 s 36.70.400 are each amended 7 to read as follows:

The approval of the comprehensive plan, or of any amendment, extension or addition thereto, shall be by the affirmative vote of not less than a majority of the total members of the commission. Such approval shall be by a recorded motion which shall incorporate the findings of fact of the commission and the reasons for its action and the motion shall refer expressly to the maps, descriptive, and other matters intended by the commission to constitute the plan or amendment, addition or extension thereto. The indication of approval by the commission shall be recorded on the map and descriptive matter by the signatures of the ((chairman)) chair and the secretary of the commission and of such others as the commission in its rules may designate.

**Sec. 4118.** RCW 36.70.600 and 1963 c 4 s 36.70.600 are each amended to read as follows:

The recommendation to the board of any official control or amendments thereto by the planning agency shall be by the affirmative vote of not less than a majority of the total members of the commission. Such approval shall be by a recorded motion which shall incorporate the findings of fact of the commission and the reasons for its action and the motion shall refer expressly to the maps, descriptive and other matters intended by the commission to constitute the plan, or amendment, addition or extension thereto. The indication of approval by the commission shall be recorded on the map and descriptive matter by the signatures of the ((chairman)) chair and the secretary of the commission and of such others as the commission in its rules may designate.

**Sec. 4119.** RCW 36.70.850 and 1963 c 4 s 36.70.850 are each amended to read as follows:

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Upon the filing of an appeal from an administrative determination, or from the action of the zoning adjustor, the board of adjustment shall set the time and place at which the matter will be considered. At least a ten day notice of such time and place together with one copy of the written appeal, shall be given to the official whose decision is being appealed. At least ten days notice of the time and place shall also be given to the adverse parties of record in the case. officer from whom the appeal is being taken shall forthwith transmit to the board of adjustment all of the records pertaining to the decision being appealed from, together with such additional written report as he or she deems pertinent.

**Sec. 4120.** RCW 36.70.880 and 1963 c 4 s 36.70.880 are each amended 13 to read as follows:

The action by the zoning adjustor on all matters coming before him or her shall be final and conclusive unless within ten days after the zoning adjustor has made his or her order, requirement, decision or determination, an appeal in writing is filed with the board of adjustment. Such an appeal may be taken by the original applicant, or by opponents of record in the case.

**Sec. 4121.** RCW 36.71.020 and 1985 c 91 s 3 are each amended to 21 read as follows:

Every peddler, before commencing business in any county of the state, shall apply in writing and under oath to the appropriate county official of the county in which he or she proposes to operate for a county license. The application must state the names and residences of the owners or parties in whose interest the business is to be conducted. The applicant at the same time shall file a true statement under oath of the quantity and value of the stock of goods, wares, and merchandise that is in the county for sale or to be kept or exposed for sale in the county, make a special deposit of five hundred dollars, and pay the county license fee as may be fixed under the authority of RCW 36.32.120(3).

The appropriate county official shall thereupon issue to the applicant a peddler's license, authorizing him <u>or her</u> to do business in the county for the term of one year from the date thereof. Every county license shall contain a copy of the application therefor, shall

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- 1 not be transferable, and shall not authorize more than one person to
- 2 sell goods as a peddler, either by agent or clerk, or in any other way
- 3 than his <u>or her</u> own proper person.

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4 **Sec. 4122.** RCW 36.71.040 and 1985 c 91 s 5 are each amended to read as follows:

Upon the expiration and return of a county license, the appropriate county official shall cancel it, indorse thereon the cancellation, and place it on file. After holding the special deposit of the licensee for a period of ninety days from the date of cancellation, he or she shall return the deposit or such portion as may remain in his or her hands after satisfying the claims made against it.

- 12 **Sec. 4123.** RCW 36.71.050 and 1985 c 91 s 6 are each amended to 13 read as follows:
- 14 Each deposit made with the county shall be subject to all taxes 15 legally chargeable thereto, to attachment and execution on behalf of 16 the creditors of the licensee whose claims arise in connection with the 17 business done under his or her license, and the county may be held to answer as trustee in any civil action in contract or tort brought 18 against any licensee, and shall pay over, under order of the court or 19 20 upon execution, such amount of money as the licensee may be chargeable 21 with upon the final determination of the case. Such deposit shall also be subject to the payment of any and all fines and penalties incurred 22 by the licensee through violations of the provisions of RCW 36.71.010, 23 36.71.020, 36.71.030, 36.71.040 and 36.71.060, which shall be a lien 24 25 upon the deposit and shall be collected in the manner provided by law.
- 26 **Sec. 4124.** RCW 36.71.070 and 1984 c 189 s 6 are each amended to read as follows:
  - (1) If any person sells any goods, wares, or merchandise, at auction or public outcry, or barters goods, wares or merchandise from traveling boats, wagons, carts or vehicles of any kind, or from any pack, basket or other package carried on foot without first having obtained a license therefor from the board of county commissioners of the county in which such goods are sold or bartered, he or she shall be guilty of a misdemeanor, and upon conviction shall be fined not less than five nor more than fifty dollars, and shall stand committed to the

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county jail of the county in which the conviction is had until such 1 2 fine and cost of prosecution are paid, or discharged by due course of law: PROVIDED, That this section shall not be construed as to apply to 3 any seagoing craft or to administrators or executors selling property 4 5 of deceased persons, or to private individuals selling their household property, or furniture, or farming tools, implements, or livestock, or 6 any produce grown or raised by them, either at public auction or 7 8 private sale.

(2) Notwithstanding subsection (1) of this section, counties shall not license auctioneers that are licensed by the state under chapter 10 18.11 RCW. 11

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12 Sec. 4125. RCW 36.76.120 and 1984 c 186 s 33 are each amended to read as follows: 13

The county legislative authority must ascertain and levy annually a tax sufficient to pay the interest on all such bonds whenever it becomes due and to meet the annual maturities of principal. The county treasurer must pay out of any money accumulated from the taxes levied to pay the interest as aforesaid, the interest upon all such bonds when it becomes due as provided on the bond or, if coupons are attached to a bond, upon presentation at the place of payment of the proper coupon. Any interest payments or coupons so paid must be reported to the county legislative authority at its first meeting thereafter. interest is payable at any place other than the city in which the county treasurer keeps his or her office, the county treasurer shall seasonably remit to the state fiscal agent the amount of money required for the payment of any interest which is about to fall due. When any such bonds or any interest is paid, the county treasurer shall suitably and indelibly cancel them.

29 Sec. 4126. RCW 36.77.070 and 1983 c 3 s 81 are each amended to 30 read as follows:

If the board determines that any construction should be performed by day labor, and the estimated cost of the work exceeds twenty-five hundred dollars, it shall cause to be published in one issue of a newspaper of general circulation in the county, a brief description of the work to be done and the county road engineer's estimate of the cost thereof. At the completion of such construction, the board shall cause

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to be published in one issue of such a newspaper a similar brief description of the work together with an accurate statement of the true and complete cost of performing such construction by day labor.

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Failure to make the required publication shall subject each county commissioner to a fine of one hundred dollars for which he <u>or she</u> shall be liable individually and upon his <u>or her</u> official bond and the prosecuting attorney shall prosecute for violation of the provisions of this section and RCW 36.77.065.

- Sec. 4127. RCW 36.78.090 and 1984 c 7 s 33 are each amended to read as follows:
  - (1) Before May 1st of each year the board shall transmit to the state treasurer certificates of good practice on behalf of the counties which during the preceding calendar year:
  - (a) Have submitted to the state department of transportation or to the board all reports required by law or regulation of the board; and
  - (b) Have reasonably complied with provisions of law relating to county road administration and with the standards of good practice as formulated and adopted by the board.
  - (2) The board shall not transmit to the state treasurer a certificate of good practice on behalf of any county failing to meet the requirements of subsection (1) of this section, but the board shall in such case and before May 1st, notify the county and the state treasurer of its reasons for withholding the certificate.
  - (3) The state treasurer, upon receiving a notice that a certificate of good practice will not be issued on behalf of a county, or that a previously issued certificate of good practice has been revoked, shall, effective the first day of the month after that in which notice is received, withhold from such county its share of motor vehicle fuel taxes distributable pursuant to RCW 46.68.120 until the board thereafter issues on behalf of such county a certificate of good practice or a conditional certificate. After withholding or revoking a certificate of good practice with respect to any county, the board may thereafter at any time issue such a certificate or a conditional certificate when the board is satisfied that the county has complied or is diligently attempting to comply with the requirements of subsection (1) of this section.

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(4) The board may, upon notice and a hearing, revoke a previously issued certificate of good practice or substitute a conditional certificate therefor when, after issuance of a certificate of good practice, any county fails to meet the requirements of subsection (1) (a) and (b) of this section, but the board shall in such case notify the county and the state treasurer of its reasons for the revocation or substitution.

- (5) Motor vehicle fuel taxes withheld from any county pursuant to this section shall not be distributed to any other county, but shall be retained in the motor vehicle fund to the credit of the county originally entitled thereto. Whenever the state treasurer receives from the board a certificate of good practice issued on behalf of such county he or she shall distribute to such county all of the funds theretofore retained in the motor vehicle fund to the credit of such county.
- **Sec. 4128.** RCW 36.78.110 and 1990 c 266 s 3 are each amended to read as follows:
  - All expenses incurred by the board including salaries of employees shall be paid upon voucher forms provided by the office of financial management or pursuant to a regular payroll signed by the ((chairman)) chair and the executive director of the board. All expenses of the board shall be paid out of that portion of the motor vehicle fund allocated to the counties and withheld for use by the department of transportation and the county road administration board under the provisions of RCW 46.68.120(1), as now or hereafter amended.
- **Sec. 4129.** RCW 36.79.160 and 1983 1st ex.s. c 49 s 17 are each 27 amended to read as follows:
  - (1) Upon completion of a preliminary proposal, the county submitting the proposal shall submit to the board its voucher for payment of the trust account share of the cost. Upon the completion of an approved rural arterial construction project, the county constructing the project shall submit to the board its voucher for the payment of the trust account share of the cost. The ((chairman)) chair of the board or his or her designated agent shall approve such voucher when proper to do so, for payment from the rural arterial trust account to the county submitting the voucher.

(2) The board may adopt rules providing for the approval of payments of funds in the rural arterial trust account to a county for costs of preliminary proposal, and costs of construction of an approved project from time to time as work progresses. These payments shall at no time exceed the rural arterial trust account share of the costs of construction incurred to the date of the voucher covering the payment.

**Sec. 4130.** RCW 36.79.170 and 1983 1st ex.s. c 49 s 18 are each 8 amended to read as follows:

The legislative body of any county feeling aggrieved by any action or decision of the board with respect to this chapter may appeal to the secretary of transportation by filing a notice of appeal within ninety days after the action or decision of the board. The notice shall specify the action or decision of which complaint is made. The secretary shall fix a time for a hearing on the appeal at the earliest convenient time and shall notify the county auditor and the ((chairman)) chair of the board by certified mail at least twenty days before the date of the hearing. At the hearing the secretary shall receive evidence from the county filing the appeal and from the board. After the hearing the secretary shall make such order as in the secretary's judgment is just and proper.

**Sec. 4131.** RCW 36.80.015 and 1963 c 4 s 36.80.015 are each amended 22 to read as follows:

The county road engineer shall keep his <u>or her</u> office at the county seat in such room or rooms as are provided by the county, and he <u>or she</u> shall be furnished with all necessary cases and other suitable articles, and also with all blank books and blanks necessary to the proper discharge of his <u>or her</u> official duties. The records and books in the county road engineer's office shall be public records, and shall at all proper times be open to the inspection and examination of the public.

**Sec. 4132.** RCW 36.80.020 and 1969 ex.s. c 182 s 7 are each amended 32 to read as follows:

He <u>or she</u> shall be a registered and licensed professional civil engineer under the laws of this state, duly qualified and experienced

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in highway and road engineering and construction. He <u>or she</u> shall serve at the pleasure of the board.

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Before entering upon his <u>or her</u> employment, every county road engineer shall give an official bond to the county in such amount as the board shall determine, conditioned upon the fact that he <u>or she</u> will faithfully perform all the duties of his <u>or her</u> employment and account for all property of the county entrusted to his or her care.

8 **Sec. 4133.** RCW 36.80.030 and 1969 ex.s. c 182 s 8 are each amended 5 to read as follows:

The county road engineer shall examine and certify to the board all estimates and all bills for labor, materials, provisions, and supplies with respect to county roads, prepare standards of construction of roads and bridges, and perform such other duties as may be required by order of the board.

- He <u>or she</u> shall have supervision, under the direction of the board, of establishing, laying out, constructing, altering, improving, repairing, ((<del>[and]</del>)) <u>and</u> maintaining all county roads of the county.
- 18 **Sec. 4134.** RCW 36.80.050 and 1963 c 4 s 36.80.050 are each amended to read as follows:
- He <u>or she</u> shall keep a highway plat book in his <u>or her</u> office in which he <u>or she</u> shall have accurately platted all public roads and highways established by the board.
- 23 **Sec. 4135.** RCW 36.80.060 and 1969 ex.s. c 182 s 10 are each 24 amended to read as follows:

The county road engineer shall maintain in his or her office 25 complete and accurate records of 26 all expenditures administration, (2) bond and warrant retirement, (3) maintenance, (4) 27 28 construction, (5) purchase and operation of road equipment, and (6) 29 purchase or manufacture of materials and supplies, and shall maintain 30 a true and complete inventory of all road equipment. The state auditor, with the advice and assistance of 31 the county road administration board, shall prescribe forms and types of records to be 32 33 maintained by the county road engineers.

Whenever directed by the board to report upon the establishment of 3 4 a county road the engineer shall make an examination of the road and if 5 necessary a survey thereof. After examination, if the engineer deems the road to be impracticable, he or she shall so report to the board 6 7 without making any survey, or he or she may examine or examine and survey any other practicable route which would serve such purpose. 8 9 Whenever he or she considers any road as proposed or modified as practicable, he or she shall report thereon in writing to the board 10 giving his or her opinion: (1) As to the necessity of the road; (2) as 11 to the proper terminal points, general course and length thereof; (3) 12 as to the proper width of right-of-way therefor; (4) as to the 13 estimated cost of construction, including all necessary bridges, 14 culverts, clearing, grubbing, drainage, and grading; (5) and such other 15 16 facts as he or she may deem of importance to be considered by the 17 board.

18 **Sec. 4137.** RCW 36.81.060 and 1963 c 4 s 36.81.060 are each amended 19 to read as follows:

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The county road engineer shall file with his <u>or her</u> report a correctly prepared map of the road as surveyed, which map must show the tracts of land over which the road passes, with the names, if known, of the several owners thereof, and he <u>or she</u> shall file therewith his <u>or her</u> field notes and profiles of such survey.

**Sec. 4138.** RCW 36.82.100 and 1963 c 4 s 36.82.100 are each amended to read as follows:

The boards of the several counties may purchase and operate, out of the county road fund, rock crushing, gravel, or other road building material extraction equipment.

Any crushed rock, gravel, or other road building material extracted and not directly used or needed by the county in the construction, alteration, repair, improvement, or maintenance of its roads may be sold at actual cost of production by the board to the state or any other county, city, town, or other political subdivision to be used in the construction, alteration, repair, improvement, or maintenance of any state, county, city, town or other proper highway, road or street

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purpose: PROVIDED, That in counties of less than twelve thousand five hundred population as determined by the 1950 federal census, the boards of commissioners, during such times as the crushing, loading or mixing equipment is actually in operation, or from stockpiles, may sell at actual cost of production such surplus crushed rock, gravel, or other road building material to any other person for private use where the place of contemplated use of such crushed rock, gravel or other road building material is more than fifteen miles distant from the nearest private source of such materials within the county, distance being computed by the closest traveled route: AND PROVIDED FURTHER, That the purchaser presents, at or before the time of delivery to him or her, a treasurer's receipt for payment for such surplus crushed rock, gravel, or any other road building material.

**Sec. 4139.** RCW 36.87.040 and 1963 c 4 s 36.87.040 are each amended to read as follows:

When directed by the board the county road engineer shall examine any county road or portion thereof proposed to be vacated and abandoned and report his <u>or her</u> opinion as to whether the county road should be vacated and abandoned, whether the same is in use or has been in use, the condition of the road, whether it will be advisable to preserve it for the county road system in the future, whether the public will be benefited by the vacation and abandonment, and all other facts, matters, and things which will be of importance to the board, and also file his or her cost bill.

**Sec. 4140.** RCW 36.88.040 and 1963 c 4 s 36.88.040 are each amended to read as follows:

The election provided herein for cases where the improvement is initiated by resolution shall be governed by the following rules: (1) All ballots must be signed by the owner or reputed owner of property within the proposed district according to the records of the county auditor; (2) each ballot must be returned to the clerk of the board not later than one week after the public hearing; (3) each property owner shall have one vote for each full dollar of estimated assessment against his or her property as determined by the preliminary estimates and assessment roll; (4) the valid ballots shall be tabulated and a

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- 1 majority of the votes cast shall determine whether the formation of the 2 district shall be approved or rejected.
- **Sec. 4141.** RCW 36.88.130 and 1963 c 4 s 36.88.130 are each amended 4 to read as follows:

The county treasurer is hereby designated as the treasurer of all county road improvement districts created hereunder, and shall collect all road improvement district assessments, and the duties and responsibilities herein imposed upon him <u>or her</u> shall be among the duties and responsibilities of his <u>or her</u> office for which his <u>or her</u> bond is given as county treasurer.

- **Sec. 4142.** RCW 36.88.150 and 1963 c 4 s 36.88.150 are each amended 12 to read as follows:
- 13 Whenever before the sale of any property the amount of any 14 assessment thereon, with interest, penalty, costs and charges accrued 15 thereon, shall be paid to the treasurer, he <u>or she</u> shall thereon mark 16 the same paid with the date of payment thereof on the assessment roll.
- **Sec. 4143.** RCW 36.88.200 and 1983 c 167 s 94 are each amended to 18 read as follows:
  - (1) Such bonds shall be numbered from one upwards consecutively, shall be in such denominations as may be provided by the county legislative authority in the resolution authorizing their issuance, shall mature on or before a date not to exceed twenty-two years from and after their date, shall bear interest at such rate or rates as authorized by the legislative authority payable annually or semiannually as may be provided by the legislative authority, shall be signed by the ((chairman)) chair of the legislative authority and attested by the county auditor, shall have the seal of the county affixed thereto, and shall be payable at the office of the county treasurer or elsewhere as may be designated by the legislative authority. Such bonds may be in any form, including bearer bonds or registered bonds as provided in RCW 39.46.030. In lieu of any signatures required in this section, the bonds and any coupons may bear the printed or engraved facsimile signatures of said officials.

Such bonds shall refer to the improvement for which they are issued and to the resolution creating the road improvement district therefor.

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1 (2) Notwithstanding subsection (1) of this section, such bonds may 2 be issued and sold in accordance with chapter 39.46 RCW.

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**Sec. 4144.** RCW 36.88.250 and 1963 c 4 s 36.88.250 are each amended to read as follows:

If the board fails to cause any bonds to be paid when due or to promptly collect any assessments when due, the owner of any of the bonds may proceed in his <u>or her</u> own name to collect the assessments and foreclose the lien thereof in any court of competent jurisdiction and shall recover in addition to the amount of the bonds outstanding in his <u>or her</u> name, interest thereon at five percent per annum, together with the costs of suit, including a reasonable attorney's fee to be fixed by the court. Any number of owners of bonds for any single project may join as plaintiffs and any number of the owners of property upon which the assessments are liens may be joined as defendants in the same suit.

**Sec. 4145.** RCW 36.88.270 and 1963 c 4 s 36.88.270 are each amended to read as follows:

The owner of any lot, tract, or parcel of land, or other property charged with any such assessments may redeem the same from all or any portion of the liability for the cost and expense of such improvement by paying the entire assessment or any portion thereof charged against such lot, tract, or parcel of land without interest within thirty days after notice to him or her of such assessment, which notice shall be The county treasurer shall, as soon as the given as follows: assessment roll has been placed in his or her hands for collection, publish a notice for two consecutive daily or weekly issues in the official newspaper of the county in which the district is located, which notice shall state that the assessment roll is in his or her hands for collection and that any assessment thereon or any portion of such assessment may be paid at any time within thirty days from the date of the first publication of said notice without penalty interest or costs.

32 **Sec. 4146.** RCW 36.88.300 and 1963 c 4 s 36.88.300 are each amended to read as follows:

Whenever any district is organized hereunder, there shall be included in the cost and expense thereof: (1) The cost of all of the

construction or improvement authorized in the district, including that portion of the construction or improvement within the limits of any street or road intersection, space or spaces; (2) the estimated costs and expenses of all engineering and surveying necessary to be done by the county engineer or under his or her direction or by such other engineer as may be employed by the county commissioners; (3) the cost of all advertising, mailing, and publishing of all notices; (4) the cost of legal services and any other expenses incurred by the county for the district or in the formation thereof, or by the district in connection with such construction or improvement and in the financing thereof, including the issuance of any bonds. 

**Sec. 4147.** RCW 36.88.330 and 1980 c 100 s 6 are each amended to read as follows:

The board may provide by resolution for the issuance of warrants in payment of the costs and expenses of any project, payable out of the county road improvement fund. The warrants shall be redeemed either in cash or by bonds for the same project authorized by the resolution.

All warrants issued against any such improvement fund shall be claims and liens against said fund prior and superior to any right, lien or claim of any surety upon the bond given to the county by or for the contract to secure the performance of his <u>or her</u> contract or to secure the payment of persons who have performed work thereon, furnished materials therefor, or furnished provisions and supplies for the carrying on of the work.

The county treasurer may accept warrants against any county road improvement fund upon such conditions as the board may prescribe in payment of: (1) Assessments levied to supply that fund in due order of priority; (2) judgments rendered against property owners who have become delinquent in the payment of assessments to that fund; and (3) certificates of purchase in cases where property of delinquents has been sold under execution or at tax sale for failure to pay assessments levied to supply that fund.

**Sec. 4148.** RCW 36.88.450 and 1967 c 194 s 5 are each amended to read as follows:

When service from the underground electric and communication facilities is available in all or part of a conversion area, the county

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shall mail a notice to the owners of all structures or improvements served from the existing overhead facilities in the area, which notice shall state that:

(1) Service from the underground facilities is available;

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- (2) All electric and communication service lines from the existing overhead facilities within the area to any structure or improvement must be disconnected and removed within one hundred twenty days after the date of the mailing of the notice;
- (3) Should such owner fail to convert such service lines from overhead to underground within one hundred twenty days after the date of the mailing of the notice, the county will order the electric and communication utilities to disconnect and remove the service lines;
- (4) Should the owner object to the disconnection and removal of the service lines he or she may file his or her written objections thereto with the secretary of the board of county commissioners within one hundred twenty days after the date of the mailing of the notice and failure to so object within such time will constitute a waiver of his or her right thereafter to object to such disconnection and removal.

If the owner of any structure or improvement served from the existing overhead electric and communication facilities within a conversion area shall fail to convert to underground the service lines from such overhead facilities to such structure or improvement within one hundred twenty days after the mailing to him or her of the notice, the county shall order the electric and communication utilities to disconnect and remove all such service lines: PROVIDED, That if the owner has filed his or her written objections to such disconnection and removal with the secretary of the board of county commissioners within one hundred twenty days after the mailing of said notice then the county shall not order such disconnection and removal until after the hearing on such objections.

Upon the timely filing by the owner of objections to the disconnection and removal of the service lines, the board of county commissioners shall conduct a hearing to determine whether the removal of all or any part of the service lines is in the public benefit. The hearing shall be held at such time as the board of county commissioners may establish for hearings on such objections and shall be held in accordance with the regularly established procedure set by the board.

- 1 The determination reached by the board of county commissioners shall be
- 2 final in the absence of an abuse of discretion.

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3 **Sec. 4149.** RCW 36.90.030 and 1998 c 107 s 2 are each amended to 4 read as follows:

5 The board of county commissioners in the county of Lewis as 6 administrators of all property relating to the southwest Washington 7 fair may elect to appoint either (1) a designee, whose operation and funds the board may control and oversee, to carry out the board's 8 9 duties and obligations as set forth in RCW 36.90.020, or (2) a 10 commission of citizens to advise and assist in carrying out such fair. 11 The ((chairman)) chair of the board of county commissioners of Lewis 12 county may elect to serve as ((chairman)) chair of any such commission. Such commission may elect a president and secretary and define their 13 duties and fix their compensation, and provide for the keeping of its 14 The commission may also designate the treasurer of Lewis 15 16 county as fair treasurer. The funds relating to fair activities shall 17 be kept separate and apart from the funds of Lewis county, but shall be deposited in the regular depositaries of Lewis county and all interest 18 earned thereby shall be added to and become a part of the funds. Fair 19 20 funds shall be audited as are other county funds.

21 **Sec. 4150.** RCW 36.92.030 and 1967 ex.s. c 103 s 4 are each amended 22 to read as follows:

By resolution, the board of county commissioners may create a county central services department which shall be organized and function as any other department of the county. When a board creates a central services department, it shall also provide for the appointment of a supervisor to be the administrative head of such department, subject to the supervision and control of the board, and to serve at the pleasure of the board. The supervisor shall receive such salary as may be prescribed by the board. In addition, the supervisor shall be reimbursed for traveling and other actual and necessary expenses incurred by him or her in the performance of his or her official duties.

34 **Sec. 4151.** RCW 36.93.070 and 1997 c 77 s 1 are each amended to read as follows:

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The members of each boundary review board shall elect from its members a ((chairman)) chair, vice ((chairman)) chair, and shall employ a nonmember as chief clerk, who shall be the secretary of the board. The board shall determine its own rules and order of business and shall provide by resolution for the time and manner of holding all regular or special meetings: PROVIDED, That all meetings shall be subject to chapter 42.30 RCW. The board shall keep a journal of its proceedings which shall be a public record. A majority of all the members shall constitute a quorum for the transaction of business.

The chief clerk of the board shall have the power to administer oaths and affirmations, certify to all official acts, issue subpoenas to any public officer or employee ordering him <u>or her</u> to testify before the board and produce public records, papers, books or documents. The chief clerk may invoke the aid of any court of competent jurisdiction to carry out such powers.

The board by rule may provide for hearings by panels of members consisting of not less than five board members, the number of hearing panels and members thereof, and for the impartial selection of panel members. A majority of a panel shall constitute a quorum thereof.

At the request of the board, the state attorney general, or at the board's option, the county prosecuting attorney, shall provide counsel for the board.

The planning departments of the county, other counties, and any city, and any state or regional planning agency shall furnish such information to the board at its request as may be reasonably necessary for the performance of its duties.

Each member of the board shall be compensated from the county current expense fund at the rate of fifty dollars per day, or a major portion thereof, for time actually devoted to the work of the boundary review board. Each board of county commissioners shall provide such funds as shall be necessary to pay the salaries of the members and staff, and such other expenses as shall be reasonably necessary.

**Sec. 4152.** RCW 36.93.110 and 1987 c 477 s 4 are each amended to read as follows:

Where an area proposed for annexation is less than ten acres and less than two million dollars in assessed valuation, the ((chairman)) chair of the review board may by written statement declare that review

- by the board is not necessary for the protection of the interest of the 1
- 2 various parties, in which case the board shall not review such
- annexation. 3

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- 4 Sec. 4153. RCW 36.93.160 and 1994 c 216 s 16 are each amended to read as follows: 5
- 6 (1) When the jurisdiction of the boundary review board has been 7 invoked, the board shall set the date, time and place for a public hearing on the proposal. The board shall give at least thirty days' advance written notice of the date, time and place of the hearing to 9 10 the governing body of each governmental unit having jurisdiction within the boundaries of the territory proposed to be annexed, formed, incorporated, disincorporated, dissolved or consolidated, or within the 12 boundaries of a special district whose assets and facilities are 13 proposed to be assumed by a city or town, and to the governing body of 14 15 each city within three miles of the exterior boundaries of the area and 16 to the proponent of the change. Notice shall also be given by 17 publication in any newspaper of general circulation in the area of the proposed boundary change at least three times, the last publication of 19 which shall be not less than five days prior to the date set for the public hearing. Notice shall also be posted in ten public places in 20 21 the area affected for five days when the area is ten acres or more. 22 When the area affected is less than ten acres, five notices shall be 23 posted in five public places for five days. Notice as provided in this 24 subsection shall include any territory which the board has determined to consider adding in accordance with RCW 36.93.150(2). 25
  - (2) A verbatim record shall be made of all testimony presented at the hearing and upon request and payment of the reasonable costs thereof, a copy of the transcript of the testimony shall be provided to any person or governmental unit.
  - (3) The ((chairman)) chair upon majority vote of the board or a panel may direct the chief clerk of the boundary review board to issue subpoenas to any public officer to testify, and to compel the production by him or her of any records, books, documents, public records or public papers.
  - (4) Within forty days after the conclusion of the final hearing on the proposal, the board shall file its written decision, setting forth the reasons therefor, with the board of county commissioners and the

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clerk of each governmental unit directly affected. The written 1 decision shall indicate whether the proposed change is approved, 2 rejected or modified and, if modified, the terms of the modification. 3 The written decision need not include specific data on every factor 4 5 required to be considered by the board, but shall indicate that all standards were given consideration. Dissenting members of the board 6 7 shall have the right to have their written dissents included as part of 8 the decision.

(5) Unanimous decisions of the hearing panel or a decision of a majority of the members of the board shall constitute the decision of the board and shall not be appealable to the whole board. Any other decision shall be appealable to the entire board within ten days. Appeals shall be on the record, which shall be furnished by the appellant, but the board may, in its sole discretion, permit the introduction of additional evidence and argument. Decisions shall be final and conclusive unless within thirty days from the date of the action a governmental unit affected by the decision or any person owning real property or residing in the area affected by the decision files in the superior court a notice of appeal.

The filing of the notice of appeal within the time limit shall stay the effective date of the decision of the board until such time as the appeal shall have been adjudicated or withdrawn. On appeal the superior court shall not take any evidence other than that contained in the record of the hearing before the board.

- (6) The superior court may affirm the decision of the board or remand the case for further proceedings; or it may reverse the decision if any substantial rights may have been prejudiced because the administrative findings, inferences, conclusions, or decisions are:
  - (a) In violation of constitutional provisions, or
- 30 (b) In excess of the statutory authority or jurisdiction of the 31 board, or
  - (c) Made upon unlawful procedure, or
  - (d) Affected by other error of law, or
- 34 (e) Unsupported by material and substantial evidence in view of the 35 entire record as submitted, or
- 36 (f) Clearly erroneous.

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37 An aggrieved party may seek appellate review of any final judgment of

the superior court in the manner provided by law as in other civil cases.

Sec. 4154. RCW 36.94.060 and 1971 ex.s. c 96 s 3 are each amended to read as follows:

The members of each review committee shall elect from its members a ((chairman)) chair and a secretary. The committee shall determine its own rules and order of business and shall provide by resolution for the time and manner of its proceedings which shall be a public record. A majority of all the members shall constitute a quorum for the transaction of business.

Each member of the committee shall be compensated from the county current expense fund at the rate of twenty-five dollars per day, or a major portion thereof, for time actually devoted to the work of the committee in reviewing any proposed sewerage and/or water general plan or amendments to a plan. Each board of county commissioners shall provide such funds as shall be necessary to pay the compensation of the members and such other expenses as shall be reasonably necessary. Such payments shall be reimbursed to the counties advancing the funds from moneys acquired from the construction or operation of a sewerage and/or water system.

**Sec. 4155.** RCW 36.94.290 and 1988 c 202 s 41 are each amended to 22 read as follows:

The decision of the board of county commissioners upon any objections made within the time and in the manner herein prescribed, may be reviewed by the superior court upon an appeal thereto taken in the following manner. Such appeal shall be made by filing written notice of appeal with the clerk of the board of county commissioners and with the clerk of the superior court within ten days after the resolution confirming such assessment roll shall have become published, and such notice shall describe the property and set forth the objections of such appellant to such assessment. Within the ten days from the filing of such notice of appeal with the clerk of the superior court, the appellant shall file with the clerk of said court, a transcript consisting of the assessment roll and his or her objections thereto, together with the resolution confirming such assessment roll and the record of the board of county commissioners with reference to

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said assessment, which transcript, upon payment of the necessary fees 1 2 therefor, shall be furnished by such clerk of the board of county commissioners and by him or her certified to contain full, true and 3 correct copies of all matters and proceedings required to be included 4 5 in such transcript. Such fees shall be the same as the fees payable to the county clerk for the preparation and certification of transcripts 6 7 on appeal to the supreme court or the court of appeals in civil actions. At the time of the filing of the notice of appeal with the 8 clerk of the superior court a sufficient bond in the penal sum of two 9 hundred dollars, with sureties thereon as provided by law for appeals 10 in civil cases, shall be filed conditioned to prosecute such appeal 11 12 without delay, and if unsuccessful, to pay all costs to which the 13 county is put by reason of such appeal. The court may order the appellant upon application therefor, to execute and file such 14 additional bond or bonds as the necessity of the case may require. 15 Within three days after such transcript is filed in the superior court, 16 17 as aforesaid, the appellant shall give written notice to the clerk of the board of county commissioners that such transcript is filed. 18 notice shall state a time, not less than three days from the service 19 thereof, when the appellant will call up the said cause for hearing. 20 21 The superior court shall, at said time or at such further time as may 22 be fixed by order of the court, hear and determine such appeal without a jury, and such cause shall have preference over all civil causes 23 24 pending in said court, except proceedings under an act relating to 25 eminent domain in such county and actions of forcible entry and detainer. The judgment of the court shall confirm, correct, modify or 26 27 annul the assessment insofar as the same affects the property of the appellant. A certified copy of the decision of the court shall be 28 filed with the officer who shall have the custody of the assessment 29 roll, and he or she shall modify and correct such assessment roll in 30 accordance with such decision. Appellate review of the judgment of the 31 32 superior court may be sought as in other cases. However, review must be sought within fifteen days after the date of the entry of the 33 34 judgment of such superior court. The supreme court or the court of 35 appeals on such appeal may correct, change, modify, confirm or annul 36 the assessment insofar as the same affects the property of the 37 appellant. A certified copy of the order of the supreme court or the

court of appeals upon such appeal shall be filed with the officer having custody of such assessment roll, who shall thereupon modify and correct such assessment roll in accordance with such decision.

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**Sec. 4156.** RCW 36.94.340 and 1975 1st ex.s. c 188 s 10 are each amended to read as follows:

When a municipal corporation and a county have entered into a written agreement providing for the transfer to such county of all or part of the property of such municipal corporation, proceedings may be initiated in the superior court for that county by the filing of a petition to which there shall be attached copies of the agreement of the parties and of the resolutions of the governing body of the municipal corporation and the legislative authority of the county authorizing its execution. Such petition shall ask that the court approve and direct the proposed transfer of property, and any assumption of indebtedness agreed to in consideration thereof by the county, after finding such transfer and acquisition of property to be in the public interest and conducive to the public health, safety, welfare, or convenience. Such petition shall be signed by the members of the legislative authority of the county or chief administrative officer of the municipal corporation and the ((chairman)) chair of the legislative authority of the county, respectively, upon authorization by the governing body of the municipal corporation and the legislative authority of the county.

Within thirty days after the filing of the petition of the parties with copies of their agreement and the resolutions authorizing its execution attached thereto, the court shall by order fix a date for a hearing on the petition not less than twenty nor more than ninety days after the entry of such order which also shall prescribe the form and manner of notice of such hearing to be given. After considering the petition and such evidence as may be presented at the hearing thereon, the court may determine by decree that the proposed transfer of property is in the public interest and conducive to the public health, safety, welfare, or convenience, approve the agreement of the parties and direct that such transfer be accomplished in accordance with that agreement at the time and in the manner prescribed by the court decree.

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1 **Sec. 4157.** RCW 36.95.060 and 1992 c 150 s 1 are each amended to read as follows:

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The business of the district shall be conducted by the board of the television reception improvement district, hereinafter referred to as the "board". The board shall be constituted as provided under either subsection (1) or (2) of this section.

- (1) The board of a district having boundaries different from the county's shall have either three, five, seven, or nine members, as determined by the board of county commissioners at the time the district is created. Each member shall reside within the boundaries of district and shall be appointed by the board of county commissioners for a term of three years, or until his or her successor has qualified, except that the board of county commissioners shall appoint one of the members of the first board to a one-year term and two to two-year terms. There is no limit upon the number of terms to which a member may be reappointed after his or her first appointment. A majority of the members of the board shall constitute a quorum for the transaction of business, but the majority vote of the board members shall be necessary for any action taken by the board. The board shall elect from among its members a ((chairman)) chair and such other officers as may be necessary. In the event a seat on the board is vacated prior to the expiration of the term of the member appointed to such seat, the board of county commissioners shall appoint a person to complete the unexpired term.
- (2) Upon the creation of a district having boundaries identical to those of the county (a county-wide district), the county commissioners shall be the members of the board of the district and shall have all the powers and duties of the board as provided under the other sections of this chapter. The county commissioners shall be reimbursed pursuant to the provisions of RCW 36.95.070, and shall conduct the business of the district according to the regular rules and procedures applicable to meetings of the board of county commissioners.
- **Sec. 4158.** RCW 36.95.100 and 1981 c 52 s 2 are each amended to read as follows:

The tax provided for in RCW 36.95.090 and this section shall not exceed sixty dollars per year per television set, and no person shall be taxed for more than one television set, except that a motel or hotel

or any person owning in excess of five television sets shall pay at a rate of one-fifth of the annual tax rate imposed for each of the first five television sets and one-tenth of such rate for each additional set thereafter. An owner of a television set within the district shall be exempt from paying any tax on such set under this chapter: (1) If either (a) his or her television set does not receive at least a class grade B contour signal retransmitted by the television translator station or other similar device operated by the district, as such class is defined under regulations of the Federal Communications Commission as of August 9, 1971, or (b) he or she is currently subscribing to and receiving the services of a community antenna system (CATV) to which his or her television set is connected; and (2) if he or she filed a statement with the board claiming his or her grounds for exemption. Space for such statement shall be provided for in the tax notice which the treasurer shall send to taxpayers in behalf of the district. 

**Sec. 4159.** RCW 36.95.110 and 1981 c 52 s 3 are each amended to read as follows:

Any person owing the excise tax provided for under this chapter and who fails to pay the same within sixty days after the board or the county treasurer has sent the tax bill to him or her, shall be deemed to be delinquent. Such person shall be liable for all costs to the county or district attributable to collecting the tax but no such excise tax or costs, nor any judgment based thereon, shall be deemed to create a lien against real property.

**Sec. 4160.** RCW 36.95.150 and 1971 ex.s. c 155 s 15 are each 26 amended to read as follows:

Any claim against the district shall be presented to the board. Upon allowance of the claim, the board shall submit a voucher, signed by the ((chairman)) chair and one other member of the board, to the county auditor for the issuance of a warrant in payment of said claim. This procedure for payment of claims shall apply to the reimbursement of board members for their actual and necessary expenses incurred by them in the performance of their official duties.

**Sec. 4161.** RCW 36.95.160 and 1983 c 167 s 103 are each amended to read as follows:

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The treasurer of the county in which a district is located shall be 1 2 ex officio treasurer of the district. The treasurer shall collect the excise tax provided for under this chapter and shall send notice of 3 payment due to persons owing the tax: PROVIDED, That districts with 4 5 fewer than twelve hundred persons subject to the excise tax and levying an excise tax of forty dollars or more per television set per year 6 7 shall have the option of having the district (1) send the tax notices bimonthly, and (2) collect the excise taxes which shall then be 8 9 forwarded to the county treasurer for deposit in the district account. There shall be deposited with him or her all funds of the district. 10 All district payments shall be made by him or her from such funds upon 11 warrants issued by the county auditor, except the sums to be paid out 12 of any bond fund for principal and interest payments on bonds. 13 warrants shall be paid in the order of issuance. The treasurer shall 14 report monthly to the board, in writing, the amount in the district 15 16 fund or funds.

17 PART V

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**Sec. 5001.** RCW 43.01.040 and 1984 c 184 s 19 are each amended to read as follows:

Each subordinate officer and employee of the several offices, departments, and institutions of the state government shall be entitled under their contract of employment with the state government to not less than one working day of vacation leave with full pay for each month of employment if said employment is continuous for six months.

Each such subordinate officer and employee shall be entitled under such contract of employment to not less than one additional working day of vacation with full pay each year for satisfactorily completing the first two, three and five continuous years of employment respectively.

Such part time officers or employees of the state government who are employed on a regular schedule of duration of not less than one year shall be entitled under their contract of employment to that fractional part of the vacation leave that the total number of hours of such employment bears to the total number of hours of full time employment.

Each subordinate officer and employee of the several offices, departments and institutions of the state government shall be entitled

under his or her contract of employment with the state government to 1 2 accrue unused vacation leave not to exceed thirty working days. Officers and employees transferring within the several offices, 3 departments and institutions of the state government shall be entitled 4 to transfer such accrued vacation leave to each succeeding state 5 office, department or institution. All vacation leave shall be taken 6 7 at the time convenient to the employing office, department or 8 institution: PROVIDED, That if a subordinate officer's or employee's request for vacation leave is deferred by reason of the convenience of 9 10 the employing office, department or institution, and a statement of the necessity therefor is filed by such employing office, department or 11 12 institution with the appropriate personnel board or other state agency 13 or officer, then the aforesaid maximum thirty working days of accrued unused vacation leave shall be extended for each month said leave is so 14 15 deferred.

Sec. 5002. RCW 43.01.050 and 1985 c 57 s 26 are each amended to read as follows:

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Each state officer or other person, other than county treasurer, who is authorized by law to collect or receive moneys which are required by statute to be deposited in the state treasury shall transmit to the state treasurer each day, all such moneys collected by him or her on the preceding day: PROVIDED, That the state treasurer may in his or her discretion grant exceptions where such daily transfers would not be administratively practical or feasible. In the event that remittances are not accompanied by a statement designating source and fund, the state treasurer shall deposit these moneys in an account hereby created in the state treasury to be known as the undistributed receipts account. These moneys shall be retained in the account until such time as the transmitting agency provides a statement in duplicate of the source from which each item of money was derived and the fund into which it is to be transmitted. The director of financial management in accordance with RCW 43.88.160 shall promulgate regulations designed to assure orderly and efficient administration of this account. In the event moneys are deposited in this account that constitute overpayments, refunds may be made by the remitting agency without virtue of a legislative appropriation.

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| 1  | Sec. 5003. RCW 43.01.070 and 1965 c 8 s 43.01.070 are each amended              |
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| 2  | to read as follows:   |
| 3  | If any officer fails to comply with the provisions of RCW                       |
| 4  | 43.01.050, he <u>or she</u> shall be liable to the state upon his <u>or her</u> |
| 5  | official bond in a sum equal to ten percent annual interest on the              |
| 6  | funds for such time as he <u>or she</u> retained them.                          |
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| 7  | Sec. 5004. RCW 43.03.011 and 2007 c 524 s 1 are each amended to                 |
| 8  | read as follows:  |
| 9  | Pursuant to Article XXVIII, section 1 of the state Constitution and             |
| 10 | RCW 43.03.010 and 43.03.310, the annual salaries of the state elected           |
| 11 | officials of the executive branch shall be as follows:                          |
| 12 | (1) Effective September 1, 2006:  |
| 13 | (a) Governor  |
| 14 | (b) Lieutenant governor   |
| 15 | (c) Secretary of state  |
| 16 | (d) Treasurer   |
| 17 | (e) Auditor   |
| 18 | (f) Attorney general  |
| 19 | (g) Superintendent of public instruction \$ 107,978                             |
| 20 | (h) Commissioner of public lands \$ 107,978                                     |
| 21 | (i) Insurance commissioner \$ 105,811   |
| 22 | (2) Effective September 1, 2007:  |
| 23 | (a) Governor  |
| 24 | (b) Lieutenant governor   |
| 25 | (c) Secretary of state  |
| 26 | (d) Treasurer   |
| 27 | (e) Auditor   |
| 28 | (f) Attorney general  |
| 29 | (g) Superintendent of public instruction \$ 119,234                             |
| 30 | (h) Commissioner of public lands \$ 119,234                                     |
| 31 | (i) Insurance commissioner \$ 114,657   |
| 32 | (3) Effective September 1, 2008:  |
| 33 | (a) Governor  |
| 34 | (b) Lieutenant governor   |
| 35 | (c) Secretary of state  |
| 36 | (d) Treasurer   |
| 37 | (e) Auditor   |

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| 2  | (g) Superintendent of public instruction \$ 121,618                    |
|----|--|
| 3  | (h) Commissioner of public lands \$ 121,618                            |
| 4  | (i) Insurance commissioner \$ 116,950                                  |
| 5  | (4) The lieutenant governor shall receive the fixed amount of his      |
| 6  | or her salary plus 1/260th of the difference between his or her salary |
| 7  | and that of the governor for each day that the lieutenant governor is  |
| 8  | called upon to perform the duties of the governor by reason of the     |
| 9  | absence from the state, removal, resignation, death, or disability of  |
| 10 | the governor.  |

**Sec. 5005.** RCW 43.03.015 and 1967 ex.s. c 100 s 2 are each amended 12 to read as follows:

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Any person appointed to fill a vacancy that may occur in either the senate or house of representatives of the state legislature, prior to his <u>or her</u> qualification at the next succeeding regular or special session of the legislature shall be entitled to the same emoluments of office as the duly elected member whom he <u>or she</u> succeeded.

**Sec. 5006.** RCW 43.03.020 and 1965 c 8 s 43.03.020 are each amended 19 to read as follows:

Whenever by reason of the absence from the state or the disability of the governor, the lieutenant governor is called upon temporarily to perform the duties of the office of governor, he <u>or she</u> shall be paid upon his <u>or her</u> personal voucher therefor the sum of ten dollars per day for expenses.

- **Sec. 5007.** RCW 43.03.030 and 1965 c 8 s 43.03.030 are each amended to read as follows:
  - (1) Wherever the compensation of any appointive state officer or employee is fixed by statute, it may be hereafter increased or decreased in the manner provided by law for the fixing of compensation of other appointive state officers or employees; but this subsection shall not apply to the heads of state departments.
  - (2) Wherever the compensation of any state officer appointed by the governor, or of any employee in any office or department under the control of any such officer, is fixed by statute, such compensation may

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- 1 hereafter, from time to time, be changed by the governor, and he or she
- 2 shall have power to fix such compensation at any amount not to exceed
- 3 the amount fixed by statute.

