
SENATE BILL 6671

State of Washington

54th Legislature

1996 Regular Session

By Senators McDonald, Snyder, West, Rinehart, Loveland, Sellar, Oke and Kohl

Read first time 01/23/96. Referred to Committee on Ways & Means.

1 AN ACT Relating to state revenue and caseload forecasts; amending
2 RCW 82.33.010, 82.33.020, 82.33.030, 82.33.040, 7.68.085, 41.06.087,
3 41.45.020, 41.50.067, 43.88.020, 43.88.037, 43.88.120, 43.88.160,
4 50.38.050, 70.94.431, and 70.94.483; reenacting and amending RCW
5 43.88.030 and 70.94.650; adding a new section to chapter 82.33 RCW; and
6 providing an effective date.

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

8 **Sec. 1.** RCW 82.33.010 and 1990 c 229 s 1 are each amended to read
9 as follows:

10 (1) The economic ((and)), revenue, and caseload forecast council is
11 hereby created. The council shall consist of two individuals appointed
12 by the governor and four individuals, one of whom is appointed by the
13 chairperson of each of the two largest political caucuses in the senate
14 and house of representatives. In making the two appointments to the
15 council, the governor may designate two other persons to serve as
16 members, in lieu of the two primary appointees, when the council is
17 dealing with issues directly related to caseload forecasts. The chair
18 of the council shall be selected from among the four caucus appointees.

1 The council may select such other officers as the members deem
2 necessary.

3 (2) The council shall employ an economic and revenue forecast
4 supervisor to supervise the preparation of all economic and revenue
5 forecasts. ~~((As used in this chapter, "supervisor" means the economic
6 and revenue forecast supervisor.))~~ (3) The council shall employ a
7 caseload forecast supervisor to supervise the preparation of all state
8 caseload forecasts. The caseload forecast supervisor should possess
9 broad training and experience in the social sciences, which may
10 include, but need not be limited or restricted to, quantitative
11 analysis and forecasting methods, economics, labor market economics,
12 and sociology.

13 (4) Approval by an affirmative vote of at least five members of the
14 council is required for any decisions regarding employment of the
15 supervisors. Employment of the supervisors shall terminate after each
16 term of three years. At the end of the first year of each three-year
17 term the council shall consider extension of the supervisor's term by
18 one year. The council may fix the compensation of the supervisors.
19 The supervisors shall employ staff sufficient to accomplish the
20 purposes of this section.

21 ~~((+3))~~ (5) The economic ((and)), revenue, and caseload forecast
22 council shall oversee the preparation of and approve, by an affirmative
23 vote of at least four members, the official, optimistic, and
24 pessimistic state economic ((and)), revenue, and caseload forecasts
25 prepared under RCW 82.33.020. If the council is unable to approve a
26 forecast before a date required in RCW 82.33.020, the supervisors shall
27 submit the forecast without approval and the forecast shall have the
28 same effect as if approved by the council.

29 ~~((+4))~~ (6) A council member who does not cast an affirmative vote
30 for approval of the official economic and revenue forecast or caseload
31 forecast may request, and the supervisors shall provide, an alternative
32 ~~((economic and revenue))~~ forecast based on assumptions specified by the
33 member.

34 ~~((+5))~~ (7) Members of the economic ((and)), revenue, and caseload
35 forecast council shall serve without additional compensation but shall
36 be reimbursed for travel expenses in accordance with RCW 44.04.120
37 while attending sessions of the council or on official business
38 authorized by the council. Nonlegislative members of the council shall

1 be reimbursed for travel expenses in accordance with RCW 43.03.050 and
2 43.03.060.

3 (8) "Caseload," as used in this chapter, means the number of
4 persons expected to meet entitlement requirements and require the
5 services of the aid to families with dependent children program, the
6 psychiatric hospitalization programs, the medical assistance program,
7 programs for long-term care for persons with functional disabilities,
8 state correctional institutions, state institutions for juvenile
9 offenders, the common school system, and other state-funded programs as
10 determined by the council.

11 (9) Unless the context clearly requires otherwise, the definitions
12 provided in RCW 43.88.020 apply to this chapter.

13 **Sec. 2.** RCW 82.33.020 and 1992 c 231 s 34 are each amended to read
14 as follows:

15 (1) Four times each year, the economic and revenue forecast
16 supervisor shall prepare, subject to the approval of the economic
17 ~~((and))~~, revenue, and caseload forecast council under RCW 82.33.010:

18 (a) An official state economic and revenue forecast;

19 (b) An unofficial state economic and revenue forecast based on
20 optimistic economic and revenue projections; and

21 (c) An unofficial state economic and revenue forecast based on
22 pessimistic economic and revenue projections.

23 (2) Four times each year, the caseload forecast supervisor shall
24 prepare, subject to the approval of the economic, revenue, and caseload
25 forecast council under RCW 82.33.010:

26 (a) An official state caseload forecast;

27 (b) An unofficial state caseload forecast based on optimistic
28 caseload projections; and

29 (c) An unofficial state caseload forecast based on pessimistic
30 caseload projections.

31 (3) The supervisors shall submit forecasts prepared under this
32 section, along with any unofficial forecasts provided under RCW
33 82.33.010, to the governor and the members of the committees on ways
34 and means and the chairs of the committees on transportation of the
35 senate and house of representatives and the chair of the legislative
36 transportation committee, including one copy to the staff of each of
37 the committees, on or before November 20th, February 20th in the even-
38 numbered years, March 20th in the odd-numbered years, June 20th, and

1 September 20th. All economic and revenue forecasts shall include both
2 estimated receipts and estimated revenues, in conformance with
3 generally accepted accounting principles as provided by RCW 43.88.037,
4 for the current fiscal year and the next ensuing four fiscal years.

5 ~~((+3))~~ (4) All agencies of state government shall provide to the
6 economic and revenue forecast supervisor and the caseload forecast
7 supervisor immediate access to all information relating to economic
8 ~~((and))~~, revenue, and caseload forecasts. Revenue collection
9 information shall be available to the economic and revenue forecast
10 supervisor the first business day following the conclusion of each
11 collection period.

12 ~~((+4))~~ (5) The economic and revenue forecast supervisor and staff
13 shall co-locate and share information, data, and files with the tax
14 research section of the department of revenue but shall not duplicate
15 the duties and functions of one another.

16 ~~((+5))~~ (6) As part of its forecasts under subsection (1) of this
17 section, the economic and revenue forecast supervisor shall provide
18 estimated revenue from tuition fees as defined in RCW 28B.15.020.

19 NEW SECTION. Sec. 3. A new section is added to chapter 82.33 RCW
20 to read as follows:

21 In consultation with the office of financial management and upon
22 the recommendation of the staff of the economic, revenue, and caseload
23 forecast council, the council shall certify the undesignated fund
24 balance and working capital and other reserves for the state general
25 fund. The certification shall be made in conjunction with the revenue
26 forecasts adopted under RCW 82.33.020.

