S-2616.1			

SUBSTITUTE SENATE BILL 5911

State of Washington 62nd Legislature 2011 Regular Session

By Senate Ways & Means (originally sponsored by Senators Murray and Zarelli; by request of Department of Licensing and Department of Revenue) READ FIRST TIME 04/01/11.

1 AN ACT Relating to the master license service program; amending RCW 2 19.02.020, 19.02.030, 19.02.050, 19.02.070, 19.02.075, 19.02.100, 19.80.010, 19.02.800, 19.02.900, 19.80.005, 19.80.045, 3 19.80.025, 19.80.075, 4 19.80.900, 19.94.015, 34.05.310, 34.05.328, 35.21.392, 35A.21.340, 43.07.200, 46.68.060, 46.72.110, 46.72A.110, 59.30.010, 5 6 59.30.020, 59.30.050, 59.30.060, 76.48.121, 79A.60.485, 82.01.060, 7 82.02.010, 82.32.030, 90.76.010, and 90.76.020; reenacting and amending RCW 43.24.150; adding a new section to chapter 19.02 RCW; adding a new 8 9 section to chapter 59.30 RCW; creating new sections; decodifying RCW 19.02.901 and 19.02.910; prescribing penalties; providing an effective 10 11 date; and declaring an emergency.

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

NEW SECTION. Sec. 1. The purpose of this act is to improve customer service by transferring the master license service program from the department of licensing to the department of revenue. It is the legislature's intent that all licenses obtained or renewed through the master license service as of March 1, 2011, will continue to be obtained or renewed through the master license service after the master

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license service program is transferred to the department of revenue effective July 1, 2011.

- NEW SECTION. Sec. 2. (1) All powers, duties, and functions of the department of licensing pertaining to the administration of chapters 19.02, 19.80, and 59.30 RCW are transferred to the department of revenue. All references to the department of licensing or the director of licensing in the Revised Code of Washington must be construed to mean the department of revenue or the director of revenue when referring to the powers, duties, and functions transferred under this section.
- (2)(a) All reports, documents, surveys, books, records, files, papers, or written material, including electronic records and files, in the possession of the department of licensing pertaining to the powers, functions, and duties transferred to the department of revenue under this section must be delivered to the custody of the department of revenue. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the department of licensing in carrying out the powers, functions, and duties transferred must be made available to the department of revenue. All funds, credits, or other assets held in connection with the powers, functions, and duties transferred must be assigned to the department of revenue.
- (b) Any appropriations made to the department of licensing for carrying out the powers, functions, and duties transferred must, on the effective date of this section, be transferred and credited to the department of revenue.
- (c) Whenever any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management must make a determination as to the proper allocation and certify the same to the state agencies concerned.
- (3) All employees of the department of licensing primarily engaged in performing the powers, functions, and duties transferred are transferred to the jurisdiction of the department of revenue. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the department of revenue to perform their usual

duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.

- (4) All rules and all pending business before the department of licensing pertaining to the powers, functions, and duties transferred must be continued and acted upon by the department of revenue. All existing contracts and obligations must remain in full force and must be performed by the department of revenue.
- (5) The transfer of the powers, duties, functions, and personnel of the department of licensing does not affect the validity of any act performed before the effective date of this section.
- (6) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management must certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these must make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.
- (7) All classified employees of the department of licensing assigned to the department of revenue under this section whose positions are within an existing bargaining unit description at the department of revenue must become a part of the existing bargaining unit at the department of revenue and must be considered an appropriate inclusion or modification of the existing bargaining unit, if any, under the provisions of chapter 41.80 RCW.
- NEW SECTION. Sec. 3. To ensure a seamless transfer of the master license service program from the department of licensing to the department of revenue and to prevent any disruption of service to persons seeking to use the master license system, the department of revenue is authorized to contract, under chapter 39.34 RCW, with the department of licensing for support in administering chapters 19.02, 19.80, and 59.30 RCW. Any contract entered into pursuant to this section must be for a duration no longer than necessary to fully and effectively transfer the master license service program from the department of licensing to the department of revenue.
- **Sec. 4.** RCW 19.02.020 and 1993 c 142 s 3 are each amended to read as follows:

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((As used in this chapter, the following words shall have the following meanings:)) The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- (1) "System" or "master license system" means the ((mechanism)) procedure by which master licenses are issued and renewed, license and regulatory information is collected and disseminated with due regard to privacy statutes, and account data is exchanged by the agencies(($\dot{\tau}$)) and participating local governments.
- (2) "Business license center" means the business registration and licensing center established by this chapter and located in and under the administrative control of the department of ((licensing;)) revenue.
- (3) "Master application" means a document incorporating pertinent data from existing applications for licenses covered under this chapter($(\dot{\tau})$).
- (4) "Master license" means the single document designed for public display issued by the business license center which certifies state agency or local government license approval and which incorporates the endorsements for individual licenses included in the master license system, which the state or local government requires for any person subject to this chapter($(\dot{\tau})$).
- (5) "License" means the whole or part of any agency or local government permit, license, certificate, approval, registration, charter, or any form or permission required by law, including agency rule, to engage in any activity((\div)).
- (6) "Regulatory" means all licensing and other governmental or statutory requirements pertaining to business or professional activities $((\dot{\tau}))$.
- (7) "Person" means any individual, sole proprietorship, partnership, association, cooperative, corporation, nonprofit organization, state or local government agency, and any other organization required to register with the state or a participating local government to do business in the state or the participating local government and to obtain one or more licenses from the state or any of its agencies (\div) or the participating local government.
 - (8) "Director" means the director of ((licensing;)) revenue.
- (9) "Department" means the department of ((licensing;)) revenue.
- 37 (10) "Regulatory agency" means any state agency, board, commission,

- 1 ((or)), division ((which)), or local government that regulates one or 2 more professions, occupations, industries, businesses, or 3 activities $((\dot{\tau}))$.
- 4 (11) "Renewal application" means a document used to collect pertinent data for renewal of licenses covered under this chapter($(\div \frac{\text{and}}{\text{ond}})$).
- 7 (12) "License information packet" means a collection of information 8 about licensing requirements and application procedures custom-9 assembled for each request.
- 10 (13) "Participating local government" means a municipal corporation 11 or political subdivision that participates in the master license system 12 established by this chapter.
- 13 **Sec. 5.** RCW 19.02.030 and 1999 c 240 s 5 are each amended to read 14 as follows:
- 15 (1) There is ((created)) <u>located</u> within the department ((of licensing)) a business license center.
 - (2) The duties of the center ((shall)) include:

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- 18 (a) Developing and administering a computerized one-stop master 19 license system capable of storing, retrieving, and exchanging license 20 information with due regard to privacy statutes, as well as issuing and 21 renewing master licenses in an efficient manner;
- (b) Providing a license information service detailing requirements to establish or engage in business in this state;
 - (c) Providing for staggered master license renewal dates;
- 25 (d) Identifying types of licenses appropriate for inclusion in the 26 master license system;
 - (e) Recommending in reports to the governor and the legislature the elimination, consolidation, or other modification of duplicative, ineffective, or inefficient licensing or inspection requirements; and
 - (f) Incorporating licenses into the master license system.
- 31 (3) The ((director of licensing)) department may adopt under 32 chapter 34.05 RCW such rules as may be necessary to effectuate the 33 purposes of this chapter.
- 34 **Sec. 6.** RCW 19.02.050 and 1997 c 391 s 11 are each amended to read as follows:

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- The legislature hereby directs the full participation by the following agencies in the implementation of this chapter:
 - (1) Department of agriculture;
 - (2) Secretary of state;
 - (3) Department of social and health services;
- 6 (4) Department of revenue;
- 7 (5) Department of fish and wildlife;
 - (6) ((Department of)) Employment security department;
 - (7) Department of labor and industries;
- 10 (8) Department of ((community, trade, and economic development))
- 11 <u>commerce</u>;

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- 12 (9) Liquor control board;
- 13 (10) Department of health;
- 14 (11) Department of licensing;
- 15 (12) Parks and recreation commission;
- 16 (13) Utilities and transportation commission; and
- 17 (14) Other agencies as determined by the governor.
- 18 **Sec. 7.** RCW 19.02.070 and 1990 c 264 s 1 are each amended to read 19 as follows:
 - (1) Any person requiring licenses which have been incorporated into the system ((shall)) <u>must</u> submit a master application to the department requesting the issuance of the licenses. The master application form ((shall)) <u>must</u> contain in consolidated form information necessary for the issuance of the licenses.
 - (2) The applicant ((shall)) <u>must</u> include with the application the sum of all fees and deposits required for the requested individual license endorsements as well as the handling fee established <u>by the</u> department under the authority of RCW 19.02.075.
 - (3) Irrespective of any authority delegated to the department ((of licensing)) to implement the provisions of this chapter, the authority for approving issuance and renewal of any requested license that requires a prelicensing or renewal investigation, inspection, testing, or other judgmental review by the regulatory agency otherwise legally authorized to issue the license ((shall)) must remain with that agency. The business license center has the authority to issue those licenses for which proper fee payment and a completed application form have been

received and for which no prelicensing or renewal approval action is required by the regulatory agency.