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Sec. 5008. RCW 43.03.110 and 1967 ex.s. c 16 s 1 are each amended to read as follows:

Whenever it is reasonably necessary to the successful performance of the required duty of a state office, commission, department or institution to transfer a deputy or other employee from one station to another within the state, thereby necessitating a change of such deputy's or employee's domicile, it shall be lawful for such office, commission, department or institution to move such deputy's or employee's household goods and effects to the new station at the expense of the state, or to defray the actual cost of such removal by common carrier, or otherwise, at the expense of the state, in which latter event reimbursement to the deputy or employee shall be upon voucher submitted by him or her and approved by the department head.

**Sec. 5009.** RCW 43.03.120 and 1979 c 151 s 86 are each amended to read as follows:

Any state office, commission, department or institution may also pay the moving expenses of a new employee, necessitated by his or her acceptance of state employment, pursuant to mutual agreement with such employee in advance of his or her employment: PROVIDED, That if such employee is in the classified service as defined in chapter 41.06 RCW, that said employee has been duly certified from an eligible register. No such offer or agreement for such payment shall be made to a prospective member of the classified service, prior to certification, except through appropriate public announcement by the department of personnel, or other corresponding personnel agency as provided by chapter 41.06 RCW. Payment for all expenses authorized by RCW 43.03.060, 43.03.110 through 43.03.210 including moving expenses of new employees, exempt or classified, and others, shall be subject to reasonable regulations promulgated by the director of financial management, including regulations defining allowable moving costs: PROVIDED, That, if the new employee terminates or causes termination of his or her employment with the state within one year of the date of

- employment, the state shall be entitled to reimbursement for the moving 1
- 2 costs which have been paid and may withhold such sum as necessary
- therefor from any amounts due the employee. 3

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Sec. 5010. RCW 43.03.170 and 1979 ex.s. c 71 s 1 are each amended to read as follows:

6 The head of any state department may issue an advance warrant on 7 the request of any officer or employee for the purpose of defraying his or her anticipated reimbursable expenses while traveling on business of 9 such state department away from his or her designated post of duty, except expenses in connection with the use of a personal automobile. 10 11 The amount of such advance shall not exceed the amount of such 12 reasonably anticipated expenses of the officer or employee to be necessarily incurred in the course of such business of the state for a 13 period of not to exceed ninety days. Department heads shall establish 14 15 written policies prescribing a reasonable amount for which such 16 warrants may be written.

Sec. 5011. RCW 43.03.180 and 1967 ex.s. c 16 s 9 are each amended 17 18 to read as follows:

On or before the tenth day following each month in which such advance was furnished to the officer or employee, he or she shall submit to the head of his or her department a fully itemized travel expense voucher fully justifying the expenditure of such advance or whatever part thereof has been expended, for legally reimbursable items on behalf of the state. Any unexpended portion of such advance shall be returned to the agency at the close of the authorized travel period. Payment shall accompany such itemized voucher at the close of the travel period; and may be made by check or similar instrument payable to the department. Any default in accounting for or repaying an advance shall render the full amount which is unpaid immediately due and payable with interest at the rate of ten percent per annum from the date of default until paid.

Sec. 5012. RCW 43.03.200 and 1967 ex.s. c 16 s 11 are each amended 32 to read as follows: 33

An advance made under RCW 43.03.150 through 43.03.210 shall be considered as having been made to such officer or employee to be

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- 1 expended by him or her as an agent of the state for state purposes
- 2 only, and specifically to defray necessary costs while performing his
- 3 or her official duties. No such advance shall be considered for any
- 4 purpose as a loan to such officer or employee, and any unauthorized
- 5 expenditure of such funds shall be considered a misappropriation of
- 6 state funds by a custodian of such funds.
- 7 Sec. 5013. RCW 43.06.020 and 1965 c 8 s 43.06.020 are each amended 8 to read as follows:
- 9 The governor must cause to be kept the following records:
- 10 First, a register of all pardons, commutations, executive paroles,
- 11 final discharges, and restorations of citizenship made by him or her;
- 12 Second, an account of all his or her disbursements of state moneys,
- 13 and of all rewards offered by him or her for the apprehension of
- 14 criminals and persons charged with crime;
- Third, a register of all appointments made by him or her with date
- of commission, name of appointee and name of predecessor, if any.
- 17 Sec. 5014. RCW 43.06.040 and 1965 c 8 s 43.06.040 are each amended
- 18 to read as follows:
- 19 If the governor absents himself or herself from the state, he or
- 20 <u>she</u> shall, prior to his <u>or her</u> departure, notify the lieutenant
- 21 governor of his or her proposed absence, and during such absence the
- 22 lieutenant governor shall perform all the duties of the governor.
- 23 Sec. 5015. RCW 43.06.050 and 1965 c 8 s 43.06.050 are each amended
- 24 to read as follows:
- 25 Every provision of law in relation to the powers and duties of the
- 26 governor, and in relation to acts and duties to be performed by others
- 27 towards him or her, extends to the person performing for the time being
- 28 the duties of governor.
- 29 Sec. 5016. RCW 43.06.055 and 1969 ex.s. c 88 s 1 are each amended
- 30 to read as follows:
- 31 The legislature preceding the gubernatorial election shall make an
- 32 appropriation which may only be expended by a newly elected governor
- 33 other than the incumbent for the purpose of providing office and staff
- 34 for the governor-elect preparatory to his or her assumption of duties

- 1 as governor. The funds for the appropriation shall be made available
- 2 to him or her not later than thirty days prior to the date when the
- 3 legislature will convene.
- 4 Sec. 5017. RCW 43.06.070 and 1965 c 8 s 43.06.070 are each amended
- 5 to read as follows:
- 6 The governor may remove from office any state officer appointed by
- 7 him or her not liable to impeachment, for incompetency, misconduct, or
- 8 malfeasance in office.
- 9 **Sec. 5018.** RCW 43.06.080 and 1965 c 8 s 43.06.080 are each amended
- 10 to read as follows:
- 11 Whenever the governor is satisfied that any officer not liable to
- 12 impeachment has been guilty of misconduct, or malfeasance in office, or
- 13 is incompetent, he or she shall file with the secretary of state a
- 14 statement showing his or her reasons, with his or her order of removal,
- 15 and the secretary of state shall forthwith send a certified copy of
- 16 such order of removal and statement of causes by registered mail to the
- 17 last known post office address of the officer in question.
- 18 Sec. 5019. RCW 43.06.090 and 1965 c 8 s 43.06.090 are each amended
- 19 to read as follows:
- 20 At the time of making any removal from office, the governor shall
- 21 appoint some proper person to fill the office, who shall forthwith
- 22 demand and receive from the officer removed the papers, records, and
- 23 property of the state pertaining to the office, and shall perform the
- 24 duties of the office and receive the compensation thereof until his or
- 25 <u>her</u> successor is appointed.
- 26 Sec. 5020. RCW 43.06.110 and 1971 ex.s. c 177 s 2 are each amended
- 27 to read as follows:
- 28 The governor, or his <u>or her</u> designee, is hereby authorized and
- 29 empowered to undertake such programs as will, in the judgment of the
- 30 governor, or his or her designee, enable families and individuals of
- 31 all ages, in rural and urban areas, in need of the skills, knowledge,
- 32 motivations, and opportunities to become economically self-sufficient
- 33 to obtain and secure such skills, knowledge, motivations, and
- 34 opportunities. Such programs may be engaged in as solely state

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operations, or in conjunction or cooperation with any appropriate 1 2 agency of the federal government, any branch or agency of the government of this state, any city or town, county, municipal 3 corporation, metropolitan municipal corporation or other political 4 5 subdivision of the state, or any private corporation. Where compliance with the provisions of federal law or rules or regulations promulgated 6 7 thereunder is a necessary condition to the receipt of federal funds by the state, the governor or his or her designee, is hereby authorized to 8 9 comply with such laws, rules or regulations to the extent necessary for 10 the state to cooperate most fully with the federal government in furtherance of the programs herein authorized. 11

12 **Sec. 5021.** RCW 43.06.120 and 1967 ex.s. c 41 s 1 are each amended to read as follows:

The governor is authorized to accept on behalf of the state of Washington funds provided by any act of congress for the benefit of the state or its political subdivisions. He <u>or she</u> is further authorized to administer and disburse such funds, or to designate an agency to administer and disburse them, until the legislature otherwise directs.

19 **Sec. 5022.** RCW 43.06.200 and 1977 ex.s. c 328 s 11 are each 20 amended to read as follows:

Unless a different meaning is plainly required by the context, the following words and phrases as hereinafter used in RCW 43.06.010, and 43.06.200 through 43.06.270 each as now or hereafter amended shall have the following meaning:

"State of emergency" means an emergency proclaimed as such by the governor pursuant to RCW 43.06.010 as now or hereafter amended.

"Governor" means the governor of this state or, in case of his <u>or</u> <u>her</u> removal, death, resignation or inability to discharge the powers and duties of his <u>or her</u> office, then the person who may exercise the powers of governor pursuant to the Constitution and laws of this state relating to succession in office.

"Criminal offense" means any prohibited act for which any criminal penalty is imposed by law and includes any misdemeanor, gross misdemeanor, or felony.

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- 1 **Sec. 5023.** RCW 43.06.270 and 1969 ex.s. c 186 s 9 are each amended 2 to read as follows:
- The governor may in his <u>or her</u> discretion order the state militia pursuant to chapter 38.08 RCW or the state patrol to assist local officials to restore order in the area described in the proclamation of a state of emergency.
- 7 **Sec. 5024.** RCW 43.07.010 and 1965 c 8 s 43.07.010 are each amended 8 to read as follows:
- 9 The secretary of state must execute an official bond to the state 10 in the sum of ten thousand dollars, conditioned for the faithful 11 performance of the duties of his <u>or her</u> office, and shall receive no 12 pay until such bond, approved by the governor, is filed with the state 13 auditor.
- 14 **Sec. 5025.** RCW 43.07.020 and 1965 c 8 s 43.07.020 are each amended to read as follows:
- The secretary of state may have one assistant secretary of state and one deputy secretary of state each of whom shall be appointed by him or her in writing, and continue during his or her pleasure. The assistant secretary of state and deputy secretary of state shall have the power to perform any act or duty relating to the secretary of state's office, that the secretary of state has, and the secretary of state shall be responsible for the acts of said assistant and deputy.
- 23 **Sec. 5026.** RCW 43.07.030 and 1982 c 35 s 186 are each amended to 24 read as follows:
- 25 The secretary of state shall:
- 26 (1) Keep a register of and attest the official acts of the 27 governor;
- 28 (2) Affix the state seal, with his <u>or her</u> attestation, to 29 commissions, pardons, and other public instruments to which the 30 signature of the governor is required, and also attestations and 31 authentications of certificates and other documents properly issued by 32 the secretary;
- 33 (3) Record all articles of incorporation, deeds, or other papers 34 filed in the secretary of state's office;

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- 1 (4) Receive and file all the official bonds of officers required to 2 be filed with the secretary of state;
  - (5) Take and file in the secretary of state's office receipts for all books distributed by him <u>or her;</u>
- 5 (6) Certify to the legislature the election returns for all 6 officers required by the Constitution to be so certified, and certify 7 to the governor the names of all other persons who have received at any 8 election the highest number of votes for any office the incumbent of 9 which is to be commissioned by the governor;
- (7) Furnish, on demand, to any person paying the fees therefor, a certified copy of all or any part of any law, record, or other instrument filed, deposited, or recorded in the secretary of state's office;
- (8) Present to the speaker of the house of representatives, at the beginning of each regular session of the legislature during an odd-numbered year, a full account of all purchases made and expenses incurred by the secretary of state on account of the state;
- 18 (9) File in his <u>or her</u> office an impression of each and every seal 19 in use by any state officer;
- 20  $((\frac{\{(10)\}}{}))$  (10) Keep a record of all fees charged or received by 21 the secretary of state.
- 22 **Sec. 5027.** RCW 43.07.040 and 1965 c 8 s 43.07.040 are each amended to read as follows:
- 24 The secretary of state is charged with the custody:
  - (1) Of all acts and resolutions passed by the legislature;
- 26 (2) Of the journals of the legislature;
- 27 (3) Of the seal of the state;

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- 28 (4) Of all books, records, deeds, parchments, maps, and papers 29 required to be kept on deposit in his <u>or her</u> office pursuant to law;
- 30 (5) Of the enrolled copy of the Constitution.
- 31 **Sec. 5028.** RCW 43.07.050 and 1965 c 8 s 43.07.050 are each amended 32 to read as follows:
- 33 The secretary of state shall be ex officio commissioner of 34 statistics. He <u>or she</u> shall establish within his <u>or her</u> office, and 35 under his <u>or her</u> immediate supervision, a bureau to be known as the 36 bureau of statistics, agriculture and immigration.

1 Sec. 5029. RCW 43.07.090 and 1965 c 8 s 43.07.090 are each amended
2 to read as follows:

The commissioner shall have the power to send for persons and 3 papers whenever in his or her opinion it is necessary, and he or she 4 5 may examine witnesses under oath, being hereby qualified to administer the same in the performance of his or her duty, and the testimony so 6 7 taken must be filed and preserved in his or her office. He or she shall have free access to all places and works of labor, and any 8 9 principal, owner, operator, manager, or lessee of any mine, factory, workshop, warehouse, manufacturing or mercantile establishment, or any 10 agent or employee of any such principal, owner, operator, manager, or 11 12 lessee, who shall refuse to the commissioner or his or her duly 13 authorized representative admission therein, or who shall, when 14 requested by him or her, wilfully neglect or refuse to furnish him or her any statistics or information pertaining to his or her lawful 15 16 duties which may be in the possession or under the control of said 17 principal, owner, operator, lessee, manager, or agent thereof, shall be punished by a fine of not less than fifty nor more than two hundred 18 dollars. 19

20 **Sec. 5030.** RCW 43.07.110 and 1965 c 8 s 43.07.110 are each amended to read as follows:

The commissioner shall appoint a deputy commissioner, who shall act in his or her absence, and the deputy shall receive the sum of twelve hundred dollars per annum to be paid by the state treasurer in the same manner as other state officers are paid; the sum allowed for deputy and other incidental expenses of the bureau shall not exceed the sum of three thousand dollars any one year. The commissioner shall have authority to employ one person to act as immigration agent, which agent shall reside in such city as said commissioner may designate, and he or she shall be provided with such literature and incidental accessories as in his or her judgment may be necessary.

- 32 **Sec. 5031.** RCW 43.08.010 and 1977 c 75 s 38 are each amended to read as follows:
- 34 The state treasurer shall:

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35 (1) Receive and keep all moneys of the state in the manner provided 36 in RCW 43.88.160, as now or hereafter amended;

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- 1 (2) Disburse the public moneys only upon warrants or checks drawn 2 upon the treasurer in the manner provided by law;
  - (3) Account for moneys in the manner provided by law;
  - (4) Render accounts in the manner provided by law;

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- 5 (5) Indorse on each warrant when required by law, the date of payment, the amount of the principal, and the interest due on that date;
- 8 (6) Report annually to the legislature a detailed statement of the 9 condition of the treasury, and of its operations for the preceding 10 fiscal year;
- 11 (7) Give information, in writing, to either house of the 12 legislature, whenever required, upon any subject connected with the 13 treasury, or touching any duty of his <u>or her</u> office;
- 14 (8) Account for and pay over all moneys on hand to his <u>or her</u>
  15 successor in office, and deliver all books, vouchers, and effects of
  16 office to him <u>or her</u>, who shall receipt therefor;
- 17 (9) Upon payment of any warrant, or check, take upon the back 18 thereof the indorsement of the person to whom it is paid.
- 19 **Sec. 5032.** RCW 43.08.020 and 1972 ex.s. c 12 s 1 are each amended 20 to read as follows:

21 The state treasurer shall reside and keep his or her office at the 22 seat of government. Before entering upon his or her duties, he or she shall execute and deliver to the secretary of state a bond to the state 23 24 in a sum of not less than five hundred thousand dollars, to be approved by the secretary of state and one of the justices of the supreme court, 25 26 conditioned to pay all moneys at such times as required by law, and for the faithful performance of all duties required of him or her by law. 27 He or she shall take an oath of office, to be indorsed on his or her 28 commission, and file a copy thereof, together with the bond, in the 29 30 office of the secretary of state.

- 31 **Sec. 5033.** RCW 43.08.030 and 1965 c 8 s 43.08.030 are each amended 32 to read as follows:
- 33 The treasurer shall keep a seal of office for the authentication of 34 all papers, writings, and documents required to be certified by him <u>or</u> 35 her.

The treasurer may administer all oaths required by law in matters pertaining to the duties of his <u>or her</u> office.

**Sec. 5035.** RCW 43.08.050 and 1965 c 8 s 43.08.050 are each amended to read as follows:

All the books, papers, letters, and transactions pertaining to the office of treasurer shall be open for the inspection of a committee of the legislature to examine or settle all accounts, and to count all money; and to the inspection of the public generally during office hours; and when the successor of any treasurer is elected and qualified, the state auditor shall examine and settle all the accounts of the treasurer remaining unsettled, and give him or her a certified statement showing the balance of moneys, securities, and effects for which he or she is accountable, which have been delivered to his or her successor, and report the same to the legislature.

**Sec. 5036.** RCW 43.08.062 and 1986 c 99 s 1 are each amended to 18 read as follows:

Should the payee or legal holder of any warrant drawn against the state treasury fail to present the warrant for payment within one hundred eighty days of the date of its issue or, if registered and drawing interest, within one hundred eighty days of its call, the state treasurer shall enter the same as canceled on the books of his or her office.

Should the payee or legal owner of such a canceled warrant thereafter present it for payment, the state treasurer may, upon proper showing by affidavit and the delivery of the warrant into his or her possession, issue a new warrant in lieu thereof, and the state treasurer is authorized to pay the new warrant.

**Sec. 5037.** RCW 43.08.066 and 1979 ex.s. c 71 s 4 are each amended to read as follows:

Before a duplicate instrument is issued, the state treasurer or other issuing officer shall require the person making application for its issue to file in his <u>or her</u> office a written affidavit specifically alleging on oath that he <u>or she</u> is the proper owner, payee, or legal

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representative of such owner or payee of the original instrument, giving the date of issue, the number, amount, and for what services or claim or purpose the original instrument or series of instruments of which it is a part was issued, and that the same has been lost or destroyed, and has not been paid, or has not been received by him or <u>her</u>: PROVIDED, That in the event that an original and its duplicate instrument are both presented for payment as a result of forgery or fraud, the issuing officer shall be the state agency responsible for endeavoring to recover any losses suffered by the state.

Sec. 5038. RCW 43.08.068 and 1965 ex.s. c 61 s 3 are each amended to read as follows:

The state treasurer or other issuing officer shall keep a full and complete record of all warrants, bonds or other instruments alleged to have been lost or destroyed, which were issued by such agency, and of the issue of any duplicate therefor; and upon the issuance of any duplicate, the officer shall enter upon his or her books the cancellation of the original instrument and immediately notify the state treasurer, the state auditor, and all trustees and paying agents authorized to redeem such instruments on behalf of the state of Washington, of such cancellation. The treasurer shall keep a similar list of all warrants, bonds or other instruments so canceled.

**Sec. 5039.** RCW 43.08.070 and 1981 c 10 s 3 are each amended to 23 read as follows:

Upon the presentation of any state warrant to the state treasurer, if there is not sufficient money then available in the appropriate fund with which to redeem all warrants drawn against such fund which the treasurer anticipates will be presented for payment during the current business day, he or she may endorse on the warrant, "Not paid for want of funds," with the day and date of presentation, and the warrant shall draw legal interest from and including that date until five days from and after being called for payment in accordance with RCW 43.08.080, or until paid, whichever occurs first; or, in the alternative, the treasurer may prepare and register a single new warrant, drawn against the appropriate fund, and exchange such new warrant for one or more warrants not paid for want of funds when presented for payment totaling a like amount but not exceeding one million dollars, which new warrant

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- 1 shall then draw legal interest from and including its date of issuance
- 2 until five days from and after being called for payment in accordance
- 3 with RCW 43.08.080, or until paid, whichever occurs first. The legal
- 4 rate or rates of interest on these warrants shall be established by the
- 5 state treasurer in accordance with RCW 39.56.030.

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6 **Sec. 5040.** RCW 43.08.080 and 1971 ex.s. c 88 s 3 are each amended to read as follows:

8 When the state treasurer deems that there is sufficient money in a fund to pay all or part of the registered warrants of such fund, and 9 the warrants are not presented for payment, he or she may advertise at 10 least once in some newspaper published at the seat of government, 11 stating the serial number of the warrants he or she is calling and 12 prepared to pay; and if such warrants are not presented for payment 13 within five days from and after the date of publication of the notice, 14 15 the warrants shall not then draw any further interest: PROVIDED, That 16 when said fund has a balance in excess of three percent of the preceding monthly warrant issue of said fund, or at any time that the 17 18 money in the fund exceeds the warrants outstanding, the state treasurer 19 shall similarly advertise a call for all those registered warrants 20 which can be fully paid out of said fund in accordance with their 21 registration sequence.

22 **Sec. 5041.** RCW 43.08.100 and 1965 c 8 s 43.08.100 are each amended to read as follows:

The fiscal agent of the state shall receive all moneys due the state from any other state or from the federal government, take all necessary steps for the collection thereof, and apply the same to the funds to which they belong. He or she shall collect from time to time all moneys that may accrue to the state by virtue of section 13 of the enabling act, or from any other source not otherwise provided for by law.

31 **Sec. 5042.** RCW 43.08.120 and 1973 c 10 s 1 are each amended to 32 read as follows:

The state treasurer may appoint an assistant state treasurer, who shall have the power to perform any act or duty which may be performed

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by the state treasurer, and in case of a vacancy in the office of state treasurer, perform the duties of the office until the vacancy is filled as provided by law.

The state treasurer may appoint no more than three deputy state treasurers, who shall have the power to perform any act or duty which may be performed by the state treasurer.

The assistant state treasurer and the deputy state treasurers shall be exempt from the provisions of chapter 41.06 RCW and shall hold office at the pleasure of the state treasurer; they shall, before entering upon the duties of their office, take and subscribe, and file with the secretary of state, the oath of office provided by law for other state officers.

The state treasurer shall be responsible on his <u>or her</u> official bond for all official acts of the assistant state treasurer and the deputy state treasurers.

**Sec. 5043.** RCW 43.08.130 and 1972 ex.s. c 145 s 2 are each amended to read as follows:

If the state treasurer wilfully refuses to pay except in accordance with the provisions of RCW 43.08.070 or by cash or check any warrant designated as payable in the state treasurer's office which is lawfully drawn upon the state treasury, or knowingly pays any warrant otherwise than as provided by law, then any person injured thereby may recover by action against the treasurer and the sureties on his <u>or her</u> official bond.

**Sec. 5044.** RCW 43.08.135 and 1983 c 3 s 100 are each amended to read as follows:

The state treasurer shall maintain at all times cash, or demand deposits in qualified public depositaries in an amount needed to meet the operational needs of state government: PROVIDED, That the state treasurer shall not be considered in violation of RCW 9A.56.060(1) if he or she maintains demand accounts in public depositaries in an amount less than all treasury warrants issued and outstanding.

**Sec. 5045.** RCW 43.08.150 and 1977 c 75 s 39 are each amended to read as follows:

As soon as possible after the close of each calendar month, the state treasurer shall prepare a report as to the state of the general fund and every other fund under his or her control itemized as to:

- (1) The amount in the fund at the close of business at the end of the preceding month;
- 6 (2) The amount of revenue deposited or transferred to the credit of 7 each fund during the current month;

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- 8 (3) The amount of withdrawals or transfers from each fund during 9 the current month; and
- 10 (4) The amount on hand in each fund at the close of business at the end of the current month.
- One copy of each report shall be provided promptly to those requesting them so long as the supply lasts.
- 14 **Sec. 5046.** RCW 43.10.010 and 1973 c 43 s 1 are each amended to 15 read as follows:
- No person shall be eligible to be attorney general unless he <u>or she</u> is a qualified practitioner of the supreme court of this state.
- Before entering upon the duties of his or her office, any person 18 19 elected or appointed attorney general shall take, subscribe, and file the oath of office as required by law; take, subscribe, and file with 20 21 the secretary of state an oath to comply with the provisions of RCW 22 43.10.115; and execute and file with the secretary of state, a bond to the state, in the sum of five thousand dollars, with sureties to be 23 24 approved by the governor, conditioned for the faithful performance of his or her duties and the paying over of all moneys, as provided by 25 26 law.
- 27 **Sec. 5047.** RCW 43.10.020 and 1965 c 8 s 43.10.020 are each amended to read as follows:
- If the governor deems any bond filed by the attorney general insufficient, he <u>or she</u> may require an additional bond for any amount not exceeding five thousand dollars.
- If any attorney general fails to give such additional bond as required by the governor within twenty days after notice in writing of such requirement, his <u>or her</u> office may be declared vacant by the governor and filled as provided by law.

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**Sec. 5048.** RCW 43.10.030 and 1975 c 40 s 5 are each amended to read as follows:

The attorney general shall:

- (1) Appear for and represent the state before the supreme court or the court of appeals in all cases in which the state is interested;
- (2) Institute and prosecute all actions and proceedings for, or for the use of the state, which may be necessary in the execution of the duties of any state officer;
- (3) Defend all actions and proceedings against any state officer or employee acting in his <u>or her</u> official capacity, in any of the courts of this state or the United States;
- (4) Consult with and advise the several prosecuting attorneys in matters relating to the duties of their office, and when the interests of the state require, he <u>or she</u> shall attend the trial of any person accused of a crime, and assist in the prosecution;
- (5) Consult with and advise the governor, members of the legislature, and other state officers, and when requested, give written opinions upon all constitutional or legal questions relating to the duties of such officers;
- 20 (6) Prepare proper drafts of contracts and other instruments 21 relating to subjects in which the state is interested;
  - (7) Give written opinions, when requested by either branch of the legislature, or any committee thereof, upon constitutional or legal questions;
  - (8) Enforce the proper application of funds appropriated for the public institutions of the state, and prosecute corporations for failure or refusal to make the reports required by law;
  - (9) Keep in proper books a record of all cases prosecuted or defended by him <u>or her</u>, on behalf of the state or its officers, and of all proceedings had in relation thereto, and deliver the same to his <u>or her</u> successor in office;
  - (10) Keep books in which he <u>or she</u> shall record all the official opinions given by him <u>or her</u> during his <u>or her</u> term of office, and deliver the same to his <u>or her</u> successor in office;
- 35 (11) Pay into the state treasury all moneys received by him <u>or her</u> 36 for the use of the state.

1 Sec. 5049. RCW 43.10.060 and 1965 c 8 s 43.10.060 are each amended
2 to read as follows:

The attorney general may appoint necessary assistants, who shall hold office at his <u>or her</u> pleasure, and who shall have the power to perform any act which the attorney general is authorized by law to perform.

**Sec. 5050.** RCW 43.10.080 and 1965 c 8 s 43.10.080 are each amended 8 to read as follows:

The attorney general may employ such skilled experts, scientists, technicians, or other specially qualified persons as he <u>or she</u> deems necessary to aid him <u>or her</u> in the preparation or trial of actions or proceedings.

**Sec. 5051.** RCW 43.10.090 and 1965 c 8 s 43.10.090 are each amended to read as follows:

Upon the written request of the governor, the attorney general shall investigate violations of the criminal laws within this state.

If, after such investigation, the attorney general believes that the criminal laws are improperly enforced in any county, and that the prosecuting attorney of the county has failed or neglected to institute and prosecute violations of such criminal laws, either generally or with regard to a specific offense or class of offenses, the attorney general shall direct the prosecuting attorney to take such action in connection with any prosecution as the attorney general determines to be necessary and proper.

If any prosecuting attorney, after the receipt of such instructions from the attorney general, fails or neglects to comply therewith within a reasonable time, the attorney general may initiate and prosecute such criminal actions as he <u>or she</u> shall determine. In connection therewith, the attorney general shall have the same powers as would otherwise be vested in the prosecuting attorney.

From the time the attorney general has initiated or taken over a criminal prosecution, the prosecuting attorney shall not have power or authority to take any legal steps relating to such prosecution, except as authorized or directed by the attorney general.

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- 1 Sec. 5052. RCW 43.10.110 and 1965 c 8 s 43.10.110 are each amended
- 2 to read as follows:
- 3 The attorney general shall have the power and it shall be his or
- 4 <u>her</u> duty to perform any other duties that are, or may from time to time
- 5 be required of him or her by law.
- 6 Sec. 5053. RCW 43.10.115 and 1973 c 43 s 2 are each amended to
- 7 read as follows:
- 8 The attorney general shall not practice law for remuneration in his
- 9 <u>or her</u> private capacity:
- 10 (1) As an attorney in any court of this state during his or her
- 11 continuance in office; or
- 12 (2) As adviser or advocate for any person who may wish to become
- 13 his or her client.
- 14 Sec. 5054. RCW 43.10.120 and 1973 c 43 s 3 are each amended to
- 15 read as follows:
- No full time deputy or assistant attorney general shall practice
- 17 law for remuneration in his <u>or her</u> private capacity:
- 18 (1) As an attorney in any court of this state during his or her
- 19 continuance in office; or
- 20 (2) As adviser or advocate for any person who may wish to become
- 21 his <u>or her</u> client.
- 22 Sec. 5055. RCW 43.10.130 and 1973 c 43 s 5 are each amended to
- 23 read as follows:
- None of the provisions of RCW 43.10.010 and 43.10.115 through
- 25 43.10.125 shall be construed as prohibiting the attorney general or any
- 26 of his or her full time deputies or assistants from:
- 27 (1) Performing legal services for himself <u>or herself</u> or his <u>or her</u>
- 28 immediate family; or
- 29 (2) Performing legal services of a charitable nature.
- 30 **Sec. 5056.** RCW 43.10.160 and 1979 c 151 s 94 are each amended to
- 31 read as follows:
- 32 The amounts to be disbursed from the legal services revolving fund
- 33 from time to time shall be transferred thereto by the state treasurer
- 34 from funds appropriated to any and all agencies for legal services or

- administrative expenses on a quarterly basis. Agencies operating in whole or in part from nonappropriated funds shall pay into the legal services revolving fund such funds as will fully reimburse funds appropriated to the attorney general for any legal services provided activities financed by nonappropriated funds.
- The director of financial management shall allot all such funds to the attorney general for the operation of his <u>or her</u> office, pursuant to appropriation, in the same manner as appropriated funds are allocated to other agencies headed by elected officers under chapter 43.88 RCW.
- 11 **Sec. 5057.** RCW 43.10.170 and 1971 ex.s. c 71 s 3 are each amended 12 to read as follows:
- Disbursements from the legal services revolving fund shall be pursuant to vouchers executed by the attorney general or his <u>or her</u> designee in accordance with the provisions of RCW 43.88.160.
- 16 **Sec. 5058.** RCW 43.17.030 and 1965 c 8 s 43.17.030 are each amended to read as follows:
- The directors of the several departments shall exercise such powers and perform such executive and administrative duties as are provided by law.
- Each appointive officer before entering upon the duties of his <u>or</u>

  her office shall take and subscribe the oath of office prescribed by

  law for elective state officers, and file the same in the office of the

  secretary of state.
- 25 **Sec. 5059.** RCW 43.17.040 and 1965 c 8 s 43.17.040 are each amended to read as follows:
- The director of each department may, from time to time, designate and deputize one of the assistant directors of his <u>or her</u> department to act as the chief assistant director, who shall have charge and general supervision of the department in the absence or disability of the director, and who, in case a vacancy occurs in the office of director, shall continue in charge of the department until a director is appointed and qualified, or the governor appoints an acting director.

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Each department shall maintain its principal office at the state capital. The director of each department may, with the approval of the governor, establish and maintain branch offices at other places than the state capital for the conduct of one or more of the functions of his or her department.

The governor, in his <u>or her</u> discretion, may require all administrative departments of the state and the appointive officers thereof, other than those created by this chapter, to maintain their principal offices at the state capital in rooms to be furnished by the director of general administration.

**Sec. 5061.** RCW 43.17.060 and 1965 c 8 s 43.17.060 are each amended to read as follows:

The director of each department may prescribe rules and regulations, not inconsistent with law, for the government of his <u>or her</u> department, the conduct of its subordinate officers and employees, the disposition and performance of its business, and the custody, use, and preservation of the records, papers, books, documents, and property pertaining thereto.

**Sec. 5062.** RCW 43.17.100 and 1977 ex.s. c 270 s 7 are each amended 22 to read as follows:

Every appointive state officer and employee of the state shall give a surety bond, payable to the state in such sum as shall be deemed necessary by the director of the department of general administration, conditioned for the honesty of the officer or employee and for the accounting of all property of the state that shall come into his <u>or her</u> possession by virtue of his <u>or her</u> office or employment, which bond shall be approved as to form by the attorney general and shall be filed in the office of the secretary of state.

The director of general administration may purchase one or more blanket surety bonds for the coverage required in this section.

Any bond required by this section shall not be considered an official bond and shall not be subject to chapter 42.08 RCW.

**Sec. 5063.** RCW 43.19.180 and 1975-'76 2nd ex.s. c 21 s 1 are each 2 amended to read as follows:

The director of general administration shall appoint and deputize an assistant director to be known as the state purchasing and material control director, who shall have charge and supervision of the division of purchasing. In this capacity he <u>or she</u> shall ensure that overall state purchasing and material control policy is implemented by state agencies, including educational institutions, within established time limits.

With the approval of the director of general administration, he <u>or</u> <u>she</u> may appoint and employ such assistants and personnel as may be necessary to carry on the work of the division.

**Sec. 5064.** RCW 43.19.1915 and 1965 c 8 s 43.19.1915 are each 14 amended to read as follows:

When any bid has been accepted, the division of purchasing may require of the successful bidder a bond payable to the state in such amount with such surety or sureties as determined by the division of purchasing, conditioned that he <u>or she</u> will fully, faithfully and accurately execute the terms of the contract into which he <u>or she</u> has entered. The bond shall be filed in the office of the division of purchasing. Bidders who regularly do business with the state shall be permitted to file with the division of purchasing an annual bid bond in an amount established by the division and such annual bid bond shall be acceptable as surety in lieu of furnishing surety with individual bids.

**Sec. 5065.** RCW 43.19.1937 and 1995 c 269 s 1405 are each amended to read as follows:

No state employee whose duties performed for the state include:

- 28 (1) Advising on or drawing specifications for supplies, equipment, 29 commodities, or services;
  - (2) Suggesting or determining vendors to be placed upon a bid list;
- 31 (3) Drawing requisitions for supplies, equipment, commodities, or services;
- 33 (4) Evaluating specifications or bids and suggesting or determining 34 awards; or
- 35 (5) Accepting the receipt of supplies, equipment, and commodities 36 or approving the performance of services or contracts;

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shall accept or receive, directly or indirectly, a personal financial benefit, or accept any gift, token, membership, or service, as a result of a purchase entered into by the state, from any person, firm, or corporation engaged in the sale, lease, or rental of property, material, supplies, equipment, commodities, or services to the state of Washington.

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Violation of this section shall be considered a malfeasance and may cause loss of position, and the violator shall be liable to the state upon his <u>or her</u> official bond for all damages sustained by the state. Contracts involved may be canceled at the option of the state. Penalties provided in this section are not exclusive, and shall not bar action under any other statute penalizing the same act or omission.

**Sec. 5066.** RCW 43.19.200 and 1986 c 158 s 10 are each amended to 14 read as follows:

- (1) The governing authorities of the state's educational institutions, the elective state officers, the supreme court, the court of appeals, the administrative and other departments of the state government, and all appointive officers of the state, shall prepare estimates of the supplies required for the proper conduct and maintenance of their respective institutions, offices, and departments, covering periods to be fixed by the director, and forward them to the director in accordance with his <u>or her</u> directions. No such authorities, officers, or departments, or any officer or employee thereof, may purchase any article for the use of their institutions, offices, or departments, except in case of emergency purchases as provided in subsection (2) of this section.
- (2) The authorities, officers, and departments enumerated in subsection (1) of this section may make emergency purchases in response to unforeseen circumstances beyond the control of the agency which present a real, immediate, and extreme threat to the proper performance of essential functions or which may reasonably be expected to result in excessive loss or damage to property, bodily injury, or loss of life. When an emergency purchase is made, the agency head shall submit written notification of the purchase, within three days of the purchase, to the director of general administration. This notification shall contain a description of the purchase, description of the

emergency and the circumstances leading up to the emergency, and an explanation of why the circumstances required an emergency purchase.

- (3) Purchases made for the state's educational institutions, the offices of the elective state officers, the supreme court, the court of appeals, the administrative and other departments of the state government, and the offices of all appointive officers of the state, shall be paid for out of the moneys appropriated for supplies, material, and service of the respective institutions, offices, and departments.
- 10 (4) The director of general administration shall submit, on an annual basis, the written notifications required by subsection (2) of this section to the director of financial management.
- **Sec. 5067.** RCW 43.19.595 and 1975 1st ex.s. c 167 s 9 are each 14 amended to read as follows:
  - All passenger motor vehicles, property, facilities, equipment, credits, funds, and all other assets and obligations of the automobile pool and pertaining to passenger motor vehicles currently operated by the department of highways and funded by that portion of the highway equipment fund known as "District No. 8 (Motor Pool)" shall be transferred to the department of general administration on July 1, 1975. The director of general administration may accept such property prior thereto if he or she deems it expedient to accomplish an orderly transition.
- 24 Sec. 5068. RCW 43.19.600 and 1982 c 163 s 12 are each amended to 25 read as follows:
  - (1) On or after July 1, 1975, any passenger motor vehicles currently owned or hereafter acquired by any state agency, except vehicles acquired from federal granted funds and over which the federal government retains jurisdiction and control, may be purchased by or transferred to the department of general administration with the consent of the state agency concerned. The director of general administration may accept vehicles subject to the provisions of RCW 43.19.560 through 43.19.630, 43.41.130 and 43.41.140 prior to July 1, 1975, if he or she deems it expedient to accomplish an orderly transition.

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(2) The department, in cooperation with the office of financial management, shall study and ascertain current and prospective needs of state agencies for passenger motor vehicles and shall recommend transfer to a state motor pool or other appropriate disposition of any vehicle found not to be required by a state agency.

(3) The department shall direct the transfer of passenger motor vehicles from a state agency to a state motor pool or other disposition as appropriate, based on a study under subsection (2) of this section, or after a public hearing held by the department, if a finding is made based on testimony and data therein submitted that the economy, efficiency, or effectiveness of state government would be improved by such a transfer or other disposition of passenger motor vehicles. Any dispute over the accuracy of testimony and data submitted as to the benefits in state governmental economy, efficiency, and effectiveness to be gained by such transfer shall be resolved by the governor or the governor's designee.

**Sec. 5069.** RCW 43.19.620 and 1989 c 57 s 7 are each amended to 18 read as follows:

The director of general administration, through the supervisor of motor transport, shall adopt, promulgate, and enforce such regulations as may be deemed necessary to accomplish the purpose of RCW 43.19.560 through 43.19.630, 43.41.130, and 43.41.140. Such regulations, in addition to other matters, shall provide authority for any agency director or his or her delegate to approve the use on official state business of personally owned or commercially owned rental passenger motor vehicles. Before such an authorization is made, it must first be reasonably determined that state owned passenger vehicles or other suitable transportation is not available at the time or location required or that the use of such other transportation would not be conducive to the economical, efficient, and effective conduct of business.

32 Such regulations shall be consistent with and shall carry out the 33 objectives of the general policies and guidelines adopted by the office 34 of financial management pursuant to RCW 43.41.130.

**Sec. 5070.** RCW 43.19.630 and 1989 c 57 s 8 are each amended to read as follows:

RCW 43.19.560 through 43.19.620, 43.41.130, and 43.41.140 shall not be construed to prohibit a state officer or employee from using his or her personal motor vehicle on state business and being reimbursed therefor, where permitted under state travel policies, rules, and regulations promulgated by the office of financial management, and where such use is in the interest of economic, efficient, and effective management and performance of official state business.

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- 8 **Sec. 5071.** RCW 43.19.635 and 1975 1st ex.s. c 167 s 17 are each 9 amended to read as follows:
  - The governor, acting through the department of general administration and any other appropriate agency or agencies as he or she may direct, is empowered to utilize all reasonable means for detecting the unauthorized use of state owned motor vehicles, including the execution of agreements with the state patrol for compliance enforcement. Whenever such illegal use is discovered which involves a state employee, the employing agency shall proceed as provided by law to establish the amount, extent, and dollar value of any such use, including an opportunity for notice and hearing for the employee involved. When such illegal use is so established, the agency shall assess its full cost of any mileage illegally used and shall recover such amounts by deductions from salary or allowances due to be paid to the offending official or employee by other means. Recovery of costs by the state under this subsection shall not preclude disciplinary or other action by the appropriate appointing authority or employing agency under subsection (2) of this section.
  - (2) Any wilful and knowing violation of any provision of RCW 43.19.560 through 43.19.620, 43.41.130 and 43.41.140 shall subject the state official or employee committing such violation to disciplinary action by the appropriate appointing or employing agency. Such disciplinary action may include, but shall not be limited to, suspension without pay, or termination of employment in the case of repeated violations.
- 33 (3) Any casual or inadvertent violation of RCW 43.19.560 through 34 43.19.620, 43.41.130 and 43.41.140 may subject the state official or 35 employee committing such violation to disciplinary action by the 36 appropriate appointing authority or employing agency. Such

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- 1 disciplinary action may include, but need not be limited to, suspension
- 2 without pay.

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3 **Sec. 5072.** RCW 43.20.030 and 2006 c 238 s 1 are each amended to 4 read as follows:

The state board of health shall be composed of ten members. These 5 shall be the secretary or the secretary's designee and nine other 6 7 persons to be appointed by the governor, including four persons experienced in matters of health and sanitation, one of whom is a 8 health official from a federally recognized tribe; an elected city 9 official who is a member of a local health board; an elected county 10 11 official who is a member of a local health board; a local health officer; and two persons representing the consumers of health care. 12 Before appointing the city official, the governor shall consider any 13 recommendations submitted by the association of Washington cities. 14 Before appointing the county official, the governor shall consider any 15 16 recommendations submitted by the Washington state association of 17 counties. Before appointing the local health officer, the governor shall consider any recommendations submitted by the Washington state 18 association of local public health officials. Before appointing one of 19 20 the two consumer representatives, the governor shall consider any 21 recommendations submitted by the state council on aging. ((chairman)) chair shall be selected by the governor from among the 22 23 nine appointed members. The department of health shall provide 24 necessary technical staff support to the board. The board may employ an executive director and a confidential secretary, each of whom shall 25 26 be exempt from the provisions of the state civil service law, chapter 27 41.06 RCW.

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.

Sec. 5073. RCW 43.20A.040 and 1970 ex.s. c 18 s 4 are each amended to read as follows:

33 The executive head and appointing authority of the department shall 34 be the secretary of social and health services. He <u>or she</u> shall be 35 appointed by the governor with the consent of the senate, and shall 36 serve at the pleasure of the governor. He <u>or she</u> shall be paid a

- 1 salary to be fixed by the governor in accordance with the provisions of
- 2 RCW 43.03.040. If a vacancy occurs in his or her position while the
- 3 senate is not in session, the governor shall make a temporary
- 4 appointment until the next meeting of the senate, when he or she shall
- 5 present to that body his or her nomination for the office.
- Sec. 5074. RCW 43.20A.110 and 1970 ex.s. c 18 s 9 are each amended to read as follows:
- 8 The secretary may delegate any power or duty vested in or
- 9 transferred to him <u>or her</u> by law, or executive order, to his <u>or her</u>
- 10 deputy secretary or to any other assistant or subordinate; but the
- 11 secretary shall be responsible for the official acts of the officers
- 12 and employees of the department.
- 13 Sec. 5075. RCW 43.20A.310 and 1979 c 141 s 65 are each amended to
- 14 read as follows:
- 15 In addition to his <u>or her</u> other powers and duties, the secretary or
- 16 his <u>or her</u> designee, shall have the following powers and duties:
- 17 (1) To prepare, adopt and certify the state plan for vocational
- 18 rehabilitation;
- 19 (2) With respect to vocational rehabilitation, to adopt necessary
- 20 rules and regulations and do such other acts not forbidden by law
- 21 necessary to carry out the duties imposed by state law and the federal
- 22 acts;
- 23 (3) To carry out the aims and purposes of the acts of congress
- 24 pertaining to vocational rehabilitation.
- 25 Sec. 5076. RCW 43.20A.320 and 1970 ex.s. c 18 s 43 are each
- 26 amended to read as follows:
- 27 The secretary or his <u>or her</u> designee shall consult with the
- 28 coordinating council for occupational education in order to maintain
- 29 close contact with developing programs of vocational education,
- 30 particularly as such programs may affect programs undertaken in
- 31 connection with vocational rehabilitation.
- 32 **Sec. 5077.** RCW 43.20A.415 and 1971 ex.s. c 309 s 4 are each
- 33 amended to read as follows:

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When, pursuant to RCW 43.20A.400 through 43.20A.430, the secretary elects to purchase a service or services, he <u>or she</u> shall retain continuing basic responsibility for:

(1) Determining the eligibility of individuals for services;

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- (2) The selection, quality, effectiveness, and execution of a plan or program of services suited to the need of an individual or of a group of individuals; and
  - (3) Measuring the cost effectiveness of purchase of services.
- 9 **Sec. 5078.** RCW 43.20A.605 and 1989 c 175 s 97 are each amended to read as follows:
  - (1) The secretary shall have full authority to administer oaths and take testimony thereunder, to issue subpoenas requiring the attendance of witnesses before him <u>or her</u> together with all books, memoranda, papers, and other documents, articles or instruments, and to compel the disclosure by such witnesses of all facts known to them relative to the matters under investigation.
- 17 (2) Subpoenas issued in adjudicative proceedings are governed by 18 RCW 34.05.588(1).
- 19 (3) Subpoenas issued in the conduct of investigations required or 20 authorized by other statutory provisions or necessary in the 21 enforcement of other statutory provisions shall be governed by RCW 22 34.05.588(2).
- 23 **Sec. 5079.** RCW 43.20A.635 and 1979 c 141 s 52 are each amended to 24 read as follows:

25 It shall be the duty of the secretary of social and health services and he or she shall have the power to establish and administer a 26 program of services for children who are crippled or who are suffering 27 from physical conditions which lead to crippling, which shall provide 28 29 for developing, extending, and improving services for locating such 30 children, and for providing for medical, surgical, corrective, and other services and care, and facilities for diagnosis, hospitalization, 31 and after care; to supervise the administration of those services, 32 included in the program, which are not administered directly by it; to 33 extend and improve any such services, including those in existence on 34 35 April 1, 1941; to cooperate with medical, health, nursing, and welfare 36 groups and organizations, and with any agency of the state charged with

- the administration of laws providing for vocational rehabilitation of physically handicapped children; to cooperate with the federal government, through its appropriate agency or instrumentality in developing, extending, and improving such services; and to receive and expend all funds made available to the department by the federal government, the state or its political subdivisions or from other sources, for such purposes.
- **Sec. 5080.** RCW 43.20A.660 and 1989 1st ex.s. c 9 s 215 are each 9 amended to read as follows:

- (1) It shall be the duty of each assistant attorney general, prosecuting attorney, or city attorney to whom the secretary reports any violation of chapter 43.20A RCW, or regulations promulgated thereunder, to cause appropriate proceedings to be instituted in the proper courts, without delay, and to be duly prosecuted as prescribed by law.
- (2) Before any violation of chapter 43.20A RCW is reported by the secretary to the prosecuting attorney for the institution of a criminal proceeding, the person against whom such proceeding is contemplated shall be given appropriate notice and an opportunity to present his or her views to the secretary, either orally or in writing, with regard to such contemplated proceeding.
- **Sec. 5081.** RCW 43.21A.050 and 1970 ex.s. c 62 s 5 are each amended to read as follows:
  - The executive and administrative head of the department shall be the director. The director shall be appointed by the governor with the consent of the senate. He or she shall have complete charge of and supervisory powers over the department. He or she shall be paid a salary fixed by the governor in accordance with the provisions of RCW 43.03.040. If a vacancy occurs in the position of director while the senate is not in session, the governor shall make a temporary appointment until the next meeting of the senate at which time he or she shall present to that body his or her nomination for the position.
- **Sec. 5082.** RCW 43.21A.067 and 1987 c 109 s 27 are each amended to read as follows:

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The director of ecology may create within his <u>or her</u> department a fund to be known as the "basic data fund."

