

1 1889.E AMS GO S2838.1

2 EHB 1889 - S COMM AMD

3 By Committee on Government Operations

4

5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 43.09.010 and 1965 c 8 s 43.09.010 are each amended
8 to read as follows:

9 The state auditor shall reside and keep his or her office at the
10 seat of government. Before entering upon his or her duties he or she
11 shall execute and deliver to the secretary of state a bond to the state
12 in the sum of fifty thousand dollars, to be approved by the governor,
13 conditioned for the faithful performance of all duties required (~~of~~
14 ~~him~~) by law. He or she shall take an oath of office before any person
15 authorized to administer oaths, and file a copy thereof, together with
16 (~~his~~) the required bond, in the office of the secretary of state.

17 NEW SECTION. Sec. 2. The state auditor may appoint deputies and
18 assistant directors as necessary to carry out the duties of the office
19 of the state auditor. These individuals serve at the pleasure of the
20 state auditor and are exempt from the provisions of chapter 41.06 RCW
21 as stated in RCW 41.06.070(1)(y).

22 NEW SECTION. Sec. 3. The state auditor may appoint and employ
23 other assistants and personnel necessary to carry out the work of the
24 office of the state auditor.

25 NEW SECTION. Sec. 4. The state auditor may contract with public
26 accountants certified in Washington to carry out those portions of the
27 duties of auditing state agencies and local governments as the state
28 auditor may determine.

29 NEW SECTION. Sec. 5. The state auditor, his or her employees and
30 every person legally appointed to perform such service, may issue
31 subpoenas and compulsory process and direct the service thereof by any
32 constable or sheriff, compel the attendance of witnesses and the

1 production of books and papers before him or her at any designated time
2 and place, and may administer oaths.

3 When any person summoned to appear and give testimony neglects or
4 refuses to do so, or neglects or refuses to answer any question that
5 may be put to him or her touching any matter under examination, or to
6 produce any books or papers required, the person making such
7 examination shall apply to a superior court judge of the proper county
8 to issue a subpoena for the appearance of such person before him or
9 her; and the judge shall order the issuance of a subpoena for the
10 appearance of such person forthwith before him or her to give
11 testimony; and if any person so summoned fails to appear, or appearing,
12 refuses to testify, or to produce any books or papers required, he or
13 she shall be subject to like proceedings and penalties for contempt as
14 witnesses in the superior court. Willful false swearing in any such
15 examination shall be perjury and punishable as such.

16 **Sec. 6.** RCW 43.09.170 and 1965 c 8 s 43.09.170 are each amended to
17 read as follows:

18 The state auditor may administer all oaths required by law in
19 matters pertaining to the duties of his or her office.

20 **Sec. 7.** RCW 43.09.180 and 1965 c 8 s 43.09.180 are each amended to
21 read as follows:

22 The state auditor shall keep a seal of office for the
23 identification of all papers, writings, and documents required by law
24 to be certified by him or her, and copies authenticated and certified
25 of all papers and documents lawfully deposited in his or her office
26 shall be received in evidence with the same effect as the originals.

27 NEW SECTION. **Sec. 8.** State agencies and local governments shall
28 immediately report to the state auditor's office known or suspected
29 loss of public funds or assets or other illegal activity.

30 **Sec. 9.** RCW 43.09.200 and 1965 c 8 s 43.09.200 are each amended to
31 read as follows:

32 The state auditor(~~(, through such division,)~~) shall formulate,
33 prescribe, and install a system of accounting and reporting for all
34 local governments, which shall be uniform for every public institution,
35 and every public office, and every public account of the same class.

1 The system shall exhibit true accounts and detailed statements of
2 funds collected, received, and expended for account of the public for
3 any purpose whatever, and by all public officers, employees, or other
4 persons.

5 The accounts shall show the receipt, use, and disposition of all
6 public property, and the income, if any, derived therefrom; all sources
7 of public income, and the amounts due and received from each source;
8 all receipts, vouchers, and other documents kept, or required to be
9 kept, necessary to isolate and prove the validity of every transaction;
10 all statements and reports made or required to be made, for the
11 internal administration of the office to which they pertain; and all
12 reports published or required to be published, for the information of
13 the people regarding any and all details of the financial
14 administration of public affairs.