- (4) Upon receipt of the application and proper fee payment for any license for which issuance is subject to regulatory agency action under subsection (3) of this section, the department ((shall)) must immediately notify the regulatory agency with authority to approve issuance or renewal of the license requested by the applicant. Each regulatory agency ((shall)) must advise the department within a reasonable time after receiving the notice: (a) That the agency approves the issuance of the requested license and will advise the applicant of any specific conditions required for issuing the license; (b) that the agency denies the issuance of the license and gives the applicant reasons for the denial; or (c) that the application is pending.
- (5) The department ((shall)) <u>must</u> issue a master license endorsed for all the approved licenses to the applicant and advise the applicant of the status of other requested licenses. It is the responsibility of the applicant to contest the decision regarding conditions imposed or licenses denied through the normal process established by statute or by the <u>regulatory</u> agency with the authority for approving issuance of the license.
- 22 (6) Regulatory agencies ((shall)) <u>must</u> be provided information from 23 the master application for their licensing and regulatory functions.
- 24 Sec. 8. RCW 19.02.075 and 1995 c 403 s 1007 are each amended to 25 read as follows:
 - (((1))) The department ((shall)) <u>must</u> collect a <u>handling</u> fee ((of fifteen dollars)) on each master application((. The entire master application fee shall be deposited in the master license fund.
 - (2) The department shall collect a fee of nine dollars on)) and each renewal application filing. ((Renewal application fees shall)) The department must set the amount of the handling fees by rule, as authorized by RCW 19.02.030. The handling fees may not exceed nineteen dollars for each master application, and eleven dollars for each renewal application filing, and must be deposited in the master license fund. The department may increase handling and renewal fees for the purposes of making improvements in the master license service program,

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- 1 <u>including improvements in technology and customer services, expanded</u>
- 2 access, and infrastructure.

- **Sec. 9.** RCW 19.02.100 and 1997 c 58 s 865 are each amended to read 4 as follows:
 - (1) The department ((shall)) may not issue or renew a master license to any person if:
 - (a) The person does not have a valid tax registration, if required by a regulatory agency;
 - (b) The person is a corporation delinquent in fees or penalties owing to the secretary of state or is not validly registered under Title 23B RCW, chapter 18.100 RCW, Title 24 RCW, ((and)) or any other statute now or hereafter adopted which gives corporate or business licensing responsibilities to the secretary of state if the person is required to be so registered; or
 - (c) The person has not submitted the sum of all fees and deposits required for the requested individual license endorsements, any outstanding master license delinquency fee, or other fees and penalties to be collected through the system.
 - (2) Nothing in this section ((shall)) prevents registration by the state of a business for taxation purposes, or an employer for the purpose of paying an employee of that employer industrial insurance or unemployment insurance benefits.
 - (3) The department ((shall)) <u>must</u> immediately suspend the license or certificate of a person who has been certified pursuant to RCW 74.20A.320 by the department of social and health services as a person who is not in compliance with a support order ((or a residential or visitation order)). If the person has continued to meet all other requirements for reinstatement during the suspension, reissuance of the license or certificate ((shall be)) <u>is</u> automatic upon the department's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order.
- **Sec. 10.** RCW 19.02.800 and 2000 c 171 s 44 are each amended to 33 read as follows:

Except as provided in RCW 43.07.200, the provisions of this chapter regarding the processing of license applications and renewals under a master license system ((shall)) do not apply to those business or

- 1 professional activities that are licensed or regulated under chapter
- 2 31.04, 31.12, ((31.12A,)) or 31.13 RCW or under Title 30, 32, 33, or 48
- 3 RCW.

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4 **Sec. 11.** RCW 19.02.900 and 1977 ex.s. c 319 s 10 are each amended to read as follows:

If any provision of this ((1977 amendatory act)) chapter, or its application to any person or circumstance is held invalid, the remainder of the ((act)) chapter, or the application of the provision to other persons or circumstances is not affected.

- NEW SECTION. Sec. 12. A new section is added to chapter 19.02 RCW to read as follows:
- 12 (1) For purposes of this section:
- 13 (a) "Disclose" means to make known to any person in any manner 14 licensing information;
 - (b) "Licensing information" means any information created or obtained by the department in the administration of this chapter and chapters 19.80 and 59.30 RCW, which information relates to any person who: (i) Has applied for or has been issued a license or trade name; or (ii) has been issued an assessment or delinquency fee. Licensing information includes master applications, renewal applications, and master licenses; and
- (c) "State agency" means every Washington state office, department, division, bureau, board, commission, or other state agency.
 - (2) Licensing information is confidential and privileged, and except as authorized by this section, neither the department nor any other person may disclose any licensing information. Nothing in this chapter requires any person possessing licensing information made confidential and privileged by this section to delete information from such information so as to permit its disclosure.
 - (3) This section does not prohibit the department of revenue from:
 - (a) Disclosing licensing information in a civil or criminal judicial proceeding or an administrative proceeding:
- 33 (i) In which the person about whom such licensing information is 34 sought and the department, another state agency, or a local government 35 are adverse parties in the proceeding; or

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(ii) Involving a dispute arising out of the department's administration of chapter 19.02, 19.80, or 59.30 RCW if the licensing information relates to a party in the proceeding;

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- 4 (b) Disclosing, subject to such requirements and conditions as the director prescribes by rules adopted pursuant to chapter 34.05 RCW, 5 such licensing information regarding a license applicant or license 6 7 holder to such license applicant or license holder or to such person or 8 persons as that license applicant or license holder may designate in a request for, or consent to, such disclosure, or to any other person, at 9 10 the license applicant's or license holder's request, to the extent necessary to comply with a request for information or assistance made 11 12 by the license applicant or license holder to such other person. 13 However, licensing information not received from the license applicant or holder must not be so disclosed if the director determines that such 14 disclosure would compromise any investigation or litigation by any 15 federal, state, or local government agency in connection with the civil 16 17 or criminal liability of the license applicant, license holder, or 18 another person, or that such disclosure would identify a confidential 19 informant, or that such disclosure is contrary to any agreement entered into by the department that provides for the reciprocal exchange of 20 21 information with other government agencies, which agreement requires 22 confidentiality with respect to such information unless 23 information is required to be disclosed to the license applicant or 24 license holder by the order of any court;
 - (c) Publishing statistics so classified as to prevent the identification of particular licensing information;
 - (d) Disclosing licensing information for official purposes only, to the governor or attorney general, or to any state agency, or to any committee or subcommittee of the legislature dealing with matters of taxation, revenue, trade, commerce, the control of industry or the professions, or licensing;
 - (e) Permitting the department's records to be audited and examined by the proper state officer, his or her agents and employees;
 - (f) Disclosing any licensing information to a peace officer as defined in RCW 9A.04.110 or county prosecuting attorney, for official purposes. The disclosure may be made only in response to a search warrant, subpoena, or other court order, unless the disclosure is for the purpose of criminal tax or license enforcement. A peace officer or

county prosecuting attorney who receives the licensing information may disclose that licensing information only for use in the investigation and a related court proceeding, or in the court proceeding for which the licensing information originally was sought;