27 The council shall review, and approve or reject, any
28 interpretations and applications by the office of financial management
29 of the comprehensive state budgeting, accounting, and reporting
30 requirements that significantly affect the estimated revenues,
31 receipts, and fund balances of the state general fund.

32 Sec. 4. RCW 82.33.030 and 1984 c 138 s 3 are each amended to read
33 as follows:

34 The administrator of the legislative evaluation and accountability
35 program committee may request, and the supervisors shall provide,
36 alternative economic ~~((and))~~, revenue, and caseload forecasts based on
37 assumptions specified by the administrator.

1 **Sec. 5.** RCW 82.33.040 and 1986 c 158 s 23 are each amended to read
2 as follows:

3 (1) To promote the free flow of information and to promote
4 legislative input in the preparation of forecasts, immediate access to
5 all information relating to economic ~~((and))~~, revenue, and caseload
6 forecasts shall be available to the economic and revenue and caseload
7 forecast work groups, hereby created. Revenue collection information
8 shall be available to the economic and revenue forecast work group the
9 first business day following the conclusion of each collection period.
10 Each state agency affected by caseloads shall submit caseload reports
11 and data to the council as soon as the reports and data are available
12 and shall provide to the council and the caseload forecast supervisor
13 such additional raw, program-level data or information as may be
14 necessary for discharge of their respective duties.

15 (2) The economic and revenue forecast work group shall consist of
16 one staff member selected by the executive head or chairperson of each
17 of the following agencies or committees:

- 18 (a) Department of revenue;
- 19 (b) Office of financial management;
- 20 (c) Legislative evaluation and accountability program committee;
- 21 (d) Ways and means committee, or its successor, of the senate; and
- 22 (e) ~~((Ways and means))~~ Finance committee, or its successor, of the
23 house of representatives.

24 ~~((+2))~~ (3) The caseload work group shall consist of one staff
25 member selected by the executive head or chairperson of each of the
26 following agencies, programs, or committees:

- 27 (a) Office of financial management;
- 28 (b) Ways and means committee, or its successor, of the senate;
- 29 (c) Appropriations committee, or its successor, of the house of
30 representatives; and
- 31 (d) Each state program for which the council forecasts the
32 caseload.

33 (4) The economic ~~((and))~~, revenue, and caseload forecast work
34 groups shall provide technical support to the economic ~~((and))~~,
35 revenue, and caseload forecast council. Meetings of the economic
36 ~~((and))~~, revenue, and caseload forecast work groups may be called by
37 any member of the groups for the purpose of assisting the ~~((economic~~
38 ~~and revenue forecast))~~ council, reviewing ~~((the state economic and~~
39 ~~revenue))~~ forecasts, or reviewing monthly revenue collection data or

1 for any other purpose which may assist the ((economic and revenue
2 forecast)) council.

3 **Sec. 6.** RCW 7.68.085 and 1990 c 3 s 504 are each amended to read
4 as follows:

5 The director of labor and industries shall institute a cap on
6 medical benefits of one hundred fifty thousand dollars per injury or
7 death. Payment for medical services in excess of the cap shall be made
8 available to any innocent victim under the same conditions as other
9 medical services and if the medical services are:

- 10 (1) Necessary for a previously accepted condition;
11 (2) Necessary to protect the victim's life or prevent deterioration
12 of the victim's previously accepted condition; and
13 (3) Not available from an alternative source.

14 The director of financial management and the director of labor and
15 industries shall monitor expenditures from the public safety and
16 education account. Once each fiscal quarter, the director of financial
17 management shall determine if expenditures from the public safety and
18 education account during the prior fiscal quarter exceeded allotments
19 by more than ten percent. Within thirty days of a determination that
20 expenditures exceeded allotments by more than ten percent, the director
21 of financial management shall develop and implement a plan to reduce
22 expenditures from the account to a level that does not exceed the
23 allotments. Such a plan may include across-the-board reductions in
24 allotments from the account to all nonjudicial agencies except for the
25 crime victims compensation program. In implementing the plan, the
26 director of financial management shall seek the cooperation of judicial
27 agencies in reducing their expenditures from the account. The director
28 of financial management shall notify the legislative fiscal committees
29 prior to implementation of the plan.

30 Development and implementation of the plan is not required if the
31 director of financial management notifies the legislative fiscal
32 committees that increases in the official revenue forecast for the
33 public safety and education account for that fiscal quarter will
34 eliminate the need to reduce expenditures from the account. The
35 official revenue forecast for the public safety and education account
36 shall be prepared by the economic ((and)), revenue, and caseload
37 forecast council ((pursuant to)) under RCW 82.33.020 and 82.33.010.

1 For the purposes of this section, an individual will not be
2 required to use his or her assets other than funds recovered as a
3 result of a civil action or criminal restitution, for medical expenses
4 or pain and suffering, in order to qualify for an alternative source of
5 payment.

6 The director shall, in cooperation with the department of social
7 and health services, establish by October 1, 1989, a process to aid
8 crime victims in identifying and applying for appropriate alternative
9 benefit programs, if any, administered by the department of social and
10 health services.

11 **Sec. 7.** RCW 41.06.087 and 1990 c 229 s 3 are each amended to read
12 as follows:

13 In addition to the exemptions set forth in RCW 41.06.070, this
14 chapter does not apply to the economic and revenue forecast and
15 caseload forecast supervisors and staff employed under RCW 82.33.010.

16 **Sec. 8.** RCW 41.45.020 and 1995 c 239 s 306 are each amended to
17 read as follows:

18 As used in this chapter, the following terms have the meanings
19 indicated unless the context clearly requires otherwise.

20 (1) "Council" means the economic ~~((and))~~, revenue, and caseload
21 forecast council created in RCW 82.33.010.

22 (2) "Department" means the department of retirement systems.

23 (3) "Law enforcement officers' and fire fighters' retirement system
24 plan I" and "law enforcement officers' and fire fighters' retirement
25 system plan II" mean the benefits and funding provisions under chapter
26 41.26 RCW.

27 (4) "Public employees' retirement system plan I" and "public
28 employees' retirement system plan II" mean the benefits and funding
29 provisions under chapter 41.40 RCW.

30 (5) "Teachers' retirement system plan I," "teachers' retirement
31 system plan II," and "teachers' retirement system plan III" mean the
32 benefits and funding provisions under chapter 41.32 RCW.

33 (6) "Washington state patrol retirement system" means the
34 retirement benefits provided under chapter 43.43 RCW.

35 (7) "Unfunded liability" means the unfunded actuarial accrued
36 liability of a retirement system.

1 (8) "Actuary" or "state actuary" means the state actuary employed
2 under chapter 44.44 RCW.

3 (9) "State retirement systems" means the retirement systems listed
4 in RCW 41.50.030.

