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**SUBSTITUTE HOUSE BILL 1109**

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**State of Washington 65th Legislature 2017 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Orwall, McCabe, Griffey, Hayes, McBride, Frame, Goodman, Klippert, Stanford, Stambaugh, Jinkins, Fey, Harmsworth, Dolan, Sells, Muri, Gregerson, McDonald, Wylie, Kilduff, Kloba, Tarleton, Pollet, Farrell, Kagi, Riccelli, Senn, Peterson, Bergquist, and Doglio)

AN ACT Relating to supporting victims of sexual assault; amending RCW 43.330.470, 66.08.2601, 66.08.260, and 66.08.170; amending 2015 c 247 s 2 (uncodified); reenacting and amending RCW 43.84.092; adding a new section to chapter 43.10 RCW; adding a new section to chapter 70.125 RCW; adding new sections to chapter 43.101 RCW; creating a new section; prescribing penalties; providing an effective date; providing an expiration date; and declaring an emergency.

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

**PART I - COLD CASE INVESTIGATIONS**

NEW SECTION. **Sec.**  A new section is added to chapter 43.10 RCW to read as follows:

(1) The attorney general may: (a) Support law enforcement officials in the investigation of cold cases involving sexual assault; (b) support prosecutors in the litigation of cold cases involving sexual assault; and (c) conduct seminars and training sessions on the prosecution of cold cases involving sexual assault.

(2) Except as otherwise authorized in this chapter, support provided in subsection (1) of this section must be upon agreement with the local law enforcement agency or prosecuting attorney. An agreement may include assistance with investigations or prosecutions, conducting the investigations or prosecutions on behalf of the agency or prosecuting attorney, or both, when deemed appropriate by the attorney general and applicable entity. If the attorney general is authorized by the prosecuting attorney to prosecute a case or cases on his or her behalf, the attorney general shall have the same powers as would otherwise be vested in the prosecuting attorney under the law. An agreement authorizing the attorney general to prosecute a case or cases on behalf of the prosecuting attorney shall be communicated in writing to the attorney general as provided for in RCW 43.10.232 (2) and (3).

(3) The attorney general is encouraged to seek federal and other grant funds to support investigations and prosecutions of cold cases involving sexual assault, particularly those cases tied to unsubmitted sexual assault kits.

(4) The attorney general shall, to the extent feasible, consult with and utilize community-based victim advocates when supporting law enforcement or prosecutors under this section.

(5) For the purposes of this section:

(a) "Cold case" refers to any criminal investigation where initial investigative leads have been exhausted or where significant time has passed without investigative results or the filing of charges. "Cold case" includes, but it not limited to, cases tied to previously unsubmitted sexual assault kits.

(b) "Unsubmitted sexual assault kit" has the same meaning as provided in section 2 of this act.

**PART II - WASHINGTON SEXUAL ASSAULT KIT INITIATIVE PILOT PROJECT**

NEW SECTION. **Sec.**  A new section is added to chapter 70.125 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the Washington sexual assault initiative pilot project is created within the office of the attorney general. The attorney general shall administer the project.

(2) The project is created for the purpose of providing funding through a competitive grant program to support multidisciplinary community response teams engaged in seeking a just resolution to sexual assault cases resulting from evidence found in previously unsubmitted sexual assault kits.

(3) In administering the project, the attorney general has the following powers and duties:

(a) Design and implement the grant project with the elements included in this section;

(b) Screen and select eligible applicants to receive grants;

(c) Award grants and disburse funds to two eligible applicants, one located in western Washington and one located in eastern Washington;

(d) Adopt necessary policies and procedures to implement and administer the program;

(e) Monitor use of grant funds and compliance with the grant requirements;

(f) Create and implement reporting requirements for grant recipients;

(g) Facilitate the hosting of a sexual assault kit summit in the state of Washington through a grant recipient or directly through the office of the attorney general, subject to the availability of funds, which may include a combination of public and private dollars allocated for the particular purpose; and

(h) Report to the appropriate committees of the legislature, the joint legislative task force on sexual assault forensic examination best practices, and the governor by December 1, 2017, and each December 1st of each subsequent year the project is funded and operating, regarding the status of grant awards, the progress of the grant recipients toward the identified goals in this section, the data required by subsection (4) of this section, and any other relevant information or recommendations related to the project or sexual assault kit policies.