- (g) Disclosing, in a manner that is not associated with other licensing information, the name of a license applicant or license holder, entity type, registered trade name, business address, mailing address, unified business identifier number, list of licenses issued to a person through the master license system established in chapter 19.02 RCW and their issuance and expiration dates, and the dates of opening of a business. The department is authorized to give, sell, or provide access to lists of licensing information under this subsection (3)(g) that will be used for commercial purposes;
- (h) Disclosing licensing information that is also maintained by another Washington state or local governmental agency as a public record available for inspection and copying under the provisions of chapter 42.56 RCW or is a document maintained by a court of record and is not otherwise prohibited from disclosure;
- (i) Disclosing any licensing information when the disclosure is specifically authorized under any other section of the Revised Code of Washington;
- (j) Disclosing licensing information to the proper officer of the licensing or tax department of any city, town, or county of this state, for official purposes. If the licensing information does not relate to a license issued by the city, town, or county requesting the licensing information, disclosure may be made only if the laws of the requesting city, town, or county grants substantially similar privileges to the proper officers of this state; or
- (k) Disclosing licensing information to the federal government for official purposes.
- (4) The department may refuse to disclose licensing information that is otherwise disclosable under subsection (3) of this section if such disclosure would violate federal law or any information sharing agreement between the state and federal government.
- (5) Any person acquiring knowledge of any licensing information in the course of his or her employment with the department and any person acquiring knowledge of any licensing information as provided under subsection (3)(d), (e), (f), (j), or (k) of this section, who discloses

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- 1 any such licensing information to another person not entitled to
- 2 knowledge of such licensing information under the provisions of this
- 3 section, is guilty of a misdemeanor. If the person guilty of such
- 4 violation is an officer or employee of the state, such person must
- 5 forfeit such office or employment and is incapable of holding any
- 6 public office or employment in this state for a period of two years
- 7 thereafter.

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- 8 **Sec. 13.** RCW 19.80.005 and 2000 c 174 s 1 are each amended to read 9 as follows:
- 10 ((Unless the context clearly requires otherwise,)) The definitions 11 in this section apply throughout this chapter((÷)) unless the context
- 12 <u>clearly requires otherwise.</u>
- 13 (1) "Trade name" means a word or name, or any combination of a word or name, used by a person to identify the person's business which:
- 15 (a) Is not, or does not include, the true and real name of all persons conducting the business; or
- 17 (b) Includes words which suggest additional parties of interest 18 such as "company," "and sons," or "and associates."
- 19 (2) "Business" means an occupation, profession, or employment 20 engaged in for the purpose of seeking a profit.
- 21 (3) "Person" means any individual, partnership, limited liability 22 company, or corporation conducting or having an interest in a business 23 in the state.
 - (4) "True and real name" means:
 - (a) The surname of an individual coupled with one or more of the individual's other names, one or more of the individual's initials, or any combination;
 - (b) The designation or appellation by which an individual is best known and called in the business community where that individual transacts business, if this is used as that individual's legal signature;
- 32 (c) The registered corporate name of a domestic corporation as 33 filed with the secretary of state;
- 34 (d) The registered corporate name of a foreign corporation 35 authorized to do business within the state of Washington as filed with 36 the secretary of state;

- 1 (e) The registered partnership name of a domestic limited 2 partnership as filed with the secretary of state;
- 3 (f) The registered partnership name of a foreign limited 4 partnership as filed with the secretary of state; or
- 5 (g) The name of a general partnership which includes in its name 6 the true and real names, as defined in (a) through (f) of this 7 subsection, of each general partner as required in RCW 19.80.010.
 - (5) "Department" means the department of revenue.

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9 **Sec. 14.** RCW 19.80.010 and 2000 c 174 s 2 are each amended to read 10 as follows:

Each person or persons who ((shall carry)) carries on, conducts, or transacts business in this state under any trade name ((shall)) must register that trade name with the department ((of licensing as set forth)) as provided in this section((÷)).

- (1) Sole proprietorship or general partnership: The registration ((shall)) must set forth the true and real name or names of each person conducting the same, together with the post office address or addresses of each such person and the name of the general partnership, if applicable.
- 20 (2) Foreign or domestic limited partnership: The registration 21 ((shall)) <u>must</u> set forth the limited partnership name as filed with the 22 office of the secretary of state.
- 23 (3) Foreign or domestic limited liability company: The 24 registration ((shall)) <u>must</u> set forth the limited liability company 25 name as filed with the office of the secretary of state.
- 26 (4) Foreign or domestic corporation: The registration ((shall))
 27 <u>must</u> set forth the corporate name as filed with the office of the
 28 secretary of state.
- 29 **Sec. 15.** RCW 19.80.025 and 2000 c 174 s 3 are each amended to read 30 as follows:
- 31 (1) A notice of change ((shall)) <u>must</u> be filed with the department 32 ((of licensing)) when a change occurs in:
- 33 (a) The true and real name of a person conducting a business with 34 a trade name registered under this chapter; or
- 35 (b) Any mailing address set forth on the registration or any 36 subsequently filed notice of change.

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- 1 (2) A notice of cancellation ((shall)) <u>must</u> be filed with the department when use of a trade name is discontinued.
- 3 (3) A notice of cancellation, together with a new registration, 4 ((shall)) <u>must</u> be filed before conducting or transacting any business 5 when:
- 6 (a) An addition, deletion, or any change of person or persons 7 conducting business under the registered trade name occurs; or
- 8 (b) There is a change in the wording or spelling of the trade name 9 since initial registration or renewal.
- 10 **Sec. 16.** RCW 19.80.045 and 1984 c 130 s 6 are each amended to read 11 as follows:
- The ((director of licensing shall)) department must adopt rules as necessary to administer this chapter. The rules may include but are not limited to specifying forms and setting fees for trade name registrations, amendments, searches, renewals, and copies of registration documents. Fees ((shall)) may not exceed the actual cost of administering this chapter.
- 18 **Sec. 17.** RCW 19.80.075 and 1992 c 107 s 6 are each amended to read 19 as follows:
- All fees collected by the department ((of licensing)) under this chapter ((shall)) must be deposited with the state treasurer and credited to the master license fund((, except for trade name registration fees collected from June 1, 1992, to June 30, 1992, which shall be deposited in the general fund. Beginning July 1, 1992, trade name registration fees shall be deposited in the master license fund)).
- 26 **Sec. 18.** RCW 19.80.900 and 1984 c 130 s 11 are each amended to read as follows:
- If any provision of this ((act)) chapter or its application to any person or circumstance is held invalid, the remainder of the ((act)) chapter or the application of the provision to other persons or circumstances is not affected.
- 32 **Sec. 19.** RCW 19.94.015 and 1995 c 355 s 1 are each amended to read 33 as follows:
- 34 (1) Except as provided in subsection (4) of this section for the

initial registration of an instrument or device, no weighing or measuring instrument or device may be used for commercial purposes in the state unless its commercial use is registered annually. If its commercial use is within a city that has a city sealer and a weights and measures program as provided by RCW 19.94.280, the commercial use of the instrument or device ((shall)) must be registered with the city if the city has adopted fees pursuant to subsection (2) of this section. If its commercial use is outside of such a city, the commercial use of the instrument or device ((shall)) must be registered with the department.

- (2) A city with such a sealer and program may establish an annual fee for registering the commercial use of such a weighing or measuring instrument or device with the city. The annual fee ((shall)) may not exceed the fee established in RCW 19.94.175 for registering the use of a similar instrument or device with the department. Fees upon weighing or measuring instruments or devices within the jurisdiction of the city that are collected under this subsection by city sealers ((shall)) must be deposited into the general fund, or other account, of the city as directed by the governing body of the city.
- (3) Registrations with the department are accomplished as part of the master license system under chapter 19.02 RCW. Payment of the registration fee for a weighing or measuring instrument or device under the master license system constitutes the registration required by this section.
- (4) The fees established by or under RCW 19.94.175 for registering a weighing or measuring instrument or device ((shall)) must be paid to the department of ((licensing)) revenue concurrently with an application for a master license or with the annual renewal of a master license under chapter 19.02 RCW. A weighing or measuring instrument or device ((shall)) must be initially registered with the state at the time the owner applies for a master license for a new business or at the first renewal of the license that occurs after the instrument or device is first placed into commercial use. However, the use of an instrument or device that is in commercial use on the effective date of this act ((shall)) must be initially registered at the time the first renewal of the master license of the owner of the instrument or device is due following the effective date of this act. The department of