Into such fund shall be deposited all moneys contributed by persons for stream flow, groundwater and water quality data or other hydrographic information furnished by the department in cooperation with the United States geological survey, and the fund shall be expended on a matching basis with the United States geological survey for the purpose of obtaining additional basic information needed for an intelligent inventory of water resources in the state.

Disbursements from the basic data fund shall be on vouchers approved by the department and the district engineer of the United States geological survey.

**Sec. 5083.** RCW 43.21A.090 and 1970 ex.s. c 62 s 9 are each amended to read as follows:

All powers, duties and functions transferred to the department by the terms of chapter 62, Laws of 1970 ex. sess. shall be performed by the director: PROVIDED, That the director may delegate, by appropriate rule or regulation, the performance of such of his <u>or her</u> powers, duties, and functions, other than those relating to the adoption, amendment or rescission of rules and regulations, to employees of the department whenever it appears desirable in fulfilling the policy and purposes of this chapter.

Sec. 5084. RCW 43.21A.100 and 1970 ex.s. c 62 s 10 are each amended to read as follows:

In order to obtain maximum efficiency and effectiveness within the department, the director may create such administrative divisions within the department as he or she deems necessary. The director shall appoint a deputy director as well as such assistant directors as shall be needed to administer the several divisions within the department. The deputy director shall have charge and general supervision of the department in the absence or disability of the director. In the case of a vacancy in the office of director, the deputy director shall administer the department until the governor appoints a successor to the director or an acting director. The officers appointed under this section and exempt from the provisions of the state civil service law as provided in RCW 41.06.073, shall be paid salaries to be fixed by the

- 1 governor in accordance with the procedure established by law for the
- 2 fixing of salaries for officers exempt from the operation of the state
- 3 civil service law.
- 4 **Sec. 5085.** RCW 43.21A.140 and 1979 c 141 s 67 are each amended to read as follows:

The director in carrying out his <u>or her</u> powers and duties under this chapter shall consult with the department of social and health services and the state board of health, or their successors, insofar as necessary to assure that those agencies concerned with the preservation of life and health may integrate their efforts to the fullest extent possible and endorse policies in common.

- 12 **Sec. 5086.** RCW 43.21A.600 and 1988 c 127 s 8 are each amended to read as follows:
- 14 The department shall make studies and surveys, collect, compile and 15 disseminate information and statistics to facilitate development of the electric power resources of the state by public utility districts, 16 municipalities, electric cooperatives, joint operating agencies and 17 18 public utility companies. The director may cause studies to be made relating to the construction of steam generating plants using any 19 20 available fuel and their integration with hydro-electric facilities. 21 He or she may cause designs for any such plant to be prepared. He or she shall employ such engineers and other experts and assistants as may 22 23 be necessary to carry out his or her power resources functions.
- 24 **Sec. 5087.** RCW 43.21A.605 and 1988 c 127 s 9 are each amended to 25 read as follows:

The director may represent the state and aid and assist the public utilities therein to the end that its resources shall be properly developed in the public interest insofar as they affect electric power and to this end he <u>or she</u> shall cooperate and may negotiate with Canada, the United States, the states thereof and their agencies to develop and integrate the resources of the region.

- 32 **Sec. 5088.** RCW 43.21A.610 and 1988 c 127 s 10 are each amended to read as follows:
- 34 The director shall continue the study of the state power commission

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made in 1956 relating to the construction of a steam power electric generating plant, and if the construction of a steam electric generating plant is found to be feasible by the director, the director may construct such plant at a site determined by him or her to be feasible and operate it as a state owned facility.

6 **Sec. 5089.** RCW 43.21A.620 and 1988 c 127 s 15 are each amended to read as follows:

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For the purposes provided for in RCW 43.21A.610 through 43.21A.642, the state finance committee shall, upon being notified to do so by the director, issue revenue bonds or warrants payable from the revenues from the steam electric plant provided for in RCW 43.21A.610. When the director deems it advisable that he or she acquire or construct said steam electric plant or make additions or betterments thereto, he or she shall so notify the state finance committee and he or she shall also notify the state finance committee as to the plan proposed, together with the estimated cost thereof. The state finance committee, upon receiving such notice, shall provide for the construction thereof and the issuance of revenue bonds or warrants therefor by a resolution which shall specify and adopt the system or plan proposed, and declare the estimated cost thereof, as nearly as may be, including as part of the cost, funds necessary for working capital for the operation of such utility and the payment of the expenses incurred in the acquisition or construction thereof. Such resolution shall specify that utility revenue bonds are to be issued to defray the cost thereof and the amount of such bonds to be issued. Bonds issued under the provisions of RCW 43.21A.610 through 43.21A.642 shall distinctly state that they are not a general obligation of the state.

28 **Sec. 5090.** RCW 43.21A.630 and 1965 c 8 s 43.21.350 are each 29 amended to read as follows:

Prior to the issuance and delivery of any revenue bonds, such bonds and a certified copy of the resolution authorizing them shall be delivered to the state auditor together with any additional information that he <u>or she</u> may require. When the bonds have been examined they shall be registered by the auditor in books to be kept by him <u>or her</u> for that purpose, and a certificate of registration shall be endorsed upon each bond and signed by the auditor or a deputy appointed by him

- 1 <u>or her</u> for the purpose. The bonds shall then be prima facie valid and
- 2 binding obligations of the state finance committee in accordance with
- 3 their terms, notwithstanding any defects or irregularities in the
- 4 authorization and issuance of the bonds, or in the sale, execution or
- 5 delivery thereof.

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- 6 **Sec. 5091.** RCW 43.21B.020 and 1970 ex.s. c 62 s 32 are each 7 amended to read as follows:
- The hearings board shall consist of three members qualified by 8 9 experience or training in pertinent matters pertaining to the 10 environment, and at least one member of the hearings board shall have 11 been admitted to practice law in this state and engaged in the legal profession at the time of his or her appointment. The hearings board 12 shall be appointed by the governor with the advice and consent of the 13 senate, and no more than two of whom at the time of appointment or 14 15 during their term shall be members of the same political party.
  - **Sec. 5092.** RCW 43.21B.050 and 1975-'76 2nd ex.s. c 34 s 101 are each amended to read as follows:
  - The hearings board shall operate on either a part time or a full time basis, as determined by the governor. If it is determined that the hearings board shall operate on a full time basis, each member of the hearings board shall receive an annual salary to be determined by the governor pursuant to RCW 43.03.040. If it is determined the hearings board shall operate on a part time basis, each member of the hearings board shall receive compensation on the basis of seventy-five dollars for each day spent in performance of his or her duties but such compensation shall not exceed ten thousand dollars in a fiscal year. Each hearings board member shall receive reimbursement for travel expenses incurred in the discharge of his or her duties in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended.
- 30 **Sec. 5093.** RCW 43.21B.060 and 1970 ex.s. c 62 s 36 are each 31 amended to read as follows:
- Each member of the hearings board: (1) Shall not be a candidate for nor hold any other public office or trust, and shall not engage in any occupation or business interfering with or inconsistent with his <u>or</u> her duty as a member of the hearings board, nor shall he <u>or she</u> serve

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- on or under any committee of any political party; and (2) shall not for
- 2 a period of one year after the termination of his or her membership on
- 3 the hearings board, act in a representative capacity before the
- 4 hearings board on any matter.
- 5 **Sec. 5094.** RCW 43.21B.080 and 1970 ex.s. c 62 s 38 are each 6 amended to read as follows:
- 7 The hearings board shall as soon as practicable after the initial
- 8 appointment of the members thereof, meet and elect from among its
- 9 members a ((chairman)) chair, and shall at least biennially thereafter
- 10 meet and elect such a ((chairman)) chair.
- 11 **Sec. 5095.** RCW 43.21C.010 and 1971 ex.s. c 109 s 1 are each 12 amended to read as follows:
- 13 The purposes of this chapter are: (1) To declare a state policy
- which will encourage productive and enjoyable harmony between ((man))
- 15 <u>humankind</u> and ((his)) <u>the</u> environment; (2) to promote efforts which
- will prevent or eliminate damage to the environment and biosphere; (3)
- and stimulate the health and welfare of ((man)) human beings; and (4)
- 18 to enrich the understanding of the ecological systems and natural
- 19 resources important to the state and nation.
- 20 **Sec. 5096.** RCW 43.21C.020 and 1971 ex.s. c 109 s 2 are each 21 amended to read as follows:
- 22 (1) The legislature, recognizing that ((man)) a human being depends
- on ((his)) biological and physical surroundings for food, shelter, and
- 24 other needs, and for cultural enrichment as well; and recognizing
- 25 further the profound impact of ((man's)) a human being's activity on
- 26 the interrelations of all components of the natural environment,
- 27 particularly the profound influences of population growth, high-density
- 28 urbanization, industrial expansion, resource utilization and
- 29 exploitation, and new and expanding technological advances and
- 30 recognizing further the critical importance of restoring and
- 31 maintaining environmental quality to the overall welfare and
- 32 development of ((man)) <u>human beings</u>, declares that it is the continuing
- 33 policy of the state of Washington, in cooperation with federal and
- 34 local governments, and other concerned public and private
- 35 organizations, to use all practicable means and measures, including

financial and technical assistance, in a manner calculated to: (a) Foster and promote the general welfare; (b) ((to)) create and maintain conditions under which ((man)) human beings and nature can exist in productive harmony; and (c) fulfill the social, economic, and other requirements of present and future generations of Washington citizens.

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- (2) In order to carry out the policy set forth in this chapter, it is the continuing responsibility of the state of Washington and all agencies of the state to use all practicable means, consistent with other essential considerations of state policy, to improve and coordinate plans, functions, programs, and resources to the end that the state and its citizens may:
- 12 (a) Fulfill the responsibilities of each generation as trustee of 13 the environment for succeeding generations;
  - (b) Assure for all people of Washington safe, healthful, productive, and aesthetically and culturally pleasing surroundings;
    - (c) Attain the widest range of beneficial uses of the environment without degradation, risk to health or safety, or other undesirable and unintended consequences;
- 19 (d) Preserve important historic, cultural, and natural aspects of 20 our national heritage;
- 21 (e) Maintain, wherever possible, an environment which supports 22 diversity and variety of individual choice;
- 23 (f) Achieve a balance between population and resource use which 24 will permit high standards of living and a wide sharing of life's 25 amenities; and
  - (g) Enhance the quality of renewable resources and approach the maximum attainable recycling of depletable resources.
- 28 (3) The legislature recognizes that each person has a fundamental 29 and inalienable right to a healthful environment and that each person 30 has a responsibility to contribute to the preservation and enhancement 31 of the environment.
- 32 **Sec. 5097.** RCW 43.21E.010 and 1975 1st ex.s. c 44 s 1 are each 33 amended to read as follows:
- Within thirty days of May 15, 1975 the director of the Washington state department of ecology shall appoint a grass burning research advisory committee consisting of five voting members.

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Two members shall be grass growers selected from the area of the state east of the Cascade mountain range, one representing irrigated and one representing dryland growing areas. One member shall be a grass grower selected from the area of the state west of the Cascade mountain range. One member shall be a representative of the Washington state department of agriculture, and one member shall represent the public, and may be selected at large. The committee shall select its own ((chairman)) chair. The state department of ecology shall provide an ex officio, nonvoting member to the committee to act as secretary.

**Sec. 5098.** RCW 43.21F.405 and 1969 c 9 s 2 are each amended to 11 read as follows:

The board member from Washington shall be appointed by and shall serve at the pleasure of the governor. The board member may designate another person as his <u>or her</u> representative to attend meetings of the board.

**Sec. 5099.** RCW 43.21G.080 and 1977 ex.s. c 328 s 8 are each amended to read as follows:

The governor may order any distributor to take such action on his or her behalf as may be required to implement orders issued pursuant to this chapter as now or hereafter amended: PROVIDED, That orders to regulated distributors shall be issued by the Washington utilities and transportation commission in conformance with orders of the governor. No distributor shall be liable for actions taken in accordance with such orders issued by the governor or the Washington utilities and transportation commission.

All allocations of energy from one distributor to another distributor pursuant to orders issued or as a result of actions taken under this chapter as now or hereafter amended are subject to fair and just reimbursement. Such reimbursement for any allocation of energy between regulated distributors shall be subject to the approval of the Washington utilities and transportation commission. A distributor is authorized to enter into agreements with another distributor for the purpose of determining financial or commodity reimbursement.

**Sec. 5100.** RCW 43.22.310 and 1965 c 8 s 43.22.310 are each amended to read as follows:

The director or any employee of the department of labor and industries may enter any factory, mill, office, workshop, or public or private works at any time for the purpose of gathering facts and statistics as provided by this chapter, and examine into the methods of protection from danger to employees, and the sanitary conditions in and around such buildings and places and make a record thereof, and any owner or occupant of such factory, mill, office or workshop, or public or private works, or his or her agent who refuses to allow an inspector or employee of the department to enter, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine of not less than twenty-five dollars nor more than one hundred dollars, or be imprisoned in the county jail not to exceed ninety days.

**Sec. 5101.** RCW 43.22.400 and 1995 c 280 s 11 are each amended to 14 read as follows:

If the director of the department of labor and industries determines that the standards for body and frame design, construction and the plumbing, heating and electrical equipment installed in mobile homes, commercial coaches, recreational vehicles, and/or park trailers by the statutes or rules and regulations of other states are at least equal to the standards prescribed by this state, he or she may so provide by regulation. Any mobile home, commercial coach, recreational vehicle, and/or park trailer which a state listed in such regulations has approved as meeting its standards for body and frame design, construction and plumbing, heating and electrical equipment shall be deemed to meet the standards of the director of the department of labor and industries, if he or she determines that the standards of such state are actually being enforced.

Sec. 5102. RCW 43.22.485 and 1973 1st ex.s. c 22 s 6 are each amended to read as follows:

If the director of the department determines that the standards for factory built housing or factory built commercial structures prescribed by statute, rule or regulation of another state are at least equal to the regulations prescribed under RCW 43.22.450 through 43.22.490, and that such standards are actually enforced by such other state, he or she may provide by regulation that factory built housing or factory

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- 1 built commercial structures approved by such other state shall be
- 2 deemed to have been approved by the department.
- 3 **Sec. 5103.** RCW 43.23.015 and 1983 c 248 s 4 are each amended to 4 read as follows:
- 5 Except for the functions specified in RCW 43.23.070, the director
- 6 may, at his or her discretion, reassign any of the functions delegated
- 7 to the various divisions of the department under the provisions of this
- 8 chapter or any other law to any other division of the department.
- 9 **Sec. 5104.** RCW 43.23.090 and 1983 c 248 s 8 are each amended to read as follows:
- 11 The director of agriculture shall exercise all powers and perform
- 12 all duties prescribed by law with respect to the inspection of foods,
- 13 food products, drinks, milk and milk products, and dairies and dairy
- 14 products and the components thereof.
- 15 He <u>or she</u> shall enforce and supervise the administration of all
- laws relating to foods, food products, drinks, milk and milk products,
- 17 dairies and dairy products, and their inspection, manufacture, and
- 18 sale.
- 19 **Sec. 5105.** RCW 43.23.110 and 1983 c 248 s 9 are each amended to
- 20 read as follows:
- 21 The director of agriculture shall exercise all powers and perform
- 22 all duties prescribed by law with respect to grains, grain and hay
- 23 products, grain and terminal warehouses, commercial feeds, commercial
- 24 fertilizers, and chemical pesticides.
- 25 He or she shall enforce and supervise the administration of all
- 26 laws relating to grains, grain and hay products, grain and terminal
- 27 warehouses, commercial feeds, commercial fertilizers, and chemical
- 28 pesticides.
- 29 Sec. 5106. RCW 43.23.120 and 1977 c 75 s 50 are each amended to
- 30 read as follows:
- 31 The director of agriculture may publish and distribute bulletins
- 32 and reports embodying information upon the subjects of agriculture,
- 33 horticulture, livestock, dairying, foods and drugs, and other matters
- 34 pertaining to his or her department.

- 1 **Sec. 5107.** RCW 43.23.130 and 1977 c 75 s 51 are each amended to 2 read as follows:
- The director of agriculture shall make an annual report to the governor containing an account of all matters pertaining to his <u>or her</u> department and its administration.
- 6 **Sec. 5108.** RCW 43.23.160 and 1983 c 248 s 10 are each amended to read as follows:
- 8 The director of agriculture shall exercise all the powers and perform all the duties prescribed by law relating to commission 9 merchants, livestock identification, livestock brand registration and 10 11 inspection. All officers appointed to enforce these laws who have successfully completed a course of training prescribed by the 12 Washington state criminal justice training commission shall have the 13 authority generally vested in a peace officer solely for the purpose of 14 15 enforcing these laws.
- He <u>or she</u> shall enforce and supervise the administration of all laws relating to commission merchants, livestock identification and shall have the power to enforce all laws relating to any division under the supervision of the director of agriculture.
- 20 **Sec. 5109.** RCW 43.24.090 and 1965 c 8 s 43.24.090 are each amended to read as follows:
- Any person taking any written examination prescribed or authorized by law, for a license or permit to practice any trade, occupation, or profession, who, because of any handicap, is unable to write the examination himself <u>or herself</u>, may dictate it to and have it written or typed by another, to the same effect as though the examination were written out by himself <u>or herself</u>. Any expense connected therewith shall be borne by the person taking the examination.
- 29 **Sec. 5110.** RCW 43.24.115 and 1965 c 100 s 6 are each amended to 30 read as follows:
- 31 The director may deputize one or more of his <u>or her</u> assistants to 32 perform his <u>or her</u> duties with reference to refusal, revocation or 33 suspension of licenses, including the power to preside at hearings and 34 to render decisions therein subject to the approval of the director.

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1 **Sec. 5111.** RCW 43.27A.190 and 1987 c 109 s 11 are each amended to read as follows:

Notwithstanding and in addition to any other powers granted to the department of ecology, whenever it appears to the department that a person is violating or is about to violate any of the provisions of the following:

- (1) Chapter 90.03 RCW; or
- (2) Chapter 90.44 RCW; or

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- (3) Chapter 86.16 RCW; or
- (4) Chapter 43.37 RCW; or
- 11 (5) Chapter 43.27A RCW; or
- 12 (6) Any other law relating to water resources administered by the department; or
  - (7) A rule or regulation adopted, or a directive or order issued by the department relating to subsections (1) through (6) of this section; the department may cause a written regulatory order to be served upon said person either personally, or by registered or certified mail delivered to addressee only with return receipt requested and acknowledged by him or her. The order shall specify the provision of the statute, rule, regulation, directive or order 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. The regulation of a headgate or controlling works as provided in RCW 90.03.070, by a watermaster, stream ((patrolman)) patrol officer, or other person so authorized by the department shall constitute a regulatory order within the meaning of this section. regulatory order issued hereunder shall become effective immediately upon receipt by the person to whom the order is directed, except for regulations under RCW 90.03.070 which shall become effective when a written notice is attached as provided therein. Any person aggrieved by such order may appeal the order pursuant to RCW 43.21B.310.
- 35 **Sec. 5112.** RCW 43.33.040 and 1965 c 8 s 43.33.040 are each amended to read as follows:

The state finance committee may make appropriate rules and regulations for the performance of its duties. The state treasurer shall act as ((chairman)) chair of the committee.

Sec. 5113. RCW 43.37.050 and 1973 c 64 s 4 are each amended to read as follows:

In the case of hearings pursuant to RCW 43.37.180 the department shall, and in other cases may, cause a record of the proceedings to be taken and filed with the department, together with its findings and conclusions. For any hearing, the director of the department or a representative designated by him or her is authorized to administer oaths and affirmations, examine witnesses, and issue, in the name of the department, notice of the hearing or subpoenas requiring any person to appear and testify, or to appear and produce documents, or both, at any designated place.

**Sec. 5114.** RCW 43.37.120 and 1973 c 64 s 10 are each amended to read as follows:

A separate permit shall be issued for each operation. Prior to undertaking any weather modification and control activities the licensee shall file with the department and also cause to be published a notice of intention. The licensee, if a permit is issued, shall confine his <u>or her</u> activities for the permitted operation within the time and area limits set forth in the notice of intention, unless modified by the department; and his <u>or her</u> activities shall also conform to any conditions imposed by the department upon the issuance of the permit or to the terms of the permit as modified after issuance.

**Sec. 5115.** RCW 43.37.150 and 1973 c 64 s 12 are each amended to read as follows:

Proof of financial responsibility may be furnished by an applicant by his <u>or her</u> showing, to the satisfaction of the department, his <u>or her</u> ability to respond in damages for liability which might reasonably be attached to or result from his <u>or her</u> weather modification and control activities in connection with the operation for which he <u>or she</u> seeks a permit.

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1 **Sec. 5116.** RCW 43.37.160 and 1973 c 64 s 13 are each amended to read as follows:

The fee to be paid by each applicant for a permit shall be 3 equivalent to one and one-half percent of the estimated cost of such 4 5 operation, the estimated cost to be computed by the department from the evidence available to it. The fee is due and payable to the department 6 7 as of the date of the issuance of the permit; however, if the applicant is able to give to the department satisfactory security for the payment 8 9 of the balance, he or she may be permitted to commence the operation, and a permit may be issued therefor, upon the payment of not less than 10 fifty percent of the fee. The balance due shall be paid within three 11 months from the date of the termination of the operation as prescribed 12 13 in the permit. Failure to pay a permit fee as required shall be 14 grounds for suspension or revocation of the license of the delinquent permit holder and grounds for refusal to renew his or her license or to 15 16 issue any further permits to such person.

**Sec. 5117.** RCW 43.37.170 and 1973 c 64 s 14 are each amended to read as follows:

- (1) Every licensee shall keep and maintain a record of all operations conducted by him or her pursuant to his or her license and each permit, showing the method employed, the type of equipment used, materials and amounts thereof used, the times and places of operation of the equipment, the name and post office address of each individual participating or assisting in the operation other than the licensee, and such other general information as may be required by the department and shall report the same to the department at the time and in the manner required.
- (2) The department shall require written reports in such manner as it provides but not inconsistent with the provisions of this chapter, covering each operation for which a permit is issued. Further, the department shall require written reports from such organizations as are exempted from license, permit, and liability requirements as provided in RCW 43.37.090.
- 34 (3) The reports and records in the custody of the department shall 35 be open for public examination.

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1 **Sec. 5118.** RCW 43.41.060 and 1979 c 151 s 112 are each amended to read as follows:

The executive head of the office of financial management shall be 3 the director, who shall be appointed by the governor with the consent 4 5 of the senate, and who shall serve at the pleasure of the governor. He or she shall be paid a salary to be fixed by the governor in accordance 6 7 with the provisions of RCW 43.03.040. If a vacancy occurs in his or her position while the senate is not in session, the governor shall 8 9 make a temporary appointment until the next meeting of the senate, when he or she shall present to that body his or her nomination for the 10 The director may delegate such of his or her powers, duties 11 office. and functions to other officers and employees of the department as he 12 13 or she may deem necessary to the fulfillment of the purposes of this 14 chapter.

15 **Sec. 5119.** RCW 43.41.100 and 1979 c 151 s 114 are each amended to read as follows:

The director of financial management shall:

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- 18 (1) Supervise and administer the activities of the office of 19 financial management.
- 20 (2) Exercise all the powers and perform all the duties prescribed 21 by law with respect to the administration of the state budget and 22 accounting system.
- 23 (3) Advise the governor and the legislature with respect to matters 24 affecting program management and planning.
  - (4) Make efficiency surveys of all state departments and institutions, and the administrative and business methods pursued therein, examine into the physical needs and industrial activities thereof, and make confidential reports to the governor, recommending necessary betterments, repairs, and the installation of improved and more economical administrative methods, and advising such action as will result in a greater measure of self-support and remedies for inefficient functioning.

The director may enter into contracts on behalf of the state to carry out the purposes of this chapter; he <u>or she</u> may act for the state in the initiation of or participation in any multi-governmental agency program relative to the purposes of this chapter; and he <u>or she</u> may

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- 1 accept gifts and grants, whether such grants be of federal or other
- 2 funds.

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- 3 **Sec. 5120.** RCW 43.41.106 and 1979 c 151 s 117 are each amended to 4 read as follows:
- 5 The director of financial management may, in his <u>or her</u> discretion,
- 6 require any person presenting an account for settlement to be sworn
- 7 before him or her, and to answer, orally or in writing, as to any facts
- 8 relating to it.
- 9 **Sec. 5121.** RCW 43.41.360 and 1975 c 40 s 13 are each amended to 10 read as follows:
- In addition to other powers and duties prescribed by this chapter, the director shall:
- 13 (1) Fix the amount of bond to be given by each appointive state 14 officer and each employee of the state in all cases where it is not 15 fixed by law;
- (2) Require the giving of an additional bond, or a bond in a greater amount than provided by law, in all cases where in his <u>or her</u> judgment the statutory bond is not sufficient in amount to cover the liabilities of the officer or employee;
- 20 (3) Exempt subordinate employees from giving bond when in his <u>or</u> 21 <u>her</u> judgment their powers and duties are such as not to require a bond.
- 22 **Sec. 5122.** RCW 43.43.040 and 1998 c 194 s 1 are each amended to 23 read as follows:
  - (1) The chief of the Washington state patrol shall relieve from active duty Washington state patrol officers who, while in the performance of their official duties, or while on standby or available for duty, have been or hereafter may be injured or incapacitated to such an extent as to be mentally or physically incapable of active service: PROVIDED, That:
- (a) Any officer disabled while performing line duty who is found by
  the chief to be physically incapacitated shall be placed on disability
  leave for a period not to exceed six months from the date of injury or
  the date incapacitated. During this period, the officer shall be
  entitled to all pay, benefits, insurance, leave, and retirement
  contributions awarded to an officer on active status, less any

compensation received through the department of labor and industries. No such disability leave shall be approved until an officer has been unavailable for duty for more than forty consecutive work hours. Prior to the end of the six-month period, the chief shall either place the officer on disability status or return the officer to active status.

For the purposes of this section, "line duty" is active service which encompasses the traffic law enforcement duties and/or other law enforcement responsibilities of the state patrol. These activities encompass all enforcement practices of the laws, accident and criminal investigations, or actions requiring physical exertion or exposure to hazardous elements.

The chief shall define by rule the situations where a disability has occurred during line duty;

- (b) Benefits under this section for a disability that is incurred while in other employment will be reduced by any amount the officer receives or is entitled to receive from workers' compensation, social security, group insurance, other pension plan, or any other similar source provided by another employer on account of the same disability;
- (c) An officer injured while engaged in willfully tortious or criminal conduct shall not be entitled to disability benefits under this section; and
- (d) Should a disability beneficiary whose disability was not incurred in line of duty, prior to attaining age fifty, engage in a gainful occupation, the chief shall reduce the amount of his or her retirement allowance to an amount which when added to the compensation earned by him or her in such occupation shall not exceed the basic salary currently being paid for the rank the retired officer held at the time he or she was disabled. All such disability beneficiaries under age fifty shall file with the chief every six months a signed and sworn statement of earnings and any person who shall knowingly swear falsely on such statement shall be subject to prosecution for perjury. Should the earning capacity of such beneficiary be further altered, the chief may further alter his or her disability retirement allowance as indicated above. The failure of any officer to file the required statement of earnings shall be cause for cancellation of retirement benefits.
- (2) Officers on disability status shall receive one-half of their compensation at the existing wage, during the time the disability

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- 1 continues in effect, less any compensation received through the
- 2 department of labor and industries. They shall be subject to mental or
- 3 physical examination at any state institution or otherwise under the
- 4 direction of the chief of the patrol at any time during such relief
- 5 from duty to ascertain whether or not they are able to resume active
- 6 duty.

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- 7 **Sec. 5123.** RCW 43.43.110 and 1965 c 8 s 43.43.110 are each amended 8 to read as follows:
- 9 If as a result of any trial board hearing, or review proceeding, an
- 10 officer complained of is found not guilty of the charges against him  $\underline{\text{or}}$
- 11 <u>her</u>, he <u>or she</u> shall be immediately reinstated to his <u>or her</u> former
- 12 position, and be reimbursed for any loss of salary suffered by reason
- 13 of the previous disciplinary action.
- 14 **Sec. 5124.** RCW 43.43.120 and 2001 c 329 s 3 are each amended to 15 read as follows:
- 16 As used in the following sections, unless a different meaning is 17 plainly required by the context:
- 18 (1) "Retirement system" means the Washington state patrol 19 retirement system.
- 20 (2) "Retirement fund" means the Washington state patrol retirement 21 fund.
- 22 (3) "State treasurer" means the treasurer of the state of 23 Washington.
- 24 (4) "Member" means any person included in the membership of the 25 retirement fund.
- 26 (5) "Employee" means any commissioned employee of the Washington 27 state patrol.
  - (6)(a) "Cadet," for a person who became a member of the retirement system after June 12, 1980, is a person who has passed the Washington state patrol's entry-level oral, written, physical performance, and background examinations and is, thereby, appointed by the chief as a candidate to be a commissioned officer of the Washington state patrol.
- 33 (b) "Cadet," for a person who became a member of the retirement 34 system before June 12, 1980, is a trooper cadet, patrol cadet, or 35 employee of like classification, employed for the express purpose of 36 receiving the on-the-job training required for attendance at the state

- patrol academy and for becoming a commissioned trooper. "Like classification" includes: Radio operators or dispatchers; persons providing security for the governor or legislature; ((patrolmen)) patrol officers; drivers' license examiners; weighmasters; vehicle safety inspectors; central wireless operators; and ((warehousemen)) warehouse workers.
- 7 (7) "Beneficiary" means any person in receipt of retirement 8 allowance or any other benefit allowed by this chapter.
  - (8) "Regular interest" means interest compounded annually at such rates as may be determined by the director.
- 11 (9) "Retirement board" means the board provided for in this 12 chapter.

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- 13 (10) "Insurance commissioner" means the insurance commissioner of 14 the state of Washington.
- 15 (11) "Lieutenant governor" means the lieutenant governor of the state of Washington.
  - (12) "Service" shall mean services rendered to the state of Washington or any political subdivisions thereof for which compensation has been paid. Full time employment for seventy or more hours in any given calendar month shall constitute one month of service. An employee who is reinstated in accordance with RCW 43.43.110 shall suffer no loss of service for the period reinstated subject to the contribution requirements of this chapter. Only months of service shall be counted in the computation of any retirement allowance or other benefit provided for herein. Years of service shall be determined by dividing the total number of months of service by twelve. Any fraction of a year of service as so determined shall be taken into account in the computation of such retirement allowance or benefit.
  - (13) "Prior service" shall mean all services rendered by a member to the state of Washington, or any of its political subdivisions prior to August 1, 1947, unless such service has been credited in another public retirement or pension system operating in the state of Washington.
- 34 (14) "Current service" shall mean all service as a member rendered 35 on or after August 1, 1947.
- 36 (15)(a) "Average final salary," for members commissioned prior to 37 January 1, 2003, shall mean the average monthly salary received by a 38 member during the member's last two years of service or any consecutive

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two-year period of service, whichever is the greater, as an employee of the Washington state patrol; or if the member has less than two years of service, then the average monthly salary received by the member during the member's total years of service.

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- (b) "Average final salary," for members commissioned on or after January 1, 2003, shall mean the average monthly salary received by a member for the highest consecutive sixty service credit months; or if the member has less than sixty months of service, then the average monthly salary received by the member during the member's total months of service.
- (16) "Actuarial equivalent" shall mean a benefit of equal value when computed upon the basis of such mortality table as may be adopted and such interest rate as may be determined by the director.
  - (17) Unless the context expressly indicates otherwise, words importing the masculine gender shall be extended to include the feminine gender and words importing the feminine gender shall be extended to include the masculine gender.
- 18 (18) "Director" means the director of the department of retirement 19 systems.
- 20 (19) "Department" means the department of retirement systems 21 created in chapter 41.50 RCW.
  - (20) "State actuary" or "actuary" means the person appointed pursuant to RCW 44.44.010(2).
    - (21) "Contributions" means the deduction from the compensation of each member in accordance with the contribution rates established under chapter 41.45 RCW.
    - (22) "Annual increase" means as of July 1, 1999, seventy-seven cents per month per year of service which amount shall be increased each subsequent July 1st by three percent, rounded to the nearest cent.
  - (23)(a) "Salary," for members commissioned prior to July 1, 2001, shall exclude any overtime earnings related to RCW 47.46.040, or any voluntary overtime, earned on or after July 1, 2001.
- 33 (b) "Salary," for members commissioned on or after July 1, 2001, 34 shall exclude any overtime earnings related to RCW 47.46.040 or any 35 voluntary overtime, lump sum payments for deferred annual sick leave, 36 unused accumulated vacation, unused accumulated annual leave, holiday 37 pay, or any form of severance pay.

(24) "Plan 2" means the Washington state patrol retirement system plan 2, providing the benefits and funding provisions covering commissioned employees who first become members of the system on or after January 1, 2003.

- **Sec. 5125.** RCW 43.43.130 and 1994 c 197 s 33 are each amended to read as follows:
  - (1) A Washington state patrol retirement fund is hereby established for members of the Washington state patrol which shall include funds created and placed under the management of a retirement board for the payment of retirement allowances and other benefits under the provisions hereof.
  - (2) Any employee of the Washington state patrol, upon date of commissioning, shall be eligible to participate in the retirement plan and shall start contributing to the fund immediately. Any employee of the Washington state patrol employed by the state of Washington or any of its political subdivisions prior to August 1, 1947, unless such service has been credited in another public retirement or pension system operating in the state of Washington shall receive full credit for such prior service but after that date each new commissioned employee must automatically participate in the fund. If a member shall terminate service in the patrol and later reenter, he or she shall be treated in all respects as a new employee.
  - (3)(a) A member who reenters or has reentered service within ten years from the date of his <u>or her</u> termination, shall upon completion of six months of continuous service and upon the restoration of all withdrawn contributions, plus interest as determined by the director, which restoration must be completed within five years after resumption of service, be returned to the status of membership he <u>or she</u> earned at the time of termination.
  - (b) A member who does not meet the time limitations for restoration under (a) of this subsection, may restore the service credit destroyed by the withdrawn contributions by paying the amount required under RCW 41.50.165(2) prior to retirement.
  - (4)(a) An employee of the Washington state patrol who becomes a member of the retirement system after June 12, 1980, and who has service as a cadet in the patrol training program may make an irrevocable election to transfer the service to the retirement system.

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Any member upon making such election shall have transferred all existing service credited in a prior public retirement system in this state for periods of employment as a cadet. Transfer of credit under this subsection is contingent on completion of the transfer of funds specified in (b) of this subsection.

- (b) Within sixty days of notification of a member's cadet service transfer as provided in (a) of this subsection, the department of retirement systems shall transfer the employee's accumulated contributions attributable to the periods of service as a cadet, including accumulated interest.
- (5) A member of the retirement system who has served or shall serve on active federal service in the armed forces of the United States pursuant to and by reason of orders by competent federal authority, who left or shall leave the Washington state patrol to enter such service, and who within one year from termination of such active federal service, resumes employment as a state employee, shall have his or her service in such armed forces credited to him or her as a member of the retirement system: PROVIDED, That no such service in excess of five years shall be credited unless such service was actually rendered during time of war or emergency.
- became a member of the retirement system prior to June 12, 1980, and who has prior service as a cadet in the public employees' retirement system may make an irrevocable election to transfer such service to the retirement system within a period ending June 30, 1985, or, if not an active employee on July 1, 1983, within one year of returning to commissioned service, whichever date is later. Any member upon making such election shall have transferred all existing service credited in the public employees' retirement system which constituted service as a cadet together with the employee's contributions plus credited interest. If the employee has withdrawn the employee's contributions, the contributions must be restored to the public employees' retirement system before the transfer of credit can occur and such restoration must be completed within the time limits specified in this subsection for making the elective transfer.
- (7) An active employee of the Washington state patrol who either became a member of the retirement system prior to June 12, 1980, or who has prior service as a cadet in the public employees' retirement system

may make an irrevocable election to transfer such service to the retirement system if they have not met the time limitations of subsection (6) of this section by paying the amount required under RCW 41.50.165(2) less the contributions transferred. Any member upon making such election shall have transferred all existing service credited in the public employees' retirement system that constituted service as a cadet together with the employee's contributions plus credited interest. If the employee has withdrawn the employee's contributions, the contributions must be restored to the public employees' retirement system before the transfer of credit can occur and such restoration must be completed within the time limits specified in subsection (6) of this section for making the elective transfer.

- (8) An active employee of the Washington state patrol may establish up to six months' retirement service credit in the state patrol retirement system for any period of employment by the Washington state patrol as a cadet if service credit for such employment was not previously established in the public employees' retirement system, subject to the following:
- (a) Certification by the patrol that such employment as a cadet was for the express purpose of receiving on-the-job training required for attendance at the state patrol academy and for becoming a commissioned trooper.
- (b) Payment by the member of employee contributions in the amount of seven percent of the total salary paid for each month of service to be established, plus interest at seven percent from the date of the probationary service to the date of payment. This payment shall be made by the member no later than July 1, 1988.
- (c) If the payment required under (b) of this subsection was not made by July 1, 1988, the member may establish the probationary service by paying the amount required under RCW 41.50.165(2).
- (d) A written waiver by the member of the member's right to ever establish the same service in the public employees' retirement system at any time in the future.
- (9) The department of retirement systems shall make the requested transfer subject to the conditions specified in subsections (6) and (7) of this section or establish additional credit as provided in subsection (8) of this section. Employee contributions and credited

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- 1 interest transferred shall be credited to the employee's account in the
- 2 Washington state patrol retirement system.

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**Sec. 5126.** RCW 43.43.135 and 1965 c 8 s 43.43.135 are each amended to read as follows:

5 In any case where the Washington state patrol retirement system has 6 in existence an agreement with another retirement system in connection 7 with exchange of service credit or an agreement whereby members can retain service credit in more than one system, an employee holding 8 9 membership in, or receiving pension benefits under, any retirement plan operated wholly or in part by an agency of the state or political 10 11 subdivision thereof, or who is by reason of his or her current 12 employment contributing to or otherwise establishing the right to 13 receive benefits from any such retirement plan, shall be allowed 14 membership rights should the agreement so provide.

Sec. 5127. RCW 43.43.330 and 1993 c 155 s 1 are each amended to read as follows:

Appropriate examinations shall be conducted for the promotion of commissioned patrol officers to the rank of sergeant and lieutenant. The examinations shall be prepared and conducted under the supervision of the chief of the Washington state patrol, who shall cause at least thirty days written notice thereof to be given to all patrol officers eligible for such examinations. The written notice shall specify the expected type of examination and relative weights to be assigned if a combination of tests is to be used. Examinations shall be given once every two years, or whenever the eligible list becomes exhausted as the case may be. After the giving of each such examination a new eligible list shall be compiled replacing any existing eligible list for such Only grades attained in the last examination given for a particular rank shall be used in compiling each eligible list therefor. The chief, or in his or her discretion a committee of three individuals appointed by him or her, shall prepare and conduct the examinations, and thereafter grade and evaluate them in accordance with the following provisions, or factors: For promotion to the rank of sergeant or lieutenant, the examination shall consist of one or more of the following components: (1) Oral examination; (2) written examination; (3) service rating; (4) personnel record; (5) assessment center or

- 1 other valid tests that measures the skills, knowledge, and qualities
- 2 needed to perform these jobs. A cutoff score may be set for each
- 3 testing component that allows only those scoring above the cutoff on
- 4 one component to proceed to take a subsequent component.
- 5 **Sec. 5128.** RCW 43.43.350 and 1998 c 193 s 1 are each amended to 6 read as follows:
- 7 Eligibility for examination for promotion shall be determined as 8 follows:
- 9 Patrol officers with one year of probationary experience, in addition to three years experience as a regular ((patrolman)) patrol 10 11 officer before the date of the first examination occurrence, shall be eligible for examination for the rank of sergeant; patrol officers with 12 one year of probationary experience in the rank of sergeant before the 13 date of the first examination occurrence, in addition to two years as 14 15 a regular sergeant, shall be eligible for examination for the rank of 16 lieutenant.
- 17 **Sec. 5129.** RCW 43.43.370 and 1965 c 8 s 43.43.370 are each amended to read as follows:

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- The chief of the Washington state patrol may appoint such staff or technical officers as he <u>or she</u> deems necessary for the efficient operation of the patrol, and he <u>or she</u> may assign whatever rank he <u>or she</u> deems necessary to such staff or technical officers for the duration of their service as such.
- Staff or technical officers may be returned to their line rank or position whenever the chief so desires. Staff or technical officers without line command assignment and whose duties are of a special or technical nature shall hold their staff or technical rank on a continuing probationary basis; however, such staff or technical officers, if otherwise eligible, shall not be prevented from taking the line promotion examinations, and qualifying for promotion whenever the examinations may be held.
- If a staff or technical officer returns to line operations he <u>or she</u> shall return in the rank that he <u>or she</u> holds in the line command, unless promoted to a higher rank through examination and appointment as herein provided: PROVIDED, Nothing contained herein shall be construed

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- as giving the chief the right to demote or to reduce the rank of any officer of the patrol who was holding such office on April 1, 1949.
  - Sec. 5130. RCW 43.43.735 and 2006 c 294 s 6 are each amended to read as follows:

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- (1) It shall be the duty of the sheriff or director of public 5 6 safety of every county, and the chief of police of every city or town, 7 and of every chief officer of other law enforcement agencies duly 8 operating within this state, to cause the photographing and fingerprinting of all adults and juveniles lawfully arrested for the 9 commission of any criminal offense constituting a felony or gross 10 11 misdemeanor. (a) When such juveniles are brought directly to a juvenile detention facility, the juvenile court administrator is also 12 required, 13 authorized, but not to cause the photographing, fingerprinting, and record transmittal to the appropriate 14 15 enforcement agency; and (b) a further exception may be made when the 16 arrest is for a violation punishable as a gross misdemeanor and the 17 arrested person is not taken into custody.
  - (2) It shall be the right, but not the duty, of the sheriff or director of public safety of every county, and the chief of police of every city or town, and every chief officer of other law enforcement agencies operating within this state to photograph and record the fingerprints of all adults lawfully arrested.
  - (3) Such sheriffs, directors of public safety, chiefs of police, and other chief law enforcement officers, may record, in addition to photographs and fingerprints, the palmprints, soleprints, toeprints, or any other identification data of all persons whose photograph and fingerprints are required or allowed to be taken under this section when in the discretion of such law enforcement officers it is necessary for proper identification of the arrested person or the investigation of the crime with which he or she is charged.
  - **Sec. 5131.** RCW 43.43.750 and 1972 ex.s. c 152 s 11 are each amended to read as follows:
- In exercising their duties and authority under RCW 43.43.735 and 43.43.740, the sheriffs, directors of public safety, chiefs of police, and other chief law enforcement officers, may, consistent with constitutional and legal requirements, use such reasonable force as is

necessary to compel an unwilling person to submit to being photographed, or fingerprinted, or to submit to any other identification procedure, except interrogation, which will result in obtaining physical evidence serving to identify such person. having the custody of any person subject to the identification procedures provided for in chapter 152, Laws of 1972 ex. sess., and no one acting in his or her aid or under his or her direction, and no one concerned in such publication as is provided for in RCW 43.43.740, shall incur any liability, civil or criminal, for anything lawfully done in the exercise of the provisions of chapter 152, Laws of 1972 ex. sess.

- **Sec. 5132.** RCW 43.43.815 and 1995 c 169 s 1 are each amended to 13 read as follows:
  - (1) Notwithstanding any provision of RCW 43.43.700 through 43.43.810 to the contrary, the Washington state patrol shall furnish a conviction record, as defined in RCW 10.97.030, pertaining to any person of whom the Washington state patrol has a record upon the written or electronic request of any employer for the purpose of:
    - (a) Securing a bond required for any employment;

- (b) Conducting preemployment and postemployment evaluations of employees and prospective employees who, in the course of employment, may have access to information affecting national security, trade secrets, confidential or proprietary business information, money, or items of value; or
- (c) Assisting an investigation of suspected employee misconduct where such misconduct may also constitute a penal offense under the laws of the United States or any state.
- (2) When an employer has received a conviction record under subsection (1) of this section, the employer shall notify the subject of the record of such receipt within thirty days after receipt of the record, or upon completion of an investigation under subsection (1)(c) of this section. The employer shall make the record available for examination by its subject and shall notify the subject of such availability.
- (3) The Washington state patrol shall charge fees for disseminating records pursuant to this section which will cover, as nearly as

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practicable, the direct and indirect costs to the Washington state patrol of disseminating such records.