(4) Grant recipients must:

(a) Perform an inventory of all unsubmitted sexual assault kits in the jurisdiction's possession regardless of where they are stored and submit those sexual assault kits for forensic analysis through the Washington state patrol or another laboratory with the permission of the Washington state patrol;

(b) Establish a multidisciplinary cold case or sexual assault investigation unit or units for follow-up investigations and prosecutions resulting from evidence from the testing of previously unsubmitted sexual assault kits. Cold case or sexual assault investigative units must: Include prosecutors, law enforcement, and victim advocates for the duration of the project; use victim-centered, trauma-informed protocols, including for victim notification; and use protocols and policies established by the attorney general. The grant funds may support personnel costs, including hiring and overtime, to allow for adequate follow-up investigations and prosecutions. Grant awards must be prioritized for eligible applicants with a commitment to colocate assigned prosecutors, law enforcement, and victim advocates for the duration of the grant program;

(c) Require participants in the multidisciplinary cold case or sexual assault investigation unit or units to participate in and complete specialized training for victim-centered, trauma-informed investigation and prosecutions;

(d) Identify and address individual level, organizational level, and systemic factors that lead to unsubmitted sexual assault kits in the jurisdiction and development of a comprehensive strategy to address the issues, including effecting changes in practice, protocol, and organizational culture, and implementing evidence-based, victim-centered, trauma-informed practices and protocols;

(e) Appoint an informed representative to attend meetings of and provide information and assistance to the joint legislative task force on sexual assault forensic examination best practices;

(f) Identify and maintain consistent, experienced, and committed leadership of their sexual assault kit initiative; and

(g) Track and report the following data to the attorney general, in addition to any data required by the attorney general: The number of kits inventoried; the dates collected and submitted for testing; the number of kits tested; the number of kits with information eligible for entry into the combined DNA index system; the number of combined DNA index system hits; the number of identified suspects; including serial perpetrators; the number of investigations conducted and cases reviewed; the number of charges filed; and the number of convictions.

(5) Subject to the availability of funds, the project may also allocate funds for grant recipients to:

(a) Create and employ training in relation to sexual assault evidence, victimization and trauma response, and other related topics to improve the quality and outcomes of sexual assault investigations and prosecutions;

(b) Enhance victim services and support for past and current victims of sexual assault; or

(c) Develop evidence collection, retention, victim notification, and other protocols needed to optimize data sharing, case investigation, prosecution, and victim support.

(6) For the purposes of this section:

(a) "Eligible applicants" include: Law enforcement agencies, units of local government, or combination of units of local government, prosecutor's offices, or a governmental nonlaw enforcement agency acting as fiscal agent for one of the previously listed types of eligible applicants. A combination of jurisdictions, including contiguous jurisdictions of multiple towns, cities, or counties, may create a task force or other entity for the purposes of applying for and receiving a grant, provided that the relevant prosecutors and law enforcement agencies are acting in partnership in complying with the grant requirements.

(b) "Project" means the Washington sexual assault initiative pilot project created in this section.

(c) "Unsubmitted sexual assault kit" are sexual assault kits that have not been submitted to a forensic laboratory for testing with the combined DNA index system-eligible DNA methodologies as of the effective date of the mandatory testing law in RCW 70.125.090. Unsubmitted sexual assault kits includes partially tested sexual assault kits, which are sexual assault kits that have only been subjected to serological testing, or that have previously been tested only with noncombined DNA index system-eligible DNA methodologies. The project does not include untested sexual assault kits that have been submitted to forensic labs for testing with combined DNA index system-eligible DNA methodologies but are delayed for testing as a result of a backlog of work in the laboratory.

**Sec.**  2015 c 247 s 2 (uncodified) is amended to read as follows:

(1)(a) ((~~A~~)) The joint legislative task force on sexual assault forensic examination best practices is established ((~~to review~~)) for the purpose of reviewing best practice models for managing all aspects of sexual assault examinations and for reducing the number of untested sexual assault examination kits in Washington state that were collected prior to the effective date of this section.

(i) The caucus leaders from the senate shall appoint one member from each of the two largest caucuses of the senate.

(ii) The caucus leaders from the house of representatives shall appoint one member from each of the two largest caucuses of the house of representatives.