15 **Sec. 10.** RCW 43.09.205 and 1987 c 120 s 4 are each amended to read
16 as follows:

17 The state auditor(~~(, through the division of municipal~~
18 ~~corporations,)) shall prescribe a standard form with which the accounts
19 and records of costs of all local governments shall be maintained as
20 required under RCW 39.04.070.~~

21 **Sec. 11.** RCW 43.09.220 and 1965 c 8 s 43.09.220 are each amended
22 to read as follows:

23 Separate accounts shall be kept for every public service industry
24 of every local government, which shall show the true and entire cost of
25 the ownership and operation thereof, the amount collected annually by
26 general or special taxation for service rendered to the public, and the
27 amount and character of the service rendered therefor, and the amount
28 collected annually from private users for service rendered to them, and
29 the amount and character of the service rendered therefor.

30 **Sec. 12.** RCW 43.09.230 and 1993 c 18 s 2 are each amended to read
31 as follows:

32 The state auditor shall require from every (~~(taxing district and~~
33 ~~other political subdivisions)) local government financial reports
34 covering the full period of each fiscal year, in accordance with the
35 forms and methods prescribed by the state auditor, which shall be
36 uniform for all accounts of the same class.~~

1 Such reports shall be prepared, certified, and filed with the
2 (~~division~~) state auditor within one hundred fifty days after the
3 close of each fiscal year.

4 The reports shall contain accurate statements, in summarized form,
5 of all collections made, or receipts received, by the officers from all
6 sources; all accounts due the public treasury, but not collected; and
7 all expenditures for every purpose, and by what authority authorized;
8 and also: (1) A statement of all costs of ownership and operation, and
9 of all income, of each and every public service industry owned and
10 operated by a (~~municipality~~) local government; (2) a statement of the
11 entire public debt of every (~~taxing district~~) local government, to
12 which power has been delegated by the state to create a public debt,
13 showing the purpose for which each item of the debt was created, and
14 the provisions made for the payment thereof; (3) a classified statement
15 of all receipts and expenditures by any public institution; and (4) a
16 statement of all expenditures for labor relations consultants, with the
17 identification of each consultant, compensation, and the terms and
18 conditions of each agreement or arrangement; together with such other
19 information as may be required by the state auditor.

20 The reports shall be certified as to their correctness by the state
21 auditor, the state auditor's deputies, or other person legally
22 authorized to make such (~~certificate~~) certification.

23 Their substance shall be published in an annual volume of
24 comparative statistics at the expense of the state as a public
25 document.

26 **Sec. 13.** RCW 43.09.240 and 1991 c 245 s 13 are each amended to
27 read as follows:

28 Every public officer and employee of a local government shall keep
29 all accounts of his or her office in the form prescribed and make all
30 reports required by the state auditor. Any public officer or employee
31 who refuses or willfully neglects to perform such duties shall be
32 subject to removal from office in an appropriate proceeding for that
33 purpose brought by the attorney general or by any prosecuting attorney.

34 Every public officer and employee, whose duty it is to collect or
35 receive payments due or for the use of the public shall deposit such
36 moneys collected or received by him or her with the treasurer of the
37 (~~taxing district~~) local government once every twenty-four consecutive
38 hours. The treasurer may in his or her discretion grant an exception

1 where such daily transfers would not be administratively practical or
2 feasible.

3 In case a public officer or employee collects or receives funds for
4 the account of a (~~taxing district~~) local government of which he or
5 she is an officer or employee, the treasurer shall, by Friday of each
6 week, pay to the proper officer of the (~~taxing district~~) local
7 government for the account of which the collection was made or payment
8 received, the full amount collected or received during the current week
9 for the account of the district.

10 NEW SECTION. Sec. 14. The state auditor has the power to examine
11 all the financial affairs of every local government and its officers
12 and employees.

13 **Sec. 15.** RCW 43.09.260 and 1991 sp.s. c 30 s 26 are each amended
14 to read as follows:

15 (~~The state auditor, the chief examiner, and every state examiner~~
16 ~~shall have power by himself or herself or by any person legally~~
17 ~~appointed to perform the service, to examine into all financial affairs~~
18 ~~of every public office and officer.))~~

19 The examination of the financial affairs of all (~~taxing~~
20 ~~districts~~) local governments shall be made at such reasonable,
21 periodic intervals as the state auditor shall determine. However, an
22 examination of the financial affairs of all (~~taxing districts~~) local
23 governments shall be made at least once in every three years, and an
24 examination of individual local government health and welfare benefit
25 plans and local government self-insurance programs shall be made at
26 least once every two years. The term (~~"taxing districts"~~) local
27 governments for purposes of (~~RCW 43.09.190 through 43.09.285~~) this
28 chapter includes but is not limited to all counties, cities, and other
29 political subdivisions, municipal corporations, and quasi-municipal
30 corporations, however denominated.