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- ((licensing shall)) revenue must remit to the department of agriculture
 all fees collected under this provision less reasonable collection
 expenses.
- 4 (5) Each city charging registration fees under this section 5 ((shall)) must notify the department of agriculture at the time such 6 fees are adopted and whenever changes in the fees are adopted.
- 7 **Sec. 20.** RCW 34.05.310 and 2004 c 31 s 1 are each amended to read 8 as follows:

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- (1)(a) To meet the intent of providing greater public access to administrative rule making and to promote consensus among interested parties, agencies ((shall)) <u>must</u> solicit comments from the public on a subject of possible rule making before filing with the code reviser a notice of proposed rule making under RCW 34.05.320. The agency ((shall)) <u>must</u> prepare a statement of inquiry that:
- 15 $((\frac{a}{a}))$ (i) Identifies the specific statute or statutes authorizing the agency to adopt rules on this subject;
 - $((\frac{b}{b}))$ (ii) Discusses why rules on this subject may be needed and what they might accomplish;
 - (((c))) <u>(iii)</u> Identifies other federal and state agencies that regulate this subject, and describes the process whereby the agency would coordinate the contemplated rule with these agencies;
 - $((\frac{d}{d}))$ <u>(iv)</u> Discusses the process by which the rule might be developed, including, but not limited to, negotiated rule making, pilot rule making, or agency study;
 - $((\frac{\langle e \rangle}{}))$ <u>(v)</u> Specifies the process by which interested parties can effectively participate in the decision to adopt a new rule and formulation of a proposed rule before its publication.
 - (b) The statement of inquiry ((shall)) must be filed with the code reviser for publication in the state register at least thirty days before the date the agency files notice of proposed rule making under RCW 34.05.320 and the statement, or a summary of the information contained in that statement, ((shall)) must be sent to any party that has requested receipt of the agency's statements of inquiry.
- 34 (2) Agencies are encouraged to develop and use new procedures for 35 reaching agreement among interested parties before publication of 36 notice and the adoption hearing on a proposed rule. Examples of new 37 procedures include, but are not limited to:

- (a) Negotiated rule making by which representatives of an agency and of the interests that are affected by a subject of rule making, including, where appropriate, county and city representatives, seek to reach consensus on the terms of the proposed rule and on the process by which it is negotiated; and
- (b) Pilot rule making which includes testing the feasibility of complying with or administering draft new rules or draft amendments to existing rules through the use of volunteer pilot groups in various areas and circumstances, as provided in RCW 34.05.313 or as otherwise provided by the agency.
- (3)(a) An agency must make a determination whether negotiated rule making, pilot rule making, or another process for generating participation from interested parties prior to development of the rule is appropriate.
- (b) An agency must include a written justification in the rule-making file if an opportunity for interested parties to participate in the rule-making process prior to publication of the proposed rule has not been provided.
 - (4) This section does not apply to:

- (a) Emergency rules adopted under RCW 34.05.350;
- (b) Rules relating only to internal governmental operations that are not subject to violation by a nongovernment party;
 - (c) Rules adopting or incorporating by reference without material change federal statutes or regulations, Washington state statutes, rules of other Washington state agencies, shoreline master programs other than those programs governing shorelines of statewide significance, or, as referenced by Washington state law, national consensus codes that generally establish industry standards, if the material adopted or incorporated regulates the same subject matter and conduct as the adopting or incorporating rule;
- 31 (d) Rules that only correct typographical errors, make address or 32 name changes, or clarify language of a rule without changing its 33 effect;
 - (e) Rules the content of which is explicitly and specifically dictated by statute;
- 36 (f) Rules that set or adjust fees <u>under the authority of RCW</u> 37 <u>19.02.075 or that set or adjust fees</u> or rates pursuant to legislative

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- standards, including fees set or adjusted under the authority of RCW 19.80.045; or
 - (g) Rules that adopt, amend, or repeal:

- 4 (i) A procedure, practice, or requirement relating to agency 5 hearings; or
- 6 (ii) A filing or related process requirement for applying to an agency for a license or permit.
- **Sec. 21.** RCW 34.05.328 and 2010 c 112 s 15 are each amended to 9 read as follows:
- 10 (1) Before adopting a rule described in subsection (5) of this 11 section, an agency ((shall)) must:
- 12 (a) Clearly state in detail the general goals and specific 13 objectives of the statute that the rule implements;
 - (b) Determine that the rule is needed to achieve the general goals and specific objectives stated under (a) of this subsection, and analyze alternatives to rule making and the consequences of not adopting the rule;
 - (c) Provide notification in the notice of proposed rule making under RCW 34.05.320 that a preliminary cost-benefit analysis is available. The preliminary cost-benefit analysis must fulfill the requirements of the cost-benefit analysis under (d) of this subsection. If the agency files a supplemental notice under RCW 34.05.340, the supplemental notice ((shall)) must include notification that a revised preliminary cost-benefit analysis is available. A final cost-benefit analysis ((shall)) must be available when the rule is adopted under RCW 34.05.360;
 - (d) Determine that the probable benefits of the rule are greater than its probable costs, taking into account both the qualitative and quantitative benefits and costs and the specific directives of the statute being implemented;
 - (e) Determine, after considering alternative versions of the rule and the analysis required under (b), (c), and (d) of this subsection, that the rule being adopted is the least burdensome alternative for those required to comply with it that will achieve the general goals and specific objectives stated under (a) of this subsection;
- 36 (f) Determine that the rule does not require those to whom it

applies to take an action that violates requirements of another federal or state law;

- (g) Determine that the rule does not impose more stringent performance requirements on private entities than on public entities unless required to do so by federal or state law;
- (h) Determine if the rule differs from any federal regulation or statute applicable to the same activity or subject matter and, if so, determine that the difference is justified by the following:
- (i) A state statute that explicitly allows the agency to differ from federal standards; or
 - (ii) Substantial evidence that the difference is necessary to achieve the general goals and specific objectives stated under (a) of this subsection; and
 - (i) Coordinate the rule, to the maximum extent practicable, with other federal, state, and local laws applicable to the same activity or subject matter.
 - (2) In making its determinations pursuant to subsection (1)(b) through (h) of this section, the agency ((shall)) must place in the rule-making file documentation of sufficient quantity and quality so as to persuade a reasonable person that the determinations are justified.
 - (3) Before adopting rules described in subsection (5) of this section, an agency ((shall)) must place in the rule-making file a rule implementation plan for rules filed under each adopting order. The plan ((shall)) must describe how the agency intends to:
 - (a) Implement and enforce the rule, including a description of the resources the agency intends to use;
 - (b) Inform and educate affected persons about the rule;
 - (c) Promote and assist voluntary compliance; and
 - (d) Evaluate whether the rule achieves the purpose for which it was adopted, including, to the maximum extent practicable, the use of interim milestones to assess progress and the use of objectively measurable outcomes.
 - (4) After adopting a rule described in subsection (5) of this section regulating the same activity or subject matter as another provision of federal or state law, an agency ((shall)) must do all of the following:
 - (a) Coordinate implementation and enforcement of the rule with the

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- other federal and state entities regulating the same activity or subject matter by making every effort to do one or more of the following:
 - (i) Deferring to the other entity;

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- (ii) Designating a lead agency; or
- 6 (iii) Entering into an agreement with the other entities specifying 7 how the agency and entities will coordinate implementation and 8 enforcement.
- 9 If the agency is unable to comply with this subsection (4)(a), the 10 agency ((shall)) <u>must</u> report to the legislature pursuant to (b) of this 11 subsection;
 - (b) Report to the joint administrative rules review committee:
- (i) The existence of any overlap or duplication of other federal or state laws, any differences from federal law, and any known overlap, duplication, or conflict with local laws; and
 - (ii) Make recommendations for any legislation that may be necessary to eliminate or mitigate any adverse effects of such overlap, duplication, or difference.
- 19 (5)(a) Except as provided in (b) of this subsection, this section 20 applies to:
 - (i) Significant legislative rules of the departments of ecology, labor and industries, health, revenue, social and health services, and natural resources, the employment security department, the forest practices board, the office of the insurance commissioner, and to the legislative rules of the department of fish and wildlife implementing chapter 77.55 RCW; and
 - (ii) Any rule of any agency, if this section is voluntarily made applicable to the rule by the agency, or is made applicable to the rule by a majority vote of the joint administrative rules review committee within forty-five days of receiving the notice of proposed rule making under RCW 34.05.320.
 - (b) This section does not apply to:
 - (i) Emergency rules adopted under RCW 34.05.350;
- 34 (ii) Rules relating only to internal governmental operations that 35 are not subject to violation by a nongovernment party;
- (iii) Rules adopting or incorporating by reference without material change federal statutes or regulations, Washington state statutes, rules of other Washington state agencies, shoreline master programs

other than those programs governing shorelines of statewide significance, or, as referenced by Washington state law, national consensus codes that generally establish industry standards, if the material adopted or incorporated regulates the same subject matter and conduct as the adopting or incorporating rule;