5 **Sec. 9.** RCW 41.50.067 and 1993 c 519 s 21 are each amended to read
6 as follows:

7 The director shall inform all employers in writing as to the
8 employer rates adopted by the economic ((and)), revenue, and caseload
9 forecast council upon the notification of the council as prescribed in
10 RCW 41.45.060.

11 **Sec. 10.** RCW 43.88.020 and 1995 c 155 s 1 are each amended to read
12 as follows:

13 (1) "Budget" means a proposed plan of expenditures for a given
14 period or purpose and the proposed means for financing these
15 expenditures.

16 (2) "Budget document" means a formal statement, either written or
17 provided on any electronic media or both, offered by the governor to
18 the legislature, as provided in RCW 43.88.030.

19 (3) "Director of financial management" means the official appointed
20 by the governor to serve at the governor's pleasure and to whom the
21 governor may delegate necessary authority to carry out the governor's
22 duties as provided in this chapter. The director of financial
23 management shall be head of the office of financial management which
24 shall be in the office of the governor.

25 (4) "Agency" means and includes every state office, officer, each
26 institution, whether educational, correctional or other, and every
27 department, division, board and commission, except as otherwise
28 provided in this chapter.

29 (5) "Public funds", for purposes of this chapter, means all moneys,
30 including cash, checks, bills, notes, drafts, stocks, and bonds,
31 whether held in trust, for operating purposes, or for capital purposes,
32 and collected or disbursed under law, whether or not such funds are
33 otherwise subject to legislative appropriation, including funds
34 maintained outside the state treasury.

35 (6) "Regulations" means the policies, standards, and requirements,
36 stated in writing, designed to carry out the purposes of this chapter,

1 as issued by the governor or the governor's designated agent, and which
2 shall have the force and effect of law.

3 (7) "Ensuing biennium" means the fiscal biennium beginning on July
4 1st of the same year in which a regular session of the legislature is
5 held during an odd-numbered year pursuant to Article II, section 12 of
6 the Constitution and which biennium next succeeds the current biennium.

7 (8) "Dedicated fund" means a fund in the state treasury, or a
8 separate account or fund in the general fund in the state treasury,
9 that by law is dedicated, appropriated or set aside for a limited
10 object or purpose; but "dedicated fund" does not include a revolving
11 fund or a trust fund.

12 (9) "Revolving fund" means a fund in the state treasury,
13 established by law, from which is paid the cost of goods or services
14 furnished to or by a state agency, and which is replenished through
15 charges made for such goods or services or through transfers from other
16 accounts or funds.

17 (10) "Trust fund" means a fund in the state treasury in which
18 designated persons or classes of persons have a vested beneficial
19 interest or equitable ownership, or which was created or established by
20 a gift, grant, contribution, devise, or bequest that limits the use of
21 the fund to designated objects or purposes.

22 (11) "Administrative expenses" means expenditures for: (a)
23 Salaries, wages, and related costs of personnel and (b) operations and
24 maintenance including but not limited to costs of supplies, materials,
25 services, and equipment.

26 (12) "Fiscal year" means the year beginning July 1st and ending the
27 following June 30th.

28 (13) "Lapse" means the termination of authority to expend an
29 appropriation.

30 (14) "Legislative fiscal committees" means the legislative budget
31 committee, the legislative evaluation and accountability program
32 committee, the ways and means committees of the senate and house of
33 representatives, and, where appropriate, the legislative transportation
34 committee.

35 (15) "Fiscal period" means the period for which an appropriation is
36 made as specified within the act making the appropriation.

37 (16) "Primary budget driver" means the primary determinant of a
38 budget level, other than a price variable, which causes or is
39 associated with the major expenditure of an agency or budget unit

1 within an agency, such as a caseload, enrollment, workload, or
2 population statistic.

3 ~~((17))~~ ~~(("Stabilization account" means the budget stabilization~~
4 ~~account created under RCW 43.88.525 as an account in the general fund~~
5 ~~of the state treasury.~~

6 ~~((18))~~ ~~("State tax revenue limit" means the limitation created by~~
7 ~~chapter 43.135 RCW.~~

8 ~~((19))~~ "General state revenues" means the revenues defined by
9 Article VIII, section 1(c) of the state Constitution.

10 ~~((20))~~ (18) "Annual growth rate in real personal income" means
11 the estimated percentage growth in personal income for the state during
12 the current fiscal year, expressed in constant value dollars, as
13 published by the office of financial management or its successor
14 agency.

15 ~~((21))~~ (19) "Estimated revenues" means estimates of revenue in
16 the most recent official economic and revenue forecast prepared under
17 RCW 82.33.020, and prepared by the office of financial management for
18 those funds, accounts, and sources for which the office of the economic
19 ~~((and))~~, revenue, and caseload forecast council does not prepare an
20 official forecast including estimates of revenues to support financial
21 plans under RCW 44.40.070, that are prepared by the office of financial
22 management in consultation with the interagency task force.

23 ~~((22))~~ (20) "Estimated receipts" means the estimated receipt of
24 cash in the most recent official economic and revenue forecast prepared
25 under RCW 82.33.020, and prepared by the office of financial management
26 for those funds, accounts, and sources for which the office of the
27 economic ~~((and))~~, revenue, and caseload forecast council does not
28 prepare an official forecast.

29 ~~((23))~~ (21) "State budgeting, accounting, and reporting system"
30 means a system that gathers, maintains, and communicates fiscal
31 information. The system links fiscal information beginning with
32 development of agency budget requests through adoption of legislative
33 appropriations to tracking actual receipts and expenditures against
34 approved plans.

35 ~~((24))~~ (22) "Allotment of appropriation" means the agency's
36 statement of proposed expenditures, the director of financial
37 management's review of that statement, and the placement of the
38 approved statement into the state budgeting, accounting, and reporting
39 system.

1 (~~(25)~~) (23) "Statement of proposed expenditures" means a plan
2 prepared by each agency that breaks each appropriation out into monthly
3 detail representing the best estimate of how the appropriation will be
4 expended.

5 (~~(26)~~) (24) "Undesignated fund balance (or deficit)" means
6 unreserved and undesignated current assets or other resources available
7 for expenditure over and above any current liabilities which are
8 expected to be incurred by the close of the fiscal period.

9 (~~(27)~~) (25) "Internal audit" means an independent appraisal
10 activity within an agency for the review of operations as a service to
11 management, including a systematic examination of accounting and fiscal
12 controls to assure that human and material resources are guarded
13 against waste, loss, or misuse; and that reliable data are gathered,
14 maintained, and fairly disclosed in a written report of the audit
15 findings.

16 (~~(28)~~) (26) "Performance verification" means an analysis that (a)
17 verifies the accuracy of data used by state agencies in quantifying
18 intended results and measuring performance toward those results, and
19 (b) verifies whether or not the reported results were achieved.