31 The state auditor shall establish a schedule to govern the auditing
32 of (~~taxing districts~~) local governments which shall include: A
33 designation of the various classifications of (~~taxing districts~~)
34 local governments; a designation of the frequency for auditing each
35 type of (~~taxing district~~) local government; and a description of
36 events which cause a more frequent audit to be conducted.

1 On every such examination, inquiry shall be made as to the
2 financial condition and resources of the ~~((taxing district))~~ local
3 government; whether the Constitution and laws of the state, the
4 ordinances and orders of the ~~((taxing district))~~ local government, and
5 the requirements of the ~~((division of municipal corporations))~~ state
6 auditor have been properly complied with; and into the methods and
7 accuracy of the accounts and reports.

8 ~~((The state auditor, his or her deputies, every state examiner and
9 every person legally appointed to perform such service, may issue
10 subpoenas and compulsory process and direct the service thereof by any
11 constable or sheriff, compel the attendance of witnesses and the
12 production of books and papers before him or her at any designated time
13 and place, and may administer oaths.~~

14 ~~When any person summoned to appear and give testimony neglects or
15 refuses so to do, or neglects or refuses to answer any question that
16 may be put to him or her touching any matter under examination, or to
17 produce any books or papers required, the person making such
18 examination shall apply to a superior court judge of the proper county
19 to issue a subpoena for the appearance of such person before him or
20 her; and the judge shall order the issuance of a subpoena for the
21 appearance of such person forthwith before him to give testimony; and
22 if any person so summoned fails to appear, or appearing, refuses to
23 testify, or to produce any books or papers required, he or she shall be
24 subject to like proceedings and penalties for contempt as witnesses in
25 the superior court. Willful false swearing in any such examination
26 shall be perjury and punishable as such.))~~

27 A report of such examination shall be made ~~((in triplicate, one
28 copy to be))~~ and filed in the office of ~~((the))~~ state auditor, and one
29 ~~((in))~~ copy shall be transmitted to the ~~((auditing department of the
30 taxing district reported upon, and one in the office of the attorney
31 general))~~ local government. A copy of any report containing findings
32 of noncompliance with state law shall be transmitted to the attorney
33 general. If any such report discloses malfeasance, misfeasance, or
34 nonfeasance in office on the part of any public officer or employee,
35 within thirty days from the receipt of his or her copy of the report,
36 the attorney general shall institute, in the proper county, such legal
37 action as is proper in the premises by civil process and prosecute the
38 same to final determination to carry into effect the findings of the
39 examination.

1 It shall be unlawful for (~~the county commissioners or any board or~~
2 ~~officer~~) any local government or the responsible head thereof, to make
3 a settlement or compromise of any claim arising out of such
4 malfeasance, misfeasance, or nonfeasance, or any action commenced
5 therefor, or for any court to enter upon any compromise or settlement
6 of such action, without the written approval and consent of the
7 attorney general and the state auditor.

8 **Sec. 16.** RCW 43.09.265 and 1979 ex.s. c 218 s 7 are each amended
9 to read as follows:

10 The state auditor(~~(, through the division of municipal~~
11 ~~corporations)~~) shall review the tax levies of all (~~municipal~~
12 ~~corporations~~) local governments in the regular examinations under RCW
13 43.09.260.

14 **Sec. 17.** RCW 43.09.270 and 1993 c 315 s 1 are each amended to read
15 as follows:

16 The expense of (~~maintaining and operating the division of~~
17 ~~municipal corporations~~) auditing local governments and those expenses
18 directly related to (~~the~~) prescribing (~~of~~) accounting systems,
19 training, maintenance of working capital including reserves for late
20 and (~~uncollectable~~) uncollectible accounts and necessary adjustments
21 to billings, and field audit supervision, shall be considered (~~as~~)
22 expenses of auditing public accounts within the meaning of RCW
23 43.09.280 and 43.09.282, and shall be prorated for that purpose equally
24 among all entities directly affected by such service.