- (iv) Rules that only correct typographical errors, make address or name changes, or clarify language of a rule without changing its effect;
- 9 (v) Rules the content of which is explicitly and specifically 10 dictated by statute;
- (vi) Rules that set or adjust fees <u>under the authority of RCW</u>

 12 <u>19.02.075 or that set or adjust fees</u> or rates pursuant to legislative

 13 standards, including fees set or adjusted under the authority of RCW

 14 19.80.045;
- 15 (vii) Rules of the department of social and health services 16 relating only to client medical or financial eligibility and rules 17 concerning liability for care of dependents; or
 - (viii) Rules of the department of revenue that adopt a uniform expiration date for reseller permits as authorized in RCW 82.32.780 and 82.32.783.
 - (c) For purposes of this subsection:

- (i) A "procedural rule" is a rule that adopts, amends, or repeals (A) any procedure, practice, or requirement relating to any agency hearings; (B) any filing or related process requirement for making application to an agency for a license or permit; or (C) any policy statement pertaining to the consistent internal operations of an agency.
- (ii) An "interpretive rule" is a rule, the violation of which does not subject a person to a penalty or sanction, that sets forth the agency's interpretation of statutory provisions it administers.
- (iii) A "significant legislative rule" is a rule other than a procedural or interpretive rule that (A) adopts substantive provisions of law pursuant to delegated legislative authority, the violation of which subjects a violator of such rule to a penalty or sanction; (B) establishes, alters, or revokes any qualification or standard for the issuance, suspension, or revocation of a license or permit; or (C) adopts a new, or makes significant amendments to, a policy or regulatory program.

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(d) In the notice of proposed rule making under RCW 34.05.320, an agency ((shall)) must state whether this section applies to the proposed rule pursuant to (a)(i) of this subsection, or if the agency will apply this section voluntarily.

- (6) By January 31, 1996, and by January 31st of each even-numbered year thereafter, the office of financial management, after consulting with state agencies, counties, and cities, and business, labor, and environmental organizations, ((shall)) must report to the governor and the legislature regarding the effects of this section on the regulatory system in this state. The report ((shall)) must document:
- (a) The rules proposed to which this section applied and to the extent possible, how compliance with this section affected the substance of the rule, if any, that the agency ultimately adopted;
- 14 (b) The costs incurred by state agencies in complying with this 15 section;
 - (c) Any legal action maintained based upon the alleged failure of any agency to comply with this section, the costs to the state of such action, and the result;
 - (d) The extent to which this section has adversely affected the capacity of agencies to fulfill their legislatively prescribed mission;
- (e) The extent to which this section has improved the acceptability of state rules to those regulated; and
- 23 (f) Any other information considered by the office of financial 24 management to be useful in evaluating the effect of this section.
- **Sec. 22.** RCW 35.21.392 and 2009 c 432 s 2 are each amended to read as follows:

A city that issues a business license to a person required to be registered under chapter 18.27 RCW may verify that the person is registered under chapter 18.27 RCW and report violations to the department of labor and industries. The department of ((licensing shall)) revenue must conduct the verification for cities that participate in the master license system.

- **Sec. 23.** RCW 35A.21.340 and 2009 c 432 s 3 are each amended to read as follows:
- A city that issues a business license to a person required to be registered under chapter 18.27 RCW may verify that the person is

- 1 registered under chapter 18.27 RCW and report violations to the
- 2 department of labor and industries. The department of ((licensing
- 3 shall)) revenue must conduct the verification for cities that
- 4 participate in the master license system.

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- 5 **Sec. 24.** RCW 43.07.200 and 1982 c 182 s 12 are each amended to 6 read as follows:
- 7 ((Not later than July 1, 1982, the secretary of state and the director of licensing shall propose to the director of financial 8 9 management a contract and working agreement with accompanying fiscal 10 notes designating the business license center as the secretary of 11 state's agent for issuing all or a portion of the corporation renewals 12 within the jurisdiction of the secretary of state. The secretary of state and the director of licensing shall submit the proposed contract 13 14 and accompanying fiscal notes to the legislature before October 1, 15 1982.
 - The secretary of state and the director of licensing shall jointly submit to the legislature by January 10, 1983, a schedule for designating the center as the secretary of state's agent for all such corporate renewals not governed by the contract.)) The secretary of state and the director of revenue may enter into agreements designating the department of revenue as the secretary of state's agent for issuing all or a portion of the legal entity renewals within the jurisdiction of the secretary of state.
- 24 Sec. 25. RCW 43.24.150 and 2009 c 429 s 4, 2009 c 412 s 21, and 25 2009 c 370 s 19 are each reenacted and amended to read as follows:
 - (1) The business and professions account is created in the state treasury. All receipts from business or professional licenses, registrations, certifications, renewals, examinations, or civil penalties assessed and collected by the department from the following chapters must be deposited into the account:
 - (a) Chapter 18.11 RCW, auctioneers;
- 32 (b) Chapter 18.16 RCW, cosmetologists, barbers, and manicurists;
- 33 (c) Chapter 18.145 RCW, court reporters;
- 34 (d) Chapter 18.165 RCW, private investigators;
- 35 (e) Chapter 18.170 RCW, security guards;
- 36 (f) Chapter 18.185 RCW, bail bond agents;

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- (g) Chapter 18.280 RCW, home inspectors; 1
- 2 (h) Chapter 19.16 RCW, collection agencies;
- (i) Chapter 19.31 RCW, employment agencies; 3
- 4 (j) Chapter 19.105 RCW, camping resorts;
- 5 (k) Chapter 19.138 RCW, sellers of travel;
- (1) Chapter 42.44 RCW, notaries public; 6
- 7 (m) Chapter 64.36 RCW, timeshares;

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- 8 (n) Chapter 67.08 RCW, boxing, martial arts, and wrestling; ((and))
- (o) Chapter 18.300 RCW, body art, body piercing, and tattooing; 9
- (p) Chapter 79A.60 RCW, whitewater river outfitters; and 10
- 11 (q) Chapter 19.158 RCW, commercial telephone solicitation.

12 Moneys in the account may be spent only after appropriation. 13 Expenditures from the account may be used only for expenses incurred in 14 carrying out these business and professions licensing activities of the department. Any residue in the account ((shall)) must be accumulated 15 16 and ((shall)) may not revert to the general fund at the end of the 17 biennium.

- (2) The director ((shall)) must biennially prepare a budget request based on the anticipated costs of administering the business and professions licensing activities listed in subsection (1) of this 20 21 section, which ((shall)) must include the estimated income from these 22 business and professions fees.
- 23 Sec. 26. RCW 46.68.060 and 2009 c 470 s 711 are each amended to read as follows: 24

25 There is hereby created in the state treasury a fund to be known as the highway safety fund to the credit of which ((shall)) must be 26 deposited all moneys directed by law to be deposited therein. 27 28 fund ((shall)) must be used for carrying out the provisions of law 29 driver licensing, driver relating to improvement, responsibility, cost of furnishing abstracts of driving records and 30 31 maintaining such case records, and to carry out the purposes set forth 32 in RCW 43.59.010, and chapters 46.72 and 46.72A RCW. During the 2007-2009 and 2009-2011 fiscal biennia, the legislature may transfer from 33 34 the highway safety fund to the motor vehicle fund and the multimodal 35 transportation account such amounts as reflect the excess fund balance 36 of the highway safety fund.