20 (~~(29)~~) (27) "Program evaluation" means the use of a variety of
21 policy and fiscal research methods to (a) determine the extent to which
22 a program is achieving its legislative intent in terms of producing the
23 effects expected, and (b) make an objective judgment of the
24 implementation, outcomes, and net cost or benefit impact of programs in
25 the context of their goals and objectives. It includes the application
26 of systematic methods to measure the results, intended or unintended,
27 of program activities.

28 **Sec. 11.** RCW 43.88.030 and 1994 c 247 s 7 and 1994 c 219 s 2 are
29 each reenacted and amended to read as follows:

30 (1) The director of financial management shall provide all agencies
31 with a complete set of instructions for submitting biennial budget
32 requests to the director at least three months before agency budget
33 documents are due into the office of financial management. The
34 director shall provide agencies that are required under RCW 44.40.070
35 to develop comprehensive six-year program and financial plans with a
36 complete set of instructions for submitting these program and financial
37 plans at the same time that instructions for submitting other budget
38 requests are provided. The budget document or documents shall consist

1 of the governor's budget message which shall be explanatory of the
2 budget and shall contain an outline of the proposed financial policies
3 of the state for the ensuing fiscal period, as well as an outline of
4 the proposed six-year financial policies where applicable, and shall
5 describe in connection therewith the important features of the budget.
6 The message shall set forth the reasons for salient changes from the
7 previous fiscal period in expenditure and revenue items and shall
8 explain any major changes in financial policy. Attached to the budget
9 message shall be such supporting schedules, exhibits and other
10 explanatory material in respect to both current operations and capital
11 improvements as the governor shall deem to be useful to the
12 legislature. The budget document or documents shall set forth a
13 proposal for expenditures in the ensuing fiscal period, or six-year
14 period where applicable, based upon the estimated revenues,
15 undesigned fund balances, and caseloads as approved by the economic
16 ~~((and))~~, revenue, and caseload forecast council or upon the estimated
17 revenues, undesigned fund balances, and caseloads of the office of
18 financial management for those funds, accounts, ~~((and))~~ sources, and
19 programs for which the office of the economic ~~((and))~~, revenue, and
20 caseload forecast council does not prepare an official forecast,
21 including those revenues anticipated to support the six-year programs
22 and financial plans under RCW 44.40.070. In estimating revenues to
23 support financial plans under RCW 44.40.070, the office of financial
24 management shall rely on information and advice from the interagency
25 revenue task force. Revenues shall be estimated for such fiscal period
26 from the source and at the rates existing by law at the time of
27 submission of the budget document, including the supplemental budgets
28 submitted in the even-numbered years of a biennium. However, the
29 estimated revenues, fund balances, and caseloads for use in the
30 governor's budget document may be adjusted to reflect budgetary revenue
31 transfers and revenue estimates dependent upon budgetary assumptions of
32 enrollments, workloads, and caseloads. All adjustments to the approved
33 estimated revenues, fund balances, and caseloads must be set forth in
34 the budget document. The governor may additionally submit, as an
35 appendix to each supplemental, biennial, or six-year agency budget or
36 to the budget document or documents, a proposal for expenditures in the
37 ensuing fiscal period from revenue sources derived from proposed
38 changes in existing statutes.

1 Supplemental and biennial documents shall reflect a six-year
2 expenditure plan consistent with estimated revenues from existing
3 sources and at existing rates for those agencies required to submit
4 six-year program and financial plans under RCW 44.40.070. Any
5 additional revenue resulting from proposed changes to existing statutes
6 shall be separately identified within the document as well as related
7 expenditures for the six-year period.

8 The budget document or documents shall also contain:

9 (a) Revenues classified by fund and source for the immediately past
10 fiscal period, those received or anticipated for the current fiscal
11 period, those anticipated for the ensuing biennium, and those
12 anticipated for the ensuing six-year period to support the six-year
13 programs and financial plans required under RCW 44.40.070;

14 (b) The undesignated fund balance or deficit, by fund;

15 (c) Such additional information dealing with expenditures,
16 revenues, workload, performance, and personnel as the legislature may
17 direct by law or concurrent resolution;

18 (d) Such additional information dealing with revenues and
19 expenditures as the governor shall deem pertinent and useful to the
20 legislature;

21 (e) Tabulations showing expenditures classified by fund, function,
22 activity and object;

23 (f) A delineation of each agency's activities, including those
24 activities funded from nonbudgeted, nonappropriated sources, including
25 funds maintained outside the state treasury;

26 (g) Identification of all proposed direct expenditures to implement
27 the Puget Sound water quality plan under chapter 90.70 RCW, shown by
28 agency and in total; and

29 (h) Tabulations showing each postretirement adjustment by
30 retirement system established after fiscal year 1991, to include, but
31 not be limited to, estimated total payments made to the end of the
32 previous biennial period, estimated payments for the present biennium,
33 and estimated payments for the ensuing biennium.

34 (2) The budget document or documents shall include detailed
35 estimates of all anticipated revenues applicable to proposed operating
36 or capital expenditures and shall also include all proposed operating
37 or capital expenditures. The total of beginning undesignated fund
38 balance and estimated revenues less working capital and other reserves

1 shall equal or exceed the total of proposed applicable expenditures.

2 The budget document or documents shall further include:

3 (a) Interest, amortization and redemption charges on the state
4 debt;

5 (b) Payments of all reliefs, judgments and claims;

6 (c) Other statutory expenditures;

7 (d) Expenditures incident to the operation for each agency;

8 (e) Revenues derived from agency operations;

9 (f) Expenditures and revenues shall be given in comparative form
10 showing those incurred or received for the immediately past fiscal
11 period and those anticipated for the current biennium and next ensuing
12 biennium, as well as those required to support the six-year programs
13 and financial plans required under RCW 44.40.070;

14 (g) A showing and explanation of amounts of general fund and other
15 funds obligations for debt service and any transfers of moneys that
16 otherwise would have been available for appropriation;

17 (h) Common school expenditures on a fiscal-year basis;

18 (i) A showing, by agency, of the value and purpose of financing
19 contracts for the lease/purchase or acquisition of personal or real
20 property for the current and ensuing fiscal periods; and

21 (j) A showing and explanation of anticipated amounts of general
22 fund and other funds required to amortize the unfunded actuarial
23 accrued liability of the retirement system specified under chapter
24 41.45 RCW, and the contributions to meet such amortization, stated in
25 total dollars and as a level percentage of total compensation.