25 **Sec. 18.** RCW 43.09.280 and 1979 c 71 s 2 are each amended to read
26 as follows:

27 The expense of auditing public accounts shall be borne by each
28 entity subject to such audit for the auditing of all accounts under its
29 jurisdiction and the state auditor shall certify the expense of such
30 audit to the fiscal or warrant-issuing officer of such entity, who
31 shall immediately make payment to the (~~division of municipal~~
32 ~~corporations~~) state auditor. If the expense as certified is not paid
33 by any (~~taxing district~~) local government within thirty days from the
34 date of certification, the state auditor may certify the expense to the
35 auditor of the county in which the (~~taxing district~~) local government
36 is situated, who shall promptly issue his or her warrant on the county

1 treasurer payable out of the current expense fund of the county, which
2 fund, except as to auditing the financial affairs and making inspection
3 and examination of the county, shall be reimbursed by the county
4 auditor or chief financial officer out of the money due (~~said taxing~~
5 ~~district~~) the local government at the next monthly settlement of the
6 collection of taxes and shall be transferred to the current expense
7 fund.

8 **Sec. 19.** RCW 43.09.2801 and 1992 c 44 s 11 are each amended to
9 read as follows:

10 (1) From July 1, 1992, to June 30, 1995, the state auditor shall
11 charge an entity subject to an audit an additional ten cents per hour
12 billed under RCW 43.09.270 and 43.09.280, to be deposited in the local
13 government administrative (~~hearing[s]~~) hearings account.

14 (2) After June 30, 1995, the state auditor shall base the amount to
15 be collected and deposited into the local government administrative
16 (~~hearing[s]~~) hearings account on the funds remaining in the account
17 on June 30, 1995, and the anticipated caseload for the future.

18 (3) The state auditor may exempt a local government that
19 (~~complies~~) certifies that it is in compliance with RCW 42.41.050 from
20 a charge added under subsection (1) or (2) of this section.

21 **Sec. 20.** RCW 43.09.282 and 1982 c 206 s 2 are each amended to read
22 as follows:

23 For the purposes of centralized funding, accounting, and
24 distribution of the costs of the audits performed on (~~taxing~~
25 ~~districts~~) local governments by the state auditor, there is hereby
26 created (~~a fund~~) an account entitled the municipal revolving (~~fund~~)
27 account. The state treasurer shall be custodian of the (~~fund~~)
28 account. All moneys received by the (~~division of municipal~~
29 ~~corporations~~) state auditor or by any officer or employee thereof
30 shall be deposited with the state treasurer and credited to the
31 municipal revolving (~~fund~~) account. (~~Funds in the municipal~~
32 ~~revolving fund will be spent only after appropriation by the~~
33 ~~legislature. Such appropriated funds shall be administered by the~~
34 ~~division of municipal corporations.~~) Only the state auditor or the
35 auditor's designee may authorize expenditures from the account. No
36 appropriation is required for expenditures. The (~~division of~~
37 ~~municipal corporations~~) state auditor shall keep such records as are

1 necessary to detail the auditing costs attributable to the various
2 types of (~~(taxing districts)~~) local governments.

3 **Sec. 21.** RCW 43.09.290 and 1981 c 336 s 6 are each amended to read
4 as follows:

5 For the purposes of RCW 43.09.290 through 43.09.340 and 43.09.410
6 through 43.09.418, post-audit means an (~~(annual)~~) audit of the books,
7 records, funds, accounts, and financial transactions of a state
8 (~~(department)~~) agency for a complete fiscal period; pre-audit means all
9 other audits and examinations; state (~~(department)~~) agency means
10 elective officers and offices, and every other office, officer,
11 department, board, council, committee, commission, or authority(~~(, or~~
12 ~~agency)~~) of the state government now existing or hereafter created,
13 supported, wholly or in part, by appropriations from the state treasury
14 or funds under its control, or by the levy, assessment, collection, or
15 receipt of fines, penalties, fees, licenses, sales of commodities,
16 service charges, rentals, grants-in-aid, or other income provided by
17 law, and all state educational, penal, reformatory, charitable,
18 eleemosynary, or other institutions, supported, wholly or in part, by
19 appropriations from the state treasury or funds under its control.