1 **Sec. 27.** RCW 46.72.110 and 2010 c 8 s 9091 are each amended to 2 read as follows:

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All fees received by the director under the provisions of this chapter ((shall)) <u>must</u> be transmitted by him or her, together with a proper identifying report, to the state treasurer to be deposited by the state treasurer in the highway safety fund. <u>Appropriations from the highway safety fund will support expenses incurred in carrying out the licensing and regulatory activities of this chapter.</u>

9 **Sec. 28.** RCW 46.72A.110 and 1996 c 87 s 14 are each amended to 10 read as follows:

The department ((shall)) <u>must</u> transmit all <u>license and vehicle</u> <u>certificate</u> fees received under this chapter, together with a proper identifying report, to the state treasurer to be deposited by the state treasurer in the ((master license)) <u>highway safety</u> fund. <u>Appropriations from the highway safety fund will support expenses incurred in carrying out the licensing and regulatory activities of this chapter.</u>

- 18 **Sec. 29.** RCW 59.30.010 and 2007 c 431 s 1 are each amended to read 19 as follows:
 - (1) The legislature finds that there are factors unique to the manufactured/mobile relationship between a home tenant manufactured/mobile home community landlord. Once occupancy has commenced, the difficulty and expense in moving and relocating a manufactured/mobile home can affect the operation of market forces and lead to an inequality of the bargaining position of the parties. Once occupancy has commenced, a tenant may be subject to violations of the manufactured/mobile home landlord-tenant act without an adequate remedy This chapter is created for the purpose of protecting the at law. public, fostering fair and honest competition, and regulating the factors unique to the relationship between the manufactured/mobile home tenant and the manufactured/mobile home community landlord.
 - (2) The legislature finds that taking legal action against a manufactured/mobile home community landlord for violations of the manufactured/mobile home landlord-tenant act can be a costly and lengthy process, and that many people cannot afford to pursue a court

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process to vindicate statutory rights. Manufactured/mobile home community landlords will also benefit by having access to a process that resolves disputes quickly and efficiently.

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- (3)(a) Therefore, it is the intent of the legislature to provide an equitable as well as a less costly and more efficient way for manufactured/mobile home tenants and manufactured/mobile home community landlords to resolve disputes, and to provide a mechanism for state authorities to quickly locate manufactured/mobile home community landlords.
- (b) The legislature intends to authorize the department of ((licensing)) revenue to register manufactured/mobile home communities and collect a registration fee.
 - (c) The legislature intends to authorize the attorney general to:
- (i) Produce and distribute educational materials regarding the manufactured/mobile home landlord-tenant act and the manufactured/mobile home dispute resolution program created in RCW 59.30.030;
 - (ii) Administer the dispute resolution program by taking complaints, conducting investigations, making determinations, issuing fines and other penalties, and participating in administrative dispute resolutions, when necessary, when there are alleged violations of the manufactured/mobile home landlord-tenant act; and
- (iii) Collect and annually report upon data related to disputes and violations, and make recommendations on modifying chapter 59.20 RCW, to the appropriate committees of the legislature.
- 26 **Sec. 30.** RCW 59.30.020 and 2007 c 431 s 2 are each amended to read 27 as follows:
- ((For purposes of this chapter:)) The definitions in this section
 apply throughout this chapter unless the context clearly requires
 otherwise.
- 31 (1) "Complainant" means a landlord, community owner, or tenant, who 32 has a complaint alleging a violation of chapter 59.20 RCW((\div)).
 - (2) "Department" means the department of ((licensing;)) <u>revenue.</u>
- 34 (3) "Director" means the director of ((licensing;)) <u>revenue.</u>
- 35 (4) "Landlord" or "community owner" means the owner of a mobile 36 home park or a manufactured housing community and includes the agents 37 of a landlord((\div)).

(5) "Manufactured home" means a single-family dwelling built according to the United States department of housing and urban development manufactured home construction and safety standards act, which is a national preemptive building code. A manufactured home also: (a) Includes plumbing, heating, air conditioning, and electrical systems; (b) is built on a permanent chassis; and (c) can be transported in one or more sections with each section at least eight feet wide and forty feet long when transported, or when installed on the site is three hundred twenty square feet or greater($(\dot{\tau})$).

- (6) "Mobile home" means a factory-built dwelling built prior to June 15, 1976, to standards other than the United States department of housing and urban development code, and acceptable under applicable state codes in effect at the time of construction or introduction of the home into the state. Mobile homes have not been built since the introduction of the United States department of housing and urban development manufactured home construction and safety $\operatorname{act}((\dot{\tau}))$.
- (7) "Manufactured/mobile home" means either a manufactured home or a mobile home($(\dot{\tau})$).
- (8) "Manufactured/mobile home lot" means a portion of a manufactured/mobile home community designated as the location of one mobile home, manufactured home, or park model and its accessory buildings, and intended for the exclusive use as a primary residence by the occupants of that mobile home, manufactured home, or park $model((\dot{\tau}))$.
- (9) "Mobile home park," "manufactured housing community," or "manufactured/mobile home community" means any real property that is rented or held out for rent to others for the placement of two or more mobile homes, manufactured homes, park models, or recreational vehicles for the primary purpose of production of income, except where the real property is rented or held out for rent for seasonal recreational purposes only and is not used for year-round occupancy($(\dot{\tau})$).
- 32 (10) "Owner" means one or more persons, jointly or severally, in 33 whom is vested:
 - (a) All or part of the legal title to the real property; or
- 35 (b) All or part of the beneficial ownership, and a right to present use and enjoyment of the real property((\div)).
- 37 (11) "Park model" means a recreational vehicle intended for

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- 1 permanent or semipermanent installation and is used as a permanent 2 residence($(\dot{\tau})$).
- 3 (12) "Recreational vehicle" means a travel trailer, motor home, 4 truck camper, or camping trailer that is primarily used as a permanent 5 residence located in a mobile home park or manufactured housing 6 community((\div)).
- 7 (13) "Respondent" means a landlord, community owner, or tenant, 8 alleged to have committed $((\frac{1}{2}))$ a violation of chapter 59.20 9 $RCW((\div))$.
- 10 (14) "Tenant" means any person, except a transient as defined in 11 RCW 59.20.030, who rents a mobile home lot.
- 12 **Sec. 31.** RCW 59.30.050 and 2007 c 431 s 6 are each amended to read as follows:
 - (1) The department ((shall)) <u>must</u> annually register all manufactured/mobile home communities. Each community must be registered separately. The department must deliver by certified mail registration notifications to all known manufactured/mobile home community landlords. Registration information packets must include:
 - (a) Registration forms; and

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- 20 (b) Registration assessment information, including registration due 21 dates and late fees, and the collections procedures, liens, and 22 charging costs to tenants.
 - (2) To apply for registration, the landlord of a manufactured/mobile home community must file with the department an application for registration on a form provided by the department and must pay a registration fee as described in subsection (3) of this section. The department may require the submission of information necessary to assist in identifying and locating a manufactured/mobile home community and other information that may be useful to the state, which must include, at a minimum:
- 31 (a) The names and addresses of the owners of the 32 manufactured/mobile home community;
 - (b) The name and address of the manufactured/mobile home community;
- 34 (c) The name and address of the landlord and manager of the 35 manufactured/mobile home community;
- 36 (d) The number of lots within the manufactured/mobile home 37 community that are subject to chapter 59.20 RCW; and

1 (e) The addresses of each manufactured/mobile home lot within the 2 manufactured/mobile home community that is subject to chapter 59.20 3 RCW.