26 (3) A separate capital budget document or schedule shall be
27 submitted that will contain the following:

28 (a) A statement setting forth a long-range facilities plan for the
29 state that identifies and includes the highest priority needs within
30 affordable spending levels;

31 (b) A capital program consisting of proposed capital projects for
32 the next biennium and the two biennia succeeding the next biennium
33 consistent with the long-range facilities plan. Inasmuch as is
34 practical, and recognizing emergent needs, the capital program shall
35 reflect the priorities, projects, and spending levels proposed in
36 previously submitted capital budget documents in order to provide a
37 reliable long-range planning tool for the legislature and state
38 agencies;

- 1 (c) A capital plan consisting of proposed capital spending for at
2 least four biennia succeeding the next biennium;
- 3 (d) A statement of the reason or purpose for a project;
- 4 (e) Verification that a project is consistent with the provisions
5 set forth in chapter 36.70A RCW;
- 6 (f) A statement about the proposed site, size, and estimated life
7 of the project, if applicable;
- 8 (g) Estimated total project cost;
- 9 (h) For major projects valued over five million dollars, estimated
10 costs for the following project components: Acquisition, consultant
11 services, construction, equipment, project management, and other costs
12 included as part of the project. Project component costs shall be
13 displayed in a standard format defined by the office of financial
14 management to allow comparisons between projects;
- 15 (i) Estimated total project cost for each phase of the project as
16 defined by the office of financial management;
- 17 (j) Estimated ensuing biennium costs;
- 18 (k) Estimated costs beyond the ensuing biennium;
- 19 (l) Estimated construction start and completion dates;
- 20 (m) Source and type of funds proposed;
- 21 (n) Estimated ongoing operating budget costs or savings resulting
22 from the project, including staffing and maintenance costs;
- 23 (o) For any capital appropriation requested for a state agency for
24 the acquisition of land or the capital improvement of land in which the
25 primary purpose of the acquisition or improvement is recreation or
26 wildlife habitat conservation, the capital budget document, or an
27 omnibus list of recreation and habitat acquisitions provided with the
28 governor's budget document, shall identify the projected costs of
29 operation and maintenance for at least the two biennia succeeding the
30 next biennium. Omnibus lists of habitat and recreation land
31 acquisitions shall include individual project cost estimates for
32 operation and maintenance as well as a total for all state projects
33 included in the list. The document shall identify the source of funds
34 from which the operation and maintenance costs are proposed to be
35 funded;
- 36 (p) Such other information bearing upon capital projects as the
37 governor deems to be useful;
- 38 (q) Standard terms, including a standard and uniform definition of
39 maintenance for all capital projects;

1 (r) Such other information as the legislature may direct by law or
2 concurrent resolution.

3 For purposes of this subsection (3), the term "capital project"
4 shall be defined subsequent to the analysis, findings, and
5 recommendations of a joint committee comprised of representatives from
6 the house capital appropriations committee, senate ways and means
7 committee, legislative transportation committee, legislative evaluation
8 and accountability program committee, and office of financial
9 management.

10 (4) No change affecting the comparability of agency or program
11 information relating to expenditures, revenues, workload, performance
12 and personnel shall be made in the format of any budget document or
13 report presented to the legislature under this section or RCW
14 43.88.160(1) relative to the format of the budget document or report
15 which was presented to the previous regular session of the legislature
16 during an odd-numbered year without prior legislative concurrence.
17 Prior legislative concurrence shall consist of (a) a favorable majority
18 vote on the proposal by the standing committees on ways and means of
19 both houses if the legislature is in session or (b) a favorable
20 majority vote on the proposal by members of the legislative evaluation
21 and accountability program committee if the legislature is not in
22 session.

23 **Sec. 12.** RCW 43.88.037 and 1987 c 502 s 3 are each amended to read
24 as follows:

25 (1) Subject to the provisions of chapter 82.33 RCW, the director of
26 financial management shall devise and maintain a comprehensive
27 budgeting, accounting, and reporting system in conformance with
28 generally accepted accounting principles applicable to state
29 governments, as published in the accounting procedures manual pursuant
30 to RCW 43.88.160(1).

31 (2) The director of financial management shall submit a budget
32 document in conformance with generally accepted accounting principles
33 applicable to state governments, as published in the accounting
34 procedures manual pursuant to RCW 43.88.160(1).

35 **Sec. 13.** RCW 43.88.120 and 1991 c 358 s 3 are each amended to read
36 as follows:

1 Each agency engaged in the collection of revenues shall prepare
2 estimated revenues and estimated receipts for the current and ensuing
3 biennium and shall submit the estimates to the director of financial
4 management and the director of revenue at times and in the form
5 specified by the directors, along with any other information which the
6 directors may request. For those agencies required to develop six-year
7 programs and financial plans under RCW 44.40.070, six-year revenue
8 estimates shall be submitted to the director of financial management
9 and the legislative transportation committee unless the responsibility
10 for reporting these revenue estimates is assumed elsewhere.

11 A copy of ((such)) the revenue estimates shall be simultaneously
12 submitted to the economic and revenue forecast work group when required
13 by the office of the economic ((and)), revenue, and caseload forecast
14 council.

15 **Sec. 14.** RCW 43.88.160 and 1994 c 184 s 11 are each amended to
16 read as follows:

17 This section sets forth the major fiscal duties and
18 responsibilities of officers and agencies of the executive branch. The
19 regulations issued by the governor pursuant to this chapter shall
20 provide for a comprehensive, orderly basis for fiscal management and
21 control, including efficient accounting and reporting therefor, for the
22 executive branch of the state government and may include, in addition,
23 such requirements as will generally promote more efficient public
24 management in the state.

25 (1) Governor; director of financial management. Subject to the
26 provisions of chapter 82.33 RCW, the governor, through the director of
27 financial management, shall devise and supervise a modern and complete
28 accounting system for each agency to the end that all revenues,
29 expenditures, receipts, disbursements, resources, and obligations of
30 the state shall be properly and systematically accounted for. The
31 accounting system shall include the development of accurate, timely
32 records and reports of all financial affairs of the state. The system
33 shall also provide for central accounts in the office of financial
34 management at the level of detail deemed necessary by the director to
35 perform central financial management. The director of financial
36 management shall adopt and periodically update an accounting procedures
37 manual. Any agency maintaining its own accounting and reporting system
38 shall comply with the updated accounting procedures manual and the

1 rules of the director adopted under this chapter. An agency may
2 receive a waiver from complying with this requirement if the waiver is
3 approved by the director. Waivers expire at the end of the fiscal
4 biennium for which they are granted. The director shall forward notice
5 of waivers granted to the appropriate legislative fiscal committees.
6 The director of financial management may require such financial,
7 statistical, and other reports as the director deems necessary from all
8 agencies covering any period.

9 (2) Except as provided in chapter 82.33 RCW, the director of
10 financial management is responsible for quarterly reporting of primary
11 operating budget drivers such as applicable workloads, caseload
12 estimates, and appropriate unit cost data. These reports shall be
13 transmitted to the legislative fiscal committees or by electronic means
14 to the legislative evaluation and accountability program committee.
15 Quarterly reports shall include actual monthly data and the variance
16 between actual and estimated data to date. The reports shall also
17 include estimates of these items for the remainder of the budget
18 period.