20 **Sec. 22.** RCW 43.09.310 and 1981 c 217 s 1 are each amended to read
21 as follows:

22 The state auditor(~~(, through the division of departmental audits,)~~)
23 shall annually audit the state-wide combined financial statements
24 prepared by the office of financial management and make post-audits of
25 state agencies. Post-audits of state agencies shall be made at such
26 periodic intervals as is determined by the state auditor. Audits of
27 combined financial statements shall include determinations as to the
28 validity and accuracy of accounting methods, procedures and standards
29 utilized in their preparation, as well as the accuracy of the financial
30 statements themselves. A report shall be made of each such audit and
31 post-audit upon completion thereof, and one copy shall be transmitted
32 to the governor, one to the director of financial management, (~~(one to~~
33 ~~the attorney general,)~~) one to the state (~~(department)~~) agency audited,
34 one to the legislative budget committee, one each to the standing
35 committees on ways and means of the house and senate, one to the chief
36 clerk of the house, one to the secretary of the senate, and at least
37 one shall be kept on file in the office of the state auditor. (~~(For~~

1 ~~purposes of reporting the annual audit of state-wide combined financial~~
2 ~~statements, "state department audited" refers solely to the office of~~
3 ~~financial management.)) A copy of any report containing findings of
4 noncompliance with state law shall be transmitted to the attorney
5 general.~~

6 **Sec. 23.** RCW 43.09.330 and 1965 c 8 s 43.09.330 are each amended
7 to read as follows:

8 ~~((The state auditor, the chief examiner, and every state examiner~~
9 ~~of the division of departmental audits, for the purpose of making post-~~
10 ~~audits, may issue subpoenas and compulsory process and direct the~~
11 ~~service thereof by any constable or sheriff to compel the attendance of~~
12 ~~witnesses and the production of books and papers before him at any~~
13 ~~designated time and place, and may administer oaths.~~

14 ~~If any person summoned neglects or refuses to appear, or neglects~~
15 ~~or refuses to answer any question that may be put to him touching any~~
16 ~~matter under audit, or to produce any books or papers required, the~~
17 ~~person making such audit shall apply to a superior court judge of the~~
18 ~~county where the hearing arose to issue a subpoena for the appearance~~
19 ~~of such person before him; and the judge shall order the issuance of a~~
20 ~~subpoena for the appearance of such person forthwith before him to give~~
21 ~~testimony; and if any person so summoned fails to appear, or appearing~~
22 ~~refuses to testify or to produce any books or papers required, he shall~~
23 ~~be subject to like proceedings and penalties for contempt as witnesses~~
24 ~~in the superior court. Wilful false swearing in any such examination~~
25 ~~shall be perjury and punishable as such.))~~

26 ~~If any audit of a state agency discloses malfeasance, misfeasance,~~
27 ~~or nonfeasance in office on the part of any public officer or employee,~~
28 ~~within thirty days from the receipt of his or her copy of the report,~~
29 ~~the attorney general shall institute and prosecute in the proper~~
30 ~~county, appropriate legal action to carry into effect the findings of~~
31 ~~such post-audit. It shall be unlawful for any state ((department))~~
32 ~~agency or the responsible head thereof, to make a settlement or~~
33 ~~compromise of any claim arising out of such malfeasance, misfeasance,~~
34 ~~or nonfeasance, or any action commenced therefor, or for any court to~~
35 ~~enter upon any compromise or settlement of such action without the~~
36 ~~written approval and consent of the attorney general and the state~~
37 ~~auditor.~~

1 **Sec. 24.** RCW 43.09.340 and 1979 c 151 s 93 are each amended to
2 read as follows:

3 The governor (~~((may, from time to time))~~) shall, at least every two
4 years, provide for a post-audit of the books, accounts, and records of
5 the state auditor, and the funds under his or her control, to be made
6 either by independent qualified public accountants or the director of
7 financial management, as he or she may determine. The expense of
8 making such audit shall be paid from appropriations made therefor from
9 the general fund.

10 **Sec. 25.** RCW 43.09.410 and 1981 c 336 s 1 are each amended to read
11 as follows:

12 An auditing services revolving (~~((fund))~~) account is hereby created
13 in the state treasury for the purpose of a centralized funding,
14 accounting, and distribution of the actual costs of the audits provided
15 to state (~~((departments))~~) agencies by the state auditor.