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- (4) Information disseminated pursuant to this section or RCW 43.43.760 shall be available only to persons involved in the hiring, background investigation, or job assignment of the person whose record is disseminated and shall be used only as necessary for those purposes enumerated in subsection (1) of this section.
- (5) Any person may maintain an action to enjoin a continuance of any act or acts in violation of any of the provisions of this section, and if injured thereby, for the recovery of damages and for the recovery of reasonable attorneys' fees. If, in such action, the court finds that the defendant is violating or has violated any of the provisions of this section, it shall enjoin the defendant from a continuance thereof, and it shall not be necessary that actual damages to the plaintiff be alleged or proved. In addition to such injunctive relief, the plaintiff in the action is entitled to recover from the defendant the amount of the actual damages, if any, sustained by him or her if actual damages to the plaintiff are alleged and proved. In any suit brought to enjoin a violation of this chapter, the prevailing party may be awarded reasonable attorneys' fees, including fees incurred upon appeal. Commencement, pendency, or conclusion of a civil action for injunction or damages shall not affect the liability of a person or agency to criminal prosecution for a violation of chapter 10.97 RCW.
  - (6) Neither the section, its employees, nor any other agency or employee of the state is liable for defamation, invasion of privacy, negligence, or any other claim in connection with any dissemination of information pursuant to this section or RCW 43.43.760.
  - (7) The Washington state patrol may adopt rules and forms to implement this section and to provide for security and privacy of information disseminated pursuant hereto, giving first priority to the criminal justice requirements of chapter 43.43 RCW. Such rules may include requirements for users, audits of users, and other procedures to prevent use of criminal history record information inconsistent with this section.
- (8) Nothing in this section shall authorize an employer to make an inquiry not otherwise authorized by law, or be construed to affect the

- 1 policy of the state declared in RCW 9.96A.010, encouraging the 2 employment of ex-offenders.
- **Sec. 5133.** RCW 43.43.860 and 1987 c 65 s 2 are each amended to 4 read as follows:

The term of each legislative member shall be two years and shall be conditioned upon such member retaining membership in the legislature and in the same political party of which he <u>or she</u> was a member at the time of appointment.

9 The term of each nonlegislative member shall be two years and shall 10 be conditioned upon such member retaining the official position from 11 which he <u>or she</u> was appointed.

**Sec. 5134.** RCW 43.46.090 and 1983 c 204 s 1 are each amended to 13 read as follows:

The legislature recognizes this state's responsibility to foster culture and the arts and its interest in the viable development of ((her)) the state's artists ((and craftsmen)) by the establishment of the Washington state arts commission. The legislature declares it to be a policy of this state that a portion of appropriations for capital expenditures be set aside for the acquisition of works of art to be placed in public buildings or lands. There is hereby established a visual arts program to be administered by the Washington state arts commission.

Sec. 5135. RCW 43.52.290 and 1983 1st ex.s. c 3 s 1 are each amended to read as follows:

Members of the board of directors of an operating agency shall be paid the sum of fifty dollars per day as compensation for each day or major part thereof devoted to the business of the operating agency, together with their traveling and other necessary expenses. Such member may, regardless of any charter or other provision to the contrary, be an officer or employee holding another public position and, if he or she be such other public officer or employee, he or she shall be paid by the operating agency such amount as will, together with the compensation for such other public position equal the sum of fifty dollars per day. The common law doctrine of incompatibility of offices is hereby voided as it applies to persons sitting on the board

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1 of directors or the executive board of an operating agency and holding

2 an elective or appointive position on a public utility district

commission or municipal legislative authority or being an employee of

a public utility district or municipality.

- Sec. 5136. RCW 43.52.374 and 1983 1st ex.s. c 3 s 3 are each amended to read as follows:
- (1) With the exception of the powers and duties of the board of directors described in RCW 43.52.370(2), the management and control of an operating agency constructing, operating, terminating, or decommissioning a nuclear power plant under a site certification agreement under chapter 80.50 RCW is vested in an executive board established under this subsection and consisting of eleven members.
- (a) Five members of the executive board shall be elected to four-year terms by the board of directors from among the members of the board of directors. The board of directors may provide by rule for the composition of the five members of the executive board elected from among the members of the board of directors so as to reflect the member public utility districts' and cities' participation in the joint operating agency's projects. Members elected to the executive board from the board of directors are ineligible for continued membership on the executive board if they cease to be members of the board of directors. The board of directors may also provide by rule for the removal of a member of the executive board, except for the outside directors. Members of the board of directors may be elected to serve successive terms on the executive board. Members elected to the executive board from the board of directors shall receive a salary from the operating agency at a rate set by the board of directors.
- (b) Six members of the executive board shall be outside directors. Three shall be selected and appointed by the board of directors, and three shall be selected and appointed by the governor and confirmed by the senate. All outside directors shall:
- (i) Serve four-year terms on the executive board. However, of the initial members of the executive board, the board of directors and the governor shall each appoint one outside director to serve a two-year term, one outside director to serve a three-year term, and one outside director to serve a four-year term. Thereafter, all outside directors

shall be appointed for four-year terms. All outside directors are eligible for reappointment;

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- (ii) Receive travel expenses on the same basis as the five members elected from the board of directors. The outside directors shall also receive a salary from the operating agency as fixed by the governor;
- (iii) Not be an officer or employee of, or in any way affiliated with, the Bonneville power administration or any electric utility conducting business in the states of Washington, Oregon, Idaho, or Montana;
- (iv) Not be involved in the financial affairs of the operating agency as an underwriter or financial adviser of the operating agency or any of its members or any of the participants in any of the operating agency's plants; and
  - (v) Be representative of policy makers in business, finance, or science, or have expertise in the construction or management of such facilities as the operating agency is constructing or operating, or have expertise in the termination, disposition, or liquidation of corporate assets.
  - (c) The governor may remove outside directors from the executive board for incompetency, misconduct, or malfeasance in office in the same manner as state appointive officers under chapter 43.06 RCW. For purposes of this subsection, misconduct shall include, but not be limited to, nonfeasance and misfeasance.
  - (2) Nothing in this chapter shall be construed to mean that an operating agency is in any manner an agency of the state. Nothing in this chapter alters or destroys the status of an operating agency as a separate municipal corporation or makes the state liable in any way or to any extent for any preexisting or future debt of the operating agency or any present or future claim against the agency.
  - (3) The eleven members of the executive board shall be selected with the objective of establishing an executive board which has the resources to effectively carry out its responsibilities. All members of the executive board shall conduct their business in a manner which in their judgment is in the interest of all ratepayers affected by the joint operating agency and its projects.
  - (4) The executive board shall elect from its members a ((chairman)) chair, vice ((chairman)) chair, and secretary, who shall serve at the pleasure of the executive board. The executive board shall adopt rules

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- 1 for the conduct of its meetings and the carrying out of its business.
- 2 All proceedings shall be by motion or resolution and shall be recorded
- 3 in the minute book, which shall be a public record. A majority of the
- 4 executive board shall constitute a quorum for the transaction of
- 5 business.

- 6 (5) With respect to any operating agency existing on April 20, 1982, to which the provisions of this section are applicable:
  - (a) The board of directors shall elect five members to the executive board no later than sixty days after April 20, 1982; and
  - (b) The board of directors and the governor shall select and appoint the initial outside directors and the executive board shall hold its organizational meeting no later than sixty days after April 20, 1982, and the powers and duties prescribed in this chapter shall devolve upon the executive board at that time.
  - (6) The executive board shall select and employ a managing director of the operating agency and may delegate to the managing director such authority for the management and control of the operating agency as the executive board deems appropriate. The managing director's employment is terminable at the will of the executive board.
  - (7) Members of the executive board shall be immune from civil liability for mistakes and errors of judgment in the good faith performance of acts within the scope of their official duties involving the exercise of judgment and discretion. This grant of immunity shall not be construed as modifying the liability of the operating agency.

The operating agency shall undertake the defense of and indemnify each executive board member made a party to any civil proceeding including any threatened, pending, or completed action, suit, or proceeding, whether civil, administrative, or investigative, by reason of the fact he or she is or was a member of the executive board, against judgments, penalties, fines, settlements, and reasonable expenses, actually incurred by him or her in connection with such proceeding if he or she had conducted himself or herself in good faith and reasonably believed his or her conduct to be in the best interest of the operating agency.

In addition members of the executive board who are utility employees shall not be fired, forced to resign, or demoted from their utility jobs for decisions they make while carrying out their duties as

1 members of the executive board involving the exercise of judgment and 2 discretion.

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**Sec. 5137.** RCW 43.52.375 and 1982 1st ex.s. c 43 s 7 are each amended to read as follows:

The board of each joint operating agency shall by resolution appoint a treasurer. The treasurer shall be the chief financial officer of the operating agency, who shall report at least annually to the board a detailed statement of the financial condition of the operating agency and of its financial operations for the preceding fiscal year. The treasurer shall advise the board on all matters affecting the financial condition of the operating agency. Before entering upon his or her duties the treasurer shall give bond to the operating agency, with a surety company authorized to write such bonds in this state as surety, in an amount which the board finds by resolution will protect the operating agency against loss, conditioned that all funds which he or she receives as such treasurer will be faithfully kept and accounted for and for the faithful discharge of his or her duties. The amount of such bond may be decreased or increased from time to time as the board may by resolution direct.

The board shall also appoint an auditor and may require him <u>or her</u> to give a bond with a surety company authorized to do business in the state of Washington in such amount as it shall by resolution prescribe, conditioned for the faithful discharge of his <u>or her</u> duties. The auditor shall report directly to the board and be responsible to it for discharging his <u>or her</u> duties.

The premiums on the bonds of the auditor and the treasurer shall be paid by the operating agency. The board may provide for coverage of said officers and other persons on the same bond.

All funds of the joint operating agency shall be paid to the treasurer and shall be disbursed by him <u>or her</u> only on warrants issued by the auditor upon orders or vouchers approved by the board: PROVIDED, That the board by resolution may authorize the managing director or any other bonded officer or employee as legally permissible to approve or disapprove vouchers presented to defray salaries of employees and other expenses of the operating agency arising in the usual and ordinary course of its business, including expenses incurred by the board of directors, its executive committee, or the executive

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board in the performance of their duties. All moneys of the operating agency shall be deposited forthwith by the treasurer in such depositaries, and with such securities as are designated by rules of the board. The treasurer shall establish a general fund and such special funds as shall be created by the board, into which he or she shall place all money of the joint operating agency as the board by resolution or motion may direct.

8 **Sec. 5138.** RCW 43.52.378 and 1987 c 505 s 84 are each amended to 9 read as follows:

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The executive board of any operating agency constructing, operating, terminating, or decommissioning a nuclear power plant under a site certification agreement issued pursuant to chapter 80.50 RCW shall appoint an administrative auditor. The administrative auditor shall be deemed an officer under chapter 42.23 RCW. The appointment of the administrative auditor shall be in addition to the appointment of the auditor for the issuance of warrants and other purposes as provided in RCW 43.52.375. The executive board shall retain a qualified firm or firms to conduct performance audits which is in fact independent and does not have any interest, direct or indirect, in any contract with the operating agency other than its employment hereunder. No member or employee of any such firm shall be connected with the operating agency as an officer, employee, or contractor. The administrative auditor and the firm or firms shall be independently and directly responsible to the executive board of the operating agency. The executive board shall require a firm to conduct continuing audits of the methods, procedures and organization used by the operating agency to control costs, schedules, productivity, contract amendments, project design and any other topics deemed desirable by the executive board. board may also require a firm to analyze particular technical aspects of the operating agency's projects and contract amendments. The firm or firms shall provide advice to the executive board in its management and control of the operating agency. At least once each year, the firm or firms shall prepare and furnish a report of its actions and recommendations to the executive board for the purpose of enabling it to attain the highest degree of efficiency in the management and control of any thermal power project under construction or operation. The administrative auditor shall assist the firm or firms

- in the performance of its duties. The administrative auditor and the firm or firms shall consult regularly with the executive board and furnish any information or data to the executive board which the administrative auditor, firm, or executive board deems helpful in
- accomplishing the purpose above stated. The administrative auditor shall perform such other duties as the executive board shall prescribe
- 7 to accomplish the purposes of this section.

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- Upon the concurrent request of the ((chairmen)) chairs of the senate or house energy and utilities committees, the operating agency shall report to the committees on a quarterly basis.
- 11 **Sec. 5139.** RCW 43.52A.050 and 1981 c 14 s 5 are each amended to read as follows:
- 13 (1) Council members shall spend sufficient time on council 14 activities to fully represent the state of Washington in carrying out 15 the purposes of the act.
  - (2) State agencies shall provide technical assistance to council members upon request. The council members shall request that the council request the administrator of the Bonneville Power Administration to reimburse the state for the expenses associated with such assistance as provided in the act.
- 21 (3) The members of the council shall maintain liaison with the 22 governor or his <u>or her</u> designees and the committees on energy and 23 utilities, or their successor entities, of the senate and house of 24 representatives.
  - (4) The members of the council shall submit to the governor and legislature an annual report describing the activities and plans of the council.
- (5) Each member of the council shall receive compensation to be determined by the governor and applicable federal law and shall be reimbursed for travel expenses under RCW 43.03.050 and 43.03.060, as now or hereafter amended.
- 32 **Sec. 5140.** RCW 43.56.040 and 1975-'76 2nd ex.s. c 34 s 118 are 33 each amended to read as follows:
- No member of the board shall receive any compensation for his <u>or</u> 35 <u>her</u> services, but each member shall be paid travel expenses incurred in

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the discharge of official duty in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended, after the account thereof has been audited by the board.

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The board shall keep a full account of its expenditures and shall report it in each report. There shall be allowed such expenses for only one annual meeting of the board within this state, and for the members in attendance, not oftener than once in each year, at any conference of commissioners outside of this state.

## Sec. 5141. RCW 43.59.010 and 1998 c 165 s 2 are each amended to read as follows:

- (1) The purpose of this chapter is to establish a new agency of state government to be known as the Washington traffic safety commission. The functions and purpose of this commission shall be to find solutions to the problems that have been created as a result of the tremendous increase of motor vehicles on our highways and the attendant traffic death and accident tolls; to plan and supervise programs for the prevention of accidents on streets and highways including but not limited to educational campaigns designed to reduce traffic accidents in cooperation with all official and unofficial organizations interested in traffic safety; to coordinate the activities at the state and local level in the development of statewide and local traffic safety programs; to promote a uniform enforcement of traffic safety laws and establish standards for investigation and reporting of traffic accidents; to promote and improve driver education; and to authorize the governor to perform all functions required to be performed by him or her under the federal Highway Safety Act of 1966 (Public Law 89-564; 80 Stat. 731).
- (2) The legislature finds and declares that bicycling and walking are becoming increasingly popular in Washington as clean and efficient modes of transportation, as recreational activities, and as organized sports. Future plans for the state's transportation system will require increased access and safety for bicycles and pedestrians on our common roadways, and federal transportation legislation and funding programs have created strong incentives to implement these changes quickly. As a result, many more people are likely to take up bicycling in Washington both as a leisure activity and as a convenient, inexpensive form of transportation. Bicyclists are more vulnerable to

injury and accident than motorists, and should be as knowledgeable as 1 2 possible about traffic laws, be highly visible and predictable when riding in traffic, and be encouraged to wear bicycle safety helmets. 3 Hundreds of bicyclists and pedestrians are seriously injured every year 4 in accidents, and millions of dollars are spent on health care costs 5 associated with these accidents. There is clear evidence that 6 7 organized training in the rules and techniques of safe and effective cycling can significantly reduce the incidence of serious injury and 8 9 accidents, increase cooperation among road users, and significantly 10 increase the incidence of bicycle helmet use, particularly among A reduction in accidents benefits the entire community. 11 12 Therefore it is appropriate for businesses and community organizations 13 to provide donations to bicycle and pedestrian safety training 14 programs.

15 **Sec. 5142.** RCW 43.59.030 and 1991 c 3 s 298 are each amended to read as follows:

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The governor shall be assisted in his or her duties and responsibilities by the Washington state traffic safety commission. The Washington traffic safety commission shall be composed of the ((chairman)) chair, the superintendent of governor as director instruction, the of licensing, the secretary transportation, the chief of the state patrol, the secretary of health, the secretary of social and health services, a representative of the association of Washington cities to be appointed by the governor, a member of the association of counties to be appointed by the governor, and a representative of the judiciary to be appointed by the governor. Appointments to any vacancies among appointee members shall be as in the case of original appointment.

The governor may designate an employee of the governor's office to act on behalf of the governor during the absence of the governor at one or more of the meetings of the commission. The vote of the designee shall have the same effect as if cast by the governor if the designation is in writing and is presented to the person presiding at the meetings included within the designation.

35 The governor may designate a member to preside during the 36 governor's absence.

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- The governor as ((chairman)) chair of the commission shall appoint a person to be director of the Washington traffic safety commission which director shall be paid such salary as shall be deemed reasonable and shall serve at the pleasure of the governor.
- 7 **Sec. 5144.** RCW 43.59.080 and 1967 ex.s. c 147 s 9 are each amended 8 to read as follows:
- The governor as ((chairman)) chair of said commission shall have the authority to appoint advisory committees as he <u>or she</u> may deem advisable to aid, advise and assist the commission in carrying out the purposes of this chapter. All actions and decisions, however, shall be made by the commission.
- 14 **Sec. 5145.** RCW 43.70.210 and 1989 1st ex.s. c 9 s 260 are each 15 amended to read as follows:
- Nothing in chapter 43.20 or 43.70 RCW, or RCW 43.70.120 shall be 16 17 construed to abridge the right of any person to rely exclusively on 18 spiritual means alone through prayer to alleviate human ailments, sickness or disease, in accordance with the tenets and practice of the 19 20 Church of Christ, Scientist, nor shall anything in chapters 43.20, 21 43.70 RCW, or RCW 43.70.120 be deemed to prohibit a person so relying who is inflicted with a contagious or communicable disease from being 22 isolated or quarantined in a private place of his or her own choice, 23 24 provided, it is approved by the local health officer, and all laws, 25 rules and regulations governing control, sanitation, isolation and quarantine are complied with. 26
- 27 **Sec. 5146.** RCW 43.78.010 and 1981 c 338 s 6 are each amended to 28 read as follows:
- There shall be a public printer appointed by the governor with the advice and consent of the senate, who shall hold office at the pleasure of the governor and until his <u>or her</u> successor is appointed and qualified.
- 33 **Sec. 5147.** RCW 43.78.020 and 1965 c 8 s 43.78.020 are each amended to read as follows:

- Before entering upon the duties of his <u>or her</u> office, the public printer shall execute to the state a bond in the sum of ten thousand dollars conditioned for the faithful and punctual performance of all duties and trusts of his <u>or her</u> office.
- 5 **Sec. 5148.** RCW 43.78.070 and 1979 c 151 s 134 are each amended to read as follows:
- 7 The public printer shall use the state printing plant upon the 8 following conditions, to wit:
- 9 (1) He <u>or she</u> shall do the public printing, and charge therefor the 10 fees as provided by law. He <u>or she</u> may print the Washington Reports 11 for the publishers thereof under a contract approved in writing by the 12 governor.
- 13 (2) The gross income of the public printer shall be deposited in an 14 account designated "state printing plant revolving fund" in 15 depositaries approved by the state treasurer, and shall be disbursed by 16 the public printer by check and only as follows:
- First, in payment of the actual cost of labor, material, supplies, replacements, repairs, water, light, heat, telephone, rent, and all other expenses necessary in the operation of the plant: PROVIDED, That no machinery shall be purchased except on written approval of the governor;
- Second, in payment of the cost of reasonable insurance upon the printing plant, payable to the state and of all fidelity bonds required by law of the public printer;
- Third, in payment to the public printer of a salary which shall be fixed by the governor in accordance with the provisions of RCW 43.03.040;
- Fourth, in remitting the balance to the state treasurer for the general fund: PROVIDED, That a reasonable sum to be determined by the governor, the public printer, and the director of financial management shall be retained in the fund for working capital for the public printer.
- 33 **Sec. 5149.** RCW 43.79.074 and 1965 c 8 s 43.79.074 are each amended to read as follows:
- From and after the first day of May, 1955, all warrants drawn on the University of Washington fund and not presented for payment shall

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- 1 be paid from the general fund, and it shall be the duty of the state
- 2 treasurer and he or she is hereby directed to pay such warrants when
- 3 presented from the general fund.

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- 4 **Sec. 5150.** RCW 43.79.280 and 2005 c 319 s 106 are each amended to read as follows:
- 6 (1) If the governor approves such estimate in whole or part, he or 7 she shall endorse on each copy of the statement his or her approval, 8 together with a statement of the amount approved in the form of an allotment amendment, and transmit one copy to the head of the 9 department, agency, board, or commission authorizing the expenditure. 10 11 An identical copy of the governor's statement of approval and a statement of the amount approved for expenditure shall be transmitted 12 simultaneously to the joint legislative audit and review committee and 13 also to the standing committee on ways and means of the house and 14 15 senate of all executive approvals of proposals to expend money in 16 excess of appropriations provided by law.
  - (2) If the governor approves an estimate with transportation funding implications, in whole or part, he or she shall endorse on each copy of the statement his or her approval, together with a statement of the amount approved in the form of an allotment amendment, and transmit one copy to the head of the department, agency, board, or commission authorizing the expenditure. An identical copy of the governor's statement of approval of a proposal to expend transportation money in excess of appropriations provided by law and a statement of the amount approved for expenditure must be transmitted simultaneously to the standing committees on transportation of the house and senate.
- 27 **Sec. 5151.** RCW 43.79.303 and 1965 c 8 s 43.79.303 are each amended to read as follows:
- From and after the first day of May, 1955, all warrants drawn on the Central College fund and not presented for payment shall be paid from the general fund, and it shall be the duty of the state treasurer and he <u>or she</u> is hereby directed to pay such warrants when presented from the general fund.
- 34 **Sec. 5152.** RCW 43.79.313 and 1965 c 8 s 43.79.313 are each amended to read as follows:

- From and after the first day of May, 1955, all warrants drawn on the Eastern College fund and not presented for payment shall be paid from the general fund, and it shall be the duty of the state treasurer and he <u>or she</u> is hereby directed to pay such warrants when presented from the general fund.
- 6 **Sec. 5153.** RCW 43.79.323 and 1965 c 8 s 43.79.323 are each amended to read as follows:
- From and after the first day of May, 1955, all warrants drawn on the Western College fund and not presented for payment shall be paid from the general fund, and it shall be the duty of the state treasurer and he <u>or she</u> is hereby directed to pay such warrants when presented from the general fund.
- 13 **Sec. 5154.** RCW 43.79.343 and 1965 c 8 s 43.79.343 are each amended to read as follows:
- From and after the first day of May, 1955, all warrants drawn on the general obligation bond retirement fund and not presented for payment shall be paid from the general fund, and it shall be the duty of the state treasurer and he <u>or she</u> is hereby directed to pay such warrants when presented from the general fund.
- 20 **Sec. 5155.** RCW 43.79.393 and 1965 c 8 s 43.79.393 are each amended to read as follows:
- From and after the first day of August, 1957, all warrants drawn on the United States vocational education account in the general fund and not presented for payment shall be paid from the general fund, and it shall be the duty of the state treasurer and he <u>or she</u> is hereby directed to pay such warrants when presented from the general fund.
- 27 **Sec. 5156.** RCW 43.79A.020 and 1991 sp.s. c 13 s 81 are each 28 amended to read as follows:
- There is created a trust fund outside the state treasury to be known as the "treasurer's trust fund." All nontreasury trust funds which are in the custody of the state treasurer on April 10, 1973, shall be placed in the treasurer's trust fund and be subject to the terms of this chapter. Funds of the state department of transportation shall be placed in the treasurer's trust fund only if mutually agreed

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to by the state treasurer and the department. In order to assure an 1 2 orderly transition to a centralized management system, the state treasurer may place each of such trust funds in the treasurer's trust 3 fund at such times as he or she deems advisable. Except for department 4 5 of transportation trust funds, all such funds shall be incorporated in the treasurer's trust fund by June 30, 1975. Other funds in the 6 7 custody of state officials or state agencies may, upon their request, be established as accounts in the treasurer's trust fund with the 8 9 discretionary concurrence of the state treasurer. All income received 10 from the treasurer's trust fund investments shall be deposited in the investment income account pursuant to RCW 43.79A.040. 11

Sec. 5157. RCW 43.80.130 and 1969 ex.s. c 80 s 4 are each amended to read as follows:

The fiscal agencies, on the receipt of any moneys transmitted to them by or for this state, or for any affected subdivision, for the purpose of paying therewith any of its bonds or coupons by their terms made payable at the situs of the state of Washington fiscal agencies, shall transmit forthwith to the sender of such moneys a proper receipt therefor; pay such bonds or coupons upon presentation thereof for payment at the office of the fiscal agencies at or after the maturity thereof, in the order of their presentation insofar as the moneys received for that purpose suffice therefor; and cancel all such bonds and coupons upon payment thereof, and thereupon forthwith return the same to the proper officers of this state or affected subdivisions which issued them; and, concerning the same, report to the state and/or affected subdivision within thirty days following a maturity date the amount of bonds and coupons presented and paid to that date: PROVIDED, That nothing herein shall prevent the state or any of the subdivisions thereof from designating its fiscal agencies, or the trustee of any revenue bond issue, or both, also as its agencies for cremation and to provide by agreement therewith, that after one year any general or revenue obligation bonds or interest coupons that have been canceled or paid, may be destroyed as directed by the proper officers of the state or other subdivisions hereinbefore mentioned: PROVIDED FURTHER, That a certificate of destruction giving full descriptive reference to the instruments destroyed shall be made by the person or persons authorized to perform such destruction and one copy of the certificate shall be

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filed with the treasurer of the state or local subdivisions as 1 2 applicable. Whenever said treasurer has redeemed any of the bonds or coupons referred to in this section through his or her local office, or 3 whenever such redemption has been performed by the trustee of any 4 5 revenue bond issue, and the canceled instruments or certificates of transmittal thereafter have been forwarded to said treasurer for 6 7 recording, such canceled instruments may be forwarded to the fiscal agents designated as agents for cremation for destruction pursuant to 8 9 any agreements therefor, or said treasurer may, notwithstanding any 10 provision of state statute to the contrary, ((himself)) destroy such canceled instruments in the presence of the public officers or boards 11 12 or their authorized representatives, which by law perform the auditing 13 functions within the state or such political subdivisions 14 hereinbefore specified: PROVIDED, That he or she and the said auditing officers or boards shall execute a certificate of destruction, giving 15 16 full descriptive reference to the instruments destroyed, 17 certificates shall be filed with those of the agencies for cremation herein designated. No certificate required by this section shall be 18 destroyed until all of the bonds and coupons of the issue or series 19 20 described thereon shall have matured and been paid or canceled.

- 21 **Sec. 5158.** RCW 43.82.140 and 1965 c 8 s 43.82.140 are each amended 22 to read as follows:
- 23 The director may, in his <u>or her</u> discretion, obtain fire or other 24 hazard insurance on any building under his or her management.
- 25 **Sec. 5159.** RCW 43.83B.220 and 1989 c 11 s 17 are each amended to read as follows:

In addition to the powers granted by RCW 43.83B.210, the director of the department of ecology or his <u>or her</u> designee is authorized to make contractual agreements in accordance with provisions of this chapter on behalf of the state of Washington. Contractual agreements shall include provisions to secure such loans, and shall assure the proper and timely payment of said loans or loan portions of combination loans and grants.

34 **Sec. 5160.** RCW 43.84.041 and 1965 ex.s. c 104 s 4 are each amended to read as follows:

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All securities purchased or held on behalf of said funds, shall be held and disbursed through the state treasury and shall be in the physical custody of the state treasurer, who may deposit with the fiscal agent of the state, or with a state depository, such of said securities as he or she shall consider advisable to be held in safekeeping by said agent or bank for collection of principal and interest, or of the proceeds of sale thereof.

Sec. 5161. RCW 43.84.120 and 1971 ex.s. c 88 s 4 are each amended to read as follows:

Whenever there is in any fund or in cash balances in the state treasury more than sufficient to meet the current expenditures properly payable therefrom, and over and above the amount belonging to the permanent school fund as shown by the separation made by the state treasurer, the state treasurer may invest such portion of such funds or balances over and above that belonging to the permanent school fund in registered warrants of the state of Washington at such times and in such amounts, and may sell them at such times, as he or she deems advisable: PROVIDED, That those funds having statutory authority to make investments are excluded from the provisions of RCW 43.84.120.

Upon such investment being made, the state treasurer shall pay into the appropriate fund the amount so invested, and the warrants so purchased shall be deposited with the state treasurer, who shall collect all interest and principal payments falling due thereon and allocate the same to the proper fund or funds.

Sec. 5162. RCW 43.85.070 and 1969 ex.s. c 193 s 18 are each amended to read as follows:

The state treasurer may deposit with any qualified public depositary which has fully complied with all requirements of law and the regulations of the public deposit protection commission any state moneys in his <u>or her</u> hands or under his <u>or her</u> official control and any sum so on deposit shall be deemed to be in the state treasury, and he <u>or she</u> shall not be liable for any loss thereof resulting from the failure or default of any such depositary without fault or neglect on his <u>or her</u> part or on the part of his <u>or her</u> assistants or clerks.

**Sec. 5163.** RCW 43.85.190 and 1983 c 66 s 17 are each amended to 2 read as follows:

It is the purpose of RCW 43.85.190 through 43.85.230 to authorize the state treasurer to make investment deposits of state moneys or funds in his <u>or her</u> custody in qualified public depositaries at a rate of interest permitted by any applicable statute or regulation.

**Sec. 5164.** RCW 43.86A.020 and 1973 c 123 s 2 are each amended to 8 read as follows:

After March 19, 1973, the state treasurer shall limit surplus funds held as demand deposits to an amount necessary for current operating expenses including direct warrant redemption payments, investments and revenue collection. The state treasurer may hold such additional funds as demand deposits as he or she deems necessary to insure efficient treasury management.

**Sec. 5165.** RCW 43.88.100 and 1965 c 8 s 43.88.100 are each amended to read as follows:

The governor may provide for hearings on all agency requests for expenditures to enable him <u>or her</u> to make determinations as to the need, value or usefulness of activities or programs requested by agencies. The governor may require the attendance of proper agency officials at his <u>or her</u> hearings and it shall be their duty to disclose such information as may be required to enable the governor to arrive at his or her final determination.

24 Sec. 5166. RCW 43.89.040 and 1965 ex.s. c 60 s 1 are each amended 25 to read as follows:

The powers, duties, and functions of the director of budget relating to the state teletypewriter communication network are transferred to the chief of the Washington state patrol. All existing contracts, orders, rules, regulations, records, and obligations together with communications equipment, motor vehicles, and any other property, device, or thing and any remaining appropriation pertaining to such communication network shall be transferred by the director of budget or his or her agent to the chief of the Washington state patrol as of July 1, 1965.

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Sec. 5167. RCW 43.101.040 and 1974 ex.s. c 94 s 4 are each amended 1 2 to read as follows:

All members appointed to the commission by the governor shall be 3 appointed for terms of six years, such terms to commence on July first, 4 and expire on June thirtieth: PROVIDED, That of the members first 5 appointed three shall be appointed for two year terms, three shall be 6 7 appointed for four year terms, and three shall be appointed for six year terms: PROVIDED, FURTHER, That the terms of the two members 8 9 appointed as incumbent police chiefs shall not expire in the same year 10 nor shall the terms of the two members appointed as representing 11 correctional systems expire in the same year nor shall the terms of the two members appointed as incumbent sheriffs expire in the same year. 12 13 Any member chosen to fill a vacancy created otherwise than by expiration of term shall be appointed for the unexpired term of the 14 member he or she is to succeed. Any member may be reappointed for 15 16 additional terms.

Sec. 5168. RCW 43.101.050 and 1974 ex.s. c 94 s 5 are each amended 17 to read as follows: 18

Any member of the commission appointed pursuant to RCW 43.101.030 as an incumbent official or as an employee in a correctional system, as the case may be, shall immediately upon the termination of his or her holding of said office or employment, cease to be a member of the commission.

Sec. 5169. RCW 43.101.070 and 1984 c 287 s 85 are each amended to 24 25 read as follows:

Members of the commission shall be compensated in accordance with RCW 43.03.240 and shall be reimbursed for their travel expenses incurred in the performance of their duties in accordance with RCW 43.03.050 and 43.03.060. Attendance at meetings of the commission shall be deemed performance by a member of the duties of his or her

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- Sec. 5170. RCW 43.115.040 and 1993 c 261 s 3 are each amended to 32 read as follows: 33
- 34 The commission shall have the following powers and duties:
- 35 (1) Elect one of its members to serve as ((chairman)) chair;

1 (2) Adopt rules and regulations pursuant to chapter 34.05 RCW;

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- 2 (3) Examine and define issues pertaining to the rights and needs of 3 Hispanics, and make recommendations to the governor and state agencies 4 for changes in programs and laws;
  - (4) Advise the governor and state agencies on the development and implementation of policies, plans, and programs that relate to the special needs of Hispanics;
- 8 (5) Advise the legislature on issues of concern to the Hispanic 9 community;
- 10 (6) Establish relationships with state agencies, local governments, 11 and private sector organizations that promote equal opportunity and 12 benefits for Hispanics; and
- 13 (7) Receive gifts, grants, and endowments from public or private 14 sources that are made for the use or benefit of the commission and 15 expend, without appropriation, the same or any income from the gifts, 16 grants, or endowments according to their terms.
- 17 **Sec. 5171.** RCW 43.117.040 and 1982 c 68 s 1 are each amended to 18 read as follows:
  - (1) The commission shall consist of twelve members appointed by the governor. In making such appointments, the governor shall give due consideration to recommendations submitted to him <u>or her</u> by the commission. The governor may also consider nominations of members made by the various Asian-American organizations in the state. The governor shall consider nominations for membership based upon maintaining a balanced distribution of Asian-ethnic, geographic, sex, age, and occupational representation, where practicable.
  - (2) Appointments shall be for three years except in case of a vacancy, in which event appointment shall be only for the remainder of the unexpired term for which the vacancy occurs. Vacancies shall be filled in the same manner as the original appointments.
  - (3) Members shall receive reimbursement for travel expenses incurred in the performance of their duties in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended.
- 34 (4) Seven members shall constitute a quorum for the purpose of conducting business.
- 36 (5) The governor shall appoint an executive director based upon 37 recommendations made by the council.

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The commission shall:

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- (1) Elect one of its members to serve as ((chairman)) chair; and also such other officers as necessary to form an executive committee;
  - (2) Adopt rules and regulations pursuant to chapter 34.05 RCW;
- 7 (3) Meet at the call of the ((chairman)) chair or the call of a 8 majority of its members, but in no case less often than once during any 9 three month period;
- 10 (4) Be authorized to appoint such citizen task force as it deems 11 appropriate.
- 12 **Sec. 5173.** RCW 43.117.090 and 1974 ex.s. c 140 s 9 are each 13 amended to read as follows:
  - (1) The commission may for the purpose of carrying out the purposes of this chapter hold such public hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the commission may deem advisable. The commission may administer oaths or affirmations to witnesses appearing before it. At least five members of the commission must be present to conduct a hearing.
- 20 (2) The commission may secure directly from any department or 21 agency of the state information necessary to enable it to carry out the 22 purposes of this chapter. Upon request of the ((chairman)) chair of 23 the commission, the head of such department or agency shall furnish 24 such information to the commission.
- 25 **Sec. 5174.** RCW 43.126.025 and 1983 c 273 s 2 are each amended to read as follows:

There is hereby created a Washington state board on geographic names composed of:

- (1) The state librarian or a representative;
- (2) The commissioner of public lands or a representative;
- 31 (3) The ((chairperson)) chair of the Washington state heritage 32 council created by 1983 law; and
- 33 (4) Four members from the general public to be appointed by the 34 commissioner of public lands.
- The commissioner of public lands or his or her representative shall be ((chairman)) chair of the board.

The members of the initial board to be appointed by the commissioner shall be appointed as follows: One member for a one-year term, one member for a two-year term, one member for a three-year term, and one member for a four-year term. Thereafter, each member shall be appointed for a three-year term. Each member of the board shall continue in office until a successor is appointed.

7 **Sec. 5175.** RCW 43.126.065 and 1983 c 273 s 6 are each amended to 8 read as follows:

- (1) The board shall hold at least two meetings each year, and shall hold special meetings as called by the ((chairman)) chair or a majority of the board.
  - (2) All meetings shall be open to the public.

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- 13 (3) Notice of all board meetings shall be as provided in RCW 42.30.080. This notice includes those names to be considered by the board and those names to be adopted by the board.
  - (4) Four board members shall constitute a quorum.
- 17 (5) The board shall establish rules for the conduct of its affairs 18 and to carry out the purposes of this chapter.
- 19 (6) The department of natural resources shall furnish secretarial 20 and administrative services and shall serve as custodian of the 21 records.
- (7) All geographic names adopted by the board shall be published in the Washington State Register.
- 24 **Sec. 5176.** RCW 43.130.040 and 1973 2nd ex.s. c 37 s 4 are each 25 amended to read as follows:

In order to carry out the purposes of this chapter, the state shall take every reasonable step at its disposal to provide alternative employment and to minimize the economic loss of state employees affected by the closure of state facilities. Affected state employees shall be paid benefits as specified in this section.

(1) Relocation expenses covering the movement of household goods, incurred by the necessity of an employee moving his <u>or her</u> domicile to be within reasonable commuting distance of a new job site, shall be paid by the state to employees transferring to other state employment by reason of the closure of a facility.

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1 (2) Relocation leave shall be allowed up to five working days' 2 leave with pay for the purpose of locating new residence in the area of 3 employment.

- (3) The state shall reimburse the transferring employee to the extent of any unavoidable financial loss suffered by an employee who sells his <u>or her</u> home at a price less than the true and fair market value as determined by the county assessor not exceeding three thousand dollars: PROVIDED, That this right of reimbursement must be exercised, and sale of the property must be accomplished, within a period of two years from the date other state employment is accepted.
- (4) For employees in facilities which have been terminated who do not choose to participate in the transfer program set forth in the preceding subsections, the following terminal pay plan shall be available:
- (a) For qualifying employees, for each one year of continuous state service, one week (five working days) of regular compensation shall be provided.
- (b) Regular compensation as used in subsection (a) hereof shall include salary compensation at the rate being paid to the employees at the time operation of the facility is terminated.
- (c) Terminal pay as set forth in subsections (a) and (b) hereof shall be paid to the employee at the termination of the employees last month of employment or within thirty days after the effective date of this 1973 act, whichever is later: PROVIDED, That from the total amount of terminal pay, the average sum of unemployment compensation that the qualifying employee is eligible to receive multiplied by the total number of weeks of terminal pay minus one week shall be deducted.
- (d) Those employees electing the early retirement benefits as stated in subsection (5) of this section shall not be eligible for the terminal pay provisions as set forth in this subsection.
- (e) Those employees who are reemployed by the state during the period they are receiving terminal pay pursuant to subsections (a), (b) and (c) of this section shall reimburse the state for that portion of the terminal pay covered by the period of new employment.
- (5) As an option to transferring to other state employment an employee may elect early retirement under the following conditions:
- (a) Notwithstanding the age requirements of RCW 41.40.180, any affected employee under this chapter who has attained the age of fifty-

five years, with at least five years creditable service, shall be immediately eligible to retire, with no actuarial reduction in the amount of his or her pension benefit.

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- (b) Notwithstanding the age requirements of RCW 41.40.180, any affected employee under this chapter who has attained the age of forty-five years, with at least five years creditable service, shall be immediately eligible to retire with an actuarial reduction in the amount of his <u>or her</u> pension benefit of three percent for each complete year that such employee is under fifty-five years of age.
- (c) Employees who elect to retire pursuant to RCW 41.40.180 shall be eligible to retire while on authorized leave of absence not in excess of one hundred and twenty days.
- (d) Employees who elect to retire under the provisions of this section shall not be eligible for any retirement benefit in a year following a year in which their employment income was in excess of six thousand dollars. This six thousand dollars base shall be adjusted annually beginning in 1974 by such cost of living adjustments as are applied by the public employees' retirement system to membership retirement benefits. The public employees retirement system board shall adopt necessary rules and regulations to implement the provisions of this subsection.
- **Sec. 5177.** RCW 43.130.050 and 1973 2nd ex.s. c 37 s 5 are each 23 amended to read as follows:
  - (1) Notwithstanding any other provision of this chapter employees affected by the closure of a state facility as defined in RCW 43.130.020(2) who were employed as of May 1, 1973 at such facility, and who are still in employment of the state or on an official leave of absence as of September 26, 1973, who would otherwise qualify for the enumerated benefits of this chapter are hereby declared eligible for such benefits under the following conditions:
  - (a) such employee must be actively employed by the state of Washington or on an official leave of absence on September 26, 1973, and unless the early retirement or terminal pay provisions of this chapter are elected, continue to be employed or to be available for employment in a same or like job classification at not less than one full range lower than the same salary range for a period of at least thirty days thereafter;

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- (b) such employee must give written notice of his <u>or her</u> election to avail himself <u>or herself</u> of such benefits within thirty days after the passage of this 1973 act or upon closure of the institution, whichever is later.
- 5 **Sec. 5178.** RCW 43.336.020 and 2007 c 228 s 102 are each amended to 6 read as follows:
  - (1) The Washington tourism commission is created.

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- 8 (2) The commission shall be cochaired by the director of the 9 department or the director's designee, and by an industry-member 10 representative who is elected by the commission members.
  - (3) The commission shall have nineteen members. In appointing members, the governor shall endeavor to balance the geographic and demographic composition of the commission to include members with special expertise from tourism organizations, local jurisdictions, and small businesses directly engaged in tourism-related activities. Before making appointments to the Washington tourism commission, the governor shall consider nominations from recognized organizations that represent the entities or interests identified in this section. Commission members shall be appointed by the governor as follows:
  - (a) Three members to represent the lodging industry, at least two of which shall be chosen from a list of three nominees per position submitted by the state's largest lodging industry trade association. Members should represent all property categories and different regions of the state;
  - (b) Three representatives from nonprofit destination marketing organizations or visitor and convention bureaus;
    - (c) Three industry representatives from the arts, entertainment, attractions, or recreation industry;
- 29 (d) Four private industry representatives, two from each of the 30 business categories in this subsection:
  - (i) The food, beverage, and wine industries; and
  - (ii) The travel and transportation industries;
- 33 (e) Four legislative members, one from each major caucus of the 34 senate, designated by the president of the senate, and one from each 35 major caucus of the house of representatives, designated by the speaker 36 of the house of representatives;

- 1 (f) The ((chairman)) chair of the Washington convention and trade 2 center; and
  - (g) The director or the director's designee.

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- (4)(a) Terms of nonlegislative members shall be three years, except that initial terms shall be staggered such that terms of one-third of the initial members shall expire each year.
  - (b) Terms of legislative members shall be two years.
- 8 (c) Vacancies shall be appointed in the same manner as the original appointment.
  - (d) A member appointed by the governor may not be absent from more than fifty percent of the regularly scheduled meetings in any one calendar year. Any member who exceeds this absence limitation is deemed to have withdrawn from the office and may be replaced by the governor.
- 15 (5) Members shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.
- 17 (6) The commission shall meet at least four times per year, but may 18 meet more frequently as necessary.
  - (7) A majority of members currently appointed constitutes a quorum.
- 20 (8) Staff support shall be provided by the department, and staff 21 shall report to the executive director.
- 22 (9) The director, in consultation with the commission, shall appoint an executive director.
- 24 (10) The commission may adopt rules under chapter 34.05 RCW as 25 necessary to carry out the purposes of this chapter.

26 PART VI

27 **Sec. 6001.** RCW 44.04.100 and 1927 c 205 s 1 are each amended to 28 read as follows:

Any person desiring to contest the election of any member of the legislature, may, at any time after the presumptive election of such member and before the convening of the ensuing regular session of the legislature, have the testimony of witnesses, to be used in support of such contest, taken and perpetuated, by serving not less than three days' written notice upon the member whose election he <u>or she</u> desires to contest, of his <u>or her</u> intention to institute such contest and that he <u>or she</u> desires to take the testimony of certain witnesses named in

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such notice, at a time and place named therein, before a notary public 1 2 duly commissioned and qualified and residing in the county where the presumptive member resides, giving the name of such notary public, 3 which deposition shall be taken in the manner provided by law for the 4 5 taking of depositions in civil actions in the superior court. presumptive member of the legislature, whose election is to be 6 contested, shall have the right to appear, in person or by counsel, at 7 the time and place named in the notice, and cross examine any witness 8 9 produced and have such cross examination made a part of such deposition, and to produce witnesses and have their depositions taken 10 for the purpose of sustaining his or her election. The notary public 11 before whom such deposition is taken shall transmit such depositions to 12 13 the presiding officer of the senate, or house of representatives, as the case may be, in which said contest is to be instituted, in the care 14 of the secretary of state, at the state capitol, by registered mail, 15 16 and it shall be the duty of the secretary of state upon the convening 17 of the legislature to transmit said depositions, unopened, to the presiding officer of the senate, or the house of representatives, as 18 the case may be, to whom it is addressed, and in case such contest is 19 20 instituted said depositions may be opened and read in evidence in the 21 manner provided by law for the opening and introduction of depositions 22 in civil actions in the superior court.