(iii) The president of the senate and the speaker of the house of representatives shall jointly appoint:

(A) One member representing each of the following:

(I) The Washington state patrol;

(II) The Washington association of sheriffs and police chiefs;

(III) The Washington association of prosecuting attorneys;

(IV) The Washington defender association or the Washington association of criminal defense lawyers;

(V) The Washington association of cities;

(VI) The Washington association of county officials;

(VII) The Washington coalition of sexual assault programs;

(VIII) The office of crime victims advocacy;

(IX) The Washington state hospital association;

(X) The Washington state forensic investigations council;

(XI) A public institution of higher education as defined in RCW 28B.10.016; ((~~and~~))

(XII) A private higher education institution as defined in RCW 28B.07.020; and

(XIII) The office of the attorney general; and

(B) Two members representing survivors of sexual assault.

(b) The task force shall choose two cochairs from among its legislative membership. The legislative membership shall convene the initial meeting of the task force.

(2) The duties of the task force include, but are not limited to:

(a) Researching and determining the number of untested sexual assault examination kits in Washington state;

(b) Researching the locations where the untested sexual assault examination kits are stored;

(c) Researching, reviewing, and making recommendations regarding legislative policy options for reducing the number of untested sexual assault examination kits;

(d) Researching the best practice models both in state and from other states for collaborative responses to victims of sexual assault from the point the sexual assault examination kit is collected to the conclusion of the investigation and providing recommendations regarding any existing gaps in Washington and resources that may be necessary to address those gaps; and

(e) Researching, identifying, and making recommendations for securing nonstate funding for testing the sexual assault examination kits, and reporting on progress made toward securing such funding.

(3) Staff support for the task force must be provided by the senate committee services and the house of representatives office of program research.

(4) Legislative members of the task force must be reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members, except those representing an employer or organization, are entitled to be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(5) The expenses of the task force must be paid jointly by the senate and the house of representatives. Task force expenditures are subject to approval by the senate facilities and operations committee and the house of representatives executive rules committee, or their successor committees.

(6) The first meeting of the task force must occur prior to October 1, 2015. The task force shall submit a preliminary report regarding its initial findings and recommendations to the appropriate committees of the legislature and the governor no later than December 1, 2015.

(7) The task force must meet no less than twice annually.

(8) The task force shall report its findings and recommendations to the appropriate committees of the legislature and the governor by September 30, 2016, and by ((~~September 30th~~)) December 1st of ((~~each subsequent~~)) the following year.

(9) This section expires June 30, 2018.

**PART III - TRAINING**

NEW SECTION. **Sec.**  A new section is added to chapter 43.101 RCW to read as follows:

(1) The commission shall provide ongoing specialized, intensive, and integrative training for persons responsible for investigating sexual assault cases involving adult victims. The training must be based on a victim-centered, trauma-informed approach to responding to sexual assault. Among other subjects, the training must include content on the neurobiology of trauma and trauma-informed interviewing, counseling, and investigative techniques.

(2) The training must: Be based on research-based practices and standards; offer participants an opportunity to practice interview skills and receive feedback from instructors; minimize the trauma of all persons who are interviewed during abuse investigations; provide methods of reducing the number of investigative interviews necessary whenever possible; assure, to the extent possible, that investigative interviews are thorough, objective, and complete; recognize needs of special populations; recognize the nature and consequences of victimization; require investigative interviews to be conducted in a manner most likely to permit the interviewed persons the maximum emotional comfort under the circumstances; address record retention and retrieval; and address documentation of investigative interviews.

(3) In developing the training, the commission shall seek advice from the Washington association of sheriffs and police chiefs, the Washington coalition of sexual assault programs, and experts on sexual assault and the neurobiology of trauma. The commission shall consult with the Washington association of prosecuting attorneys in an effort to design training containing consistent elements for all professionals engaged in interviewing and interacting with sexual assault victims in the criminal justice system.

(4) The commission shall develop the training and begin offering it by July 1, 2018. Officers assigned to regularly investigate sexual assault involving adult victims shall complete the training within one year of being assigned or by July 1, 2020, whichever is later.

NEW SECTION. **Sec.**  A new section is added to chapter 43.101 RCW to read as follows:

By July 1, 2018, the commission shall incorporate victim-centered, trauma-informed approaches to policing in the basic law enforcement training curriculum. In modifying the curriculum, the commission shall seek advice from the Washington coalition of sexual assault programs and other experts on sexual assault and the neurobiology of trauma.