16 **Sec. 26.** RCW 43.09.412 and 1987 c 165 s 1 are each amended to read
17 as follows:

18 The amounts to be disbursed from the auditing services revolving
19 (~~((fund))~~) account shall (~~((be transferred thereto by the state~~
20 ~~treasurer))~~) be paid from funds appropriated to any and all state
21 (~~((departments))~~) agencies for auditing services or administrative
22 expenses (~~((on a monthly basis))~~). State (~~((departments))~~) agencies
23 operating in whole or in part from nonappropriated funds shall pay into
24 the auditing services revolving (~~((fund))~~) account such funds as will
25 fully reimburse funds appropriated to the state auditor (~~((for any~~
26 ~~auditing services provided activities financed by nonappropriated~~
27 ~~funds))~~) for auditing services provided.

28 The director of financial management shall allot all such funds to
29 the state auditor for the operation of his or her office, pursuant to
30 appropriation, in the same manner as appropriated funds are allocated
31 to other state (~~((departments))~~) agencies headed by elected officers
32 under chapter 43.88 RCW.

33 **Sec. 27.** RCW 43.09.414 and 1981 c 336 s 3 are each amended to read
34 as follows:

1 Disbursements from the auditing services revolving ((fund)) account
2 shall be made pursuant to vouchers executed by the state auditor or his
3 or her designee in accordance with RCW 43.09.412.

4 **Sec. 28.** RCW 43.09.416 and 1987 c 165 s 2 are each amended to read
5 as follows:

6 The state auditor shall keep such records as are necessary to
7 facilitate proper allocation of costs to funds and accounts and state
8 ((departments)) agencies served and the director of financial
9 management shall prescribe appropriate accounting procedures to
10 accurately allocate costs to funds and accounts and state
11 ((departments)) agencies served. The billing rate shall be established
12 based on costs incurred in the prior biennium and anticipated costs in
13 the new biennium. Those expenses related to training, maintenance of
14 working capital including reserves for late and uncollectible accounts,
15 and necessary adjustments to billings, shall be considered as expenses
16 of auditing public accounts. Working capital shall not exceed five
17 percent of the auditing services revolving ((fund)) account
18 appropriation. ~~((The director of the office of financial management
19 shall establish a committee of at least three certified public
20 accountants with private sector audit experience to prepare general
21 guidelines governing procedures to be used in determining audit costs
22 and standards for measuring auditor productivity. These proposed
23 procedures and productivity standards shall be presented for review by
24 the house and senate committees on ways and means prior to the 1982
25 regular session of the legislature.))~~

26 **Sec. 29.** RCW 43.09.418 and 1981 c 336 s 5 are each amended to read
27 as follows:

28 In cases where there are unanticipated demands for auditing
29 services or where there are insufficient funds on hand or available for
30 payment through the auditing services revolving ((fund)) account or in
31 other cases of necessity, the state auditor may request payment for
32 auditing services directly from state ((departments)) agencies for whom
33 the services are performed to the extent that revenues or other funds
34 are available. Upon approval by the director of financial management
35 the state ((department)) agency shall make the requested payment. The
36 payment may be made on either an advance or reimbursable basis as
37 approved by the director of financial management.

1 **Sec. 30.** RCW 3.30.070 and 1971 c 73 s 3 are each amended to read
2 as follows:

3 The clerk of each district court shall keep uniform records of each
4 case filed and the proceedings had therein including an accounting for
5 all funds received and disbursed. Financial reporting shall be in such
6 form as may be prescribed by the (~~office of the~~) state auditor(~~(7~~
7 ~~division of municipal corporations)~~). The form of other records may be
8 prescribed by the supreme court.

9 **Sec. 31.** RCW 3.62.020 and 1988 c 169 s 3 are each amended to read
10 as follows:

11 (1) Except as provided in subsection (4) of this section, all
12 costs, fees, fines, forfeitures and penalties assessed and collected in
13 whole or in part by district courts, except costs, fines, forfeitures
14 and penalties assessed and collected, in whole or in part, because of
15 the violation of city ordinances, shall be remitted by the clerk of the
16 district court to the county treasurer at least monthly, together with
17 a financial statement as required by the (~~division of municipal~~
18 ~~corporations~~) state auditor, noting the information necessary for
19 crediting of such funds as required by law.