## Sec. 6002. RCW 44.04.120 and 1985 c 3 s 1 are each amended to read as follows:

Each member of the senate or house of representatives when serving on official legislative business shall be entitled to receive, in lieu of per diem or any other payment, for each day or major portion thereof in which he or she is actually engaged in legislative business or business of the committee, commission, or council, notwithstanding any laws to the contrary, an allowance in an amount fixed by the secretary of the senate and chief clerk of the house, respectively, in accordance with applicable rules and resolutions of each body. Such allowance shall be reasonably calculated to reimburse expenses, exclusive of mileage, which are ordinary and necessary in the conduct of legislative business, recognizing cost variances which are encountered in different locales. The allowance authorized shall not exceed the greater of forty-four dollars per day or the maximum daily amount determined under

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- 1 RCW 43.03.050, as now or hereafter amended. In addition, a mileage
- 2 allowance shall be paid at the rate per mile provided for in RCW
- 3 43.03.060, as now or hereafter amended, when authorized by the house,
- 4 committee, commission, or council of which he or she is a member and on
- 5 the business of which he or she is engaged.
- 6 **Sec. 6003.** RCW 44.16.010 and 1895 c 6 s 1 are each amended to read 7 as follows:
- 8 Every ((chairman)) chair or presiding member of any committee of
- 9 either the senate or house of representatives, or any joint committee
- 10 of the senate or house of representatives, which, by the terms of its
- 11 appointment, shall be authorized to send for persons and papers, shall
- 12 have power, under the direction of such committee, to issue compulsory
- 13 process for the attendance of any witness within the state whom the
- 14 committee may wish to examine.
- 15 **Sec. 6004.** RCW 44.16.030 and 1895 c 6 s 2 are each amended to read 16 as follows:
- 17 The ((chairman)) chair or presiding member of any committee of
- 18 either the senate, house of representatives, or any joint committee
- 19 thereof, shall be authorized to administer oaths to all witnesses
- 20 coming before such committee for examination; and all witnesses who
- 21 shall testify in any proceeding provided for in this chapter, shall be
- 22 under oath or affirmation.
- 23 **Sec. 6005.** RCW 44.16.040 and 1895 c 6 s 3 are each amended to read
- 24 as follows:
- 25 Every such ((chairman)) chair or presiding member shall also have
- 26 power, under the direction of the committee, to issue a commission for
- 27 the examination of any witness who shall be without the jurisdiction of
- 28 the state, or if within the state, shall be unable to attend, or who
- 29 shall, for any reasons, be excused by the committee from attendance.
- 30 **Sec. 6006.** RCW 44.16.070 and 1895 c 6 s 6 are each amended to read
- 31 as follows:
- The person to whom such commission shall be directed, if he <u>or she</u>
- 33 reside within the state and accept the trust, shall, before entering
- 34 upon the execution of his or her duties, take the oath of office

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- 1 prescribed in the Constitution. Such commissioner shall have power to
- 2 issue process to compel the attendance of witnesses, whom he or she
- 3 shall be required to examine, and shall have power to administer oaths
- 4 to such witnesses.
- 5 **Sec. 6007.** RCW 44.16.080 and 1895 c 6 s 7 are each amended to read 6 as follows:
- 7 Unless otherwise directed by the committee, it shall in all cases
- 8 be the duty of the commissioner to examine, in private, every witness
- 9 attending before him or her, and not to make public the particulars of
- 10 such examination, when so made in private, until the same shall be made
- 11 public by order of the house or legislature appointing the committee.
- 12 Sec. 6008. RCW 44.16.090 and 1895 c 6 s 8 are each amended to read
- 13 as follows:
- 14 Every witness so attending shall be examined on oath or
- 15 affirmation, and his <u>or her</u> testimony shall be reduced to writing by
- 16 the commissioner, or by some disinterested person in his <u>or her</u>
- 17 presence and under the direction of said commissioner, and signed by
- 18 the witness.
- 19 **Sec. 6009.** RCW 44.16.100 and 1895 c 6 s 9 are each amended to read
- 20 as follows:
- When a commission shall have been duly executed, the commissioner
- 22 shall annex thereto the depositions of the witnesses, duly certified by
- 23 him or her, and shall, without delay, transmit the same by mail,
- inclosed and under seal, or deliver the same, to the ((chairman)) chair
- of the committee by which the commission shall have been issued, or to
- 26 such person as by the committee directed.
- 27 **Sec. 6010.** RCW 44.16.120 and 1897 c 33 s 1 are each amended to
- 28 read as follows:
- 29 Any person who shall fail to attend as a witness upon any committee
- 30 appointed by either the house or senate of the state of Washington, or
- 31 both, after having been duly subpoenaed as provided in this chapter, or
- 32 who, being in attendance as a witness before such committee, shall
- 33 refuse to answer any question or produce any paper or document or book
- 34 which he or she is required to answer or to produce by such committee,

- 1 shall be deemed guilty of a misdemeanor, and upon conviction thereof
- 2 shall be fined in any sum not exceeding five hundred dollars, or by
- 3 imprisonment in the county jail for a term not longer than six months,
- 4 or by both such fine and imprisonment.
- 5 **Sec. 6011.** RCW 44.16.140 and 1895 c 6 s 12 are each amended to 6 read as follows:
- 7 A person who, being present before either house of the legislature,
- 8 or any committee or joint committee thereof, or commissioner authorized
- 9 to summon witnesses, wilfully refuses to be sworn or affirmed, or to
- 10 answer any material and proper question, or to produce, upon reasonable
- 11 notice, any material and proper books, papers or documents in his or
- 12 <u>her</u> possession or under his <u>or her</u> control, shall be punished as for
- 13 contempt, as hereinafter provided.
- 14 **Sec. 6012.** RCW 44.16.160 and 1895 c 6 s 14 are each amended to 15 read as follows:
- 16 If any fine is imposed against any person for contempt, as
- 17 hereinbefore provided, he or she shall stand committed to the county
- 18 jail of the county in which the offense was committed until such fine
- 19 is paid. The presiding officer of the house, fixing the fine, shall
- 20 issue a warrant to the sheriff of the county where the offense was
- 21 committed, commanding him  $\underline{\text{or her}}$  to imprison such person in the county
- 22 jail until such fine is paid, or until he <u>or she</u> has been imprisoned in
- 23 such jail one day for every three dollars of such fine.
- 24 **Sec. 6013.** RCW 44.16.170 and 1895 c 6 s 16 are each amended to 25 read as follows:
- 26 Every such committee shall keep a record of its proceedings under
- 27 the provisions of this chapter, which record shall be signed by the
- 28 ((chairman)) chair or presiding officer of the committee, and the same
- 29 returned to the legislative body by which the committee was appointed,
- 30 as a part of the report of such committee.
- 31 Sec. 6014. RCW 44.20.060 and 1969 c 6 s 5 are each amended to read
- 32 as follows:
- In arranging the laws, memorials and resolutions for publication,
- 34 the code reviser is hereby authorized to make such corrections in the

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- 1 orthography, clerical errors and punctuation of the same as in his or
- 2 her judgment shall be deemed essential: PROVIDED, That when any words
- 3 or clauses shall be inserted, the same shall be inclosed in brackets;
- 4 and no correction shall be made which changes the intent or meaning of
- 5 any sentence, section or act of the legislature.
- 6 **Sec. 6015.** RCW 44.39.050 and 1979 c 151 s 156 are each amended to read as follows:
- All expenses incurred by the committee, including salaries and expenses of employees, shall be paid upon voucher forms as provided by
- 10 the director of financial management and signed by the ((chairman))
- 11 <u>chair</u> of the committee. Vouchers may be drawn upon funds appropriated
- 12 generally by the legislature for legislative expenses or upon any
- 13 special appropriation which may be provided by the legislature for the
- 14 expenses of the committee.

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15 **Sec. 6016.** RCW 44.39.060 and 1977 ex.s. c 328 s 17 are each 16 amended to read as follows:

In the discharge of any duty imposed by this chapter, the committee or any personnel acting under its direction shall have the authority to examine and inspect all properties, equipment, facilities, files, records, and accounts of any state office, department, institution, board, committee, commission, or agency; to administer oaths; and to issue subpoenas, upon approval of a majority of the members of the house or senate rules committee, to compel the attendance of witnesses and the production of any papers, books, accounts, documents, and testimony, and to cause the deposition of witnesses, either residing within or without the state, to be taken in the manner prescribed by law for taking depositions in civil actions in the superior courts.

In case of the failure of any person to comply with any subpoena issued in behalf of the committee, or on the refusal of any witness to testify to any matters regarding which he or she may be lawfully interrogated, it shall be the duty of the superior court of any county, or of the judge thereof, on application of the committee, to compel obedience by proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued from such court or a refusal to testify therein.

Each witness who appears before the committee by its order, other than a state official or employee, shall receive for his attendance the fees and mileage provided for witnesses in civil cases in courts of record, which shall be audited and paid upon the presentation of proper vouchers signed by such witness and approved by the ((chairman)) chair of the committee.

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7 Sec. 6017. RCW 44.48.050 and 2001 c 259 s 13 are each amended to 8 read as follows:

Subject to RCW 44.04.260, all expenses incurred by the committee, 9 including salaries and expenses of employees, shall be paid upon 10 voucher forms as provided by the administrator and signed by the ((chairman)) chair or vice ((chairman)) chair of the committee and 12 attested by the secretary of said committee, and the authority of said 13 ((chairman)) chair and secretary to sign vouchers shall continue until 14 15 their successors are selected after each ensuing session of the 16 legislature. Vouchers may be drawn on funds appropriated by law for the committee: PROVIDED, That the senate and the house may authorize 17 the committee to draw on funds appropriated by the legislature for legislative expenses. 19

- 20 Sec. 6018. RCW 44.48.060 and 1977 ex.s. c 373 s 6 are each amended 21 to read as follows:
- The committee shall have the power and duty to appoint its own 22 ((chairman)) chair, vice ((chairman)) chair, and other officers; and to 23 24 make rules for orderly procedure.
- Sec. 6019. RCW 44.48.110 and 1977 ex.s. c 373 s 11 are each 25 amended to read as follows: 26

Each person who appears before the committee, other than a state official or employee, may upon request receive for attendance the fees and mileage provided for witnesses in civil cases in courts of record in accordance with the provisions of RCW 2.40.010, which shall be audited and paid upon the presentation of proper vouchers signed by such person and approved by the secretary and ((chairman)) chair of the committee.

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1 PART VII

- 2 **Sec. 7001.** RCW 48.02.010 and 1947 c 79 s .02.01 are each amended to read as follows:
- 4 (1) There shall be an insurance commissioner of this state who 5 shall be elected at the time and in the manner that other state 6 officers are elected.
- 7 (2) The commissioner in office at the effective date of this code 8 shall continue in office for the remainder of the term for which he <u>or</u> 9 <u>she</u> was elected and until his <u>or her</u> successor is duly elected and 10 qualified.
- 11 (3) "Commissioner," where used in this code, means the insurance 12 commissioner of this state.
- 13 **Sec. 7002.** RCW 48.02.020 and 1947 c 79 s .02.02 are each amended to read as follows:
- The term of office of the commissioner shall be four years, commencing on the Wednesday after the second Monday in January after his or her election.
- 18 **Sec. 7003.** RCW 48.02.030 and 1947 c 79 s .02.03 are each amended 19 to read as follows:
- Before entering upon his <u>or her</u> duties the commissioner shall execute a bond to the state in the sum of twenty-five thousand dollars, to be approved by the state treasurer and the attorney general, conditioned upon the faithful performance of the duties of his <u>or her</u> office.
- 25 **Sec. 7004.** RCW 48.02.060 and 1947 c 79 s .02.06 are each amended to read as follows:
- 27 (1) The commissioner shall have the authority expressly conferred 28 upon him by or reasonably implied from the provisions of this code.
- 29 (2) The commissioner shall execute his duties and shall enforce the 30 provisions of this code.
- 31 (3) The commissioner may:
- 32 (a) Make reasonable rules and regulations for effectuating any 33 provision of this code, except those relating to his <u>or her</u> election, 34 qualifications, or compensation. No such rules and regulations shall

- be effective prior to their being filed for public inspection in the
  commissioner's office.
- 3 (b) Conduct investigations to determine whether any person has 4 violated any provision of this code.
  - (c) Conduct examinations, investigations, hearings, in addition to those specifically provided for, useful and proper for the efficient administration of any provision of this code.
- 8 **Sec. 7005.** RCW 48.02.080 and 1967 c 150 s 1 are each amended to 9 read as follows:
  - (1) The commissioner may prosecute an action in any court of competent jurisdiction to enforce any order made by him <u>or her</u> pursuant to any provision of this code.
    - (2) If the commissioner has cause to believe that any person has violated any penal provision of this code or of other laws relating to insurance he <u>or she</u> shall certify the facts of the violation to the public prosecutor of the jurisdiction in which the offense was committed.
- 18 (3) If the commissioner has cause to believe that any person is 19 violating or is about to violate any provision of this code or any 20 regulation or order of the commissioner, he or she may:
  - (a) issue a cease and desist order; and/or

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- 22 (b) bring an action in any court of competent jurisdiction to 23 enjoin the person from continuing the violation or doing any action in 24 furtherance thereof.
  - (4) The attorney general and the several prosecuting attorneys throughout the state shall prosecute or defend all proceedings brought pursuant to the provisions of this code when requested by the commissioner.
- 29 **Sec. 7006.** RCW 48.02.090 and 1949 c 190 s 1 are each amended to 30 read as follows:
- 31 (1) The commissioner may appoint a chief deputy commissioner, who 32 shall have power to perform any act or duty conferred upon the 33 commissioner. The chief deputy commissioner shall take and subscribe 34 the same oath of office as the commissioner, which oath shall be 35 endorsed upon the certificate of his <u>or her</u> appointment and filed in 36 the office of the secretary of state.

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- 1 (2) The commissioner may appoint additional deputy commissioners 2 for such purposes as he <u>or she</u> may designate.
- 3 (3) The commissioner shall be responsible for the official acts of 4 his <u>or her</u> deputies, and may revoke at will the appointment of any 5 deputy.
- 6 (4) The commissioner may employ examiners, and such actuarial, 7 technical, and administrative assistants and clerks as he <u>or she</u> may 8 need for proper discharge of his <u>or her</u> duties.
- 9 (5) The commissioner, or any deputy or employee of the commissioner, shall not be interested, directly or indirectly, in any insurer except as a policyholder; except, that as to such matters wherein a conflict of interests does not exist on the part of any such person, the commissioner may employ insurance actuaries or other technicians who are independently practicing their professions even though such persons are similarly employed by insurers.
- 16 (6) The commissioner may require any deputy or employee to be 17 bonded as he <u>or she</u> shall deem proper but not to exceed in amount the 18 sum of twenty-five thousand dollars. The cost of any such bond shall 19 be borne by the state.
- 20 **Sec. 7007.** RCW 48.02.100 and 1947 c 79 s .02.10 are each amended to read as follows:
- Any power or duty vested in the commissioner by any provision of this code may be exercised or discharged by any deputy, assistant, examiner, or employee of the commissioner acting in his <u>or her</u> name and by his or her authority.
- 26 **Sec. 7008.** RCW 48.02.110 and 1947 c 79 s .02.11 are each amended 27 to read as follows:
- The commissioner shall have an office at the state capital, and may maintain such offices elsewhere in this state as he <u>or she</u> may deem necessary.
- 31 **Sec. 7009.** RCW 48.02.130 and 1947 c 79 s .02.13 are each amended 32 to read as follows:
- 33 (1) Any certificate or license issued by the commissioner shall 34 bear the seal of his <u>or her</u> office.

(2) Copies of records or documents in his <u>or her</u> office certified to by the commissioner shall be received as evidence in all courts in the same manner and to the same effect as if they were the originals.

- (3) When required for evidence in court, the commissioner shall furnish his <u>or her</u> certificate as to the authority of an insurer or other licensee in this state on any particular date, and the court shall receive the certificate in lieu of the commissioner's testimony.
- **Sec. 7010.** RCW 48.02.140 and 1947 c 79 s .02.14 are each amended 9 to read as follows:
  - (1) The commissioner shall to the extent he <u>or she</u> deems useful for the proper discharge of his <u>or her</u> responsibilities under the provisions of this code:
  - (a) Consult and cooperate with the public officials having supervision over insurance in other states.
    - (b) Share jointly with other states in the employment of actuaries, statisticians, and other insurance technicians whose services or the products thereof are made available and are useful to the participating states and to the commissioner.
    - (c) Share jointly with other states in establishing and maintaining offices and clerical facilities for purposes useful to the participating states and to the commissioner.
    - (2) All arrangements made jointly with other states under items (b) and (c) of subsection (1) of this section shall be in writing executed on behalf of this state by the commissioner. Any such arrangement, as to participation of this state therein, shall be subject to termination by the commissioner at any time upon reasonable notice.
    - (3) For the purposes of this code "National Association of Insurance Commissioners" means that voluntary organization of the public officials having supervision of insurance in the respective states, districts, and territories of the United States, whatever other name such organization may hereafter adopt, and in the affairs of which each of such public officials is entitled to participate subject to the constitution and bylaws of such organization.
- **Sec. 7011.** RCW 48.02.150 and 1947 c 79 s .02.15 are each amended to read as follows:

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- 1 The commissioner shall purchase at the expense of the state and in 2 the manner provided by law:
  - (1) Printing, books, reports, furniture, equipment, and supplies as he <u>or she</u> deems necessary to the proper discharge of his <u>or her</u> duties under this code.
- 6 (2) "Convention form" insurers' annual statement blanks, which he 7 or she may purchase from any printer manufacturing the forms for the 8 various states.
- 9 **Sec. 7012.** RCW 48.02.170 and 1987 c 505 s 53 are each amended to read as follows:
- The commissioner shall, as soon as accurate preparation enables,
- 12 prepare a report of his  $\underline{\text{or her}}$  official transactions during the
- 13 preceding fiscal year, containing information relative to insurance as
- 14 the commissioner deems proper.

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- 15 **Sec. 7013.** RCW 48.03.020 and 1947 c 79 s .03.02 are each amended to read as follows:
- For the purpose of ascertaining its condition, or compliance with this code, the commissioner may as often as he <u>or she</u> deems advisable examine the accounts, records, documents, and transactions of:
- 20 (1) Any insurance agent, solicitor, broker or adjuster.
- 21 (2) Any person having a contract under which he <u>or she</u> enjoys in 22 fact the exclusive or dominant right to manage or control a stock or 23 mutual insurer.
  - (3) Any person holding the shares of capital stock or policyholder proxies of a domestic insurer for the purpose of control of its management either as voting trustee or otherwise.
  - (4) Any person engaged in or proposing to be engaged in or assisting in the promotion or formation of a domestic insurer, or an insurance holding corporation, or a stock corporation to finance a domestic mutual insurer or the production of its business, or a corporation to be attorney-in-fact for a domestic reciprocal insurer.
- 32 **Sec. 7014.** RCW 48.03.030 and 1947 c 79 s .03.03 are each amended to read as follows:
- 34 (1) Every person being examined, its officers, employees, and 35 representatives shall produce and make freely accessible to the

- commissioner the accounts, records, documents, and files in his <u>or her</u> possession or control relating to the subject of the examination, and shall otherwise facilitate the examination.
- 4 (2) If the commissioner finds the accounts to be inadequate, or 5 improperly kept or posted, he <u>or she</u> may employ experts to rewrite, 6 post or balance them at the expense of the person being examined.
- 7 **Sec. 7015.** RCW 48.04.030 and 1947 c 79 s .04.03 are each amended 8 to read as follows:
- 9 The hearing shall be held at the place designated by the 10 commissioner, and at his <u>or her</u> discretion it may be open to the public.
- 12 **Sec. 7016.** RCW 48.05.110 and 1947 c 79 s .05.11 are each amended to read as follows:
- If the commissioner finds that an insurer has met the requirements for and is fully entitled thereto under this code, he <u>or she</u> shall issue to it a proper certificate of authority. If the commissioner does not so find, the authority shall be refused within a reasonable length of time following completion by the insurer of the application therefor.
- 20 **Sec. 7017.** RCW 48.05.150 and 1947 c 79 s .05.15 are each amended to read as follows:
- The commissioner shall give an insurer notice of his <u>or her</u> intention to suspend, revoke, or refuse to renew its certificate of authority not less than ten days before the order of suspension, revocation or refusal is to become effective; except that no advance notice of intention is required where the order results from a domestic insurer's failure to make good a deficiency of assets as required by the commissioner.
- 29 **Sec. 7018.** RCW 48.05.160 and 1947 c 79 s .05.16 are each amended 30 to read as follows:
- The commissioner shall not suspend an insurer's certificate of authority for a period in excess of one year, and he <u>or she</u> shall state in his <u>or her</u> order of suspension the period during which it shall be effective.

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**Sec. 7019.** RCW 48.05.210 and 1981 c 339 s 3 are each amended to read as follows:

- (1) Duplicate copies of legal process against an insurer for whom the commissioner is attorney shall be served upon him <u>or her</u> either by a person competent to serve a summons, or by registered mail. At the time of service the plaintiff shall pay to the commissioner ten dollars, taxable as costs in the action.
- (2) The commissioner shall forthwith send one of the copies of the process, by registered mail with return receipt requested, to the person designated for the purpose by the insurer in its most recent such designation filed with the commissioner.
- (3) The commissioner shall keep a record of the day and hour of service upon him or her of all legal process. No proceedings shall be had against the insurer, and the insurer shall not be required to appear, plead, or answer until the expiration of forty days after the date of service upon the commissioner.
- **Sec. 7020.** RCW 48.05.290 and 1947 c 79 s .05.29 are each amended to read as follows:
  - (1) No insurer shall withdraw from this state until its direct liability to its policyholders and obligees under all its insurance contracts then in force in this state has been assumed by another authorized insurer under an agreement approved by the commissioner. In the case of a life insurer, its liability pursuant to contracts issued in this state in settlement of proceeds under its policies shall likewise be so assumed.
  - (2) The commissioner may waive this requirement if he <u>or she</u> finds upon examination that a withdrawing insurer is then fully solvent and that the protection to be given its policyholders in this state will not be impaired by the waiver.
- 30 (3) The assuming insurer shall within a reasonable time replace the 31 assumed insurance contracts with its own, or by endorsement thereon 32 acknowledge its liability thereunder.
- **Sec. 7021.** RCW 48.05.370 and 1969 ex.s. c 241 s 1 are each amended to read as follows:
- Officers and directors of an insurer or a corporation holding a controlling interest in an insurer shall be deemed to stand in a

- 1 fiduciary relation to the insurer, and shall discharge the duties of
- 2 their respective positions in good faith, and with that diligence, care
- 3 and skill which ordinary prudent ((men)) persons would exercise under
- 4 similar circumstances in like positions.
- 5 **Sec. 7022.** RCW 48.06.050 and 1967 c 150 s 7 are each amended to read as follows:

The commissioner shall expeditiously examine the application for a solicitation permit and make any investigation relative thereto deemed necessary. If the commissioner finds that

(1) the application is complete; and

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- 11 (2) the documents therewith filed are equitable in terms and proper 12 in form; and
  - (3) the management of the company, whether by its directors, officers, or by any other means is competent and trustworthy and not so lacking in managerial experience as to make a proposed operation hazardous to the insurance-buying public; and that there is no reason to believe the company is affiliated, directly or indirectly, through ownership, control, reinsurance, or other insurance or business relations, with any other person or persons whose business operations are or have been marked, to the detriment of the policyholders or stockholders or investors or creditors or of the public, by bad faith or by manipulation of assets, or of accounts, or of reinsurance; and
  - (4) the agreements made or proposed are equitable to present and future shareholders, subscribers, members or policyholders, he or she shall give notice to the applicant that he or she will issue a solicitation permit, stating the terms to be contained therein, upon the filing of the bond required by RCW 48.06.110 of this code.

If the commissioner does not so find, he <u>or she</u> shall give notice to the applicant that the permit will not be granted, stating the grounds therefor, and shall refund to the applicant all sums so deposited except the application fee.

- 32 **Sec. 7023.** RCW 48.06.070 and 1953 c 197 s 1 are each amended to read as follows:
- 34 Every solicitation permit issued by the commissioner shall:
- 35 (1) Be for a period of not over two years, subject to the right of 36 the commissioner to grant a reasonable extension for good cause.

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1 (2) State the securities for which subscriptions are to be 2 solicited, the number, classes, par value, and selling price thereof, 3 or identify the insurance contract for which applications and advance 4 premiums or deposits are to be solicited.

- (3) Limit the portion of funds received on account of stock or syndicate subscriptions, if any are proposed to be taken, which may be used for promotion and organization expenses to such amount as he or she deems adequate, but in no event to exceed fifteen percent of such funds as and when actually received.
- (4) If to be a mutual or reciprocal insurer, limit the portion of funds received on account of applications for insurance which may be used for promotion or organization expenses to a reasonable commission upon such funds, giving consideration to the kind of insurance and policy involved and to the costs incurred by insurers generally in the production of similar business, and provide that no such commission shall be deemed to be earned nor be paid until the insurer has received its certificate of authority and the policies applied for and upon which such commission is to be based, have been actually issued and delivered.
- 20 (5) Contain such other information required by this chapter or 21 reasonable conditions relative to accounting and reports or otherwise 22 as the commissioner deems necessary.
- **Sec. 7024.** RCW 48.06.100 and 1947 c 79 s .06.10 are each amended to read as follows:
  - (1) The commissioner may, for cause, modify a solicitation permit, or may, after a hearing, revoke any solicitation permit for violation of any provision of this code, or of the terms of the permit, or of any proper order of the commissioner, or for misrepresentation.
  - (2) The commissioner shall revoke a solicitation permit if requested in writing by a majority of the syndicate members, or by a majority of the incorporators and two-thirds of the subscribers to stock or applicants for insurance in the proposed incorporated insurer or corporation, or if he <u>or she</u> is so requested by a majority of the subscribers of a proposed reciprocal insurer.
- **Sec. 7025.** RCW 48.06.110 and 1969 ex.s. c 241 s 2 are each amended to read as follows:

(1) The commissioner shall not issue a solicitation permit until the person applying therefor files with him <u>or her</u> a corporate surety bond in the penalty of fifty thousand dollars, in favor of the state and for the use and benefit of the state and of subscribers and creditors of the proposed organization.

The bond shall be conditioned upon the payment of costs incurred by the state in event of any legal proceedings for liquidation or dissolution of the proposed organization before completion of organization or in event a certificate of authority is not granted; and upon a full accounting for funds received until the proposed insurer has been granted its certificate of authority, or until the proposed corporation or syndicate has completed its organization as defined in the solicitation permit.

- (2) In lieu of filing such bond, the person may deposit with the commissioner fifty thousand dollars in cash or in United States government bonds at par value, to be held in trust upon the same conditions as required for the bond.
- (3) The commissioner may waive the requirement for a bond or deposit in lieu thereof if the permit provides that:
- (a) The proposed securities are to be distributed solely and finally to those few persons who are the active promotors intimate to the formation of the insurer, or other corporation or syndicate, or
- 23 (b) The securities are to be issued in connection with subsequent 24 financing as provided in RCW 48.06.180.
  - (4) Any bond filed or deposit or remaining portion thereof held under this section shall be released and discharged upon settlement or termination of all liabilities against it.
- **Sec. 7026.** RCW 48.06.180 and 1949 c 190 s 6 are each amended to 29 read as follows:
  - (1) No domestic insurer, or insurance holding corporation, or stock corporation for financing operations of a mutual insurer, or attorney-in-fact corporation of a reciprocal insurer, after
    - (a) it has received a certificate of authority, if an insurer, or
  - (b) it has completed its initial organization and financing if a corporation other than an insurer, shall solicit or receive funds in exchange for any new issue of its corporate securities, other than

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- through a stock dividend, until it has applied to the commissioner for, and has been granted, a solicitation permit.
- 3 (2) The commissioner shall issue such a permit unless he <u>or she</u> 4 finds that:
- 5 (a) The funds proposed to be secured are excessive in amount for 6 the purpose intended, or
- 7 (b) the proposed securities or the manner of their distribution are 8 inequitable, or
- 9 (c) the issuance of the securities would jeopardize the interests 10 of policyholders or the holders of other securities of the insurer or 11 corporation.
- 12 (3) Any such solicitation permit granted by the commissioner shall 13 be for such duration, and shall contain such terms and be issued upon 14 such conditions as the commissioner may reasonably specify or require.
- 15 **Sec. 7027.** RCW 48.07.080 and 1947 c 79 s .07.08 are each amended to read as follows:
- No domestic insurer or its affiliates or subsidiaries shall guarantee the financial obligation of any director or officer of such insurer or affiliate or subsidiary in his <u>or her</u> personal capacity, and any such guaranty attempted shall be void.
- 21 This prohibition shall not apply to obligations of the insurer 22 under surety bonds or insurance contracts issued in the regular course 23 of business.
- 24 Sec. 7028. RCW 48.07.150 and 1988 c 248 s 4 are each amended to 25 read as follows:
  - (1) No domestic insurer shall knowingly solicit insurance business in any reciprocating state in which it is not then licensed as an authorized insurer.
  - (2) This section shall not prohibit advertising through publications and radio broadcasts originating outside such reciprocating state, if the insurer is licensed in a majority of the states in which such advertising is disseminated, and if such advertising is not specifically directed to residents of such reciprocating state.
- 35 (3) This section shall not prohibit insurance, covering persons or 36 risks located in a reciprocating state, under contracts solicited and

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- issued in states in which the insurer is then licensed. Nor shall it prohibit insurance effectuated by the insurer as an unauthorized insurer in accordance with the laws of the reciprocating state. Nor shall it prohibit renewal or continuance in force, with or without modification, of contracts otherwise lawful and which were not originally executed in violation of this section.
  - (4) A "reciprocating" state, as used herein, is one under the laws of which a similar prohibition is imposed upon and is enforced against insurers domiciled in that state.
- 10 (5) The commissioner shall suspend or revoke the certificate of 11 authority of a domestic insurer found by him <u>or her</u>, after a hearing, 12 to have violated this section.

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- 13 **Sec. 7029.** RCW 48.08.020 and 1947 c 79 s .08.02 are each amended to read as follows:
  - (1) Reduction of the capital stock of a domestic stock insurer shall be by amendment of its articles of incorporation. No such reduction shall be made which results in capital stock less in amount than the minimum required by this code for the kinds of insurance thereafter to be transacted by the insurer.
  - (2) No surplus funds of the insurer resulting from a reduction of its capital stock shall be distributed to stockholders, except as a stock dividend on a subsequent increase of capital stock, or upon dissolution of the insurer, or upon approval of the commissioner of a distribution upon proof satisfactory to him or her that the distribution will not impair the interests of policyholders or the insurer's solvency.
  - (3) Upon such reduction of capital stock, the insurer's directors shall call in any outstanding stock certificates required to be changed pursuant thereto, and issue proper certificates in their stead.
- 30 **Sec. 7030.** RCW 48.08.090 and 1965 ex.s. c 70 s 5 are each amended to read as follows:
  - (1) This section shall apply to all domestic stock insurers except:
- 33 (a) A domestic stock insurer having less than one hundred 34 stockholders; except, that if ninety-five percent or more of the 35 insurer's stock is owned or controlled by a parent or affiliated

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- insurer, this section shall not apply to such insurer unless its remaining shares are held by five hundred or more stockholders.
- (b) Domestic stock insurers which file with the Securities and Exchange Commission forms of proxies, consents and authorizations pursuant to the Securities and Exchange Act of 1934, as amended.
- (2) Every such insurer shall seasonably furnish its stockholders in advance of stockholder meetings, information in writing reasonably adequate to inform them relative to all matters to be presented by the insurer's management for consideration of stockholders at such meeting.
- (3) No person shall solicit a proxy, consent, or authorization in respect of any stock of such an insurer unless he <u>or she</u> furnishes the person so solicited with written information reasonably adequate as to
- (a) the material matters in regard to which the powers so solicited are proposed to be used, and
- (b) the person or persons on whose behalf the solicitation is made, and the interest of such person or persons in relation to such matters.
- (4) No person shall so furnish to another, information which the informer knows or has reason to believe, is false or misleading as to any material fact, or which fails to state any material fact reasonably necessary to prevent any other statement made from being misleading.
  - (5) The form of all such proxies shall:
  - (a) Conspicuously state on whose behalf the proxy is solicited;
  - (b) Provide for dating the proxy;

- (c) Impartially identify each matter or group of related matters intended to be acted upon;
- (d) Provide means for the principal to instruct the vote of his shares as to approval or disapproval of each matter or group, other than election to office; and
  - (e) Be legibly printed, with context suitably organized.

Except, that a proxy may confer discretionary authority as to matters as to which choice is not specified pursuant to item (d), above, if the form conspicuously states how it is intended to vote the proxy or authorization in each such case; and may confer discretionary authority as to other matters which may come before the meeting but unknown for a reasonable time prior to the solicitation by the persons on whose behalf the solicitation is made.

(6) No proxy shall confer authority (a) to vote for election of any person to any office for which a bona fide nominee is not named in the

proxy statement, or (b) to vote at any annual meeting (or adjournment thereof) other than the annual meeting next following the date on which the proxy statement and form were furnished stockholders.

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(7) The commissioner shall have authority to make and promulgate reasonable rules and regulations for the effectuation of this section, and in so doing shall give due consideration to rules and regulations promulgated for similar purposes by the insurance supervisory officials of other states.

**Sec. 7031.** RCW 48.08.100 and 1965 ex.s. c 70 s 11 are each amended to read as follows:

The term "equity security" when used in RCW 48.08.100 through 48.08.160 means any stock or similar security; or any security convertible, with or without consideration, into such a security, or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right; or any other security which the commissioner shall deem to be of similar nature and consider necessary or appropriate, by such rules and regulations as he or she may prescribe in the public interest or for the protection of investors, to treat as an equity security.

**Sec. 7032.** RCW 48.08.110 and 1965 ex.s. c 70 s 6 are each amended 21 to read as follows:

Every person who is directly or indirectly the beneficial owner of more than ten percent of any class of any equity security of a domestic stock insurer, or who is a director or an officer of such insurer, shall file with the commissioner on or before the 30th day of September, 1965, or within ten days after he or she becomes such beneficial owner, director or officer, a statement, in such form as the commissioner may prescribe, of the amount of all equity securities of such insurer of which he or she is the beneficial owner, and within ten days after the close of each calendar month thereafter, if there has been a change in such ownership during such month, shall file with the commissioner a statement, in such form as the commissioner may prescribe, indicating his or her ownership at the close of the calendar month and such changes in his or her ownership as have occurred during such calendar month.

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1 **Sec. 7033.** RCW 48.08.120 and 1965 ex.s. c 70 s 7 are each amended 2 to read as follows:

For the purpose of preventing the unfair use of information which 3 may have been obtained by such beneficial owner, director or officer by 4 5 reason of his or her relationship to such insurer, any profit realized by him from any purchase and sale, or any sale and purchase, of any 6 7 equity security of such insurer within any period of less than six months, unless such security was acquired in good faith in connection 8 with a debt previously contracted, shall inure to and be recoverable by 9 the insurer, irrespective of any intention on the part of such 10 beneficial owner, director or officer in entering into such transaction 11 12 of holding the security purchased or of not repurchasing the security sold for a period exceeding six months. Suit to recover such profit 13 may be instituted at law or in equity in any court of competent 14 jurisdiction by the insurer, or by the owner of any security of the 15 insurer in the name and in behalf of the insurer if the insurer shall 16 17 fail or refuse to bring such suit within sixty days after request or shall fail diligently to prosecute the same thereafter: PROVIDED, That 18 19 no such suit shall be brought more than two years after the date such profit was realized. This section shall not be construed to cover any 20 21 transaction where such beneficial owner was not such both at the time 22 of the purchase and sale, or the sale and purchase, of the security 23 involved, or any transaction or transactions which the commissioner by 24 rules and regulations may exempt as not comprehended within the purpose 25 of this section.

Sec. 7034. RCW 48.08.130 and 1965 ex.s. c 70 s 8 are each amended to read as follows:

It shall be unlawful for any such beneficial owner, director or officer, directly or indirectly, to sell any equity security of such insurer if the person selling the security or his principal (1) does not own the security sold, or (2) if owning the security, does not deliver it against such sale within twenty days thereafter, or does not within five days after such sale deposit it in the mails or other usual channels of transportation: PROVIDED, That no person shall be deemed to have violated this section if he or she proves that notwithstanding the exercise of good faith he or she was unable to make such delivery

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or deposit within such time, or that to do so would cause undue inconvenience or expense.

Sec. 7035. RCW 48.08.140 and 1965 ex.s. c 70 s 9 are each amended to read as follows:

The provisions of RCW 48.08.120 shall not apply to any purchase and sale, or sale and purchase, and the provisions of RCW 48.08.130 shall not apply to any sale of an equity security of a domestic stock insurer not then or theretofore held by him or her in an investment account, by a dealer in the ordinary course of his or her business and incident to the establishment or maintenance by him or her of a primary or secondary market (otherwise than on an exchange as defined in the Securities Exchange Act of 1934) for such security. The commissioner may, by such rules and regulations as he or she deems necessary or appropriate in the public interest, define and prescribe terms and conditions with respect to securities held in an investment account and transactions made in the ordinary course of business and incident to the establishment or maintenance of a primary or secondary market.

**Sec. 7036.** RCW 48.08.170 and 1965 ex.s. c 70 s 13 are each amended 19 to read as follows:

The commissioner shall have the power to make such rules and regulations as may be necessary for the execution of the functions vested in him or her by RCW 48.08.100 through 48.08.160, and may for such purpose classify domestic stock insurers, securities, and other persons or matters within his jurisdiction. No provision of RCW 48.08.110, 48.08.120, and 48.08.130 imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule or regulation of the commissioner, notwithstanding that such rule or regulation may, after such act or omission, be amended or rescinded or determined by judicial or other authority to be invalid for any reason.

**Sec. 7037.** RCW 48.09.130 and 1947 c 79 s .09.13 are each amended to read as follows:

A domestic mutual insurer shall adopt bylaws for the conduct of its affairs. Such bylaws, or any modification thereof, shall forthwith be filed with the commissioner. The commissioner shall disapprove any such bylaws, or as so modified, if he or she finds after a hearing

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- 1 thereon, that it is not in compliance with the laws of this state, and
- 2 he or she shall forthwith communicate such disapproval to the insurer.
- 3 No such bylaw, or modification, so disapproved shall be effective
- 4 during the existence of such disapproval.

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- 5 **Sec. 7038.** RCW 48.09.160 and 1947 c 79 s .09.16 are each amended to read as follows:
- No individual shall be a director of a domestic mutual insurer by reason of his <u>or her</u> holding public office. Adjudication as a bankrupt or taking the benefit of any insolvency law or making a general assignment for the benefit of creditors disqualifies an individual from being or acting as a director.
- 12 **Sec. 7039.** RCW 48.09.220 and 1949 c 190 s 9 are each amended to 13 read as follows:
  - (1) Each member of a domestic mutual insurer, except as otherwise provided in this chapter, shall have a contingent liability, pro rata and not one for another, for the discharge of its obligations. The contingent liability shall be in such maximum amount as is stated in the insurer's articles of incorporation, but shall be not less than one, nor more than five, additional premiums for the member's policy at the annual premium rate and for a term of one year.
- 21 (2) Every policy issued by the insurer shall contain a statement of 22 the contingent liability.
- 23 (3) Termination of the policy of any such member shall not relieve 24 the member of contingent liability for his <u>or her</u> proportion of the 25 obligations of the insurer which accrued while the policy was in force.
- 26 **Sec. 7040.** RCW 48.09.230 and 1949 c 190 s 10 are each amended to read as follows:
- 28 (1) If at any time the assets of a domestic mutual insurer doing 29 business on the cash premium plan are less than its liabilities and the 30 minimum surplus, if any, required of it by this code as prerequisite 31 for continuance of its certificate of authority, and the deficiency is 32 not cured from other sources, its directors may, if approved by the 33 commissioner, make an assessment only on its members who at any time 34 within the twelve months immediately preceding the date such assessment

was authorized by its directors held policies providing for contingent liability.

- (2) Such an assessment shall be for such an amount of money as is required, in the opinion of the commissioner, to render the insurer fully solvent, but not to result in surplus in excess of five percent of the insurer's liabilities as of the date of the assessment.
- (3) A member's proportionate part of any such assessment shall be computed by applying to the premium earned, during the period since the deficiency first appeared, on his <u>or her</u> contingently liable policy or policies the ratio of the total assessment to the total premium earned during such period on all contingently liable policies which are subject to the assessment.
- 13 (4) No member shall have an offset against any assessment for which 14 he <u>or she</u> is liable on account of any claim for unearned premium or 15 losses payable.
- **Sec. 7041.** RCW 48.09.270 and 1963 c 195 s 4 are each amended to read as follows:
  - (1) A domestic mutual insurer on the cash premium plan, after it has established a surplus not less in amount than the minimum capital funds required of a domestic stock insurer to transact like kinds of insurance, and for so long as it maintains such surplus, may extinguish the contingent liability of its members to assessment and omit provisions imposing contingent liability in all policies currently issued.
  - (2) Any deposit made with the commissioner as a prerequisite to the insurer's certificate of authority may be included as part of the surplus required in this section.
  - (3) When the surplus has been so established and the commissioner has so ascertained, he <u>or she</u> shall issue to the insurer, at its request, his <u>or her</u> certificate authorizing the extinguishment of the contingent liability of its members and the issuance of policies free therefrom.
- 33 (4) While it maintains surplus funds in amount not less than the 34 minimum capital required of a domestic stock insurer authorized to 35 transact like kinds of insurance, and subject to the requirements of 36 RCW 48.05.360 as to special surplus, a foreign or alien mutual insurer

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- 1 on the cash premium plan may, if consistent with its charter and the
- 2 laws of its domicile, issue nonassessable policies covering subjects
- 3 located, resident, or to be performed in this state.

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- 4 **Sec. 7042.** RCW 48.10.140 and 1947 c 79 s .10.14 are each amended to read as follows:
  - (1) Concurrently with the filing of the declaration provided for in RCW 48.10.090, (or, if an existing domestic reciprocal insurer, within ninety days after the effective date of this code) the attorney of a domestic reciprocal shall file with the commissioner a bond running to the state of Washington. The bond shall be executed by the attorney and by an authorized corporate surety, and shall be subject to the commissioner's approval.
  - (2) The bond shall be in the penal sum of twenty-five thousand dollars, conditioned that the attorney will faithfully account for all moneys and other property of the insurer coming into his <u>or her</u> hands, and that he <u>or she</u> will not withdraw or appropriate for his <u>or her</u> own use from the funds of the insurer any moneys or property to which he <u>or she</u> is not entitled under the power of attorney.
- 19 (3) The bond shall provide that it is not subject to cancellation 20 unless thirty days advance notice in writing of intent to cancel is 21 given to both the attorney and the commissioner.
- 22 **Sec. 7043.** RCW 48.10.170 and 1947 c 79 s .10.17 are each amended to read as follows:
  - (1) A certificate of authority shall not be issued to a domestic reciprocal insurer unless prior thereto the attorney has executed and filed with the commissioner the insurer's irrevocable authorization of the commissioner to receive legal process issued in this state against the insurer upon any cause of action arising within this state.
- 29 (2) The provisions of RCW 48.05.210 shall apply to service of such 30 process upon the commissioner.
- 31 (3) In lieu of service on the commissioner, legal process may be 32 served upon a domestic reciprocal insurer by serving the insurer's 33 attorney at his <u>or her</u> principal offices.
  - (4) Any judgment against the insurer based upon legal process so served shall be binding upon each of the insurer's subscribers as their

- 1 respective interests may appear and in an amount not exceeding their
- 2 respective contingent liabilities.

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- 3 **Sec. 7044.** RCW 48.10.200 and 1947 c 79 s .10.20 are each amended 4 to read as follows:
  - In determining the financial condition of a reciprocal insurer the commissioner shall apply the following rules:
- 7 (1) He <u>or she</u> shall charge as liabilities the same reserves as are 8 required of incorporated insurers issuing nonassessable policies on a 9 reserve basis.
- 10 (2) The surplus deposits of subscribers shall be allowed as assets, 11 except that any premium deposit delinquent for ninety days shall first 12 be charged against such surplus deposit.
- 13 (3) The surplus deposits of subscribers shall not be charged as a liability.
- 15 (4) All premium deposits delinquent less than ninety days shall be allowed as assets.
- 17 (5) An assessment levied upon subscribers, and not collected, shall not be allowed as an asset.
- 19 (6) The contingent liability of subscribers shall not be allowed as 20 an asset.
- 21 (7) The computation of reserves shall be based upon premium 22 deposits other than membership fees and without any deduction for the 23 compensation of the attorney.
- 24 Sec. 7045. RCW 48.10.250 and 1947 c 79 s .10.25 are each amended 25 to read as follows:
  - (1) The liability of each subscriber subject to assessment for the obligations of the reciprocal insurer shall not be joint, but shall be individual and several.
- (2) Each subscriber who is subject to assessment shall have a 29 30 contingent assessment liability, in the amount provided for in the power of attorney or in the subscribers' agreement, for payment of 31 actual losses and expenses incurred while his or her policy was in 32 force. Such contingent liability may be at the rate of not less than 33 one nor more than ten times the premium or premium deposit stated in 34 35 the policy, and the maximum aggregate thereof shall be computed in the 36 manner set forth in RCW 48.10.290.

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- 1 (3) Each assessable policy issued by the insurer shall plainly set 2 forth a statement of the contingent liability.
- **Sec. 7046.** RCW 48.10.260 and 1947 c 79 s .10.26 are each amended 4 to read as follows:

- (1) No action shall lie against any subscriber upon any obligation claimed against the insurer until a final judgment has been obtained against the insurer and remains unsatisfied for thirty days.
- (2) Any such judgment shall be binding upon each subscriber only in such proportion as his <u>or her</u> interests may appear and in an amount not exceeding his <u>or her</u> contingent liability, if any.
- **Sec. 7047.** RCW 48.10.270 and 1947 c 79 s .10.27 are each amended 12 to read as follows:
  - (1) Assessments may be levied from time to time upon the subscribers of a domestic reciprocal insurer, other than as to nonassessable policies, by the attorney upon approval in advance by the subscribers' advisory committee and the commissioner; or by the commissioner in liquidation of the insurer.
  - (2) Each such subscriber's share of a deficiency for which an assessment is made, not exceeding in any event his <u>or her</u> aggregate contingent liability as computed in accordance with RCW 48.10.290, shall be computed by applying to the premium earned on the subscriber's policy or policies during the period to be covered by the assessment, the ratio of the total deficiency to the total premiums earned during such period upon all policies subject to the assessment.
  - (3) In computing the earned premiums for the purposes of this section, the gross premium received by the insurer for the policy shall be used as a base, deducting therefrom solely charges not recurring upon the renewal or extension of the policy.
- 29 (4) No subscriber shall have an offset against any assessment for 30 which he <u>or she</u> is liable, on account of any claim for unearned premium 31 or losses payable.
- **Sec. 7048.** RCW 48.10.280 and 1947 c 79 s .10.28 are each amended to read as follows:
- 34 Every subscriber of a domestic reciprocal insurer having contingent

liability shall be liable for, and shall pay his <u>or her</u> share of any assessment, as computed and limited in accordance with this chapter, if:

- (1) While his <u>or her</u> policy is in force or within one year after its termination, he <u>or she</u> is notified by either the attorney or the commissioner of his <u>or her</u> intention to levy such assessment; or
- (2) If an order to show cause why a receiver, conservator, rehabilitator, or liquidator of the insurer should not be appointed is issued pursuant to RCW 48.31.190 while his <u>or her</u> policy is in force or within one year after its termination.
- **Sec. 7049.** RCW 48.10.300 and 1983 c 3 s 148 are each amended to 12 read as follows:
  - (1) Subject to the special surplus requirements of RCW 48.05.360, if a reciprocal insurer has a surplus of assets over all liabilities at least equal to the minimum capital stock required of a domestic stock insurer authorized to transact like kinds of insurance, upon application of the attorney and as approved by the subscribers' advisory committee the commissioner shall issue his <u>or her</u> certificate authorizing the insurer to extinguish the contingent liability of subscribers under its policies then in force in this state, and to omit provisions imposing contingent liability in all policies delivered or issued for delivery in this state for so long as all such surplus remains unimpaired.
  - (2) Upon impairment of such surplus, the commissioner shall forthwith revoke the certificate. No policy shall thereafter be issued or renewed without providing for the contingent assessment liability of subscribers.
  - (3) The commissioner shall not authorize a domestic reciprocal insurer so to extinguish the contingent liability of any of its subscribers or in any of its policies to be issued, unless it qualifies to and does extinguish such liability of all its subscribers and in all such policies for all kinds of insurance transacted by it. Except, that if required by the laws of another state in which the insurer is transacting insurance as an authorized insurer, the insurer may issue policies providing for the contingent liability of such of its subscribers as may acquire such policies in such state, and need not

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- 1 extinguish the contingent liability applicable to policies theretofore
- 2 in force in such state.