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- (3) Each manufactured/mobile home community landlord ((shall)) must pay to the department:
- (a) A one-time master application fee for the first year of registration and, in subsequent years, an annual master renewal application fee, as provided in RCW 19.02.075; and
- (b) An annual registration assessment of ten dollars for each manufactured/mobile home that is subject to chapter 59.20 RCW within a manufactured/mobile home community. Manufactured/mobile home community landlords may charge a maximum of five dollars of this assessment to Nine dollars of the registration assessment for each tenants. manufactured/mobile home ((shall)) must be deposited into the manufactured/mobile home dispute resolution program account created in RCW 59.30.070 to fund the costs associated with the manufactured/mobile home dispute resolution program. The remaining one dollar ((shall)) must be deposited into the master license fund created in RCW The annual registration assessment must be reviewed once 19.02.210. each biennium by the department and the attorney general and may be adjusted to reasonably relate to the cost of administering this chapter. The registration assessment may not exceed ten dollars, but if the is reduced, the portion assessment allocated to manufactured/mobile home dispute resolution program account and the master license fund ((shall)) must be adjusted proportionately.
- (4) Initial registrations of ((mobile/manufactured housing)) manufactured/mobile home communities must be filed ((with the department)) before November 1, 2007, or within three months of the availability of mobile home lots for rent within the community. The manufactured/mobile home community is subject to a delinquency fee of two hundred fifty dollars for late initial registrations. The delinquency fee ((shall)) must be deposited in the master license fund. Renewal registrations that are not renewed by the expiration date as assigned by the department are subject to delinquency fees under RCW 19.02.085.
- (5) Thirty days after sending late fee notices to a noncomplying landlord, the department may ((refer the past due account to a collection agency. If there is no response from a noncomplying

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landlord after sixty days in collections, the department may file an 1 2 action to enforce payment of unpaid registration assessments and late fees in the superior court for Thurston county or in the county in 3 4 which the manufactured/mobile home community is located. If the department prevails, the manufactured/mobile home community landlord 5 6 shall pay the department's costs, including reasonable attorneys' fees, 7 for the enforcement proceedings)) issue a warrant under section 33 of this act for the unpaid registration assessment and delinquency fee. 8 9 If a warrant is issued by the department under section 33 of this act, the department must add a penalty of ten percent of the amount of the 10 11 unpaid registration assessment and delinquency fee, but not less than 12 ten dollars. The warrant penalty must be deposited into the master 13 license fund created in RCW 19.02.210. Chapter 82.32 RCW applies to the collection of warrants issued under section 33 of this act. 14

- (6) Registration is effective on the date determined by the department, and the department ((shall)) <u>must</u> issue a registration number to each registered manufactured/mobile home community. The department must provide an expiration date, assigned by the department, to each manufactured/mobile home community who registers.
- 20 **Sec. 32.** RCW 59.30.060 and 2007 c 431 s 7 are each amended to read 21 as follows:

The department must have the capability to compile, update, and the most accurate database possible of all the manufactured/mobile home communities in the state, which must include all of the information collected under RCW 59.30.050, except for the addresses of each manufactured/mobile home lot within the manufactured/mobile home community that is subject to chapter 59.20 RCW, which must be made available to the attorney general and the department of ((community, trade, and economic development)) commerce in a format to be determined by a collaborative agreement between the department ((of licensing)) and the attorney general.

- NEW SECTION. Sec. 33. A new section is added to chapter 59.30 RCW to read as follows:
- 34 (1) If any registration assessment or delinquency fee is not paid 35 in full within thirty days after sending late fee notices to a

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noncomplying landlord, the department may issue a warrant in the amount of such unpaid sums, together with interest thereon from the date the warrant is issued until the date of payment.

- (2) Interest must be computed on a daily basis on the amount of outstanding registration assessment and delinquency fee imposed under RCW 59.30.050 at the rate as computed under RCW 82.32.050(2). The rate so computed must be adjusted on the first day of January of each year for use in computing interest for that calendar year. Interest must be deposited in the master license fund created in RCW 19.02.210.
- (3) The department may file a copy of the warrant with the clerk of the superior court of any county of the state in which real or personal property of the owner of the manufactured/mobile home community may be found. The clerk is entitled to a filing fee under RCW 36.18.012(10). Upon filing, the clerk must enter in the judgment docket the name of the owner of the manufactured/mobile home community mentioned in the warrant and the amount of the registration assessment and delinquency fee, or portion thereof, and any increases and penalties for which the warrant is issued, and the date when the copy is filed.
- (4) The amount of the warrant so docketed becomes a lien upon the title to, and interest in, all real and personal property of the owner of the manufactured/mobile home community against whom the warrant is issued the same as a judgment in a civil case duly docketed in the office of the clerk. The warrant so docketed is sufficient to support the issuance of writs of garnishment in favor of the state in the manner provided by law in the case of judgments wholly or partially unsatisfied.
- (5) The lien is not superior to bona fide interests of third persons that had vested prior to the filing of the warrant. The phrase "bona fide interests of third persons" does not include any mortgage of real or personal property or any other credit transaction that results in the mortgagee or the holder of the security acting as trustee for unsecured creditors of the owner of the manufactured/mobile home community mentioned in the warrant who executed the chattel or real property mortgage or the document evidencing the credit transaction.
- **Sec. 34.** RCW 76.48.121 and 2009 c 245 s 13 are each amended to read as follows:
- 37 Every first or secondary specialized forest products buyer

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- 1 purchasing specialty wood and <u>every</u> specialty wood processor ((shall))
- 2 $\underline{\text{must}}$ prominently display ((a)) $\underline{\text{the}}$ master license issued $((by \ \text{the})$
- 3 department of licensing)) under RCW 19.02.070 and endorsed with the
- 4 <u>respective licenses or registrations</u> or a copy of the <u>master</u> license at
- 5 each location where the buyer or processor receives specialty wood if
- 6 the first or secondary specialized forest products buyer or specialty
- 7 wood processor is required to possess a license incorporated into the
- 8 master license system created in chapter 19.02 RCW.
- 9 **Sec. 35.** RCW 79A.60.485 and 2000 c 11 s 110 are each amended to 10 read as follows:
- 11 The department of licensing may adopt and enforce such rules,
- 12 including the setting of fees, as may be consistent with and necessary
- 13 to implement RCW 79A.60.480. The fees must approximate the cost of
- 14 administration. The fees must be deposited in the ((master license
- 15 account)) business and professions account created in RCW 43.24.150.
- 16 **Sec. 36.** RCW 82.01.060 and 1995 c 403 s 106 are each amended to read as follows:
- The director of revenue, hereinafter in chapter 26, Laws of 1967 ex. sess. referred to as the director, through the department of revenue, hereinafter in chapter 26, Laws of 1967 ex. sess. referred to as the department, ((shall)) must:
 - (1) Assess and collect all taxes and administer all programs relating to taxes which are the responsibility of the tax commission at the time chapter 26, Laws of 1967 ex. sess. takes effect or which the legislature may hereafter make the responsibility of the director or of the department;
 - (2) Make, adopt and publish such rules as he or she may deem necessary or desirable to carry out the powers and duties imposed upon him or her or the department by the legislature((: PROVIDED, That)). However, the director may not adopt rules after July 23, 1995, that are based solely on a section of law stating a statute's intent or purpose, on the enabling provisions of the statute establishing the agency, or on any combination of such provisions, for statutory authority to adopt any rule;
- 35 (3) Rules adopted by the tax commission before July 23, 1995,

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((shall)) remain in force until such time as they may be revised or rescinded by the director;

- (4) Provide by general regulations for an adequate system of departmental review of the actions of the department or of its officers and employees in the assessment or collection of taxes;
- (5) Maintain a tax research section with sufficient technical, clerical and other employees to conduct constant observation and investigation of the effectiveness and adequacy of the revenue laws of this state and of the sister states in order to assist the governor, the legislature and the director in estimation of revenue, analysis of tax measures, and determination of the administrative feasibility of proposed tax legislation and allied problems;
- (6) Recommend to the governor such amendments, changes in, and modifications of the revenue laws as seem proper and requisite to remedy injustice and irregularities in taxation, and to facilitate the assessment and collection of taxes in the most economical manner;
- (7) Provide the opportunity for any person feeling aggrieved by any action taken against the person by the department in the administration of chapters 19.02, 19.80, and 59.30 RCW to request a review of the department's action. Such review may be conducted as a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494.
- **Sec. 37.** RCW 82.02.010 and 1979 c 107 s 9 are each amended to read 23 as follows:
 - For the purpose of this title, unless ((otherwise required by the context)) the context clearly requires otherwise:
 - (1) "Department" means the department of revenue of the state of Washington;
 - (2) ((The word)) "Director" means the director of the department of revenue of the state of Washington;
 - (3) ((The word)) "Taxpayer" includes any individual, group of individuals, corporation, or association liable for any tax or the collection of any tax hereunder, or who engages in any business or performs any act for which a tax is imposed by this title. "Taxpayer" also includes any person liable for any fee or other charge collected by the department under any provision of law, including registration assessments and delinquency fees imposed under RCW 59.30.050; and

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1 (4) Words in the singular number ((shall)) include the plural and 2 the plural ((shall)) include the singular. Words in one gender 3 ((shall)) include all other genders.