19 (3) The director of financial management shall report at least
20 annually to the appropriate legislative committees regarding the status
21 of all appropriated capital projects, including transportation
22 projects, showing significant cost overruns or underruns. If funds are
23 shifted from one project to another, the office of financial management
24 shall also reflect this in the annual variance report. Once a project
25 is complete, the report shall provide a final summary showing estimated
26 start and completion dates of each project phase compared to actual
27 dates, estimated costs of each project phase compared to actual costs,
28 and whether or not there are any outstanding liabilities or unsettled
29 claims at the time of completion.

30 (4) In addition, the director of financial management, as agent of
31 the governor, shall:

32 (a) Develop and maintain a system of internal controls and internal
33 audits comprising methods and procedures to be adopted by each agency
34 that will safeguard its assets, check the accuracy and reliability of
35 its accounting data, promote operational efficiency, and encourage
36 adherence to prescribed managerial policies for accounting and
37 financial controls. The system developed by the director shall include
38 criteria for determining the scope and comprehensiveness of internal

1 controls required by classes of agencies, depending on the level of
2 resources at risk.

3 Each agency head or authorized designee shall be assigned the
4 responsibility and authority for establishing and maintaining internal
5 audits following the standards of internal auditing of the institute of
6 internal auditors;

7 (b) Make surveys and analyses of agencies with the object of
8 determining better methods and increased effectiveness in the use of
9 manpower and materials; and the director shall authorize expenditures
10 for employee training to the end that the state may benefit from
11 training facilities made available to state employees;

12 (c) Establish policies for allowing the contracting of child care
13 services;

14 (d) Report to the governor with regard to duplication of effort or
15 lack of coordination among agencies;

16 (e) Review any pay and classification plans, and changes
17 thereunder, developed by any agency for their fiscal impact: PROVIDED,
18 That none of the provisions of this subsection shall affect merit
19 systems of personnel management now existing or hereafter established
20 by statute relating to the fixing of qualifications requirements for
21 recruitment, appointment, or promotion of employees of any agency. The
22 director shall advise and confer with agencies including appropriate
23 standing committees of the legislature as may be designated by the
24 speaker of the house and the president of the senate regarding the
25 fiscal impact of such plans and may amend or alter said plans, except
26 that for the following agencies no amendment or alteration of said
27 plans may be made without the approval of the agency concerned:
28 Agencies headed by elective officials;

29 (f) Fix the number and classes of positions or authorized man years
30 of employment for each agency and during the fiscal period amend the
31 determinations previously fixed by the director except that the
32 director shall not be empowered to fix said number or said classes for
33 the following: Agencies headed by elective officials;

34 ~~(g) ((Provide for transfers and repayments between the budget
35 stabilization account and the general fund as directed by appropriation
36 and RCW 43.88.525 through 43.88.540;~~

37 ~~(h))~~ Adopt rules to effectuate provisions contained in (a) through
38 ~~((g))~~ (f) of this subsection.

39 (5) The treasurer shall:

1 (a) Receive, keep, and disburse all public funds of the state not
2 expressly required by law to be received, kept, and disbursed by some
3 other persons: PROVIDED, That this subsection shall not apply to those
4 public funds of the institutions of higher learning which are not
5 subject to appropriation;

6 (b) Receive, disburse, or transfer public funds under the
7 treasurer's supervision or custody;

8 (c) Keep a correct and current account of all moneys received and
9 disbursed by the treasurer, classified by fund or account;

10 (d) Coordinate agencies' acceptance and use of credit cards and
11 other payment methods, if the agencies have received authorization
12 under RCW 43.41.180;

13 (e) Perform such other duties as may be required by law or by
14 regulations issued pursuant to this law.

15 It shall be unlawful for the treasurer to disburse public funds in
16 the treasury except upon forms or by alternative means duly prescribed
17 by the director of financial management. These forms or alternative
18 means shall provide for authentication and certification by the agency
19 head or the agency head's designee that the services have been rendered
20 or the materials have been furnished; or, in the case of loans or
21 grants, that the loans or grants are authorized by law; or, in the case
22 of payments for periodic maintenance services to be performed on state
23 owned equipment, that a written contract for such periodic maintenance
24 services is currently in effect and copies thereof are on file with the
25 office of financial management; and the treasurer shall not be liable
26 under the treasurer's surety bond for erroneous or improper payments so
27 made. When services are lawfully paid for in advance of full
28 performance by any private individual or business entity other than as
29 provided for by RCW 42.24.035, such individual or entity other than
30 central stores rendering such services shall make a cash deposit or
31 furnish surety bond coverage to the state as shall be fixed in an
32 amount by law, or if not fixed by law, then in such amounts as shall be
33 fixed by the director of the department of general administration but
34 in no case shall such required cash deposit or surety bond be less than
35 an amount which will fully indemnify the state against any and all
36 losses on account of breach of promise to fully perform such services.
37 No payments shall be made in advance for any equipment maintenance
38 services to be performed more than three months after such payment.
39 Any such bond so furnished shall be conditioned that the person, firm

1 or corporation receiving the advance payment will apply it toward
2 performance of the contract. The responsibility for recovery of
3 erroneous or improper payments made under this section shall lie with
4 the agency head or the agency head's designee in accordance with
5 regulations issued pursuant to this chapter. Nothing in this section
6 shall be construed to permit a public body to advance funds to a
7 private service provider pursuant to a grant or loan before services
8 have been rendered or material furnished.

9 (6) The state auditor shall:

10 (a) Report to the legislature the results of current post audits
11 that have been made of the financial transactions of each agency; to
12 this end the auditor may, in the auditor's discretion, examine the
13 books and accounts of any agency, official or employee charged with the
14 receipt, custody or safekeeping of public funds. Where feasible in
15 conducting examinations, the auditor shall utilize data and findings
16 from the internal control system prescribed by the office of financial
17 management. The current post audit of each agency may include a
18 section on recommendations to the legislature as provided in (c) of
19 this subsection.

20 (b) Give information to the legislature, whenever required, upon
21 any subject relating to the financial affairs of the state.

22 (c) Make the auditor's official report on or before the thirty-
23 first of December which precedes the meeting of the legislature. The
24 report shall be for the last complete fiscal period and shall include
25 determinations as to whether agencies, in making expenditures, complied
26 with the laws of this state. The state auditor is authorized to
27 perform or participate in performance verifications only as expressly
28 authorized by the legislature in the omnibus biennial appropriations
29 acts. The state auditor, upon completing an audit for legal and
30 financial compliance under chapter 43.09 RCW or a performance
31 verification, may report to the legislative budget committee or other
32 appropriate committees of the legislature, in a manner prescribed by
33 the legislative budget committee, on facts relating to the management
34 or performance of governmental programs where such facts are discovered
35 incidental to the legal and financial audit or performance
36 verification. The auditor may make such a report to a legislative
37 committee only if the auditor has determined that the agency has been
38 given an opportunity and has failed to resolve the management or
39 performance issues raised by the auditor. If the auditor makes a

1 report to a legislative committee, the agency may submit to the
2 committee a response to the report. This subsection (6) shall not be
3 construed to authorize the auditor to allocate other than de minimis
4 resources to performance audits except as expressly authorized in the
5 appropriations acts.