- **Sec. 7050.** RCW 48.10.330 and 1947 c 79 s .10.33 are each amended 4 to read as follows:
  - (1) A domestic reciprocal insurer, upon affirmative vote of not less than two-thirds of the subscribers who vote upon such merger pursuant to such notice as may be approved by the commissioner and with the approval of the commissioner of the terms therefor, may merge with another reciprocal insurer or be converted to a stock or mutual insurer.
  - (2) Such a stock or mutual insurer shall be subject to the same capital requirements and shall have the same rights as a like domestic insurer transacting like kinds of insurance.
    - (3) The commissioner shall not approve any plan for such merger or conversion which is inequitable to subscribers, or which, if for conversion to a stock insurer, does not give each subscriber preferential right to acquire stock of the proposed insurer proportionate to his <u>or her</u> interest in the reciprocal insurer as determined in accordance with RCW 48.10.320 and a reasonable length of time within which to exercise such right.
- **Sec. 7051.** RCW 48.10.340 and 1947 c 79 s .10.34 are each amended 22 to read as follows:
  - (1) If the assets of a domestic reciprocal insurer are at any time insufficient to discharge its liabilities other than any liability on account of funds contributed by the attorney, and to maintain the surplus required for the kinds of insurance it is authorized to transact, its attorney shall forthwith levy an assessment upon subscribers made subject to assessment by the terms of their policies for the amount needed to make up the deficiency.
  - (2) If the attorney fails to make the assessment within thirty days after the commissioner orders him <u>or her</u> to do so, or if the deficiency is not fully made up within sixty days after the date the assessment was made, the insurer shall be deemed insolvent and shall be proceeded against as authorized by this code.
- 35 (3) If liquidation of such an insurer is ordered, an assessment 36 shall be levied upon the subscribers for such an amount, subject to

- 1 limits as provided by this chapter, as the commissioner determines to
- 2 be necessary to discharge all liabilities of the insurer, exclusive of
- 3 any funds contributed by the attorney, but including the reasonable
- 4 cost of the liquidation.
- 5 **Sec. 7052.** RCW 48.11.080 and 1967 c 150 s 8 are each amended to read as follows:
- 7 "Surety insurance" includes:
- 8 (1) Credit insurance as defined in subdivision (9) of RCW 9 48.11.070.
- 10 (2) Bail bond insurance.

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- 11 (3) Fidelity insurance, which is insurance guaranteeing the 12 fidelity of persons holding positions of public or private trust.
- 13 (4) Guaranteeing the performance of contracts, other than insurance 14 policies, and guaranteeing and executing bonds, undertakings, and 15 contracts of suretyship.
- 16 (5) Indemnifying banks, bankers, brokers, financial or moneyed 17 corporations or associations against loss resulting from any cause of 18 bills of exchange, notes, bonds, securities, evidence of debts, deeds, 19 mortgages, warehouse receipts, or other valuable papers, documents, 20 money, precious metals and articles made therefrom, jewelry, watches, 21 necklaces, bracelets, gems, precious and semi-precious stones, including any loss while the same are being transported in armored 22 motor vehicles, or by messenger, but not including any other risks of 23 24 transportation or navigation; also against loss or damage to such an insured's premises, or to his or her furnishings, fixtures, equipment, 25 26 safes and vaults therein, caused by burglary, robbery, theft, vandalism or malicious mischief, or any attempt thereat. 27
- 28 **Sec. 7053.** RCW 48.12.010 and 2007 c 80 s 2 are each amended to read as follows:
  - In any determination of the financial condition of any insurer there shall be allowed as assets only such assets as belong wholly and exclusively to the insurer, which are registered, recorded, or held under the insurer's name, and which consist of:
- 34 (1) Cash in the possession of the insurer or in transit under its 35 control, and the true balance of any deposit of the insurer in a 36 solvent bank or trust company;

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1 (2) Investments, securities, properties, and loans acquired or held 2 in accordance with this code, and in connection therewith the following 3 items:

- (a) Interest due or accrued on any bond or evidence of indebtedness which is not in default and which is not valued on a basis including accrued interest.
- (b) Declared and unpaid dividends on stocks and shares unless such amount has otherwise been allowed as an asset.
- (c) Interest due or accrued upon a collateral loan in an amount not to exceed one year's interest thereon.
- (d) Interest due or accrued on deposits in solvent banks and trust companies, and interest due or accrued on other assets if such interest is in the judgment of the commissioner a collectible asset.
- (e) Interest due or accrued on a mortgage loan, in amount not exceeding in any event the amount, if any, of the difference between the unpaid principal and the value of the property less delinquent taxes thereon; but if any interest on the loan is in default more than one hundred eighty days, or if any interest on the loan is in default and any taxes or any installment thereof on the property are and have been due and unpaid for more than one hundred eighty days, no allowance shall be made for any interest on the loan.
- (f) Rent due or accrued on real property if such rent is not in arrears for more than three months.
- (3) Premium notes, policy loans, and other policy assets and liens on policies of life insurance, in amount not exceeding the legal reserve and other policy liabilities carried on each individual policy;
- (4) The net amount of uncollected and deferred premiums in the case of a life insurer which carries the full annual mean tabular reserve liability;
- (5) Premiums in the course of collection, other than for life insurance, not more than ninety days past due, less commissions payable thereon. The foregoing limitation shall not apply to premiums payable directly or indirectly by the United States government or any of its instrumentalities;
- (6) Installment premiums other than life insurance premiums, in accordance with regulations prescribed by the commissioner consistent with practice formulated or adopted by the National Association of Insurance Commissioners;

- (7) Notes and like written obligations not past due, taken for premiums other than life insurance premiums, on policies permitted to be issued on such basis, to the extent of the unearned premium reserves carried thereon and unless otherwise required by regulation prescribed by the commissioner;
  - (8) Reinsurance recoverable subject to RCW 48.12.160;

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- (9) Amounts receivable by an assuming insurer representing funds withheld by a solvent ceding insurer under a reinsurance treaty;
- (10) Deposits or equities recoverable from underwriting associations, syndicates and reinsurance funds, or from any suspended banking institution, to the extent deemed by the commissioner available for the payment of losses and claims and at values to be determined by him or her;
- (11) Electronic and mechanical machines constituting a data processing and accounting system if the cost of such system is at least twenty-five thousand dollars, which cost shall be amortized in full over a period not to exceed three calendar years; and
- 18 (12) Other assets, not inconsistent with the foregoing provisions, 19 deemed by the commissioner available for the payment of losses and 20 claims, at values to be determined by him <u>or her</u>.
- 21 **Sec. 7054.** RCW 48.12.080 and 1947 c 79 s .12.08 are each amended 22 to read as follows:
  - (1) If the commissioner determines that an insurer's unearned premium reserves, however computed, are inadequate, he <u>or she</u> may require the insurer to compute such reserves or any part thereof according to such other method or methods as are prescribed in this chapter.
  - (2) If the loss experience of an insurer shows that its loss reserves, however estimated, are inadequate, the commissioner shall require the insurer to maintain loss reserves in such increased amount as is needed to make them adequate.
- 32 **Sec. 7055.** RCW 48.12.140 and 1987 c 185 s 22 are each amended to read as follows:
- "Loss payments" and "loss expense payments" as used with reference to liability and workers' compensation insurances shall include all payments to claimants, payments for medical and surgical attendance,

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- 1 legal expenses, salaries and expenses of investigators, adjusters and
- 2 claims field ((men)) representatives, rents, stationery, telegraph and
- 3 telephone charges, postage, salaries and expenses of office employees,
- 4 home office expenses and all other payments made on account of claims,
- 5 whether such payments are allocated to specific claims or are
- 6 unallocated.

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- 7 **Sec. 7056.** RCW 48.13.220 and 1982 c 218 s 3 are each amended to 8 read as follows:
  - (1) After satisfying the requirements of RCW 48.13.260, an insurer may invest any of its funds in common shares of stock in solvent United States corporations that qualify as a sound investment; except, that as to life insurers such investments shall further not aggregate an amount in excess of fifty percent of the insurer's surplus over its minimum required surplus.
  - (2) The insurer shall not invest in or loan upon the security of more than ten percent of the outstanding common shares of any one such corporation, subject further to the aggregate investment limitation of RCW 48.13.030.
  - (3) The limitations of subsection (2) of this section shall not apply to investment in the securities of any subsidiary corporations of the insurer which are engaged or organized to engage exclusively in one or more of the following businesses:
- 23 (a) Acting as an insurance agent for its parent or for any of its parent's insurer subsidiaries or affiliates;
  - (b) Investing, reinvesting, or trading in securities or acting as a securities broker or dealer for its own account, that of its parent, any subsidiary of its parent, or any affiliate or subsidiary;
  - (c) Rendering management, sales, or other related services to any investment company subject to the Federal Investment Company Act of 1940, as amended;
    - (d) Rendering investment advice;
- (e) Rendering services related to the functions involved in the operation of an insurance business including, but not limited to, actuarial, loss prevention, safety engineering, data processing, accounting, claims appraisal, and collection services;
- 36 (f) Acting as administrator of employee welfare benefit and pension

plans for governments, government agencies, corporations, or other organizations or groups;

- (g) Ownership and management of assets which the parent could itself own and manage: PROVIDED, That the aggregate investment by the insurer and its subsidiaries acquired pursuant to this paragraph shall not exceed the limitations otherwise applicable to such investments by the parent;
- (h) Acting as administrative agent for a government instrumentality which is performing an insurance function or is responsible for a health or welfare program;
  - (i) Financing of insurance premiums;

- 12 (j) Any other business activity reasonably ancillary to an insurance business;
  - (k) Owning one or more subsidiary (i) insurers to the extent permitted by this chapter, or (ii) businesses specified in paragraphs (a) through (k) of this subsection inclusive, or (iii) other businesses the stock of which is eligible under RCW 48.13.240 or 48.13.250, or any combination of such insurers and businesses.
  - (4) No acquisition of a majority of the total outstanding common shares of any corporation shall be made pursuant to this section unless a notice of intention of such proposed acquisition shall have been filed with the commissioner not less than ninety days, or such shorter period as may be permitted by the commissioner, in advance of such proposed acquisition, nor shall any such acquisition be made if the commissioner at any time prior to the expiration of the notice period finds that the proposed acquisition is contrary to law, or determines that such proposed acquisition would be contrary to the best interests of the parent insurer's policyholders or of the people of this state. The following shall be the only factors to be considered in making the foregoing determination:
- 31 (a) The availability of the funds or assets required for such 32 acquisition;
- 33 (b) The fairness of any exchange of stock, assets, cash, or other consideration for the stock or assets to be received;
- 35 (c) The impact of the new operation on the parent insurer's surplus 36 and existing insurance business and the risks inherent in the parent 37 insurer's investment portfolio and operations;

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1 (d) The fairness and adequacy of the financing proposed for the 2 subsidiary;

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- (e) The likelihood of undue concentration of economic power;
- (f) Whether the effect of the acquisition may be substantially to lessen competition in any line of commerce in insurance or to tend to create a monopoly therein; and
- Whether the acquisition might result in an excessive proliferation of subsidiaries which would tend to unduly dilute management effectiveness or weaken financial strength or otherwise be contrary to the best interests of the parent insurer's policyholders or of the people of this state. At any time after an acquisition, the commissioner may order its disposition if he or she finds, after notice and hearing, that its continued retention is hazardous or prejudicial to the interests of the parent insurer's policyholders. The contents of each notice of intention of a proposed acquisition filed hereunder and information pertaining thereto shall be kept confidential, shall not be subject to subpoena, and shall not be made public unless after notice and hearing the commissioner determines that the interests of policyholders, stockholders, or the public will be served by the publication thereof.
- (5) A domestic insurance company may, provided that it maintains books and records which separately account for such business, engage directly in any business referred to in paragraphs (d), (e), (h), and (j) of subsection (3) of this section either to the extent necessarily or properly incidental to the insurance business the insurer is authorized to do in this state or to the extent approved by the commissioner and subject to any limitations he or she may prescribe for the protection of the interests of the policyholders of the insurer after taking into account the effect of such business on the insurer's existing insurance business and its surplus, the proposed allocation of the estimated cost of such business, and the risks inherent in such business as well as the relative advantages to the insurer and its policyholders of conducting such business directly instead of through a subsidiary.
- 35 **Sec. 7057.** RCW 48.13.350 and 1949 c 190 s 20 are each amended to read as follows:
- 37 (1) As to each investment or loan of the funds of a domestic

- insurer a written record in permanent form showing the authorization thereof shall be made and signed by an officer of the insurer or by the ((chairman)) chair of such committee authorizing the investment or loan.
- 5 (2) As to each such investment or loan the insurer's records shall contain:
  - (a) In the case of loans: The name of the borrower; the location and legal description of the property; a physical description, and the appraised value of the security; the amount of the loan, rate of interest and terms of repayment.
  - (b) In the case of securities: The name of the obligor; a description of the security and the record of earnings; the amount invested, the rate of interest or dividend, the maturity and yield based upon the purchase price.
- 15 (c) In the case of real estate: The location and legal description 16 of the property; a physical description and the appraised value; the 17 purchase price and terms.
  - (d) In the case of all investments:

- (i) The amount of expenses and commissions if any incurred on account of any investment or loan and by whom and to whom payable if not covered by contracts with mortgage loan representatives or correspondents which are part of the insurer's records.
- (ii) The name of any officer or director of the insurer having any direct, indirect, or contingent interest in the securities or loan representing the investment, or in the assets of the person in whose behalf the investment or loan is made, and the nature of such interest.
- **Sec. 7058.** RCW 48.14.070 and 1979 ex.s. c 130 s 2 are each amended to read as follows:

In event any person has paid to the commissioner any tax, license fee or other charge in error or in excess of that which he or she is lawfully obligated to pay, the commissioner shall upon written request made to him or her make a refund thereof. A person may only request a refund of taxes within six years from the date the taxes were paid. A person may only request a refund of fees or charges other than taxes within thirteen months of the date the fees or charges were paid. Refunds may be made either by crediting the amount toward payment of charges due or to become due from such person, or by making a cash

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- 1 refund. To facilitate such cash refunds the commissioner may establish
- 2 a revolving fund out of funds appropriated by the legislature for his
- 3 use.

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- 4 **Sec. 7059.** RCW 48.15.100 and 1955 c 303 s 6 are each amended to read as follows:
  - (1) Each licensed surplus line broker shall keep a full and true record of each surplus line contract procured by him or her including a copy of the daily report, if any, showing such of the following items as may be applicable:
- 10 (a) Amount of the insurance;
- 11 (b) Gross premiums charged;
- 12 (c) Return premium paid, if any;
- 13 (d) Rate of premium charged upon the several items of property;
- 14 (e) Effective date of the contract, and the terms thereof;
- 15 (f) Name and address of the insurer;
- 16 (g) Name and address of the insured;
- 17 (h) Brief general description of property insured and where 18 located;
- 19 (i) Other information as may be required by the commissioner.
- 20 (2) All such records as to any particular transaction shall be kept
- 21 available and open to the inspection of the commissioner at any
- 22 business time during the five years next following the date of
- 23 completion of such transaction.
- 24 **Sec. 7060.** RCW 48.15.110 and 1955 c 303 s 7 are each amended to 25 read as follows:
- 26 (1) Each surplus line broker shall on or before the first day of 27 March of each year file with the commissioner a verified statement of 28 all surplus line insurance transacted by him <u>or her</u> during the
- 29 preceding calendar year.
- 30 (2) The statement shall be on forms as prescribed and furnished by
- 31 the commissioner and shall show:
- 32 (a) Aggregate of net premiums;
- 33 (b) Additional information as required by the commissioner.
- 34 Sec. 7061. RCW 48.15.120 and 1947 c 79 s .15.12 are each amended
- 35 to read as follows:

- (1) On or before the first day of March of each year each surplus 1 2 line broker shall remit to the state treasurer through the commissioner a tax on the premiums, exclusive of sums collected to cover federal and 3 state taxes and examination fees, on surplus line insurance subject to 4 5 tax transacted by him or her during the preceding calendar year as shown by his or her annual statement filed with the commissioner, and 6 7 at the same rate as is applicable to the premiums of authorized foreign insurers under this code. Such tax when collected shall be credited to 8 9 the general fund.
- 10 (2) If a surplus line policy covers risks or exposures only 11 partially in this state the tax so payable shall be computed upon the 12 proportion of the premium which is properly allocable to the risks or 13 exposures located in this state.
- 14 **Sec. 7062.** RCW 48.15.140 and 1980 c 102 s 6 are each amended to read as follows:
- 16 (1) The commissioner may revoke, suspend, or refuse to renew any surplus line broker's license:

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- (a) If the surplus line broker fails to file his <u>or her</u> annual statement or to remit the tax as required by this chapter; or
  - (b) If the surplus line broker fails to maintain an office in this state, or to keep the records, or to allow the commissioner to examine his <u>or her</u> records as required by this chapter; or
- 23 (c) For any of the causes for which a broker's license may be revoked under chapter 48.17 RCW.
  - (2) The commissioner may suspend or revoke any such license whenever he <u>or she</u> deems suspension or revocation to be for the best interests of the people of this state.
  - (3) The procedures provided by this code for the suspension or revocation of general brokers' licenses shall be applicable to suspension or revocation of a surplus line broker's license.
- 31 (4) No broker whose license has been so revoked shall again be so 32 licensed within one year thereafter, nor until any fines or delinquent 33 taxes owing by him <u>or her</u> have been paid.
- 34 **Sec. 7063.** RCW 48.15.170 and 1947 c 79 s .15.17 are each amended to read as follows:
- 36 Every person for whom insurance has been placed with an

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- 1 unauthorized insurer pursuant to or in violation of this chapter shall,
- 2 upon the commissioner's order, produce for his or her examination all
- 3 policies and other documents evidencing the insurance, and shall
- 4 disclose to the commissioner the amount of the gross premiums paid or
- 5 agreed to be paid for the insurance. For each refusal to obey such
- 6 order, such person shall be liable to a fine of not more than five
- 7 hundred dollars.
- 8 **Sec. 7064.** RCW 48.16.080 and 1955 c 86 s 9 are each amended to 9 read as follows:
- 10 The state of Washington shall be responsible for the safekeeping
- 11 and return of all funds and securities deposited pursuant to this
- 12 chapter with the commissioner or in any such depositary so designated
- 13 by him or her.

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- 14 Sec. 7065. RCW 48.16.100 and 1947 c 79 s .16.10 are each amended to read as follows:
- 16 (1) Any such required deposit shall be released in these instances only:
- 18 (a) Upon extinguishment of all liabilities of the insurer for the 19 security of which the deposit is held, by reinsurance contract or 20 otherwise.
- 21 (b) If any such deposit or portion thereof is no longer required 22 under this code.
  - (c) If the deposit has been made pursuant to the retaliatory provision, RCW 48.14.040, it shall be released in whole or in part when no longer so required.
    - (d) Upon proper order of a court of competent jurisdiction the deposit shall be released to the receiver, conservator, rehabilitator, or liquidator of the insurer for whose account the deposit is held.
  - (2) No such release shall be made except on application to and written order of the commissioner made upon proof satisfactory to him or her of the existence of one of such grounds therefor. The commissioner shall have no personal liability for any such release of any deposit or part thereof so made by him or her in good faith.
- 34 (3) All releases of deposits or any part thereof shall be made to 35 the person then entitled thereto upon proof of title satisfactory to 36 the commissioner.

1 (4) Deposits held on account of title insurers are subject further 2 to the provisions of chapter 48.29 RCW.

- Sec. 7066. RCW 48.17.430 and 1977 ex.s. c 182 s 5 are each amended to read as follows:
- (1) Prior to the issuance of a license as public adjuster, the applicant therefor shall file with the commissioner and shall thereafter maintain in force while so licensed a surety bond in favor of the people of the state of Washington, executed by an authorized corporate surety approved by the commissioner, in the amount of five thousand dollars. The bond may be continuous in form, and total aggregate liability on the bond may be limited to the payment of five thousand dollars. The bond shall be contingent on the accounting by the adjuster to any insured whose claim he or she is handling, for moneys or any settlement received in connection therewith.
  - (2) Any such bond shall remain in force until the surety is released from liability by the commissioner, or until canceled by the surety. Without prejudice to any liability accrued prior to cancellation, the surety may cancel a bond upon thirty days advance notice in writing filed with the commissioner.
- (3) Such bond shall be required of any adjuster acting as a public adjuster as of the effective date of this code, or thereafter under any unexpired license heretofore issued.
  - Sec. 7067. RCW 48.18.020 and 1973 1st ex.s. c 163 s 2 are each amended to read as follows:
  - (1) Any person eighteen years or older shall be considered of full legal age and may contract for or with respect to insurance. Any person seventeen years or younger shall be considered a minor for purposes of Title 48 RCW.
  - (2) A minor not less than fifteen years of age as at nearest birthday may, notwithstanding such minority, contract for life or disability insurance on his <u>or her</u> own life or body, for his <u>or her</u> own benefit or for the benefit of his <u>or her</u> father, mother, spouse, child, brother, sister, or grandparent, and may exercise all rights and powers with respect to or under the contract as though of full legal age, and may surrender his <u>or her</u> interest therein and give a valid discharge for any benefit accruing or money payable thereunder. The minor shall

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- 1 not, by reason of his minority, be entitled to rescind, avoid, or
- 2 repudiate the contract, or any exercise of a right or privilege
- 3 thereunder, except, that such minor, not otherwise emancipated, shall
- 4 not be bound by any unperformed agreement to pay, by promissory note or
- 5 otherwise any premium on any such insurance contract.
- 6 **Sec. 7068.** RCW 48.18.050 and 1947 c 79 s .18.05 are each amended 7 to read as follows:
- 8 When the name of a person intended to be insured is specified in
- 9 the policy, such insurance can be applied only to his or her own proper
- 10 interest. This section shall not apply to life and disability
- 11 insurances.
- 12 Sec. 7069. RCW 48.18.070 and 1947 c 79 s .18.07 are each amended
- 13 to read as follows:
- 14 (1) Any application for insurance in writing by the applicant shall
- 15 be altered solely by the applicant or by his or her written consent,
- 16 except that insertions may be made by the insurer for administrative
- 17 purposes only in such manner as to indicate clearly that such
- 18 insertions are not to be ascribed to the applicant. Violation of this
- 19 provision shall be a misdemeanor.
- 20 (2) Any insurer issuing an insurance contract upon such an
- 21 application unlawfully altered by its officer, employee, or agent shall
- 22 not have available in any action arising out of such contract, any
- 23 defense which is based upon the fact of such alteration, or as to any
- 24 item in the application which was so altered.
- 25 Sec. 7070. RCW 48.18.090 and 1947 c 79 s .18.09 are each amended
- 26 to read as follows:
- 27 (1) Except as provided in subsection (2) of this section, no oral
- or written misrepresentation or warranty made in the negotiation of an
- 29 insurance contract, by the insured or in his or her behalf, shall be
- 30 deemed material or defeat or avoid the contract or prevent it
- 31 attaching, unless the misrepresentation or warranty is made with the
- 32 intent to deceive.
- 33 (2) In any application for life or disability insurance made in
- 34 writing by the insured, all statements therein made by the insured
- 35 shall, in the absence of fraud, be deemed representations and not

- warranties. The falsity of any such statement shall not bar the right to recovery under the contract unless such false statement was made with actual intent to deceive or unless it materially affected either
- 4 the acceptance of the risk or the hazard assumed by the insurer.

- **Sec. 7071.** RCW 48.18.120 and 1957 c 193 s 10 are each amended to 6 read as follows:
  - (1) The commissioner shall, after hearing, from time to time promulgate such rules and regulations as may be necessary to define and effect reasonable uniformity in all basic contracts of fire insurance which are commonly known as the standard form fire policies and may be so referred to in this code, and the usual supplemental coverages, riders, or endorsements thereon or thereto, to the end that such definitions shall be applied in the construction of the various sections of this code wherein such terms are used and that there be a reasonable concurrency of contract where two or more insurers insure the same subject and risk. All such forms heretofore approved by the commissioner and for use as of immediately prior to the effective date of this code, may continue to be so used until the further order of the commissioner made pursuant to this subsection or pursuant to any other provision of this code.
  - (2) The commissioner may from time to time, after hearing, promulgate such rules and regulations as he <u>or she</u> deems necessary to establish reasonable minimum standard conditions and terminology for basic benefits to be provided by disability insurance contracts which are subject to chapters 48.20 and 48.21 RCW, for the purpose of expediting his <u>or her</u> approval of such contracts pursuant to this code. No such promulgation shall be inconsistent with standard provisions as required pursuant to RCW 48.18.130, nor contain requirements inconsistent with requirements relative to the same benefit provision as formulated or approved by the National Association of Insurance Commissioners.
- **Sec. 7072.** RCW 48.18.130 and 1947 c 79 s .18.13 are each amended to read as follows:
- 34 (1) Insurance contracts shall contain such standard provisions as 35 are required by the applicable chapters of this code pertaining to

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contracts of particular kinds of insurance. The commissioner may waive the required use of a particular standard provision in a particular insurance contract form if

- (a) he <u>or she</u> finds such provision unnecessary for the protection of the insured, and inconsistent with the purposes of the contract, and
  - (b) the contract is otherwise approved by him or her.

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- (2) No insurance contract shall contain any provision inconsistent with or contradictory to any such standard provision used or required to be used, but the commissioner may, except as to the standard provisions of individual disability insurance contracts as required under chapter 48.20 RCW, approve any provision which is in his or her opinion more favorable to the insured than the standard provision or optional standard provision otherwise required. No endorsement, rider, or other documents attached to such contract shall vary, extend, or in any respect conflict with any such standard provision, or with any modification thereof so approved by the commissioner as being more favorable to the insured.
- 18 (3) In lieu of the standard provisions required by this code for 19 contracts for particular kinds of insurance, substantially similar 20 standard provisions required by the law of a foreign or alien insurer's 21 domicile may be used when approved by the commissioner.
- 22 **Sec. 7073.** RCW 48.18.240 and 1947 c 79 s .18.24 are each amended to read as follows:
- 24 The commissioner may suspend or revoke the license of any agent 25 issuing or purporting to issue any binder as to any insurer named 26 therein as to which he <u>or she</u> is not then authorized so to bind.
- 27 **Sec. 7074.** RCW 48.18.292 and 1985 c 264 s 19 are each amended to 28 read as follows:
- 29 (1) Each insurer shall be required to renew any contract of 30 insurance subject to RCW 48.18.291 unless one of the following 31 situations exists:
- 32 (a) The insurer gives the named insured at least twenty days'
  33 notice in writing as provided for in RCW 48.18.291(1), that it proposes
  34 to refuse to renew the insurance contract upon its expiration date; and
  35 sets forth therein the actual reason for refusing to renew; or

(b) At least twenty days prior to its expiration date, the insurer has communicated its willingness to renew in writing to the named insured, and has included therein a statement of the amount of the premium or portion thereof required to be paid by the insured to renew the policy, including the amount by which the premium or deductibles have changed from the previous policy period, and the date by which such payment must be made, and the insured fails to discharge when due his or her obligation in connection with the payment of such premium or portion thereof; or

- (c) The insured's agent or broker has procured other coverage acceptable to the insured prior to the expiration of the policy period.
- (2) Renewal of a policy shall not constitute a waiver or estoppel with respect to grounds for cancellation which existed before the effective date of such renewal.
- (3) "Renewal" or "to renew" means the issuance and delivery by an insurer of a contract of insurance replacing at the end of the contract period a contract of insurance previously issued and delivered by the same insurer, or the issuance and delivery of a certificate or notice extending the term of a contract beyond its policy period or term: PROVIDED, HOWEVER, That any contract of insurance with a policy period or term of six months or less whether or not made continuous for successive terms upon the payment of additional premiums shall for the purpose of RCW 48.18.291 through 48.18.297 be considered as if written for a policy period or term of six months: PROVIDED, FURTHER, That any policy written for a term longer than one year or any policy with no fixed expiration date, shall, for the purpose of RCW 48.18.291 through 48.18.297, be considered as if written for successive policy periods or terms of one year.
- (4) On and after January 1, 1980, no policy of insurance subject to RCW 48.18.291 shall be issued for a policy period or term of less than six months.
- (5) No insurer shall refuse to renew the liability and/or collision coverage of an automobile insurance policy on the basis that an insured covered by the policy of the insurer has submitted one or more claims under the comprehensive, road service, or towing coverage of the policy. Nothing in this subsection shall prohibit the nonrenewal of comprehensive, road service, or towing coverage on the basis of one or more claims submitted by an insured.

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- 1 Sec. 7075. RCW 48.18.293 and 1969 ex.s. c 241 s 21 are each
  2 amended to read as follows:
- (1) There shall be no liability on the part of, and no cause of 3 4 action of any nature shall arise against, the insurance commissioner, 5 his <u>or her</u> agents, or members of his <u>or her</u> staff, or against any insurer, its authorized representative, its agents, its employees, or 6 7 any firm, person or corporation furnishing to the insurer information 8 as to reasons for cancellation or refusal to renew, for any statement 9 made by any of them in any written notice of cancellation or refusal to renew, or in any other communications, oral or written, specifying the 10 reasons for cancellation or refusal to renew or the providing of 11 information pertaining thereto, or for statements made or evidence 12 submitted in any hearing conducted in connection therewith. 13
  - (2) Proof of mailing of notice of cancellation or refusal to renew or of reasons for cancellation, to the named insured, at the latest address filed with the insurer by or on behalf of the named insured shall be sufficient proof of notice.
- 18 **Sec. 7076.** RCW 48.18.340 and 1947 c 79 s .18.34 are each amended 19 to read as follows:
  - (1) Every insurer issuing participating policies, shall pay dividends, unused premium refunds or savings distributed on account of any such policy, only to the real party in interest entitled thereto as shown by the insurer's records, or to any person to whom the right thereto has been assigned in writing of record with the insurer, or given in the policy by such real party in interest.
  - (2) Any person who is shown by the insurer's records to have paid for his <u>or her</u> own account, or to have been ultimately charged for, the premium for insurance provided by a policy in which another person is the nominal insured, shall be deemed such real party in interest proportionate to premium so paid or so charged. This subsection shall not apply as to any such dividend, refund, or distribution which would amount to less than one dollar.
- 33 (3) This section shall not apply to contracts of group life 34 insurance, group annuities, or group disability insurance.
- 35 **Sec. 7077.** RCW 48.18.375 and 1973 1st ex.s. c 163 s 3 are each 36 amended to read as follows:

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A person whose life is insured under a group insurance policy may, 1 2 subject and pursuant to the terms of the policy, or pursuant to an arrangement between the insured, the group policyholder and the 3 insurer, assign to any or all his or her spouse, children, parents, or 4 a trust for the benefit of any or all of them, all or any part of his 5 or her incidents of ownership, rights, title, and interests, both 6 7 present and future, under such policy including specifically, but not by way of limitation, the right to designate a beneficiary or 8 beneficiaries thereunder and the right to have an individual policy 9 issued to him in case of termination of employment or of said group 10 insurance policy. Such an assignment by the insured, made either 11 12 before or after July 16, 1973, is valid for the purpose of vesting in 13 the assignee, in accordance with any provisions included therein as to 14 the time at which it is to be effective, all of such incidents of ownership, rights, title, and interests so assigned, but without 15 prejudice to the insurer on account of any payment it may make or 16 17 individual policy it may issue prior to receipt of notice of the assignment. This section acknowledges, declares, and codifies the 18 existing right of assignment of interests under group insurance 19 20 policies.

21 **Sec. 7078.** RCW 48.18.400 and 1947 c 79 s .18.40 are each amended 22 to read as follows:

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The proceeds or avails of all contracts of disability insurance and of provisions providing benefits on account of the insured's disability which are supplemental to life insurance or annuity contracts heretofore or hereafter effected shall be exempt from all liability for any debt of the insured, and from any debt of the beneficiary existing at the time the proceeds are made available for his <u>or her</u> use.

29 **Sec. 7079.** RCW 48.18.410 and 1947 c 79 s .18.41 are each amended 30 to read as follows:

(1) The lawful beneficiary, assignee, or payee of a life insurance policy, other than an annuity, heretofore or hereafter effected by any person on his <u>or her</u> own life, or on the life of another, in favor of a person other than himself <u>or herself</u>, shall be entitled to the proceeds and avails of the policy against the creditors and representatives of the insured and of the person effecting the

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insurance, and such proceeds and avails shall also be exempt from all liability for any debt of such beneficiary, existing at the time the proceeds or avails are made available for his or her own use.

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- (2) The provisions of subsection (1) of this section shall apply
- (a) whether or not the right to change the beneficiary is reserved or permitted in the policy; or
- (b) whether or not the policy is made payable to the person whose life is insured or to his <u>or her</u> estate if the beneficiary, assignee or payee shall predecease such person; except, that this subsection shall not be construed so as to defeat any policy provision which provides for disposition of proceeds in the event the beneficiary shall predecease the insured.
- (3) The exemptions provided by subsection (1) of this section, subject to the statute of limitations, shall not apply
- (a) to any claim to or interest in such proceeds or avails by or on behalf of the insured, or the person so effecting the insurance, or their administrators or executors, in whatever capacity such claim is made or such interest is asserted; or
- (b) to any claim to or interest in such proceeds or avails by or on behalf of any person to whom rights thereto have been transferred with intent to defraud creditors; but an insurer shall be liable to all such creditors only as to amounts aggregating not to exceed the amount of such proceeds or avails remaining in the insurer's possession at the time the insurer receives at its home office written notice by or on behalf of such creditors, of claims to recover for such transfer, with specification of the amounts claimed; or
- (c) to so much of such proceeds or avails as equals the amount of any premiums or portion thereof paid for the insurance with intent to defraud creditors, with interest thereon, and if prior to the payment of such proceeds or avails the insurer has received at its home office written notice by or on behalf of the creditor, of a claim to recover for premiums paid with intent to defraud creditors, with specification of the amount claimed.
- (4) For the purposes of subsection (1) of this section a policy shall also be deemed to be payable to a person other than the insured if and to the extent that a facility-of-payment clause or similar clause in the policy permits the insurer to discharge its obligation

- after the death of the individual insured by paying the death benefits to a person as permitted by such clause.
- 3 (5) No person shall be compelled to exercise any rights, powers, 4 options or privileges under any such policy.
- **Sec. 7080.** RCW 48.18.420 and 1947 c 79 s .18.42 are each amended to read as follows:

- (1) A policy of group life insurance or the proceeds thereof payable to the individual insured or to the beneficiary thereunder, shall not be liable, either before or after payment, to be applied to any legal or equitable process to pay any liability of any person having a right under the policy. The proceeds thereof, when not made payable to a named beneficiary or to a third person pursuant to a facility-of-payment clause, shall not constitute a part of the estate of the individual insured for the payment of his or her debts.
- 15 (2) This section shall not apply to group life insurance policies 16 issued under RCW 48.24.040 (debtor groups) to the extent that such 17 proceeds are applied to payment of the obligation for the purpose of 18 which the insurance was so issued.
- **Sec. 7081.** RCW 48.18.440 and 1947 c 79 s .18.44 are each amended 20 to read as follows:
  - (1) Every life insurance policy heretofore or hereafter made payable to or for the benefit of the spouse of the insured, and every life insurance policy heretofore or hereafter assigned, transferred, or in any way made payable to a spouse or to a trustee for the benefit of a spouse, regardless of how such assignment or transfer is procured, shall, unless contrary to the terms of the policy, inure to the separate use and benefit of such spouse: PROVIDED, That the beneficial interest of a spouse in a policy upon the life of a child of the spouses, however such interest is created, shall be deemed to be a community interest and not a separate interest, unless expressly otherwise provided by the policy.
  - (2) In any life insurance policy heretofore or hereafter issued upon the life of a spouse the designation heretofore or hereafter made by such spouse of a beneficiary in accordance with the terms of the policy, shall create a presumption that such beneficiary was so designated with the consent of the other spouse, but only as to any

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- 1 beneficiary who is the child, parent, brother, or sister of either of
- 2 the spouses. The insurer may in good faith rely upon the
- 3 representations made by the insured as to the relationship to him or
- 4 <u>her</u> of any such beneficiary.

**Sec. 7082.** RCW 48.18.450 and 1963 c 227 s 1 are each amended to 6 read as follows:

Life insurance may be made payable to a trustee to be named as beneficiary in the policy and the proceeds of such insurance paid to such trustee shall be held and disposed of by the trustee as provided in a trust agreement or declaration of trust made by the insured during his or her lifetime. It shall not be necessary to the validity of any such trust agreement or declaration of trust that it have a trust corpus other than the right of the trustee to receive such insurance proceeds as beneficiary, and any such trustee may also receive assets, other than insurance proceeds, by testamentary disposition and administer them according to the terms of the trust agreement or declaration of trust as they exist at the death of the testator.

Sec. 7083. RCW 48.18A.020 and 1973 1st ex.s. c 163 s 4 are each amended to read as follows:

A domestic life insurer may, by or pursuant to resolution of its board of directors, establish one or more separate accounts, and may allocate thereto amounts (including without limitation proceeds applied under optional modes of settlement or under dividend options) to provide for life insurance or annuities (and other benefits incidental thereto), payable in fixed or variable amounts or both, subject to the following:

- (1) The income, gains, and losses, realized or unrealized, from assets allocated to a separate account shall be credited to or charged against the account, without regard to other income, gains, or losses of the insurer.
- 31 (2)(a) Except as hereinafter provided, amounts allocated to any separate account and accumulations thereon may be invested and reinvested without regard to any requirements or limitations prescribed by the laws of this state governing the investments of life insurers: PROVIDED, That to the extent that the insurer's reserve liability with regard to (i) benefits guaranteed as to dollar amount and duration, and

(ii) funds guaranteed as to principal amount or stated rate of interest is maintained in any separate account, a portion of the assets of such separate account at least equal to such reserve liability shall be invested under such conditions as the commissioner may prescribe. The investments in such separate account or accounts shall not be taken into account in applying the investment limitations applicable to the investments of the insurer.

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- (b) With respect to seventy-five percent of the market value of the total assets in a separate account no insurer shall purchase or otherwise acquire the securities of any issuer, other than securities issued or guaranteed as to principal or interest by the United States, if immediately after such purchase or acquisition the market value of such investment, together with prior investments of such separate account in such security taken at market value, would exceed ten percent of the market value of the assets of such separate account: PROVIDED, That the commissioner may waive such limitation if, in his or her opinion, such waiver will not render the operation of such separate account hazardous to the public or the policyholders in this state.
- (c) Unless otherwise permitted by law or approved by the commissioner, no insurer shall purchase or otherwise acquire for its separate accounts the voting securities of any issuer if as a result of such acquisition the insurer and its separate accounts, in the aggregate, will own more than ten percent of the total issued and outstanding voting securities of such issuer: PROVIDED, That the foregoing shall not apply with respect to securities held in separate accounts, the voting rights in which are exercisable only in accordance with instructions from persons having interests in such accounts.
- (d) The limitations provided in paragraphs (b) and (c) of this subsection shall not apply to the investment with respect to a separate account in the securities of an investment company registered under the United States Investment Company Act of 1940: PROVIDED, That the investments of such investment company shall comply in substance therewith.
- (3) Unless otherwise approved by the commissioner, assets allocated to a separate account shall be valued at their market value on the date of valuation, or if there is no readily available market, then as provided under the terms of the contract or the rules or other written agreement applicable to such separate account: PROVIDED, That unless

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otherwise approved by the commissioner, the portion, if any, of the assets of such separate account equal to the insurer's reserve liability with regard to the guaranteed benefits and funds referred to in subsection (2) of this section shall be valued in accordance with the rules otherwise applicable to the insurer's assets.

- (4) Amounts allocated to a separate account in the exercise of the power granted by this chapter shall be owned by the insurer and the insurer shall not be, nor hold itself out to be, a trustee with respect to such amounts. If and to the extent so provided under the applicable contracts, that portion of the assets of any such separate account equal to the reserves and other contract liabilities with respect to such account shall not be chargeable with liabilities arising out of any other business the insurer may conduct.
- (5) No sale, exchange or other transfer of assets may be made by an insurer between any of its separate accounts or between any other investment account and one or more of its separate accounts unless, in case of a transfer into a separate account, such transfer is made solely to establish the account or to support the operation of the contracts with respect to the separate account to which the transfer is made, and unless such transfer, whether into or from a separate account, is made (a) by a transfer of cash, or (b) by a transfer of securities having a readily determinable market value: PROVIDED, That such transfer of securities is approved by the commissioner. The commissioner may approve other transfers among such accounts, if, in his or her opinion, such transfers would not be inequitable.
- (6) To the extent such insurer deems it necessary to comply with any applicable federal or state law, such insurer, with respect to any separate account, including without limitation any separate account which is a management investment company or a unit investment trust, may provide for persons having interest therein, as may be appropriate, voting and other rights and special procedures for the conduct of the business of such account, including without limitation, special rights and procedures relating to investment policy, investment advisory services, selection of independent public accountants, and the selection of a committee, the members of which need not be otherwise affiliated with such insurer, to manage the business of such account.

No person shall be or act as an agent for the solicitation or sale 3 of variable contracts except while duly appointed and licensed under 4 5 the insurance code as a life insurance agent with respect to the insurer, and while duly licensed as a security ((salesman)) salesperson 6 7 or securities broker under a license issued by the director of financial institutions pursuant to the securities act of this state; 8 except that any person who participates only in the sale or offering 9 for sale of variable contracts which fund corporate plans meeting the 10 11 requirements for qualification under sections 401 or 403 of the United States internal revenue code need not be licensed pursuant to the 12 securities act of this state. 13

14 Sec. 7085. RCW 48.19.080 and 1981 c 339 s 18 are each amended to read as follows:

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Under such rules and regulations as he <u>or she</u> shall adopt the commissioner may, by order, suspend or modify the requirement of filing as to any kind of insurance. Such orders, rules and regulations shall be made known to insurers and rating organizations affected thereby. The commissioner may make such examination as he <u>or she</u> may deem advisable to ascertain whether any rates affected by such order meet the standard prescribed in RCW 48.19.020.

23 **Sec. 7086.** RCW 48.19.090 and 1947 c 79 s .19.09 are each amended to read as follows:

Upon written application of the insured, stating his <u>or her</u> reasons therefor, filed with and approved by the commissioner, a rate in excess of that provided by a filing otherwise applicable may be used on any specific risk.

29 **Sec. 7087.** RCW 48.19.100 and 1989 c 25 s 6 are each amended to 30 read as follows:

If within the waiting period or any extension thereof as provided in RCW 48.19.060, the commissioner finds that a filing does not meet the requirements of this chapter, he <u>or she</u> shall disapprove such filing, and shall give notice of such disapproval, specifying the

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- 1 respect in which he or she finds the filing fails to meet such
- 2 requirements, and stating that the filing shall not become effective,
- 3 to the insurer or rating organization which made the filing.

- **Sec. 7088.** RCW 48.19.110 and 1947 c 79 s .19.11 are each amended to read as follows:
  - (1) If within thirty days after a special filing subject to RCW 48.19.070 has become effective, the commissioner finds that the filing does not meet the requirements of this chapter, he <u>or she</u> shall disapprove the filing and shall give notice to the insurer or rating organization which made the filing, specifying in what respects he <u>or she</u> finds that the filing fails to meet such requirements and stating when, within a reasonable period thereafter, the filing shall be deemed no longer effective.
- 14 (2) Such disapproval shall not affect any contract made or issued 15 prior to the expiration of the period set forth in the notice of 16 disapproval.
- **Sec. 7089.** RCW 48.19.120 and 1989 c 25 s 7 are each amended to 18 read as follows:
  - (1) If at any time subsequent to the applicable review period provided in RCW 48.19.060 or 48.19.110, the commissioner finds that a filing does not meet the requirements of this chapter, he or she shall, after a hearing, notice of which was given to every insurer and rating organization which made such filing, issue his or her order specifying in what respect he or she finds that such filing fails to meet the requirements of this chapter, and stating when, within a reasonable period thereafter, the filings shall be deemed no longer effective.
  - (2) Such order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in the order.
  - (3) Any person aggrieved with respect to any filing then in effect, other than the insurer or rating organization which made the filing, may make written application to the commissioner for a hearing thereon. The application shall specify the grounds to be relied upon by the applicant. If the commissioner finds that the application is made in good faith, that the applicant would be so aggrieved if his or her grounds are established, and that such grounds otherwise justify

- 1 holding the hearing, he or she shall, within thirty days after receipt
- 2 of the application, hold a hearing as required in subsection (1) of
- 3 this section.
- 4 **Sec. 7090.** RCW 48.19.180 and 1947 c 79 s .19.18 are each amended to read as follows:
- (1) If the commissioner finds that the applicant for a license as 6 7 a rating organization is competent, trustworthy and otherwise qualified so to act, and that its constitution, articles of agreement or 8 association or certificate of incorporation or trust agreement, and its 9 bylaws, rules and regulations governing the conduct of its business 10 conform to the requirements of law, he or she shall, upon payment of a 11 license fee of twenty-five dollars, issue a license specifying the 12 kinds of insurance, or subdivisions or class of risk or part or 13 combination thereof for which the applicant is authorized to act as a 14 15 rating organization.
- 16 (2) The commissioner shall grant or deny in whole or in part every 17 such application within sixty days of the date of its filing with him 18 or her.
- 19 (3) A license issued pursuant to this section shall remain in 20 effect for three years unless sooner suspended or revoked by the 21 commissioner.
- 22 **Sec. 7091.** RCW 48.19.190 and 1947 c 79 s .19.19 are each amended to read as follows:
- 24 (1) The commissioner may, after a hearing, suspend or revoke the 25 license issued to a rating organization for any of the following 26 causes:
- 27 (a) If he <u>or she</u> finds that the licensee no longer meets the qualifications for the license.
- 29 (b) For failure to comply with an order of the commissioner within 30 the time limited by the order, or any extension thereof which the 31 commissioner may grant.
- 32 (2) The commissioner shall not so suspend or revoke a license for 33 failure to comply with an order until the time prescribed by this code 34 for an appeal from such order to the superior court has expired or if 35 such appeal has been taken, until such order has been affirmed.