NEW SECTION. **Sec.**  A new section is added to chapter 43.101 RCW to read as follows:

(1) By July 1, 2018, the commission shall develop training on a victim-centered, trauma-informed approach to interacting with victims and responding to sexual assault calls. The curriculum must: Be designed for commissioned patrol officers not regularly assigned to investigate sexual assault cases; be designed for deployment and use within individual law enforcement agencies; include features allowing for it to be used in different environments, which may include multimedia or video components; allow for law enforcement agencies to host it in small segments at different times over several days or weeks, including roll calls. The training must include components on available resources for victims including, but not limited to, material on and references to community-based victim advocates.

(2) In developing the training, the commission shall seek advice from the Washington association of sheriffs and police chiefs, the Washington coalition of sexual assault programs, and experts on sexual assault and the neurobiology of trauma.

(3) Beginning in 2018, all law enforcement agencies shall annually host the training for commissioned peace officers. All law enforcement agencies shall, to the extent feasible, consult with and feature local community-based victim advocates during the training.

**PART IV - FUNDING**

NEW SECTION. **Sec.**  (1) The sexual assault prevention and response account is created in the state treasury. All revenues from the fee imposed under RCW 66.08.2601 must be deposited into the sexual assault prevention and response account. Moneys in the account may only be spent after appropriation.

(2) The legislature must prioritize appropriations from the account for: The Washington sexual assault kit initiative pilot project created in section 2 of this act; the office of crime victims advocacy for the purpose of providing support and services, including educational and vocational training, to victims of sexual assault and trafficking; victim-centered, trauma-informed training for prosecutors, law enforcement, and victim advocates, including, but not limited to, the training in sections 4 through 6 of this act; the Washington state patrol for the purpose of funding the statewide sexual assault kit tracking system and funding the forensic analysis of sexual assault kits.

**Sec.**  RCW 43.330.470 and 2016 c 173 s 9 are each amended to read as follows:

(1) The Washington sexual assault kit program is created within the department for the purpose of accepting private funds ((~~conducting~~)) to fund forensic analysis of sexual assault kits in the possession of law enforcement agencies but not submitted for analysis as of July 24, 2015, and to fund other related programs aimed at improving the public's response to sexual assault. The director may accept gifts, grants, donations, or moneys from any source for deposit in the Washington sexual assault kit account created under subsection (2) of this section.

(2) The Washington sexual assault kit account is created in the custody of the state treasurer. Funds deposited in the Washington sexual assault kit account may be used for the Washington sexual assault kit program established under this section. The Washington sexual assault kit account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(3) Except when otherwise specified, public funds deposited in the Washington sexual assault kit account must be transferred and used exclusively for the following:

(a) Eighty-five percent of the funds for the Washington state patrol bureau of forensic laboratory services for the purpose of conducting forensic analysis of sexual assault kits in the possession of law enforcement agencies but not submitted for forensic analysis as of July 24, 2015; and

(b) Fifteen percent of the funds for the office of crime victims advocacy in the department for the purpose of funding grants for sexual assault nurse examiner services and training.

(4)(a) Except as otherwise provided in (b) of this subsection, private funds donated to and deposited in the Washington sexual assault kit account must be transferred and used exclusively for the following:

(i) Thirty percent for attorney general for the purpose of funding the sexual assault initiative pilot project created in section 2 of this act;

(ii) Thirty percent for the Washington state patrol bureau of forensic laboratory services for the purpose of conducting forensic analysis of sexual assault kits in the possession of law enforcement agencies but not submitted for forensic analysis as of July 24, 2015, unless the Washington state patrol bureau of forensic laboratory services deems that the funds are not necessary for this purpose, in which case the funds shall be divided equally for the purposes outlined in (b)(i), (iii), and (iv) of this subsection;

(iii) Thirty percent for the criminal justice training commission for the training in sections 4 through 6 of this act;

(iv) Ten percent for the office of crime victims advocacy in the department for the purpose of providing services to victims of sexual assault and training for professionals interacting with and providing services to victims of sexual assault.

(b) With the consent of the department, a grantor of funds may enter into an agreement with the department for a different allocation of funds specified in (a) of this subsection, provided that the funds are distributed for the purpose of the program created in this section. Within thirty days of entering into an agreement under this subsection (5)(b), the department shall notify the sexual assault forensic examination best practices task force and the appropriate committees of the legislature.

(6) This section expires June 30, 2022.