6 (d) Be empowered to take exception to specific expenditures that
7 have been incurred by any agency or to take exception to other
8 practices related in any way to the agency's financial transactions and
9 to cause such exceptions to be made a matter of public record,
10 including disclosure to the agency concerned and to the director of
11 financial management. It shall be the duty of the director of
12 financial management to cause corrective action to be taken promptly,
13 such action to include, as appropriate, the withholding of funds as
14 provided in RCW 43.88.110.

15 (e) Promptly report any irregularities to the attorney general.

16 (f) Investigate improper governmental activity under chapter 42.40
17 RCW.

18 (7) The legislative budget committee may:

19 (a) Make post audits of the financial transactions of any agency
20 and management surveys and program reviews as provided for in RCW
21 44.28.085 as well as performance audits and program evaluations. To
22 this end the committee may in its discretion examine the books,
23 accounts, and other records of any agency, official, or employee.

24 (b) Give information to the legislature or any legislative
25 committee whenever required upon any subject relating to the
26 performance and management of state agencies.

27 (c) Make a report to the legislature which shall include at least
28 the following:

29 (i) Determinations as to the extent to which agencies in making
30 expenditures have complied with the will of the legislature and in this
31 connection, may take exception to specific expenditures or financial
32 practices of any agencies; and

33 (ii) Such plans as it deems expedient for the support of the
34 state's credit, for lessening expenditures, for promoting frugality and
35 economy in agency affairs and generally for an improved level of fiscal
36 management.

37 **Sec. 15.** RCW 50.38.050 and 1993 c 62 s 5 are each amended to read
38 as follows:

1 The department shall have the following duties:

2 (1) Oversight and management of a state-wide comprehensive labor
3 market and occupational supply and demand information system, including
4 development of a five-year employment forecast for state and labor
5 market areas;

6 (2) Produce local labor market information packages for the state's
7 counties, including special studies and job impact analyses in support
8 of state and local employment, training, education, and job creation
9 programs, especially activities that prevent job loss, reduce
10 unemployment, and create jobs;

11 (3) Coordinate with the office of financial management and the
12 office of the forecast council to improve employment estimates by
13 enhancing data on corporate officers, improving business establishment
14 listings, expanding sample for employment estimates, and developing
15 business entry/exit analysis relevant to the generation of occupational
16 and economic forecasts; and

17 (4) In cooperation with the office of financial management, produce
18 long-term industry and occupational employment forecasts. These
19 forecasts shall be consistent with the official economic ((and)),
20 revenue, and caseload forecast council biennial economic and revenue
21 forecasts.

22 **Sec. 16.** RCW 70.94.431 and 1995 c 403 s 630 are each amended to
23 read as follows:

24 (1) Except as provided in RCW 43.05.060 through 43.05.080 and
25 43.05.150, and in addition to or as an alternate to any other penalty
26 provided by law, any person who violates any of the provisions of
27 chapter 70.94 RCW, chapter 70.120 RCW, or any of the rules in force
28 under such chapters may incur a civil penalty in an amount not to
29 exceed ten thousand dollars per day for each violation. Each such
30 violation shall be a separate and distinct offense, and in case of a
31 continuing violation, each day's continuance shall be a separate and
32 distinct violation.

33 Any person who fails to take action as specified by an order issued
34 pursuant to this chapter shall be liable for a civil penalty of not
35 more than ten thousand dollars for each day of continued noncompliance.

36 (2) Penalties incurred but not paid shall accrue interest,
37 beginning on the ninety-first day following the date that the penalty
38 becomes due and payable, at the highest rate allowed by RCW 19.52.020

1 on the date that the penalty becomes due and payable. If violations or
2 penalties are appealed, interest shall not begin to accrue until the
3 thirty-first day following final resolution of the appeal.

4 The maximum penalty amounts established in this section may be
5 increased annually to account for inflation as determined by the state
6 office of the economic ~~((and))~~, revenue, and caseload forecast council.

7 (3) Each act of commission or omission which procures, aids or
8 abets in the violation shall be considered a violation under the
9 provisions of this section and subject to the same penalty. The
10 penalties provided in this section shall be imposed pursuant to RCW
11 43.21B.300.

12 (4) All penalties recovered under this section by the department
13 shall be paid into the state treasury and credited to the air pollution
14 control account established in RCW 70.94.015 or, if recovered by the
15 authority, shall be paid into the treasury of the authority and
16 credited to its funds. If a prior penalty for the same violation has
17 been paid to a local authority, the penalty imposed by the department
18 under subsection (1) of this section shall be reduced by the amount of
19 the payment.

20 (5) To secure the penalty incurred under this section, the state or
21 the authority shall have a lien on any vessel used or operated in
22 violation of this chapter which shall be enforced as provided in RCW
23 60.36.050.

24 (6) Public or private entities that are recipients or potential
25 recipients of department grants, whether for air quality related
26 activities or not, may have such grants rescinded or withheld by the
27 department for failure to comply with provisions of this chapter.

28 (7) In addition to other penalties provided by this chapter,
29 persons knowingly under-reporting emissions or other information used
30 to set fees, or persons required to pay emission or permit fees who are
31 more than ninety days late with such payments may be subject to a
32 penalty equal to three times the amount of the original fee owed.

33 (8) By January 1, 1992, the department shall develop rules for
34 excusing excess emissions from enforcement action if such excess
35 emissions are unavoidable. The rules shall specify the criteria and
36 procedures for the department and local air authorities to determine
37 whether a period of excess emissions is excusable in accordance with
38 the state implementation plan.

1 **Sec. 17.** RCW 70.94.483 and 1991 sp.s. c 13 ss 64, 65 are each
2 amended to read as follows:

3 (1) The wood stove education and enforcement account is hereby
4 created in the state treasury. Money placed in the account shall
5 include all money received under subsection (2) of this section and any
6 other money appropriated by the legislature. Money in the account
7 shall be spent for the purposes of the wood stove education program
8 established under RCW 70.94.480 and for enforcement of the wood stove
9 program, and shall be subject to legislative appropriation.