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(3) The commissioner may determine when a suspension or revocation of license shall become effective. A suspension of license shall remain in effect for the period fixed by him <u>or her</u>, unless he <u>or she</u> modifies or rescinds the suspension, or until the order, failure to comply with which constituted grounds for the suspension, is modified, rescinded or reversed.

**Sec. 7092.** RCW 48.19.220 and 1947 c 79 s .19.22 are each amended 8 to read as follows:

- (1) The reasonableness of any rule or regulation in its application to subscribers, or the refusal of any rating organization to admit an insurer as a subscriber, shall, at the request of any subscriber or any such insurer, be reviewed by the commissioner at a hearing held upon notice to the rating organization, and to the subscriber or insurer.
- (2) If the commissioner finds that such rule or regulation is unreasonable in its application to subscribers, he <u>or she</u> shall order that such rule or regulation shall not be applicable to subscribers who are not members of the rating organization.
- (3) If a rating organization fails to grant or reject an insurer's application for subscribership within thirty days after it was made, the insurer may request a review by the commissioner as if the application had been rejected. If the commissioner finds that the insurer has been refused admittance to the rating organization as a subscriber without justification, he or she shall order the rating organization to admit the insurer as a subscriber. If he or she finds that the action of the rating organization was justified, he or she shall make an order affirming its action.
- **Sec. 7093.** RCW 48.19.250 and 1947 c 79 s .19.25 are each amended to read as follows:
  - (1) Cooperation among rating organizations or among rating organizations and insurers in rate making or in other matters within the scope of this chapter is hereby authorized, if the filings resulting from such cooperation are subject to all the provisions of this chapter which are applicable to filings generally.
- 34 (2) The commissioner may review such cooperative activities and 35 practices and if, after a hearing, he <u>or she</u> finds that any such 36 activity or practice is unfair or unreasonable or otherwise

- 1 inconsistent with the provisions of this code, he or she may issue a
- 2 written order specifying in what respect such activity or practice is
- 3 so unfair, unreasonable, or inconsistent, and requiring the
- 4 discontinuance of such activity or practice.

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- 5 **Sec. 7094.** RCW 48.19.290 and 1947 c 79 s .19.29 are each amended to read as follows:
  - (1) Any subscriber to a rating organization may appeal to the commissioner from the rating organization's action or decision in approving or rejecting any proposed change in or addition to the rating organization's filings. The commissioner shall, after a hearing on the appeal:
- 12 (a) Issue an order approving the rating organization's action or 13 decision or directing it to give further consideration to such 14 proposal; or
  - (b) If the appeal is from the rating organization's action or decision in rejecting a proposed addition to its filings, he <u>or she</u> may, in event he <u>or she</u> finds that the action or decision was unreasonable, issue an order directing the rating organization to make an addition to its filings, on behalf of its subscribers, in a manner consistent with his <u>or her</u> findings, within a reasonable time after the issuance of such order.
  - (2) If such appeal is based upon the rating organization's failure to make a filing on behalf of such subscriber which is based on a system of expense provisions which differs, in accordance with the right granted in subdivision (2) of RCW 48.19.030, from the system of expense provisions included in a filing made by the rating organization, the commissioner shall, if he or she grants the appeal, order the rating organization to make the requested filing for use by the appellant. In deciding the appeal the commissioner shall apply the standards set forth in RCW 48.19.020 and 48.19.030.
- 31 **Sec. 7095.** RCW 48.19.310 and 1947 c 79 s .19.31 are each amended 32 to read as follows:
- Every rating organization and every insurer which makes its own rates shall provide within this state reasonable means whereby any person aggrieved by the application of its rating system may be heard, in person or by his <u>or her</u> authorized representative, on his <u>or her</u>

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- 1 written request to review the manner in which such rating system has
- 2 been applied in connection with the insurance afforded him or her. If
- 3 the rating organization or insurer fails to grant or reject such
- 4 request within thirty days after it is made, the applicant may proceed
- 5 in the same manner as if his <u>or her</u> application had been rejected. Any
- 6 party affected by the action of such rating organization or such
- 7 insurer on such request may, within thirty days after written notice of
- 8 such action, appeal to the commissioner, who, after a hearing held upon
- 9 notice to the appellant and to the rating organization or insurer, may
- 10 affirm or reverse such action.
- 11 Sec. 7096. RCW 48.19.330 and 1947 c 79 s .19.33 are each amended
- 12 to read as follows:
- 13 Every advisory organization before serving as such to any rating
- 14 organization or independently filing insurer doing business in this
- 15 state, shall file with the commissioner:
- 16 (1) A copy of its constitution, its articles of agreement or
- 17 association or its certificate of incorporation and of its bylaws,
- 18 rules and regulations governing its activities;
- 19 (2) A list of its members;
- 20 (3) The name and address of a resident of this state upon whom
- 21 notices or orders of the commissioner or process issued at his <u>or her</u>
- 22 direction may be served; and
- 23 (4) An agreement that the commissioner may examine such advisory
- organization in accordance with the provisions of RCW 48.03.010.
- 25 Sec. 7097. RCW 48.19.340 and 1947 c 79 s .19.34 are each amended
- 26 to read as follows:
- 27 If, after a hearing, the commissioner finds that the furnishing of
- 28 information or assistance by an advisory organization, as referred to
- 29 in RCW 48.19.320, involves any act or practice which is unfair or
- 30 unreasonable or otherwise inconsistent with the provisions of this
- 31 code, he or she may issue a written order specifying in what respect
- 32 such act or practice is unfair or unreasonable or so otherwise
- 33 inconsistent, and requiring the discontinuance of such act or practice.
- 34 Sec. 7098. RCW 48.19.350 and 1947 c 79 s .19.35 are each amended
- 35 to read as follows:

No insurer which makes its own filing nor any rating organization shall support its filings by statistics or adopt rate making recommendations, furnished to it by an advisory organization which has not complied with this chapter or with any order of the commissioner involving such statistics or recommendations issued under RCW 48.19.340. If the commissioner finds such insurer or rating organization to be in violation of this section he or she may issue an order requiring the discontinuance of the violation.

- **Sec. 7099.** RCW 48.19.360 and 1947 c 79 s .19.36 are each amended to read as follows:
- (1) Every group, association or other organization of insurers which engages in joint underwriting or joint reinsurance, shall be subject to regulation with respect thereto as is provided in this section, subject, however, with respect to joint underwriting, to all other provisions of this chapter, and, with respect to joint reinsurance, to RCW 48.19.270, 48.01.080 and 48.19.430; and to chapter 48.03 RCW of this code.
- (2) If, after a hearing, the commissioner finds that any activity or practice of any such group, association or other organization is unfair or unreasonable or otherwise inconsistent with the provisions of this chapter, he or she may issue a written order specifying in what respects such activity or practice is unfair, or unreasonable or so inconsistent, and requiring the discontinuance of the activity or practice.
- **Sec. 7100.** RCW 48.19.370 and 1947 c 79 s .19.37 are each amended to read as follows:
- (1) The commissioner shall promulgate reasonable rules and statistical plans, reasonably adapted to each of the rating systems on file with him or her, which may be modified from time to time and which shall be used thereafter by each insurer in the recording and reporting of its loss and countrywide expense experience, in order that the experience of all insurers may be made available at least annually in such form and detail as may be necessary to aid him or her in determining whether rating systems comply with the standards set forth in RCW 48.19.020 and 48.19.030. Such rules and plans may also provide

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for the recording and reporting of expense experience items which are specially applicable to this state and are not susceptible of determination by a prorating of countrywide expense experience.

- (2) In promulgating such rules and plans, the commissioner shall give due consideration to the rating systems on file with him or her and, in order that such rules and plans may be as uniform as is practicable among the several states, to the rules and to the form of the plans used for such rating systems in other states.
- 9 (3) No insurer shall be required to record or report its loss 10 experience on a classification basis that is inconsistent with the 11 rating system filed by it.
  - (4) The commissioner may designate one or more rating organizations or other agencies to assist him <u>or her</u> in gathering such experience and making compilations thereof, and such compilations shall be made available, subject to reasonable rules promulgated by the commissioner, to insurers and rating organizations.
- 17 (5) Reasonable rules and plans may be promulgated by the 18 commissioner for the interchange of data necessary for the application 19 of rating plans.
- **Sec. 7101.** RCW 48.19.410 and 1983 1st ex.s. c 32 s 8 are each 21 amended to read as follows:
  - (1) The commissioner may permit the organization and operation of examining bureaus for the examination of policies, daily reports, binders, renewal certificates, endorsements, and other evidences of insurance or of the cancellation thereof, for the purpose of ascertaining that lawful rates are being charged.
  - (2) A bureau shall examine documents with regard to such kinds of insurance as the commissioner may, after hearing, reasonably require to be submitted for examination. A bureau may examine documents as to such other kinds of insurance as the issuing insurers may voluntarily submit for examination. Upon request of the commissioner, a bureau shall also examine affidavits filed pursuant to RCW 48.15.040, surplus lines contracts and related documents, and shall make recommendations to the commissioner to assist the commissioner in determining whether surplus lines have been procured in accordance with chapter 48.15 RCW and rules issued thereunder.

1 (3) No bureau shall operate unless licensed by the commissioner as 2 to the kinds of insurance as to which it is permitted so to examine. 3 To qualify for a license a bureau shall:

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- (a) Be owned in trust for the benefit of all the insurers regularly using its services, under a trust agreement approved by the commissioner.
- (b) Make its services available without discrimination to all authorized insurers applying therefor, subject to such reasonable rules and regulations as to the obligations of insurers using its services, as to the conduct of its affairs, and as to the correction of errors and omissions in documents examined by it as are approved by the commissioner.
- 13 (c) Have no manager or other employee who is an employee of an 14 insurer other than to the extent that he <u>or she</u> is an employee of the 15 bureau owned by insurers through such trust agreement.
- 16 (d) Pay to the commissioner a fee of ten dollars for issuance of its license.
  - (4) Such license shall be of indefinite duration and shall remain in force until revoked by the commissioner or terminated at the request of the bureau. The commissioner may revoke the license, after hearing,
    - (a) if the bureau is no longer qualified therefor;
- 22 (b) if the bureau fails to comply with a proper order of the 23 commissioner;
  - (c) if the bureau violates or knowingly participates in the violation of any provision of this code.
  - (5) Any person aggrieved by any rule, regulation, act or omission of a bureau may appeal to the commissioner therefrom. The commissioner shall hold a hearing upon such appeal, and shall make such order upon the hearing as he <u>or she</u> deems to be proper.
  - (6) Every such bureau operating in this state shall be subject to the supervision of the commissioner, and the commissioner shall examine it as provided in chapter 48.03 RCW of this code.
  - (7) Every examining bureau shall keep adequate records of the outstanding errors and omissions found in coverages examined by it and of its receipts and disbursements, and shall hold as confidential all information contained in documents submitted to it for examination.
  - (8) The commissioner shall not license an additional bureau for the examination of documents relative to a kind of insurance if such

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- 1 documents are being examined by a then existing licensed bureau. Any
- 2 examining bureau operating in this state immediately prior to the
- 3 effective date of this code under any law of this state repealed as of
- 4 such date, shall have prior right to apply for and secure a license
- 5 under this section.
- 6 **Sec. 7102.** RCW 48.20.062 and 1951 c 229 s 7 are each amended to 7 read as follows:
- 8 There shall be a provision as follows:
- 9 GRACE PERIOD: A grace period of . . . (insert a number not less than "7" for weekly premium policies, "10" for monthly premium policies, and "31" for all other policies) days will be granted for the payment of each premium falling due after the first premium, during which grace period the policy shall continue in force.
- 14 (A policy which contains a cancellation provision may add, at the 15 end of the above provision: "subject to the right of the insurer to 16 cancel in accordance with the cancellation provision hereof."
- A policy in which the insurer reserves the right to refuse any renewal shall have, at the beginning of the above provision: "Unless not less than five days prior to the premium due date the insurer has delivered to the insured or has mailed to his <u>or her</u> last address as shown by the records of the insurer written notice of its intention not to renew this policy beyond the period for which the premium has been accepted.")
- 24 Sec. 7103. RCW 48.20.082 and 1951 c 229 s 9 are each amended to 25 read as follows:
- 26 There shall be a provision as follows:
- NOTICE OF CLAIM: Written notice of claim must be given to the 27 insurer within twenty days after the occurrence or commencement of any 28 29 loss covered by the policy, or as soon thereafter as is reasonably 30 possible. Notice given by or on behalf of the insured or the beneficiary to the insurer at . . . . . . . (insert the location of 31 such office as the insurer may designate for the purpose), or to any 32 authorized agent of the insurer, with information sufficient to 33 34 identify the insured, shall be deemed notice to the insurer.

35 (In a policy providing a loss-of-time benefit which may be payable

for at least two years, an insurer may at its option insert the following between the first and second sentences of the above provision:

"Subject to the qualifications set forth below, if the insured 4 suffers loss of time on account of disability for which indemnity may 5 be payable for at least two years, he or she shall at least once in 6 7 every six months after having given notice of claim, give to the insurer notice of continuance of said disability, except in the event 8 of legal incapacity. The period of six months following any filing of 9 proof by the insured or any payment by the insurer on account of such 10 claim or any denial of liability in whole or in part by the insurer 11 12 shall be excluded in applying this provision. Delay in the giving of 13 such notice shall not impair the insured's right to any indemnity which 14 would otherwise have accrued during the period of six months preceding the date on which such notice is actually given.") 15

**Sec. 7104.** RCW 48.20.172 and 1951 c 229 s 18 are each amended to read as follows:

There may be a provision as follows:

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CHANGE OF OCCUPATION: If the insured be injured or contract sickness after having changed his occupation to one classified by the insurer as more hazardous than that stated in this policy or while doing for compensation anything pertaining to an occupation so classified, the insurer will pay only such portion of the indemnities provided in this policy as the premium paid would have purchased at the rates and within the limits fixed by the insurer for such more hazardous occupation. If the insured changes his or her occupation to one classified by the insurer as less hazardous than that stated in this policy, the insurer, upon receipt of proof of such change of occupation, will reduce the premium rate accordingly, and will return the excess pro rata unearned premium from the date of change of occupation or from the policy anniversary date immediately preceding receipt of such proof, whichever is the more recent. In applying this provision, the classification of occupational risk and the premium rates shall be such as have been last filed by the insurer prior to the occurrence of the loss for which the insurer is liable or prior to date of proof of change in occupation with the state official having supervision of insurance in the state where the insured resided at the

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- 1 time this policy was issued; but if such filing was not required, then
- 2 the classification of occupational risk and the premium rates shall be
- 3 those last made effective by the insurer in such state prior to the
- 4 occurrence of the loss or prior to the date of proof of change in
- 5 occupation.

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- 6 Sec. 7105. RCW 48.20.192 and 1951 c 229 s 20 are each amended to read as follows:
- 8 There may be a provision as follows:
- OTHER INSURANCE IN THIS INSURER: If an accident or sickness or accident and sickness policy or policies previously issued by the insurer to the insured be in force concurrently herewith, making the aggregate indemnity for . . . . . . . (insert type of coverage or coverages) in excess of \$. . . . . . (insert maximum limit of indemnity or indemnities) the excess insurance shall be void and all premiums paid for such excess shall be returned to the insured or to his estate.
  - Or, in lieu thereof:
- Insurance effective at any one time on the insured under a like policy or policies in this insurer is limited to the one such policy elected by the insured, his <u>or her</u> beneficiary or his estate, as the case may be, and the insurer will return all premiums paid for all other such policies.
- 22 **Sec. 7106.** RCW 48.20.222 and 1987 c 185 s 28 are each amended to 23 read as follows:
  - (1) There may be a provision as follows:
  - RELATION OF EARNINGS TO INSURANCE: If the total monthly amount of loss of time benefits promised for the same loss under all valid loss of time coverage upon the insured, whether payable on a weekly or monthly basis, shall exceed the monthly earnings of the insured at the time disability commenced or his or her average monthly earnings for the period of two years immediately preceding a disability for which claim is made, whichever is the greater, the insurer will be liable only for such proportionate amount of such benefits under this policy as the amount of such monthly earnings of the insured bears to the total amount of monthly benefits for the same loss under all such coverage upon the insured at the time such disability commences and for the return of such part of the premiums paid during such two years as

shall exceed the pro rata amount of the premiums for the benefits actually paid hereunder; but this shall not operate to reduce the total monthly amount of benefits payable under all such coverage upon the insured below the sum of two hundred dollars or the sum of the monthly benefits specified in such coverages, whichever is the lesser, nor shall it operate to reduce benefits other than those payable for loss of time.

(2) The foregoing policy provision may be inserted only in a policy which the insured has the right to continue in force subject to its terms by the timely payment of premiums (a) until at least age 50 or, (b) in the case of a policy issued after age 44, for at least five years from its date of issue. The insurer may, at its option, include in this provision a definition of "valid loss of time coverage," approved as to form by the commissioner, which definition shall be limited in subject matter to coverage provided by governmental agencies or by organizations subject to regulation by insurance law or by insurance authorities of this or any other state of the United States or any province of Canada, or to any other coverage the inclusion of which may be approved by the commissioner or any combination of such coverages. In the absence of such definition such term shall not include any coverage provided for such insured pursuant to any compulsory benefit statute (including any workers' compensation or employer's liability statute), or benefits provided by union welfare plans or by employer or employee benefit organizations.

**Sec. 7107.** RCW 48.20.242 and 1951 c 229 s 25 are each amended to read as follows:

There may be a provision as follows:

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CANCELLATION: The insurer may cancel this policy at any time by written notice delivered to the insured, or mailed to his <u>or her</u> last address as shown by the records of the insurer, stating when, not less than five days thereafter, such cancellation shall be effective; and after the policy has been continued beyond its original term the insured may cancel this policy at any time by written notice delivered or mailed to the insurer, effective upon receipt or on such later date as may be specified in such notice. In the event of cancellation, the insurer will return promptly the unearned portion of any premium paid. If the insured cancels, the earned premium shall be computed by the use

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- 1 of the short-rate table last filed with the state official having
- 2 supervision of insurance in the state where the insured resided when
- 3 the policy was issued. If the insurer cancels, the earned premium
- 4 shall be computed pro rata. Cancellation shall be without prejudice to
- 5 any claim originating prior to the effective date of cancellation.
- 6 **Sec. 7108.** RCW 48.21.060 and 1947 c 79 s .21.06 are each amended 7 to read as follows:
- 8 There shall be a provision that a copy of the application, if any,
- 9 of the policyholder shall be attached to the policy when issued; that
- 10 all statements made by the policyholder or by the individuals insured
- 11 shall in the absence of fraud be deemed representations and not
- 12 warranties, and that no statement made by any individual insured shall
- 13 be used in any contest unless a copy of the instrument containing the
- 14 statement is or has been furnished to such individual or to his or her
- 15 beneficiary, if any.
- 16 **Sec. 7109.** RCW 48.21.110 and 1955 c 303 s 17 are each amended to read as follows:
- 18 The benefits payable under any policy or contract of group or
- 19 blanket disability insurance shall be payable to the employee or other
- 20 insured member of the group or to the beneficiary designated by him or
- 21 <u>her</u>, other than the policyholder, employer or the association or any
- 22 officer thereof as such, subject to provisions of the policy in the
- 23 event there is no designated beneficiary as to all or any part of any
- 24 sum payable at the death of the individual insured.
- 25 The policy may provide that any hospital, medical, or surgical
- 26 benefits thereunder may be made payable jointly to the insured employee
- or member and the person furnishing such hospital, medical, or surgical
- 28 services.
- 29 **Sec. 7110.** RCW 48.21A.030 and 1965 ex.s. c 70 s 29 are each
- 30 amended to read as follows:
- 31 Notwithstanding any other provision of this code or any other law
- 32 which may be inconsistent herewith, any insurer may join with one or
- 33 more other insurers, to plan, develop, underwrite, and offer and
- 34 provide to any person who is sixty-five years of age or older and to
- 35 the spouse of such person, extended health insurance against financial

loss from accident or disease, or both. Such insurance may be offered, issued and administered jointly by two or more insurers by a group policy issued to a policyholder through an association formed for the purpose of offering, selling, issuing and administering such insurance. The policyholder may be an association, a trustee, or any other person. Any such policy may provide, among other things, that the benefits payable thereunder are subject to reduction if the individual insured has any other coverage providing hospital, surgical or medical benefits whether on an indemnity basis or a provision of service basis resulting in such insured being eligible for more than one hundred percent of covered expenses which he or she is required to pay, and any insurer issuing individual policies providing extended hospital, surgical or medical benefits to persons sixty-five years of age and older and their spouses may also use such a policy provision. A master group policy issued to an association or to a trustee or any person appointed by an association for the purpose of providing the insurances described in this section shall be another form of group disability insurance.

Any form of policy approved by the commissioner for an association shall be offered throughout Washington to all persons sixty-five and older and their spouses, and the coverage of any person insured under such a form of policy shall not be cancellable except for nonpayment of premiums unless the coverage of all persons insured under such form of policy is also canceled.

**Sec. 7111.** RCW 48.21A.060 and 1965 ex.s. c 70 s 32 are each amended to read as follows:

The forms of the policies, applications, certificates or other evidence of insurance coverage and applicable premium rates relating thereto shall be filed with the commissioner. No such policy, contract, or other evidence of insurance, application or other form shall be sold, issued or used and no endorsement shall be attached to or printed or stamped thereon unless the form thereof shall have been approved by the commissioner or thirty days shall have expired after such filing without written notice from the commissioner of disapproval thereof. The commissioner shall disapprove the forms of such insurance if he or she finds that they are unjust, unfair, inequitable, misleading or deceptive or that the rates are by reasonable assumption excessive in relation to the benefits provided. In determining whether

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such rates by reasonable assumptions are excessive in relation to the benefits provided, the commissioner shall give due consideration to past and prospective claim experience, within and outside this state, and to fluctuations in such claim experience, to a reasonable risk charge, to contribution to surplus and contingency funds, to past and prospective expenses, both within and outside this state, and to all other relevant factors within and outside this state including any differing operating methods of the insurers joining in the issue of the In exercising the powers conferred upon him or her by this chapter, the commissioner shall not be bound by any other requirement of this code with respect to standard provisions to be included in disability policies or forms.

The commissioner may, after hearing upon written notice, withdraw an approval previously given, upon such grounds as in his <u>or her</u> opinion would authorize disapproval upon original submission thereof. Any such withdrawal of approval after hearing shall be by notice in writing specifying the ground thereof and shall be effective at the expiration of such period, not less than ninety days after the giving of notice of withdrawal, as the commissioner shall in such notice prescribe.

If and when a program of hospital, surgical and medical benefits is enacted by the federal government or the state of Washington, the extended health insurance benefits provided by policies issued under this chapter shall be adjusted to avoid any duplication of benefits offered by the federal or state programs and the premium rates applicable thereto shall be adjusted to conform with the adjusted benefits.

The association shall submit an annual report to the insurance commissioner which shall become public information and shall provide information as to the number of persons insured, the names of the insurers participating in the association with respect to insurance offered under this chapter and the calendar year experience applicable to such insurance offered under this chapter, including premiums earned, claims paid during the calendar year, the amount of claims reserve established, administrative expenses, commissions, promotional expenses, taxes, contingency reserve, other expenses, and profit and loss for the year. The commissioner shall require the association to

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1 provide any and all information concerning the operations of the 2 association deemed relevant by him for inclusion in the report.

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- Sec. 7112. RCW 48.22.030 and 2007 c 80 s 14 are each amended to read as follows:
- (1) "Underinsured motor vehicle" means a motor vehicle with respect to the ownership, maintenance, or use of which either no bodily injury or property damage liability bond or insurance policy applies at the time of an accident, or with respect to which the sum of the limits of liability under all bodily injury or property damage liability bonds and insurance policies applicable to a covered person after an accident is less than the applicable damages which the covered person is legally entitled to recover.
- (2) No new policy or renewal of an existing policy insuring against loss resulting from liability imposed by law for bodily injury, death, or property damage, suffered by any person arising out of the ownership, maintenance, or use of a motor vehicle shall be issued with respect to any motor vehicle registered or principally garaged in this state unless coverage is provided therein or supplemental thereto for the protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of underinsured motor vehicles, hit-and-run motor vehicles, and phantom vehicles because of bodily injury, death, or property damage, resulting therefrom, except while operating or occupying a motorcycle or motor-driven cycle, and except while operating or occupying a motor vehicle owned or available for the regular use by the named insured or any family member, and which is not insured under the liability coverage of the policy. The coverage required to be offered under this chapter is not applicable to general liability policies, commonly known as umbrella policies, or other policies which apply only as excess to the insurance directly applicable to the vehicle insured.
- (3) Except as to property damage, coverage required under subsection (2) of this section shall be in the same amount as the insured's third party liability coverage unless the insured rejects all or part of the coverage as provided in subsection (4) of this section. Coverage for property damage need only be issued in conjunction with coverage for bodily injury or death. Property damage coverage required

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under subsection (2) of this section shall mean physical damage to the insured motor vehicle unless the policy specifically provides coverage for the contents thereof or other forms of property damage.

- (4) A named insured or spouse may reject, in writing, underinsured coverage for bodily injury or death, or property damage, and the requirements of subsections (2) and (3) of this section shall not apply. If a named insured or spouse has rejected underinsured coverage, such coverage shall not be included in any supplemental or renewal policy unless a named insured or spouse subsequently requests such coverage in writing. The requirement of a written rejection under this subsection shall apply only to the original issuance of policies issued after July 24, 1983, and not to any renewal or replacement policy. When a named insured or spouse chooses a property damage coverage that is less than the insured's third party liability coverage for property damage, a written rejection is not required.
- (5) The limit of liability under the policy coverage may be defined as the maximum limits of liability for all damages resulting from any one accident regardless of the number of covered persons, claims made, or vehicles or premiums shown on the policy, or premiums paid, or vehicles involved in an accident.
- (6) The policy may provide that if an injured person has other similar insurance available to him <u>or her</u> under other policies, the total limits of liability of all coverages shall not exceed the higher of the applicable limits of the respective coverages.
- (7)(a) The policy may provide for a deductible of not more than three hundred dollars for payment for property damage when the damage is caused by a hit-and-run driver or a phantom vehicle.
- (b) In all other cases of underinsured property damage coverage, the policy may provide for a deductible of not more than one hundred dollars.
- (8) For the purposes of this chapter, a "phantom vehicle" shall mean a motor vehicle which causes bodily injury, death, or property damage to an insured and has no physical contact with the insured or the vehicle which the insured is occupying at the time of the accident if:
- (a) The facts of the accident can be corroborated by competent evidence other than the testimony of the insured or any person having an underinsured motorist claim resulting from the accident; and

1 (b) The accident has been reported to the appropriate law 2 enforcement agency within seventy-two hours of the accident.

- (9) An insurer who elects to write motorcycle or motor-driven cycle insurance in this state must provide information to prospective insureds about the coverage.
- (10) An insurer who elects to write motorcycle or motor-driven cycle insurance in this state must provide an opportunity for named insureds, who have purchased liability coverage for a motorcycle or motor-driven cycle, to reject underinsured coverage for that motorcycle or motor-driven cycle in writing.
- (11) If the covered person seeking underinsured motorist coverage under this section was the intended victim of the tort feasor, the incident must be reported to the appropriate law enforcement agency and the covered person must cooperate with any related law enforcement investigation.
- (12) The purpose of this section is to protect innocent victims of motorists of underinsured motor vehicles. Covered persons are entitled to coverage without regard to whether an incident was intentionally caused. However, a person is not entitled to coverage if the insurer can demonstrate that the covered person intended to cause the event for which a claim is made under the coverage described in this section. As used in this section, and in the section of policies providing the underinsured motorist coverage described in this section, "accident" means an occurrence that is unexpected and unintended from the standpoint of the covered person.
- (13) "Underinsured coverage," for the purposes of this section, means coverage for "underinsured motor vehicles," as defined in subsection (1) of this section.
- **Sec. 7113.** RCW 48.23.070 and 1947 c 79 s .23.07 are each amended 30 to read as follows:
  - (1) In all policies which provide for participation in the insurer's surplus, there shall be a provision that the policy shall so participate annually in the insurer's divisible surplus as apportioned by the insurer, beginning not later than the end of the third policy year. Any policy containing provision for annual participation beginning at the end of the first policy year, may also provide that each dividend shall be paid subject to the payment of the premiums for

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- the next ensuing year. The insured under any annual dividend policy 1 2 shall have the right each year to have the current dividend arising from such participation either paid in cash, or applied in accordance 3 with such other dividend option as may be specified in the policy and 4 5 elected by the insured. The policy shall further provide which of the options shall be effective if the insured shall fail to notify the 6 7 insurer in writing of his or her election within the period of grace allowed for the payment of premium. 8
- 9 (2) This section shall not apply to paid-up nonforfeiture benefits 10 nor paid-up policies issued on default in payment of premiums.
- 11 **Sec. 7114.** RCW 48.24.080 and 1949 c 190 s 33 are each amended to read as follows:

The lives of a group of individuals may be insured under a policy issued to a principal, or if such principal is a life insurer, by or to such principal, covering when issued not less than twenty-five agents of such principal, subject to the following requirements:

- (1) The agents eligible for insurance under the policy shall be those who are under contract to render personal services for such principal for a commission or other fixed or ascertainable compensation.
- (2) The policy must insure either all of the agents or all of any class or classes thereof, determined by conditions pertaining to the services to be rendered by such agents, except that if a policy is intended to insure several such classes it may be issued to insure any such class of which seventy-five percent are covered and extended to other classes as seventy-five percent thereof express the desire to be covered.
- (3) The premium on the policy shall be paid by the principal or by the principal and the agents jointly. When the premium is paid by the principal and agents jointly and the benefits of the policy are offered to all eligible agents, the policy, when issued, must insure not less than seventy-five percent of such agents.
- (4) The amounts of insurance shall be based upon some plan which will preclude individual selection.
- 35 (5) The insurance shall be for the benefit of persons other than 36 the principal.

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(6) Such policy shall terminate if, subsequent to issue, the number of agents insured falls below twenty-five lives or seventy-five percent of the number eligible and the contribution of the agents, if the premiums are on a renewable term insurance basis, exceed one dollar per month per one thousand dollars of insurance coverage plus any additional premium per one thousand dollars of insurance coverage charged to cover one or more hazardous occupations.

- 8 (7) For the purposes of this section "agents" shall be deemed to include agents, subagents, solicitors, and ((salesmen)) salespersons.
- **Sec. 7115.** RCW 48.24.120 and 1947 c 79 s 24.12 are each amended to 11 read as follows:

There shall be a provision that the validity of the policy shall not be contested, except for nonpayment of premiums, after it has been in force for two years from its date of issue; and that no statement made by an individual insured under the policy relating to his or her insurability shall be used in contesting the validity of the insurance with respect to which such statement was made after such insurance has been in force prior to the contest for a period of two years during such individual's lifetime nor unless it is contained in a written instrument signed by him.

**Sec. 7116.** RCW 48.24.130 and 1947 c 79 s .24.13 are each amended 22 to read as follows:

There shall be a provision that a copy of the application, if any, of the policyholder shall be attached to the policy when issued and become a part of the contract; that all statements made by the policyholder or by the persons insured shall be deemed representations and not warranties, and that no statement made by any person insured shall be used in any contest unless a copy of the instrument containing the statement is or has been furnished to such person or to his or her beneficiary.

- **Sec. 7117.** RCW 48.24.140 and 1947 c 79 s .24.14 are each amended 32 to read as follows:
- There shall be a provision setting forth the conditions, if any, under which the insurer reserves the right to require a person eligible

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- 1 for insurance to furnish evidence of individual insurability
- 2 satisfactory to the insurer as a condition to part or all of his or her
- 3 coverage.

**Sec. 7118.** RCW 48.24.170 and 1961 c 194 s 10 are each amended to read as follows:

There shall be a provision that the insurer will issue to the policyholder for delivery to each individual insured a certificate setting forth a statement as to the insurance protection to which he or she is entitled, to whom the insurance benefits are payable, described by name, relationship, or reference to the insurance records of the policyholder or insurer, and the rights and conditions set forth in RCW 48.24.180, 48.24.190 and 48.24.200, following.

**Sec. 7119.** RCW 48.24.180 and 1955 c 303 s 24 are each amended to 14 read as follows:

There shall be a provision that if the insurance, or any portion of it, on an individual covered under the policy, other than a child insured pursuant to RCW 48.24.030, ceases because of termination of employment or of membership in the class or classes eligible for coverage under the policy, such individual shall be entitled to have issued to him or her by the insurer, without evidence of insurability, an individual policy of life insurance without disability or other supplementary benefits, provided application for the individual policy shall be made, and the first premium paid to the insurer, within thirty-one days after such termination, and provided further that,

- (1) the individual policy shall, at the option of such individual, be on any one of the forms, except term insurance, then customarily issued by the insurer at the age and for the amount applied for;
- (2) the individual policy shall be in an amount not in any event in excess of the amount of life insurance which ceases because of such termination nor less than one thousand dollars unless a smaller amount of coverage was provided for such individual under the group policy: PROVIDED, That any amount of insurance which matures on the date of such termination or has matured prior thereto under the group policy as an endowment payable to the individual insured, whether in one sum or in installments or in the form of an annuity, shall not, for the

purposes of this provision, be included in the amount which is considered to cease because of such termination; and

(3) the premium on the individual policy shall be at the insurer's then customary rate applicable to the form and amount of the individual policy, to the class of risk to which such individual then belongs, and to his <u>or her</u> age attained on the effective date of the individual policy.

**Sec. 7120.** RCW 48.24.190 and 1953 c 197 s 13 are each amended to 9 read as follows:

There shall be a provision that if the group policy terminates or is amended so as to terminate the insurance of any class of insured individuals, every individual insured thereunder at the date of such termination, other than a child insured pursuant to RCW 48.24.030, whose insurance terminates and who has been so insured for at least five years prior to such termination date shall be entitled to have issued to him or her by the insurer an individual policy of life insurance, subject to the same conditions and limitations as are provided by RCW 48.24.180, except that the group policy may provide that the amount of such individual policy shall not exceed the smaller of (a) the amount of the individual's life insurance protection ceasing because of the termination or amendment of the group policy, less the amount of any life insurance for which he or she is or becomes eligible under any group policy issued or reinstated by the same or another insurer within thirty-one days of such termination and (b) two thousand dollars.

**Sec. 7121.** RCW 48.24.200 and 1947 c 79 s .24.20 are each amended to read as follows:

There shall be a provision that if a person insured under the group policy dies during the period within which he <u>or she</u> would have been entitled to have an individual policy issued to him <u>or her</u> in accordance with RCW 48.24.180 and 48.24.190, and before such an individual policy shall have become effective, the amount of life insurance which he <u>or she</u> would have been entitled to have issued to him <u>or her</u> under such individual policy shall be payable as a claim under the group policy, whether or not application for the individual policy or the payment of the first premium therefor has been made.

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Sec. 7122. RCW 48.25.180 and 1947 c 79 s .25.18 are each amended to read as follows:

There shall be a provision in the case of weekly premium policies granting, upon proper written request and upon presentation of evidence of the insurability of the insured satisfactory to the insurer, the privilege of converting his or her weekly premium industrial insurance to any form of life insurance with less frequent premium payments regularly issued by the insurer, in accordance with terms and conditions agreed upon with the insurer. The privilege of making such conversion need be granted only if the insurer's weekly premium industrial policies on the life insured, in force as premium paying insurance and on which conversion is requested, grant benefits in event of death, exclusive of additional accidental death benefits and exclusive of any dividend additions, in an amount not less than the minimum amount of such insurance with less frequent premium payments issued by the insurer at the age of the insured on the plan of industrial or ordinary insurance desired.

**Sec. 7123.** RCW 48.25.190 and 1947 c 79 s .25.19 are each amended 19 to read as follows:

There shall be a provision, in the case of monthly premium industrial policies, granting, upon proper written request and upon presentation of evidence of the insurability of the insured satisfactory to the insurer, the privilege of converting his or her monthly premium industrial insurance to any form of ordinary life insurance regularly issued by the insurer, in accordance with terms and conditions agreed upon with the insurer. The privilege of making such conversions need be granted only if the insurer's monthly premium industrial policies on the life insured, in force as premium paying insurance and on which conversion is requested, grant benefits in event of death, exclusive of additional accidental death benefits and exclusive of any dividend additions, in an amount not less than the minimum amount of ordinary insurance issued by the insurer at the age of the insured on the plan of ordinary insurance desired.

**Sec. 7124.** RCW 48.28.020 and 1955 c 30 s 1 are each amended to read as follows:

Any fiduciary required by law to give bonds, may include as part of

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- 1 his or her lawful expense to be allowed by the court or official by
- 2 whom he or she was appointed, the reasonable amount paid as premium for
- 3 such bonds to the authorized surety insurer or to the surplus line
- 4 surety insurer which issued or guaranteed such bonds.

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- 5 **Sec. 7125.** RCW 48.29.140 and 1947 c 79 s .29.14 are each amended to read as follows:
- 7 (1) Premium rates for the insuring or guaranteeing of titles shall 8 not be excessive, inadequate, or unfairly discriminatory.
  - (2) Each title insurer shall forthwith file with the commissioner a schedule showing the premium rates to be charged by it. Every addition to or modification of such schedule or of any rate therein contained shall likewise be filed with the commissioner, and no such addition or modification shall be effective until expiration of fifteen days after date of such filing.
- 15 (3) The commissioner may order the modification of any premium rate 16 or schedule of premium rates found by him <u>or her</u> after a hearing to be 17 excessive, or inadequate, or unfairly discriminatory. No such order 18 shall require retroactive modification.
- 19 **Sec. 7126.** RCW 48.30.020 and 1947 c 79 s .30.02 are each amended 20 to read as follows:
  - (1) No person shall either within or outside of this state enter into any contract, understanding or combination with any other person to do jointly or severally any act or engage in any practice for the purpose of
    - (a) controlling the rates to be charged for insuring any risk or any class of risks in this state; or
    - (b) unfairly discriminating against any person in this state by reason of his <u>or her</u> plan or method of transacting insurance, or by reason of his <u>or her</u> affiliation or nonaffiliation with any insurance organization; or
- 31 (c) establishing or perpetuating any condition in this state 32 detrimental to free competition in the business of insurance or 33 injurious to the insuring public.
- 34 (2) This section shall not apply relative to ocean marine and 35 foreign trade insurances.

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(3) This section shall not be deemed to prohibit the doing of things permitted to be done in accordance with the provisions of chapter 48.19 RCW of this code.

- (4) Whenever the commissioner has knowledge of any violation of this section he <u>or she</u> shall forthwith order the offending person to discontinue such practice immediately or show cause to the satisfaction of the commissioner why such order should not be complied with. If the offender is an insurer or a licensee under this code and fails to comply with such order within thirty days after receipt thereof, the commissioner may forthwith revoke the offender's certificate of authority or licenses.
- **Sec. 7127.** RCW 48.30.120 and 1947 c 79 s .30.12 are each amended 13 to read as follows:
- No director, officer, agent, attorney-in-fact, or employee of an insurer shall:
  - (1) Knowingly receive or possess himself of any of its property, otherwise than in payment for a just demand, and with intent to defraud, omit to make or to cause or direct to be made, a full and true entry thereof in its books and accounts; nor
  - (2) Make or concur in making any false entry, or concur in omitting to make any material entry, in its books or accounts; nor
  - (3) Knowingly concur in making or publishing any written report, exhibit or statement of its affairs or pecuniary condition containing any material statement which is false, or omit or concur in omitting any statement required by law to be contained therein; nor
  - (4) Having the custody or control of its books, willfully fail to make any proper entry in the books of the insurer as required by law, or to exhibit or allow the same to be inspected and extracts to be taken therefrom by any person entitled by law to inspect the same, or take extracts therefrom; nor
  - (5) If a notice of an application for an injunction or other legal process affecting or involving the property or business of the insurer is served upon him <u>or her</u>, fail to disclose the fact of such service and the time and place of such application to the other directors, officers, and managers thereof; nor
- 36 (6) Fail to make any report or statement lawfully required by a 37 public officer.

Sec. 7128. RCW 48.30.130 and 1947 c 79 s .30.13 are each amended to read as follows:

A director of an insurer is deemed to have such knowledge of its affairs as to enable him <u>or her</u> to determine whether any act, proceeding, or omission of its directors is a violation of any provision of this chapter. If present at a meeting of directors at which any act, proceeding, or omission of its directors which is a violation of any such provision occurs, he <u>or she</u> must be deemed to have concurred therein unless at the time he <u>or she</u> causes or in writing requires his <u>or her</u> dissent therefrom to be entered on the minutes of the directors.

If absent from such meeting, he <u>or she</u> must be deemed to have concurred in any such violation if the facts constituting such violation appear on the records or minutes of the proceedings of the board of directors, and he <u>or she</u> remains a director of the insurer for six months thereafter without causing or in writing requiring his <u>or her</u> dissent from such violation to be entered upon such record or minutes.

- **Sec. 7129.** RCW 48.30.240 and 1947 c 79 s .30.24 are each amended to read as follows:
- (1) Any insurer which precipitates, or aids in precipitating or conducting a rate war and by so doing writes or issues a policy of insurance at a less rate than permitted under its schedules filed with the commissioner, or below the rate deemed by him or her to be proper and adequate to cover the class of risk insured, shall have its certificate of authority to do business in this state suspended until such time as the commissioner is satisfied that it is charging a proper rate of premium.
- (2) Any insurer which has precipitated, or aided in precipitating or conducting a rate war for the purpose of punishing or eliminating competitors or stifling competition, or demoralizing the business, or for any other purpose, and has ordered the cancellation or rewriting of policies at a rate lower than that provided by its rating schedules where such rate war is not in operation, and has paid or attempted to pay to the insured any return premiums, on any risk so to be rewritten, on which its agent has received or is entitled to receive his or her

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- 1 regular commission, such insurer shall not be allowed to charge back to
- 2 such agent any portion of his or her commission on the ground that the
- 3 same has not been earned.

- **Sec. 7130.** RCW 48.30.250 and 1949 c 190 s 34 are each amended to read as follows:
  - (1) Any insurer may retain, invest in or acquire the whole or any part of the capital stock of any other insurer or insurers, or have a common management with any other insurer or insurers, unless such retention, investment, acquisition or common management is inconsistent with any other provision of this title, or unless by reason thereof the business of such insurers with the public is conducted in a manner which substantially lessens competition generally in the insurance business or tends to create a monopoly therein.
  - (2) Any person otherwise qualified may be a director of two or more insurers which are competitors, unless the effect thereof is to substantially lessen competition between insurers generally or tends to create a monopoly.
  - (3) If the commissioner finds, after a hearing thereon, that there is violation of this section he <u>or she</u> shall order all such persons and insurers to cease and desist from such violation within such time, or extension thereof, as may be specified in such order.
- **Sec. 7131.** RCW 48.31.010 and 1973 1st ex.s. c 107 s 3 are each 23 amended to read as follows:
  - (1) Subject to the provisions of RCW 48.08.080, relating to the mutualization of stock insurers, RCW 48.09.350, relating to the conversion or reinsurance of mutual insurers, and RCW 48.10.330, relating to the consolidation or conversion of reciprocal insurers, a domestic insurer may merge or consolidate with another insurer, subject to the following conditions:
  - (a) The plan of merger or consolidation must be submitted to and be approved by the commissioner in advance of the merger or consolidation.
  - (b) The commissioner shall not approve any such plan unless, after a hearing, pursuant to such notice as the commissioner may require, he or she finds that it is fair, equitable, consistent with law, and that no reasonable objection exists. If the commissioner fails to approve the plan, he or she shall state his or her reasons for such failure in

his <u>or her</u> order made on such hearing. The insurers involved in the merger shall bear the expense of the mailing of the notice of hearing and of the order on hearing.

- (c) No director, officer, member, or subscriber of any such insurer, except as is expressly provided by the plan of merger or consolidation, shall receive any fee, commission, other compensation or valuable consideration whatsoever, for in any manner aiding, promoting or assisting in the merger or consolidation.
- (d) Any merger or consolidation as to an incorporated domestic insurer shall in other respects be governed by the general laws of this state relating to business corporations. Except, that as to domestic mutual insurers, approval by two-thirds of its members who vote thereon pursuant to such notice and procedure as was approved by the commissioner shall constitute approval of the merger or consolidation as respects the insurer's members.
- 16 (2) Reinsurance of all or substantially all of the insurance in 17 force of a domestic insurer by another insurer shall be deemed a 18 consolidation for the purposes of this section.
- **Sec. 7132.** RCW 48.31.050 and 1947 c 79 s .31.05 are each amended 20 to read as follows:

The commissioner may apply for an order directing him <u>or her</u> to liquidate the business of a domestic insurer or of the United States branch of an alien insurer having trusteed assets in this state, regardless of whether or not there has been a prior order directing him <u>or her</u> to rehabilitate such insurer, upon any of the grounds specified in RCW 48.31.030 or upon any one or more of the following grounds: That the insurer

- (1) Has ceased transacting business for a period of one year; or
- (2) Is an insolvent insurer and has commenced voluntary liquidation or dissolution, or attempts to commence or prosecute any action or proceeding to liquidate its business or affairs, or to dissolve its corporate charter, or to procure the appointment of a receiver, trustee, custodian, or sequestrator under any law except this code; or
- (3) Has not organized or completed its organization and obtained a certificate of authority as an insurer prior to the expiration or revocation of its solicitation permit.