**Sec.**  RCW 43.84.092 and 2016 c 194 s 5, 2016 c 161 s 20, and 2016 c 112 s 4 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the diesel idle reduction account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the electric vehicle charging infrastructure account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pollution liability insurance agency underground storage tank revolving account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation future funding program account, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

**Sec.**  RCW 66.08.2601 and 2015 3rd sp.s. c 26 s 1 are each amended to read as follows:

(1) A nonrefundable additional fee is imposed on all applications and renewals of licenses and permits relating to spirits, wine, and beer required under chapters 66.20 and 66.24 RCW, with the exception of license issuance fees of seventeen percent of revenues owed by spirits retail licensees under RCW 66.24.630(4)(a), and the five to ten percent license issuance fee for spirits distributors under RCW 66.24.055(3). The fee applies to all applications and license modifications received on or after the effective date of this section and renewals where the date of license expiration is on or after June 30, 2015. The fee is equal to six and two tenths percent of the licensing or permit fee due under chapters 66.20 and 66.24 RCW. If the fee is not a whole dollar amount, the fee must be rounded up to the next whole dollar.

(2) ((~~This section expires June 30, 2017~~)) All fees collected under this section must be deposited in the sexual assault prevention and response account created in section 7 of this act.

**Sec.**  RCW 66.08.260 and 2015 3rd sp.s. c 26 s 3 are each amended to read as follows:

(1) The licensing and enforcement system modernization project account is created in the custody of the state treasurer. All receipts from RCW ((~~66.08.2601 and~~)) 66.08.2602 must be deposited into the account. Expenditures from the account may be only used for the expenses of replacing and modernizing the board's licensing, enforcement, and imaging system. The expenditures may be expended for automation of licenses and permits, electronic payments, data warehousing, project management and system testing, consulting, contracting, and staff time, and any necessary data conversion, software, hardware, and related equipment costs. Before making expenditures from the account, the board must conduct a thorough business process examination to ensure the new system provides efficient and effective service delivery. As part of the examination, the board must evaluate and articulate how any new system procurement serves the current and future needs of the internal and external stakeholders, the customers, and the public. Only the director of the board or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(2) This section expires June 30, 2019.

**Sec.**  RCW 66.08.170 and 2015 3rd sp.s. c 4 s 966 are each amended to read as follows:

There shall be a fund, known as the "liquor revolving fund," which ((~~shall~~)) consists of all license fees, permit fees, penalties, forfeitures, and all other moneys, income, or revenue received by the board, except as provided otherwise in RCW 66.08.2601. The state treasurer shall be custodian of the fund. All moneys received by the board or any employee thereof, except for change funds and an amount of petty cash as fixed by the board within the authority of law shall be deposited each day in a depository approved by the state treasurer and transferred to the state treasurer to be credited to the liquor revolving fund. During the 2009-2011 fiscal biennium, the legislature may transfer funds from the liquor revolving ((~~account [fund]~~)) fund to the state general fund and may direct an additional amount of liquor profits to be distributed to local governments. Neither the transfer of funds nor the additional distribution of liquor profits to local governments during the 2009-2011 fiscal biennium may reduce the excess fund distributions that otherwise would occur under RCW 66.08.190. During the 2011-2013 fiscal biennium, the state treasurer shall transfer from the liquor revolving fund to the state general fund forty-two million five hundred thousand dollars for fiscal year 2012 and forty-two million five hundred thousand dollars for fiscal year 2013. The transfer during the 2011-2013 fiscal biennium may not reduce the excess fund distributions that otherwise would occur under RCW 66.08.190. Sales to licensees are exempt from any liquor price increases that may result from the transfer of funds from the liquor revolving fund to the state general fund during the 2011-2013 fiscal biennium. Disbursements from the revolving fund shall be on authorization of the board or a duly authorized representative thereof. In order to maintain an effective expenditure and revenue control the liquor revolving fund shall be subject in all respects to chapter 43.88 RCW but no appropriation shall be required to permit expenditures and payment of obligations from such fund. During the 2013-2015 and 2015-2017 fiscal biennia, the legislature may transfer from the liquor revolving fund to the state general fund such amounts as reflect the excess fund balance of the account.

NEW SECTION. **Sec.**  Section 10 of 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 June 30, 2017.

NEW SECTION. **Sec.**  Section 8 of this act expires June 30, 2022.

**--- END ---**