10 (2) The department of ecology, with the advice of the advisory
11 committee, shall set a flat fee of thirty dollars, on the retail sale,
12 as defined in RCW 82.04.050, of each solid fuel burning device after
13 January 1, 1992. The fee shall be imposed upon the consumer and shall
14 not be subject to the retail sales tax provisions of chapters 82.08 and
15 82.12 RCW. The fee may be adjusted annually above thirty dollars to
16 account for inflation as determined by the state office of the economic
17 ~~((and))~~, revenue, and caseload forecast council. The fee shall be
18 collected by the department of revenue in conjunction with the retail
19 sales tax under chapter 82.08 RCW. If the seller fails to collect the
20 fee herein imposed or fails to remit the fee to the department of
21 revenue in the manner prescribed in chapter 82.08 RCW, the seller shall
22 be personally liable to the state for the amount of the fee. The
23 collection provisions of chapter 82.32 RCW shall apply. The department
24 of revenue shall deposit fees collected under this section in the wood
25 stove education and enforcement account.

26 **Sec. 18.** RCW 70.94.650 and 1995 c 362 s 1 and 1995 c 58 s 1 are
27 each reenacted and amended to read as follows:

28 (1) Any person who proposes to set fires in the course of:

29 (a) Weed abatement;

30 (b) Instruction in methods of fire fighting, except training to
31 fight structural fires as provided in RCW 52.12.150 or training to
32 fight aircraft crash rescue fires as provided in subsection (5) of this
33 section, and except forest fire training; or

34 (c) Agricultural activities,

35 shall obtain a permit from an air pollution control authority, the
36 department of ecology, or a local entity delegated permitting authority
37 under RCW 70.94.654. General permit criteria of state-wide
38 applicability shall be established by the department, by rule, after

1 consultation with the various air pollution control authorities.
2 Permits shall be issued under this section based on seasonal operations
3 or by individual operations, or both. All permits shall be conditioned
4 to insure that the public interest in air, water, and land pollution
5 and safety to life and property is fully considered. In addition to
6 any other requirements established by the department to protect air
7 quality pursuant to other laws, applicants for permits must show that
8 the setting of fires as requested is the most reasonable procedure to
9 follow in safeguarding life or property under all circumstances or is
10 otherwise reasonably necessary to successfully carry out the enterprise
11 in which the applicant is engaged, or both. All burning permits will
12 be designed to minimize air pollution insofar as practical. Nothing in
13 this section shall relieve the applicant from obtaining permits,
14 licenses, or other approvals required by any other law. An application
15 for a permit to set fires in the course of agricultural burning for
16 controlling diseases, insects, weed abatement or development of
17 physiological conditions conducive to increased crop yield, shall be
18 acted upon within seven days from the date such application is filed.
19 The department of ecology and local air authorities shall provide
20 convenient methods for issuance and oversight of agricultural burning
21 permits. The department and local air authorities shall, through
22 agreement, work with counties and cities to provide convenient methods
23 for granting permission for agricultural burning, including telephone,
24 facsimile transmission, issuance from local city or county offices, or
25 other methods. A local air authority administering the permit program
26 under this subsection (1)(c) shall not limit the number of days of
27 allowable agricultural burning, but may consider the time of year,
28 meteorological conditions, and other criteria specified in rules
29 adopted by the department to implement this subsection (1)(c).

30 (2) Permit fees shall be assessed for burning under this section
31 and shall be collected by the department of ecology, the appropriate
32 local air authority, or a local entity delegated permitting authority
33 pursuant to RCW 70.94.654 at the time the permit is issued. All fees
34 collected shall be deposited in the air pollution control account
35 created in RCW 70.94.015, except for that portion of the fee necessary
36 to cover local costs of administering a permit issued under this
37 section. Fees shall be set by rule by the permitting agency at the
38 level determined by the task force created by subsection (4) of this
39 section, but shall not exceed two dollars and fifty cents per acre to

1 be burned. After fees are established by rule, any increases in such
2 fees shall be limited to annual inflation adjustments as determined by
3 the state office of the economic ((and)), revenue, and caseload
4 forecast council.

5 (3) Conservation districts and the Washington State University
6 agricultural extension program in conjunction with the department shall
7 develop public education material for the agricultural community
8 identifying the health and environmental effects of agricultural
9 outdoor burning and providing technical assistance in alternatives to
10 agricultural outdoor burning.

11 (4) An agricultural burning practices and research task force shall
12 be established under the direction of the department. The task force
13 shall be composed of a representative from the department who shall
14 serve as chair; one representative of eastern Washington local air
15 authorities; three representatives of the agricultural community from
16 different agricultural pursuits; one representative of the department
17 of agriculture; two representatives from universities or colleges
18 knowledgeable in agricultural issues; one representative of the public
19 health or medical community; and one representative of the conservation
20 districts. The task force shall identify best management practices for
21 reducing air contaminant emissions from agricultural activities and
22 provide such information to the department and local air authorities.
23 The task force shall determine the level of fees to be assessed by the
24 permitting agency pursuant to subsection (2) of this section, based
25 upon the level necessary to cover the costs of administering and
26 enforcing the permit programs, to provide funds for research into
27 alternative methods to reduce emissions from such burning, and to the
28 extent possible be consistent with fees charged for such burning
29 permits in neighboring states. The fee level shall provide, to the
30 extent possible, for lesser fees for permittees who use best management
31 practices to minimize air contaminant emissions. The task force shall
32 identify research needs related to minimizing emissions from
33 agricultural burning and alternatives to such burning. Further, the
34 task force shall make recommendations to the department on priorities
35 for spending funds provided through this chapter for research into
36 alternative methods to reduce emissions from agricultural burning.

37 (5) A permit is not required under this section, or under RCW
38 70.94.743 through 70.94.780, from an air pollution control authority,
39 the department, or any local entity with delegated permit authority,

1 for aircraft crash rescue fire training activities meeting the
2 following conditions:

3 (a) Fire fighters participating in the training fires must be
4 limited to those who provide fire fighting support to an airport that
5 is either certified by the federal aviation administration or operated
6 in support of military or governmental activities;

7 (b) The fire training may not be conducted during an air pollution
8 episode or any stage of impaired air quality declared under RCW
9 70.94.715 for the area where training is to be conducted;

10 (c) The number of training fires allowed per year without a permit
11 shall be the minimum number necessary to meet federal aviation
12 administration or other federal safety requirements; and

13 (d) Prior to the commencement of the aircraft fire training, the
14 organization conducting training shall notify both the: (i) Local fire
15 district or fire department; and (ii) air pollution control authority,
16 department of ecology, or local entity delegated permitting authority
17 under RCW 70.94.654, having jurisdiction within the area where training
18 is to be conducted.

19 Aircraft crash rescue fire training activities conducted in
20 compliance with this subsection are not subject to the prohibition, in
21 RCW 70.94.775(1), of outdoor fires containing petroleum products.

22 (6) Subsection (5) of this section shall expire on the earlier of
23 the following dates: (a) July 1, 1998; or (b) the date upon which the
24 North Bend fire training center is fully operational for aircraft crash
25 rescue fire training activities.

26 NEW SECTION. **Sec. 19.** This act shall take effect July 1, 1996.

--- END ---