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- Sec. 7133. RCW 48.31.060 and 1947 c 79 s .31.06 are each amended to read as follows:
- 3 (1) An order to liquidate the business of a domestic insurer shall direct the commissioner forthwith to take possession of the property of the insurer, to liquidate its business, to deal with the insurer's property and business in his <u>or her</u> own name as commissioner or in the name of the insurer as the court may direct, to give notice to all creditors who may have claims against the insurer to present such claims.
- 10 (2) The commissioner may apply under this chapter for an order 11 dissolving the corporate existence of a domestic insurer:
- 12 (a) Upon his <u>or her</u> application for an order of liquidation of such 13 insurer, or at any time after such order has been granted; or
- 14 (b) Upon the grounds specified in item (3) of RCW 48.31.050, 15 regardless of whether an order of liquidation is sought or has been 16 obtained.
- 17 **Sec. 7134.** RCW 48.31.080 and 1947 c 79 s .31.08 are each amended to read as follows:
- The commissioner may apply for an order directing him <u>or her</u> to conserve the assets within this state of a foreign insurer upon any one or more of the following grounds:
- 22 (1) Upon any of the grounds specified in items (1) to (9) inclusive 23 of RCW 48.31.030 and in item (2) of RCW 48.31.050.
- 24 (2) That its property has been sequestrated in its domiciliary 25 sovereignty or in any other sovereignty.
- 26 **Sec. 7135.** RCW 48.31.090 and 1947 c 79 s .31.09 are each amended 27 to read as follows:
- The commissioner may apply for an order directing him <u>or her</u> to conserve the assets within this state of an alien insurer upon any one or more of the following grounds:
- 31 (1) Upon any of the grounds specified in items (1) to (9) inclusive 32 of RCW 48.31.030 and in item (2) of RCW 48.31.050; or
- 33 (2) That the insurer has failed to comply, within the time 34 designated by the commissioner, with an order of the commissioner 35 pursuant to law to make good an impairment of its trusteed funds; or

1 (3) That the property of the insurer has been sequestrated in its domiciliary sovereignty or elsewhere.

- Sec. 7136. RCW 48.31.190 and 1993 c 462 s 82 are each amended to read as follows:
- (1) Proceedings under this chapter involving a domestic insurer shall be commenced in the superior court for the county in which is located the insurer's home office or, at the election of the commissioner, in the superior court for Thurston county. Proceedings under this chapter involving other insurers shall be commenced in the superior court for Thurston county.
- (2) The commissioner shall commence any such proceeding, the attorney general representing him <u>or her</u>, by an application to the court or to any judge thereof, for an order directing the insurer to show cause why the commissioner should not have the relief prayed for.
- (3) Upon a showing of an emergency or threat of imminent loss to policyholders of the insurer the court may issue an ex parte order authorizing the commissioner immediately to take over the premises and assets of the insurer, the commissioner then to preserve the status quo, pending a hearing on the order to show cause, which shall be heard as soon as the court calendar permits in preference to other civil cases.
- (4) In response to any order to show cause issued under this chapter the insurer shall have the burden of going forward with and producing evidence to show why the relief prayed for by the commissioner is not required.
- (5) On the return of such order to show cause, and after a full hearing, the court shall either deny the relief sought in the application or grant the relief sought in the application together with such other relief as the nature of the case and the interest of policyholders, creditors, stockholders, members, subscribers, or the public may require.
- (6) No appellate review of a superior court order, entered after a hearing, granting the commissioner's petition to rehabilitate an insurer or to carry out an insolvency proceeding under this chapter, shall stay the action of the commissioner in the discharge of his responsibilities under this chapter, pending a decision by the appellate court in the matter.

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1 (7) In any proceeding under this chapter the commissioner and his 2 <u>or her</u> deputies shall be responsible on their official bonds for the 3 faithful performance of their duties. If the court deems it desirable 4 for the protection of the assets, it may at any time require an 5 additional bond from the commissioner or his <u>or her</u> deputies.

6 Sec. 7137. RCW 48.31.210 and 1947 c 79 s .31.21 are each amended 7 to read as follows:

At any time after the commencement of a proceeding under this chapter the commissioner may apply to the court for an order changing the venue of, and removing the proceeding to Thurston county, or to any other county of this state in which he <u>or she</u> deems that such proceeding may be most economically and efficiently conducted.

**Sec. 7138.** RCW 48.31.220 and 1947 c 79 s .31.22 are each amended to read as follows:

The moneys collected by the commissioner in a proceeding under this chapter, shall be, from time to time, deposited in one or more state or national banks, savings banks, or trust companies, and in the case of the insolvency or voluntary or involuntary liquidation of any such depositary which is an institution organized and supervised under the laws of this state, such deposits shall be entitled to priority of payment on an equality with any other priority given by the banking law of this state. The commissioner may in his or her discretion deposit such moneys or any part thereof in a national bank or trust company as a trust fund.

**Sec. 7139.** RCW 48.31.230 and 1947 c 79 s .31.23 are each amended to read as follows:

The commissioner shall not be required to pay any fee to any public officer in this state for filing, recording, issuing a transcript or certificate, or authenticating any paper or instrument pertaining to the exercise by the commissioner of any of the powers or duties conferred upon him or her under this chapter, whether or not such paper or instrument be executed by the commissioner or his or her deputies, employees, or attorneys of record and whether or not it is connected with the commencement of an action or proceeding by or against the

1 commissioner, or with the subsequent conduct of such action or 2 proceeding.

**Sec. 7140.** RCW 48.31.240 and 1947 c 79 s .31.24 are each amended to read as follows:

For the purpose of facilitating the rehabilitation, liquidation, conservation or dissolution of an insurer pursuant to this chapter the commissioner may, subject to the approval of the court, borrow money and execute, acknowledge and deliver notes or other evidences of indebtedness therefor and secure the repayment of the same by the mortgage, pledge, assignment, transfer in trust, or hypothecation of any or all of the property whether real, personal or mixed of such insurer, and the commissioner, subject to the approval of the court, shall have power to take any and all other action necessary and proper to consummate any such loans and to provide for the repayment thereof. The commissioner shall be under no obligation personally or in his or her official capacity as commissioner to repay any loan made pursuant to this section.

- **Sec. 7141.** RCW 48.31.270 and 1947 c 79 s .31.27 are each amended 19 to read as follows:
  - (1) Any transfer of, or lien upon, the property of an insurer which is made or created within four months prior to the granting of an order to show cause under this chapter with the intent of giving to any creditor or of enabling him or her to obtain a greater percentage of his or her debt than any other creditor of the same class and which is accepted by such creditor having reasonable cause to believe that such a preference will occur, shall be voidable.
  - (2) Every director, officer, employee, stockholder, member, subscriber, and any other person acting on behalf of such insurer who shall be concerned in any such act or deed and every person receiving thereby any property of such insurer or the benefit thereof shall be personally liable therefor and shall be bound to account to the commissioner.
  - (3) The commissioner as liquidator, rehabilitator or conservator in any proceeding under this chapter, may avoid any transfer of, or lien upon the property of an insurer which any creditor, stockholder, subscriber or member of such insurer might have avoided and may recover

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- 1 the property so transferred unless such person was a bona fide holder
- 2 for value prior to the date of the granting of an order to show cause
- 3 under this chapter. Such property or its value may be recovered from
- 4 anyone who has received it except a bona fide holder for value as above
- 5 specified.

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- 6 **Sec. 7142.** RCW 48.31.290 and 1947 c 79 s .31.29 are each amended 7 to read as follows:
  - (1) In all cases of mutual debts or mutual credits between the insurer and another person in connection with any action or proceeding under this chapter, such credits and debts shall be set off and the balance only shall be allowed or paid, except as provided in subsection (2) of this section.
- (2) No offset shall be allowed in favor of any such person where 13 (a) the obligation of the insurer to such person would not at the date 14 15 of the entry of any liquidation order, or otherwise, as provided in RCW 16 48.31.260, entitle him or her to share as a claimant in the assets of 17 the insurer, or (b) the obligation of the insurer to such person was purchased by or transferred to such person with a view of its being 18 19 used as an offset, or (c) the obligation of such person is to pay an 20 assessment levied against the members of a mutual insurer, or against 21 the subscribers of a reciprocal insurer, or is to pay a balance upon a 22 subscription to the capital stock of a stock insurer.
  - **Sec. 7143.** RCW 48.31.310 and 1947 c 79 s .31.31 are each amended to read as follows:
  - (1) If upon the granting of an order of liquidation under this chapter or at any time thereafter during the liquidation proceeding, the insurer shall not be clearly solvent, the court shall after such notice and hearing as it deems proper, make an order declaring the insurer to be insolvent. Thereupon, regardless of any prior notice which may have been given to creditors, the commissioner shall notify all persons who may have claims against such insurer and who have not filed proper proofs thereof, to present the same to him or her, at a place specified in such notice, within four months from the date of the entry of such order, or if the commissioner shall certify that it is necessary, within such longer time as the court shall prescribe. The

- last day for the filing of proofs of claim shall be specified in the notice. Such notice shall be given in a manner determined by the
- 3 court.
- 4 (2) Proofs of claim may be filed subsequent to the date specified,
- 5 but no such claim shall share in the distribution of the assets until
- 6 all allowed claims, proofs of which have been filed before said date,
- 7 have been paid in full with interest.
- 8 **Sec. 7144.** RCW 48.31.340 and 1947 c 79 s .31.34 are each amended 9 to read as follows:
- 10 After levy of assessment as provided in RCW 48.31.330, upon the 11 filing of a further detailed report by the commissioner, the court
- 12 shall issue an order directing each member (if a mutual insurer) or
- 13 each subscriber (if a reciprocal insurer) if he or she shall not pay
- 14 the amount assessed against him or her to the commissioner on or before
- 15 a day to be specified in the order, to show cause why he or she should
- 16 not be held liable to pay such assessment together with costs as set
- 17 forth in RCW 48.31.360 and why the commissioner should not have
- 18 judgment therefor.

- 19 **Sec. 7145.** RCW 48.31.350 and 1947 c 79 s .31.35 are each amended 20 to read as follows:
- 21 The commissioner shall cause a notice of such assessment order 22 setting forth a brief summary of the contents of such order to be:
  - (1) Published in such manner as shall be directed by the court; and
- 24 (2) Enclosed in a sealed envelope, addressed and mailed postage 25 prepaid to each member or subscriber liable thereunder at his or her
- prepaid to each member or subscriber liable thereunder at his <u>or her</u>
- 26 last known address as it appears on the records of the insurer, at
- 27 least twenty days before the return day of the order to show cause
- 28 provided for in RCW 48.31.340.
- 29 **Sec. 7146.** RCW 48.31.360 and 1947 c 79 s .31.36 are each amended 30 to read as follows:
- 31 (1) On the return day of the order to show cause provided for in
- 32 RCW 48.31.340 if the member or subscriber does not appear and serve
- 33 verified objections upon the commissioner, the court shall make an
- 34 order adjudging that such member or subscriber is liable for the amount

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of the assessment against him <u>or her</u> together with ten dollars costs, and that the commissioner may have judgment against the member or subscriber therefor.

- (2) If on such return day the member or subscriber shall appear and serve verified objections upon the commissioner there shall be a full hearing before the court or a referee to hear and determine, who, after such hearing, shall make an order either negativing the liability of the member or subscriber to pay the assessment or affirming his or her liability to pay the whole or some part thereof together with twenty-five dollars costs and the necessary disbursements incurred at such hearing, and directing that the commissioner in the latter case may have judgment therefor.
- (3) A judgment upon any such order shall have the same force and effect, and may be entered and docketed, and may be appealed from as if it were a judgment in an original action brought in the court in which the proceeding is pending.
  - **Sec. 7147.** RCW 48.32.080 and 1975-'76 2nd ex.s. c 109 s 7 are each amended to read as follows:
    - (1) The commissioner shall:

- (a) Notify the association promptly whenever he <u>or she</u> or any of his <u>or her</u> examiners has, or comes into, possession of any data or information relative to any insurer under his <u>or her</u> jurisdiction for any purpose indicating that such insurer is in or is approaching a condition of impaired assets, imminent insolvency, or insolvency.
- (b) Furnish to the association copies of all preliminary and final audits, investigations, memorandums, opinions, and reports relative to any insurer under his <u>or her</u> jurisdiction for any purpose, promptly upon the preparation of any thereof.
- (c) Notify the association of the existence of an insolvent insurer not later than three days after he receives notice of the determination of the insolvency. The association shall be entitled to a copy of any complaint seeking an order of liquidation with a finding of insolvency against a member insurer at the same time such complaint is filed with a court of competent jurisdiction.
- 35 (d) Upon request of the board of directors, provide the association 36 with a statement of the net direct written premiums of each member 37 insurer.

(2) The commissioner may:

- (a) Require that the association notify the insureds of the insolvent insurer and any other interested parties of the determination of insolvency and of their rights under this chapter. Such notification shall be by mail at their last known address, where available, but if sufficient information for notification by mail is not available, notice by publication or in a newspaper of general circulation shall be sufficient.
- (b) Suspend or revoke, after notice and hearing, the certificate of authority to transact insurance in this state of any member insurer which fails to pay an assessment when due or fails to comply with the plan of operation. As an alternative, the commissioner may levy a fine on any member insurer which fails to pay an assessment when due. Such fine shall not exceed five percent of the unpaid assessment per month, except that no fine shall be less than one hundred dollars per month.
- (c) Revoke the designation of any servicing facility if he or she finds claims are being handled unsatisfactorily.
- (3) Whenever the commissioner or any of his <u>or her</u> examiners comes into possession of or obtains any data or information indicating that any insurer under his <u>or her</u> jurisdiction for any purpose is in or is approaching a condition of impaired assets, imminent insolvency, or insolvency, he <u>or she</u> shall within fifteen days of having such data or information commence investigation and/or take formal action relative to any such insurer, and in addition within said time shall notify the association of such condition. Upon failure of the commissioner so to act, the association is hereby authorized and directed to act and commence appropriate investigation or proceedings or may at its option refer the matter to the attorney general for appropriate action relative to which the attorney general shall keep the association advised throughout any such action or proceedings.
- 31 (4) Any final action or order of the commissioner under this 32 chapter shall be subject to judicial review in a court of competent 33 jurisdiction.
- **Sec. 7148.** RCW 48.32.090 and 1971 ex.s. c 265 s 9 are each amended to read as follows:
- 36 (1) Any person recovering under this chapter shall be deemed to 37 have assigned his <u>or her</u> rights under the policy to the association to

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the extent of his <u>or her</u> recovery from the association. Every insured or claimant seeking the protection of this chapter shall cooperate with the association to the same extent as such person would have been required to cooperate with the insolvent insurer. The association shall have no cause of action against the insured of the insolvent insurer for any sums it has paid out.

- (2) The receiver, liquidator, or statutory successor of an insolvent insurer shall be bound by settlements of covered claims by the association or a similar organization in another state. The court having jurisdiction shall grant such claims priority equal to that which the claimant would have been entitled in the absence of this chapter against the assets of the insolvent insurer. The expenses of the association or similar organization in handling claims shall be accorded the same priority as the liquidator's expenses.
- (3) The association shall periodically file with the receiver or liquidator of the insolvent insurer statements of the covered claims paid by the association and estimates of anticipated claims on the association which shall preserve the right of the association against the assets of the insolvent insurer.
- **Sec. 7149.** RCW 48.32.110 and 1971 ex.s. c 265 s 11 are each 21 amended to read as follows:

To aid in the detection and prevention of insurer insolvencies:

- (1) It shall be the duty of the board of directors, upon majority vote, to notify the commissioner of any information indicating any member insurer may be insolvent or in a financial condition hazardous to the policyholders or the public.
- (2) The board of directors may, upon majority vote, request that the commissioner order an examination of any member insurer which the board in good faith believes may be in a financial condition hazardous to the policyholders or the public. Within thirty days of the receipt of such request, the commissioner shall begin such examination. The examination may be conducted as a National Association of Insurance Commissioners examination or may be conducted by such persons as the commissioner designates. The cost of such examination shall be paid by the association and the examination report shall be treated as are other examination reports. In no event shall such examination report be released to the board of directors prior to its release to the

public, but this shall not preclude the commissioner from complying with subsection (3) of this section. The commissioner shall notify the board of directors when the examination is completed. The request for an examination shall be kept on file by the commissioner but it shall not be open to public inspection prior to the release of the examination report to the public.

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- (3) It shall be the duty of the commissioner to report to the board of directors when he <u>or she</u> has reasonable cause to believe that any member insurer examined or being examined at the request of the board of directors may be insolvent or in a financial condition hazardous to the policyholders or the public.
- (4) The board of directors may, upon majority vote, make reports and recommendations to the commissioner upon any matter germane to the solvency, liquidation, rehabilitation or conservation of any member insurer. Such reports and recommendations shall not be considered public documents.
- 17 (5) The board of directors may, upon majority vote, make 18 recommendations to the commissioner for the detection and prevention of 19 insurer insolvencies.
  - (6) The board of directors shall, at the conclusion of any insurer insolvency in which the association was obligated to pay covered claims, prepare a report on the history and causes of such insolvency, based on the information available to the association, and submit such report to the commissioner.
- 25 **Sec. 7150.** RCW 48.32.150 and 1971 ex.s. c 265 s 15 are each 26 amended to read as follows:
  - There shall be no liability on the part of and no cause of action of any nature shall arise against any member insurer, the association or its agents or employees, the board of directors, or the commissioner or his <u>or her</u> representatives for any action taken by them in the performance of their powers and duties under this chapter.
- 32 **Sec. 7151.** RCW 48.32.170 and 1971 ex.s. c 265 s 17 are each 33 amended to read as follows:
- 34 (1) The commissioner shall by order terminate the operation of the 35 Washington insurers insolvency pool as to any kind of insurance

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afforded by property or casualty insurance policies with respect to which he <u>or she</u> has found, after hearing, that there is in effect a statutory or voluntary plan which:

- (a) Is a permanent plan which is adequately funded or for which adequate funding is provided; and
- (b) Extends, or will extend to state policyholders and residents protection and benefits with respect to insolvent insurers not substantially less favorable and effective to such policyholders and residents than the protection and benefits provided with respect to such kind of insurance under this chapter.
- (2) The commissioner shall by the same such order authorize discontinuance of future payments by insurers to the Washington insurers insolvency pool with respect to the same kinds of insurance: PROVIDED, That assessments and payments shall continue, as necessary, to liquidate covered claims of insurers adjudged insolvent prior to said order and the related expenses not covered by such other plan.
- (3) In the event the operation of any account of the Washington insurers insolvency pool shall be so terminated as to all kinds of insurance otherwise within its scope, the pool as soon as possible thereafter shall distribute the balance of the moneys and assets remaining in said account (after discharge of the functions of the pool with respect to prior insurer insolvencies not covered by such other plan, together with related expenses) to the insurers which are then writing in this state policies of the kinds of insurance covered by such account, and which had made payments into such account, pro rata upon the basis of the aggregate of such payments made by the respective insurers to such account during the period of five years next preceding the date of such order. Upon completion of such distribution with respect to all of the accounts specified in RCW 48.32.060, this chapter shall be deemed to have expired.
- **Sec. 7152.** RCW 48.34.100 and 1969 ex.s. c 241 s 15 are each amended to read as follows:
- 33 (1) All policies, certificates of insurance, notices of proposed 34 insurance, applications for insurance, endorsements, and riders 35 delivered or issued for delivery in this state and the schedules of 36 premium rates pertaining thereto shall be filed with the commissioner.

(2) No such policies, certificates of insurance, notices of proposed insurance, applications for insurance, endorsements, or riders shall be used in this state until approved by the commissioner pursuant to RCW 48.18.100 and RCW 48.18.110. In addition to any grounds for disapproval provided therein, the form shall be disapproved both as to credit life and credit accident and health insurance if the benefits provided therein are not reasonable in relation to the premium charged.

- (3) If a group policy of credit life insurance or credit accident and health insurance has been delivered in this state before midnight, June 7, 1961, on the first anniversary date following such time the terms of the policy as they apply to persons newly insured thereafter shall be rewritten to conform with the provisions of this chapter.
- (4) If a group policy has been or is delivered in another state before or after August 11, 1969, the forms to be filed by the insurer with the commissioner are the group certificates and notices of proposed insurance delivered or issued for delivery in this state. He or she shall approve them if:
- (a) They provide the information that would be required if the group policy was delivered in this state; and
- (b) The applicable premium rates or charges do not exceed those established by his rules or regulations.
- **Sec. 7153.** RCW 48.34.120 and 1961 c 219 s 12 are each amended to 23 read as follows:
  - When the credit life insurance or credit accident and health insurance is required in connection with any credit transaction, the debtor shall, upon request to the creditor, have the option of furnishing the required amount of insurance through existing policies of insurance owned or controlled by him or her or of procuring and furnishing the required coverage through any insurer authorized to transact an insurance business within this state.
- **Sec. 7154.** RCW 48.44.011 and 1983 c 202 s 1 are each amended to read as follows:
- 33 (1) Agent, as used in this chapter, means any person appointed or 34 authorized by a health care service contractor to solicit applications 35 for health care service contracts on its behalf.

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1 (2) No person shall act as or hold himself <u>or herself</u> out to be an 2 agent of a health care service contractor unless licensed as a 3 disability insurance agent by this state and appointed by the health 4 care service contractor on whose behalf solicitations are to be made.

- (3) Applications, appointments, and qualifications for licenses, the renewal thereof, the fees and issuance of a license, and the renewal thereof shall be in accordance with the provisions of chapter 48.17 RCW that are applicable to a disability insurance agent.
- 9 (4) A person holding a valid license in this state as a health care 10 service contractor agent on July 24, 1983, is not required to requalify 11 by an examination for the renewal of the license.
  - (5) The commissioner may revoke, suspend, or refuse to issue or renew any agent's license, or levy a fine upon the licensee, in accordance with those provisions of chapter 48.17 RCW that are applicable to a disability insurance agent.
- **Sec. 7155.** RCW 48.44.040 and 1947 c 268 s 4 are each amended to read as follows:

Every health care service contractor who or which enters into agreements which require prepayment for health care services shall register with the insurance commissioner on forms to be prescribed and provided by him or her. Such registrants shall state their name, address, type of organization, area of operation, type or types of health care services provided, and such other information as may reasonably be required by the insurance commissioner and shall file with such registration a copy of all contracts being offered and a schedule of all rates charged. No registrant shall change any rates, modify any contract, or offer any new contract, until he or she has filed a copy of the changed rate schedule, modified contract, or new contract with the insurance commissioner. The insurance commissioner shall charge a fee of ten dollars for the filing of each original registration statement and may require each registrant to file a current reregistration statement annually thereafter.

**Sec. 7156.** RCW 48.44.090 and 1961 c 197 s 6 are each amended to read as follows:

35 The insurance commissioner shall refuse to accept the registration 36 of any corporation, cooperative group, or association seeking to act as

- a health care service contractor if, in his <u>or her</u> discretion, the insurance commissioner deems that the name of the corporation, cooperative group, or association would be confused with the name of an existing registered health care service contractor or authorized insurance company.
- **Sec. 7157.** RCW 48.44.145 and 1986 c 296 s 8 are each amended to 7 read as follows:

- (1) The commissioner may make an examination of the operations of any health care service contractor as often as he <u>or she</u> deems necessary in order to carry out the purposes of this chapter.
- (2) Every health care service contractor shall submit its books and records relating to its operation for financial condition and market conduct examinations and in every way facilitate them. For the purpose of examinations, the commissioner may issue subpoenas, administer oaths, and examine the officers and principals of the health care service contractor.
- (3) The commissioner may elect to accept and rely on audit reports made by an independent certified public accountant for the health care service contractor in the course of that part of the commissioner's examination covering the same general subject matter as the audit. The commissioner may incorporate the audit report in his <u>or her</u> report of the examination.
- (4) Whenever any health care service contractor applies for initial admission, the commissioner may make, or cause to be made, an examination of the applicant's business and affairs. Whenever such an examination is made, all of the provisions of chapter 48.03 RCW not inconsistent with this chapter shall be applicable. In lieu of making an examination himself or herself the commissioner may, in the case of a foreign health care service contractor, accept an examination report of the applicant by the regulatory official in its state of domicile.
- **Sec. 7158.** RCW 48.44.160 and 1988 c 248 s 19 are each amended to read as follows:
  - The insurance commissioner may, subject to a hearing if one is demanded pursuant to chapters 48.04 and 34.05 RCW, revoke, suspend, or refuse to accept or renew registration from any health care service contractor, or he or she may issue a cease and desist order, or bring

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an action in any court of competent jurisdiction to enjoin a health care service contractor from doing further business in this state, if such health care service contractor:

- (1) Fails to comply with any provision of chapter 48.44 RCW or any proper order or regulation of the commissioner.
- (2) Is found by the commissioner to be in such financial condition that its further transaction of business in this state would jeopardize the payment of claims and refunds to subscribers.
- (3) Has refused to remove or discharge a director or officer who has been convicted of any crime involving fraud, dishonesty, or like moral turpitude, after written request by the commissioner for such removal, and expiration of a reasonable time therefor as specified in such request.
- (4) Usually compels claimants under contracts either to accept less than the amount due them or to bring suit against it to secure full payment of the amount due.
- (5) Is affiliated with and under the same general management, or interlocking directorate, or ownership as another health care contractor which operates in this state without having registered therefor, except as is permitted by this chapter.
- (6) Refuses to be examined, or if its directors, officers, employees or representatives refuse to submit to examination or to produce its accounts, records, and files for examination by the commissioner when required, or refuse to perform any legal obligation relative to the examination.
- (7) Fails to pay any final judgment rendered against it in this state upon any contract, bond, recognizance, or undertaking issued or guaranteed by it, within thirty days after the judgment became final or within thirty days after time for taking an appeal has expired, or within thirty days after dismissal of an appeal before final determination, whichever date is the later.
- (8) Is found by the commissioner, after investigation or upon receipt of reliable information, to be managed by persons, whether by its directors, officers, or by any other means, who are incompetent or untrustworthy or so lacking in health care contracting or related managerial experience as to make the operation hazardous to the subscribing public; or that there is good reason to believe it is affiliated directly or indirectly through ownership, control, or other

- 1 business relations, with any person or persons whose business
- 2 operations are or have been marked, to the detriment of policyholders
- 3 or stockholders, or investors or creditors or subscribers or of the
- 4 public, by bad faith or by manipulation of assets, or of accounts, or
- 5 of reinsurance.
- 6 **Sec. 7159.** RCW 48.44.170 and 1961 c 197 s 14 are each amended to 7 read as follows:
- 8 For the purposes of this chapter, the insurance commissioner shall
- 9 be subject to and may avail himself or herself of the provisions of
- 10 chapter 48.04 RCW, which relate to hearings and appeals.
- 11 **Sec. 7160.** RCW 48.44.230 and 1983 1st ex.s. c 32 s 11 are each 12 amended to read as follows:
- 13 Every subscriber of an individual health care service plan contract
- 14 issued after September 1, 1973, may return the contract to the health
- 15 care service contractor or the agent through whom it was purchased
- 16 within ten days of its delivery to the subscriber if, after examination
- of the contract, he <u>or she</u> is not satisfied with it for any reason, and
- 18 the health care service contractor shall refund promptly any fee paid
- 19 for such contract. Upon such return of the contract it shall be void
- 20 from the beginning and the parties shall be in the same position as if
- 21 no policy had been issued. Notice of the substance of this section
- 22 shall be printed on the face of each such contract or be attached
- 23 thereto. An additional ten percent penalty shall be added to any
- 24 premium refund due which is not paid within thirty days of return of
- 25 the policy to the insurer or agent.
- 26 Sec. 7161. RCW 48.46.023 and 1983 c 202 s 8 are each amended to
- 27 read as follows:
- 28 (1) Agent, as used in this chapter, means any person appointed or
- 29 authorized by a health maintenance organization to solicit applications
- 30 for health care service agreements on its behalf.
- 31 (2) No person shall act as or hold himself <u>or herself</u> out to be an
- 32 agent of a health maintenance organization unless licensed as a
- 33 disability insurance agent by this state and appointed or authorized by
- 34 the health maintenance organization on whose behalf solicitations are
- 35 to be made.

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1 (3) Applications, appointments, and qualifications for licenses, 2 the renewal thereof, the fees and issuance of a license, and the 3 renewal thereof shall be in accordance with the provisions of chapter 4 48.17 RCW that are applicable to a disability insurance agent.

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- (4) A person holding a valid license in this state as a health maintenance organization agent on July 24, 1983, is not required to requalify by an examination for the renewal of the license.
- (5) The commissioner may revoke, suspend, or refuse to issue or renew any agent's license, or levy a fine upon the licensee, in accordance with those provisions of chapter 48.17 RCW that are applicable to a disability insurance agent.
- 12 **Sec. 7162.** RCW 48.46.040 and 1990 c 119 s 3 are each amended to 13 read as follows:

The commissioner shall issue a certificate of registration to the applicant within sixty days of such filing unless he <u>or she</u> notifies the applicant within such time that such application is not complete and the reasons therefor; or that he <u>or she</u> is not satisfied that:

- (1) The basic organizational document of the applicant permits the applicant to conduct business as a health maintenance organization;
- (2) The organization has demonstrated the intent and ability to assure that comprehensive health care services will be provided in a manner to assure both their availability and accessibility;
- (3) The organization is financially responsible and may be reasonably expected to meet its obligations to its enrolled participants. In making this determination, the commissioner shall consider among other relevant factors:
- (a) Any agreements with an insurer, a medical or hospital service bureau, a government agency or any other organization paying or insuring payment for health care services;
- 30 (b) Any agreements with providers for the provision of health care 31 services;
- 32 (c) Any arrangements for liability and malpractice insurance 33 coverage; and
- 34 (d) Adequate procedures to be implemented to meet the protection 35 against insolvency requirements in RCW 48.46.245.
- 36 (4) The procedures for offering health care services and offering 37 or terminating contracts with enrolled participants are reasonable and

equitable in comparison with prevailing health insurance subscription practices and health maintenance organization enrollment procedures; and, that

(5) Procedures have been established to:

- (a) Monitor the quality of care provided by such organization, including, as a minimum, procedures for internal peer review;
- (b) Resolve complaints and grievances initiated by enrolled participants in accordance with RCW 48.46.010 and 48.46.100;
- (c) Offer enrolled participants an opportunity to participate in matters of policy and operation in accordance with RCW 48.46.020(7) and 48.46.070.

No person to whom a certificate of registration has not been issued, except a health maintenance organization certified by the secretary of the department of health and human services, pursuant to Public Law 93-222 or its successor, shall use the words "health maintenance organization" or the initials "HMO" in its name, contracts, or literature. Persons who are contracting with, operating in association with, recruiting enrolled participants for, or otherwise authorized by a health maintenance organization possessing a certificate of registration to act on its behalf may use the terms "health maintenance organization" or "HMO" for the limited purpose of denoting or explaining their relationship to such health maintenance organization.

The department of health, at the request of the insurance commissioner, shall inspect and review the facilities of every applicant health maintenance organization to determine that such facilities are reasonably adequate to provide the health care services offered in their contracts. If the commissioner has information to indicate that such facilities fail to continue to be adequate to provide the health care services offered, the department of health, upon request of the insurance commissioner, shall reinspect and review the facilities and report to the insurance commissioner as to their adequacy or inadequacy.

- 34 Sec. 7163. RCW 48.46.110 and 1983 c 202 s 11 are each amended to read as follows:
- 36 (1) No health maintenance organization may refer to itself in its 37 name or advertising with any of the words: "insurance", "casualty",

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"surety", "mutual", or any other words descriptive of the insurance, casualty, or surety business, or deceptively similar to the name or description of any insurance or surety corporation or health care service contractor or other health maintenance organization doing business in this state.

- (2) No health maintenance organization, nor any health care facility or provider with which such organization has contracted to provide health care services, shall discriminate against any person from whom or on whose behalf, payment to meet the required charge is available, with regard to enrollment, disenrollment, or the provision of health care services, on the basis of such person's race, color, sex, religion, place of residence if there is reasonable access to the facility of the health maintenance organization, socioeconomic status, or status as a recipient of medicare under Title XVIII of the Social Security Act, 42 U.S.C. section 1396, et seq.
- (3) Where a health maintenance organization determines that an enrolled participant has received health care services to which such enrolled participant is not entitled under the terms of his or her health maintenance agreement, neither such organization, nor any health care facility or provider with which such organization has contracted to provide health care services, shall have recourse against such enrolled participant for any amount above the actual cost of providing such service, if any, specified in such agreement, unless the enrolled participant or a member of his or her family has given or withheld information to the health maintenance organization, the effect of which is to mislead or misinform the health maintenance organization as to the enrolled participant's right to receive such services.
- **Sec. 7164.** RCW 48.46.120 and 2007 c 468 s 2 are each amended to 29 read as follows:
  - (1) The commissioner may make an examination of the operations of any health maintenance organization as often as he <u>or she</u> deems necessary in order to carry out the purposes of this chapter.
  - (2) Every health maintenance organization shall submit its books and records relating its operation for financial condition and market conduct examinations and in every way facilitate them. The quality or appropriateness of medical services or systems shall not be examined except to the extent that such items are incidental to an examination

of the financial condition or the market conduct of a health maintenance organization. For the purpose of examinations, the commissioner may issue subpoenas, administer oaths, and examine the officers and principals of the health maintenance organization and the principals of such providers concerning their business.

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- (3) The commissioner may elect to accept and rely on audit reports made by an independent certified public accountant for the health maintenance organization in the course of that part of the commissioner's examination covering the same general subject matter as the audit. The commissioner may incorporate the audit report in his or her report of the examination.
- 12 **Sec. 7165.** RCW 48.46.200 and 1975 1st ex.s. c 290 s 21 are each 13 amended to read as follows:

The commissioner may, in accordance with the provisions of the administrative procedure act, chapter 34.05 RCW, promulgate rules and regulations as necessary or proper to carry out the provisions of this chapter. Nothing in this chapter shall be construed to prohibit the commissioner from requiring changes in procedures previously approved by him or her.

- 20 **Sec. 7166.** RCW 48.46.240 and 1990 c 119 s 6 are each amended to 21 read as follows:
  - (1) Each health maintenance organization obtaining a certificate of registration from the commissioner shall provide and maintain a funded reserve of one hundred fifty thousand dollars. The funded reserve shall be deposited with the commissioner or with any organization/trustee acceptable to him or her in the form of cash, securities eligible for investment by the health maintenance organization pursuant to chapter 48.13 RCW, approved surety bond or any combination of these, and must equal or exceed one hundred fifty thousand dollars. The funded reserve shall be established as an assurance that the uncovered expenditure obligations of the health maintenance organization to the enrolled participants will performed.
- 34 (2) All income from reserves on deposit with the commissioner shall 35 belong to the depositing health maintenance organization and shall be 36 paid to it as it becomes available.

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- 1 (3) Any funded reserve required by this section shall be considered 2 an asset of the health maintenance organization in determining the 3 organization's net worth.
- (4) A health maintenance organization that has made a securities 4 deposit with the commissioner may, at its option, withdraw the 5 securities deposit or any part of the deposit after first having 6 7 deposited or provided in lieu thereof an approved surety bond, a deposit of cash or securities, or any combination of these or other 8 deposits of equal amount and value to that withdrawn. Any securities 9 10 and surety bond shall be subject to approval by the commissioner before being substituted. 11
- 12 **Sec. 7167.** RCW 48.56.040 and 1969 ex.s. c 190 s 4 are each amended to read as follows:
  - (1) Upon the filing of an application and the payment of the license fee the commissioner shall make an investigation of each applicant and shall issue a license if the applicant is qualified in accordance with this chapter. If the commissioner does not so find, he or she shall, within thirty days after he or she has received such application, at the request of the applicant, give the applicant a full hearing.
- 21 (2) The commissioner shall issue or renew a license as may be 22 applied for when he <u>or she</u> is satisfied that the person to be 23 licensed--
- 24 (a) is competent and trustworthy and intends to act in good faith 25 in the capacity involved by the license applied for,
- 26 (b) has a good business reputation and has had experience, 27 training, or education so as to be qualified in the business for which 28 the license is applied for, and
- (c) if a corporation, is a corporation incorporated under the laws of the state or a foreign corporation authorized to transact business in the state.
- 32 **Sec. 7168.** RCW 48.56.050 and 1969 ex.s. c 190 s 5 are each amended to read as follows:
- 34 (1) The commissioner may revoke or suspend the license of any 35 premium finance company when and if after investigation it appears to 36 the commissioner that--

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(a) any license issued to such company was obtained by fraud,

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- 2 (b) there was any misrepresentation in the application for the license,
  - (c) the holder of such license has otherwise shown himself <u>or</u> <u>herself</u> untrustworthy or incompetent to act as a premium finance company, or
  - (d) such company has violated any of the provisions of this chapter.
    - (2) Before the commissioner shall revoke, suspend, or refuse to renew the license of any premium finance company, he or she shall give to such person an opportunity to be fully heard and to introduce evidence in his or her behalf. In lieu of revoking or suspending the license for any of the causes enumerated in this section, after hearing as herein provided, the commissioner may subject such company to a penalty of not more than two hundred dollars for each offense when in his or her judgment he or she finds that the public interest would not be harmed by the continued operation of such company. The amount of any such penalty shall be paid by such company through the office of the commissioner to the state treasurer. At any hearing provided by this section, the commissioner shall have authority to administer oaths Anyone testifying falsely, after having been to witnesses. administered such oath, shall be subject to the penalty of perjury.
- 23 (3) If the commissioner refuses to issue or renew any license or if 24 any applicant or licensee is aggrieved by any action of the 25 commissioner, said applicant or licensee shall have the right to a 26 hearing and court proceeding as provided by statute.
- 27 **Sec. 7169.** RCW 48.56.060 and 1969 ex.s. c 190 s 6 are each amended to read as follows:
  - (1) Every licensee shall maintain records of its premium finance transactions and the said records shall be open to examination and investigation by the commissioner. The commissioner may at any time require any licensee to bring such records as he or she may direct to the commissioner's office for examination.
- 34 (2) Every licensee shall preserve its records of such premium 35 finance transactions, including cards used in a card system, for at 36 least three years after making the final entry in respect to any

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- 1 premium finance agreement. The preservation of records in photographic
- 2 form shall constitute compliance with this requirement.

- Sec. 7170. RCW 48.56.110 and 1969 ex.s. c 190 s 11 are each amended to read as follows:
  - (1) When a premium finance agreement contains a power of attorney enabling the premium finance company to cancel any insurance contract or contracts listed in the agreement, the insurance contract or contracts shall not be canceled by the premium finance company unless such cancellation is effectuated in accordance with this section.
  - (2) Not less than ten days' written notice shall be mailed to the insured of the intent of the premium finance company to cancel the insurance contract unless the default is cured within such ten day period.
  - (3) After expiration of such ten day period, the premium finance company may thereafter request in the name of the insured, cancellation of such insurance contract or contracts by mailing to the insurer a notice of cancellation, and the insurance contract shall be canceled as if such notice of cancellation had been submitted by the insured himself or herself, but without requiring the return of the insurance contract or contracts. The premium finance company shall also mail a notice of cancellation to the insured at his last known address.
- (4) All statutory, regulatory, and contractual restrictions providing that the insurance contract may not be canceled unless notice is given to a governmental agency, mortgagee, or other third party shall apply where cancellation is effected under the provisions of this section. The insurer shall give the prescribed notice in behalf of itself or the insured to any governmental agency, mortgagee, or other third party on or before the second business day after the day it receives the notice of cancellation from the premium finance company and shall determine the effective date of cancellation taking into consideration the number of days notice required to complete the cancellation.
- **Sec. 7171.** RCW 48.99.020 and 1947 c 79 s .31.12 are each amended to read as follows:
- 35 (1) Whenever under the laws of this state a receiver is to be 36 appointed in delinquency proceedings for an insurer domiciled in this

state, the court shall appoint the commissioner as such receiver. The court shall direct the commissioner forthwith to take possession of the assets of the insurer and to administer the same under the orders of the court.

- (2) As domiciliary receiver the commissioner shall be vested by operation of law with the title to all of the property, contracts, and rights of action, and all of the books and records of the insurer wherever located, as of the date of entry of the order directing him or her to rehabilitate or liquidate a domestic insurer, or to liquidate the United States branch of an alien insurer domiciled in this state, and he or she shall have the right to recover the same and reduce the same to possession; except that ancillary receivers in reciprocal states shall have, as to assets located in their respective states, the rights and powers which are hereinafter prescribed for ancillary receivers appointed in this state as to assets located in this state.
- (3) The filing or recording of the order directing possession to be taken, or a certified copy thereof, in the office where instruments affecting title to property are required to be filed or recorded shall impart the same notice as would be imparted by a deed, bill of sale, or other evidence of title duly filed or recorded.
- (4) The commissioner as domiciliary receiver shall be responsible on his <u>or her</u> official bond for the proper administration of all assets coming into his <u>or her</u> possession or control. The court may at any time require an additional bond from ((him)) <u>the commissioner</u> or his <u>or her</u> deputies if deemed desirable for the protection of the assets.
- (5) Upon taking possession of the assets of an insurer the domiciliary receiver shall, subject to the direction of the court, immediately proceed to conduct the business of the insurer or to take such steps as are authorized by the laws of this state for the purpose of liquidating, rehabilitating, reorganizing, or conserving the affairs of the insurer.
- (6) In connection with delinquency proceedings the commissioner may appoint one or more special deputy commissioners to act for him or her, and may employ such counsel, clerks, and assistants as he or she deems necessary. The compensation of the special deputies, counsel, clerks, or assistants and all expenses of taking possession of the insurer and of conducting the proceedings shall be fixed by the receiver, subject to the approval of the court, and shall be paid out of the funds or

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- 1 assets of the insurer. Within the limits of the duties imposed upon
- 2 them special deputies shall possess all the powers given to, and, in
- 3 the exercise of those powers, shall be subject to all of the duties
- 4 imposed upon the receiver with respect to such proceedings.

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- 5 **Sec. 7172.** RCW 48.99.030 and 1947 c 79 s .31.13 are each amended to read as follows:
  - (1) Whenever under the laws of this state an ancillary receiver is to be appointed in delinquency proceedings for an insurer not domiciled in this state, the court shall appoint the commissioner as ancillary receiver. The commissioner shall file a petition requesting the appointment (a) if he or she finds that there are sufficient assets of such insurer located in this state to justify the appointment of an ancillary receiver, or (b) if ten or more persons resident in this state having claims against such insurer file a petition with the commissioner requesting the appointment of such ancillary receiver.
  - (2) The domiciliary receiver for the purpose of liquidating an insurer domiciled in a reciprocal state, shall be vested by operation of law with the title to all of the property, contracts, and rights of action, and all of the books and records of the insurer located in this state, and he or she shall have the immediate right to recover balances due from local agents and to obtain possession of any books and records of the insurer found in this state. He or she shall also be entitled to recover the other assets of the insurer located in this state except that upon the appointment of an ancillary receiver in this state, the ancillary receiver shall during the ancillary receivership proceedings have the sole right to recover such other assets. The ancillary receiver shall, as soon as practicable, liquidate from their respective securities those special deposit claims and secured claims which are proved and allowed in the ancillary proceedings in this state, and shall pay the necessary expenses of the proceedings. All remaining assets he or she shall promptly transfer to the domiciliary receiver. Subject to the foregoing provisions the ancillary receiver and his or her deputies shall have the same powers and be subject to the same duties with respect to the administration of such assets, as a receiver of an insurer domiciled in this state.
    - (3) The domiciliary receiver of an insurer domiciled in a

- 1 reciprocal state may sue in this state to recover any assets of such
- 2 insurer to which he or she may be entitled under the laws of this
- 3 state.

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- 4 **Sec. 7173.** RCW 48.99.050 and 1947 c 79 s .31.15 are each amended to read as follows:
  - (1) In a delinquency proceeding in a reciprocal state against an insurer domiciled in that state, claimants against such insurer, who reside within this state may file claims either with the ancillary receiver, if any, appointed in this state, or with the domiciliary receiver. All such claims must be filed on or before the last date fixed for the filing of claims in the domiciliary delinquency proceeding.
  - (2) Controverted claims belonging to claimants residing in this state may either (a) be proved in the domiciliary state as provided by the law of that state, or (b), if ancillary proceedings have been commenced in this state, be proved in those proceedings. In the event that any such claimant elects to prove his or her claim in this state, he or she shall file his or her claim with the ancillary receiver in the manner provided by the law of this state for the proving of claims against insurers domiciled in this state, and he or she shall give notice in writing to the receiver in the domiciliary state, either by registered mail or by personal service at least forty days prior to the date set for hearing. The notice shall contain a concise statement of the amount of the claim, the facts on which the claim is based, and the priorities asserted, if any. If the domiciliary receiver, within thirty days after the giving of such notice, shall give notice in writing to the ancillary receiver and to the claimant, either by registered mail or by personal service, of his or her intention to contest such claim, he or she shall be entitled to appear or to be represented in any proceeding in this state involving the adjudication of the claim. The final allowance of the claim by the courts of this state shall be accepted as conclusive as to its amount, and shall also be accepted as conclusive as to its priority, if any, against special deposits or other security located within this state.
- 35 **Sec. 7174.** RCW 48.99.060 and 1993 c 462 s 79 are each amended to read as follows:

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- (1) In a delinquency proceeding against an insurer domiciled in this state, claims owing to residents of ancillary states shall be preferred claims if like claims are preferred under the laws of this state. All such claims whether owing to residents or nonresidents shall be given equal priority of payment from general assets regardless of where such assets are located.
- (2) In a delinquency proceeding against an insurer domiciled in a reciprocal state, claims owing to residents of this state shall be preferred if like claims are preferred by the laws of that state.
- (3) The owners of special deposit claims against an insurer for which a receiver is appointed in this or any other state shall be given priority against their several special deposits in accordance with the provisions of the statutes governing the creation and maintenance of such deposits. If there is a deficiency in any such deposit so that the claims secured thereby are not fully discharged therefrom, the claimants may share in the general assets, but such sharing shall be deferred until general creditors, and also claimants against other special deposits who have received smaller percentages from their respective special deposits, have been paid percentages of their claims equal to the percentage paid from the special deposit.
- (4) The owner of a secured claim against an insurer for which a receiver has been appointed in this or any other state may surrender his or her security and file his or her claim as a general creditor, or the claim may be discharged by resort to the security, in which case the deficiency, if any, shall be treated as a claim against the general assets of the insurer on the same basis as claims of unsecured creditors. If the amount of the deficiency has been adjudicated in ancillary proceedings as provided in this chapter, or if it has been adjudicated by a court of competent jurisdiction in proceedings in which the domiciliary receiver has had notice and opportunity to be heard, such amount shall be conclusive; otherwise the amount shall be determined in the delinquency proceeding in the domiciliary state.

33 PART VIII

NEW SECTION. **Sec. 8001.** The following acts or parts of acts are each repealed:

- 1 (1) RCW 35.18.005 (Definition--"Councilman.") and 1981 c 213 s 1;
- 2 and
- 3 (2) RCW 35A.01.080 ("Councilman" defined) and 1981 c 213 s 2.
- MEW SECTION. Sec. 8002. Part headings used in this act are not any part of the law.

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