Sec. 38. RCW 82.32.030 and 2007 c 6 s 202 are each amended to read as follows:

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- 6 (1) Except as provided in subsections (2) and (3) of this section, 7 if any person engages in any business or performs any act upon which a tax is imposed by the preceding chapters, he or she ((shall)) must, 8 9 under such rules as the department ((of revenue shall)) prescribes, 10 apply for and obtain from the department a registration certificate. 11 Such registration certificate ((shall be)) <u>is</u> personal nontransferable and $((\frac{shall be}{b}))$ is valid as long as the taxpayer 12 13 continues in business and pays the tax accrued to the state. In case business is transacted at two or more separate places by one taxpayer, 14 a separate registration certificate for each place at which business is 15 16 transacted with the public ((shall be)) is required. Each certificate 17 ((shall)) must be numbered and ((shall)) must show the name, residence, and place and character of business of the taxpayer and such other 18 information as the department of revenue deems necessary and ((shall)) 19 20 must be posted in a conspicuous place at the place of business for 21 which it is issued. Where a place of business of the taxpayer is 22 changed, the taxpayer must return to the department the existing 23 certificate, and a new certificate will be issued for the new place of 24 business. No person required to be registered under this section 25 ((shall)) may engage in any business taxable hereunder without first 26 being so registered. The department, by rule, may provide for the 27 issuance of certificates of registration to temporary places of 28 business.
- 29 (2) Unless the person is a dealer as defined in RCW 9.41.010, 30 registration under this section is not required if the following 31 conditions are met:
 - (a) A person's value of products, gross proceeds of sales, or gross income of the business, from all business activities taxable under chapter 82.04 RCW, is less than twelve thousand dollars per year;
- 35 (b) The person's gross income of the business from all activities 36 taxable under chapter 82.16 RCW is less than twelve thousand dollars 37 per year;

1 (c) The person is not required to collect or pay to the department 2 of revenue any other tax or fee which the department is authorized to 3 collect; and

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- (d) The person is not otherwise required to obtain a license subject to the master application procedure provided in chapter 19.02 RCW.
- (3) All persons who agree to collect and remit sales and use tax to the department under the agreement must register through the central registration system authorized under the agreement. Persons required to register under subsection (1) of this section are not relieved of that requirement because of registration under this subsection (3).
- (4) Persons registered under subsection (3) of this section who are not required to register under subsection (1) of this section and who are not otherwise subject to the requirements of chapter 19.02 RCW are not subject to the fees imposed by the department under the authority of RCW 19.02.075.
- 17 **Sec. 39.** RCW 90.76.010 and 2007 c 147 s 2 are each amended to read 18 as follows:
- 19 ((Unless the context clearly requires otherwise,)) (1) The 20 definitions in this section apply throughout this chapter unless the 21 context clearly requires otherwise.
 - $((\frac{1}{1}))$ (a) "Department" means the department of ecology.
- $((\frac{2}{2}))$ (b) "Director" means the director of the department.
- (((3))) <u>(c)</u> "Facility compliance tag" means a marker, constructed of metal, plastic, or other durable material, that clearly identifies all qualifying underground storage tanks on the particular site for which it is issued.
- 28 $((\frac{4}{}))$ $\underline{(d)}$ "Federal act" means the federal resource conservation 29 and recovery act, as amended (42 U.S.C. Sec. 6901, et seq.).
- $((\frac{5}{}))$ (e) "Federal regulations" means the underground storage tanks regulations (40 C.F.R. Secs. 280 and 281) adopted by the United States environmental protection agency under the federal act.
- $((\frac{(6)}{(6)}))$ (f) "License" means the master business license underground storage tank endorsement issued by the department of $((\frac{1icensing}{(1)}))$ revenue.
- $((\frac{7}{}))$ (q) "Underground storage tank compliance act of 2005" means

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- 1 Title XV and subtitle B of P.L. 109-58 (42 U.S.C. Sec. 15801 et seq.)
 2 which have amended the federal resource conservation and recovery act's
- 3 subtitle I.
- 4 (((8))) <u>(h)</u> "Underground storage tank system" means an underground 5 storage tank, connected underground piping, underground ancillary 6 equipment, and containment system, if any.
- 7 (2) Except as provided in this section and any rules adopted by the 8 department under this chapter, the definitions contained in the federal 9 regulations apply to the terms in this chapter.
- 10 **Sec. 40.** RCW 90.76.020 and 2007 c 147 s 3 are each amended to read 11 as follows:
- 12 (1)The department ((shall)) must adopt rules establishing 13 requirements for all underground storage tanks that are regulated under 14 the federal act, taking into account the various classes or categories of tanks to be regulated. The rules must be consistent with and no 15 16 less stringent than the federal regulations and the underground storage tank compliance act of 2005 and consist of requirements for the 17 18 following:
- 19 (a) New underground storage tank system design, construction, 20 installation, and notification;
 - (b) Upgrading existing underground storage tank systems;
 - (c) General operating requirements;
- 23 (d) Release detection;

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- (e) Release reporting;
- 25 (f) Out-of-service underground storage tank systems and closure;
- 26 (g) Financial responsibility for underground storage tanks 27 containing regulated substances; and
 - (h) Groundwater protection measures, including secondary containment and monitoring for installation or replacement of all underground storage tank systems or components, such as tanks and piping, installed after July 1, 2007, and under dispenser spill containment for installation or replacement of all dispenser systems installed after July 1, 2007.
 - (2) The department ((shall)) must adopt rules:
- 35 (a) Establishing physical site criteria to be used in designating local environmentally sensitive areas;

- 1 (b) Establishing procedures for local government application for this designation; and
 - (c) Establishing procedures for local government adoption and department approval of rules more stringent than the statewide standards in these designated areas.
 - (3) The department ((shall)) must establish by rule an administrative and enforcement program that is consistent with and no less stringent than the program required under the federal regulations in the areas of:
 - (a) Compliance monitoring, including procedures for recordkeeping and a program for systematic inspections;
 - (b) Enforcement;

- (c) Public participation;
- (d) Information sharing;
- (e) Owner and operator training; and
 - (f) Delivery prohibition for underground storage tank systems or facilities that are determined by the department to be ineligible to receive regulated substances.
 - (4) The department ((shall)) must establish a program that provides for the annual licensing of underground storage tanks. The license ((shall)) must take the form of a tank endorsement on the facility's annual master business license issued by the department of ((licensing)) revenue. A tank is not eligible for a license unless the owner or operator can demonstrate compliance with the requirements of this chapter and the annual tank fees have been remitted. The department may revoke a tank license if a facility is not in compliance with this chapter, or any rules adopted under this chapter. The master business license ((shall)) must be displayed by the tank owner or operator in a location clearly identifiable.
 - (5)(a) The department ((shall)) must issue a one-time "facility compliance tag" to underground storage tank facilities that have installed the equipment required to meet corrosion protection, spill prevention, overfill prevention, leak detection standards, have demonstrated financial responsibility, and have paid annual tank fees. The facility ((shall)) must continue to maintain compliance with corrosion protection, spill prevention, overfill prevention((f,f)), and leak detection standards, financial responsibility, and have remitted annual tank fees to display a facility compliance tag. The facility

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compliance tag ((shall)) <u>must</u> be displayed on or near the fire emergency shutoff device, or in the absence of such a device in close proximity to the fill pipes and clearly identifiable to persons delivering regulated substance to underground storage tanks.

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- (b) The department may revoke a facility compliance tag if a facility is not in compliance with the requirements of this chapter, or any rules adopted under this chapter.
- (6) The department may place a red tag on a tank at a facility if the department determines that the owner or operator is not in compliance with this chapter or the rules adopted under this chapter regarding the compliance requirements related to that tank. Removal of a red tag without authorization from the department is a violation of this chapter.
- (7) The department may establish programs to certify persons who install or decommission underground storage tank systems or conduct inspections, testing, closure, cathodic protection, interior tank lining, corrective action, site assessments, or other activities required under this chapter. Certification programs ((shall)) must be designed to ensure that each certification will be effective in all jurisdictions of the state.
- 21 (8) When adopting rules under this chapter, the department ((shall)) must consult with the state building code council to ensure 23 coordination with the building and fire codes adopted under chapter 24 19.27 RCW.
- 25 <u>NEW SECTION.</u> **Sec. 41.** RCW 19.02.901 and 19.02.910 are each decodified.
- NEW SECTION. Sec. 42. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.
- NEW SECTION. Sec. 43. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect

1 July 1, 2011.

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