20 (2) The county treasurer shall remit thirty-two percent of the
21 money received under subsection (1) of this section except certain
22 costs to the state treasurer. "Certain costs" as used in this
23 subsection, means those costs awarded to prevailing parties in civil
24 actions under RCW 4.84.010 or 36.18.040, or those costs awarded against
25 convicted defendants in criminal actions under RCW 10.01.160,
26 10.46.190, or 36.18.040, or other similar statutes if such costs are
27 specifically designated as costs by the court and are awarded for the
28 specific reimbursement of costs incurred by the state or county in the
29 prosecution of the case, including the fees of defense counsel. Money
30 remitted under this subsection to the state treasurer shall be
31 deposited as provided in RCW 43.08.250.

32 (3) The balance of the money received by the county treasurer under
33 subsection (1) of this section shall be deposited in the county current
34 expense fund.

35 (4) All money collected for county parking infractions shall be
36 remitted by the clerk of the district court at least monthly, with the
37 information required under subsection (1) of this section, to the
38 county treasurer for deposit in the county current expense fund.

1 **Sec. 32.** RCW 14.08.090 and 1984 c 7 s 4 are each amended to read
2 as follows:

3 Any bonds to be issued by any municipality pursuant to the
4 provisions of this chapter shall be authorized and issued in the manner
5 and within the limitation prescribed by the Constitution and laws of
6 this state or the charter of the municipality for the issuance and
7 authorization of bonds thereof for public purposes generally, secured
8 by the revenues of the airport, a mortgage on facilities, or a general
9 tax levy as allowed by law, if the plan and system resolution are
10 approved by the secretary of transportation or the ~~((division of~~
11 ~~municipal corporations))~~ state auditor.

12 **Sec. 33.** RCW 35.02.132 and 1991 c 360 s 4 are each amended to read
13 as follows:

14 The newly elected officials shall adopt an interim budget for the
15 interim period or until January 1 of the following year, whichever
16 occurs first. A second interim budget shall be adopted for any period
17 between January 1 and the official date of incorporation. These
18 interim budgets shall be adopted in consultation with the ~~((office of~~
19 ~~the))~~ state auditor~~((, division of municipal corporations))~~.

20 The governing body shall adopt a budget for the newly incorporated
21 city or town for the period between the official date of incorporation
22 and January 1 of the following year. The mayor or governing body,
23 whichever is appropriate shall prepare or the governing body may direct
24 the interim city manager to prepare a preliminary budget in detail to
25 be made public at least sixty days before the official date of
26 incorporation as a recommendation for the final budget. The mayor,
27 governing body, or the interim city manager shall submit as a part of
28 the preliminary budget a budget message that contains an explanation of
29 the budget document, an outline of the recommended financial policies
30 and programs of the city or town for the ensuing fiscal year, and a
31 statement of the relation of the recommended appropriation to such
32 policies and programs. Immediately following the release of the
33 preliminary budget, the governing body shall cause to be published a
34 notice once each week for two consecutive weeks of a public hearing to
35 be held at least twenty days before the official date of incorporation
36 on the fixing of the final budget. Any taxpayer may appear and be
37 heard for or against any part of the budget. The governing body may
38 make such adjustments and changes as it deems necessary and may adopt

1 the final budget at the conclusion of the public hearing or at any time
2 before the official date of incorporation.

3 **Sec. 34.** RCW 35.07.230 and 1965 c 7 s 35.07.230 are each amended
4 to read as follows:

5 If any town fails for two successive years to hold its regular
6 municipal election, or if the officers elected at the regular election
7 of any town fail for two successive years to qualify and the government
8 of the town ceases to function by reason thereof, the state auditor
9 (~~through the division of municipal corporations~~) may petition the
10 superior court of the county for an order, dissolving the town. In
11 addition to stating the facts which would justify the entry of such an
12 order, the petition shall set forth a detailed statement of the assets
13 and liabilities of the town insofar as they can be ascertained.

14 **Sec. 35.** RCW 35.21.270 and 1984 c 7 s 20 are each amended to read
15 as follows:

16 The city engineer or the city clerk of each city or town shall
17 maintain records of the receipt and expenditure of all moneys used for
18 construction, repair, or maintenance of streets and arterial highways.
19 To assist in maintaining uniformity in such records, the (~~division~~
20 ~~of municipal corporations~~) state auditor, with the advice and
21 assistance of the department of transportation, shall prescribe forms
22 and types of records to be so maintained.

23 **Sec. 36.** RCW 35.23.121 and 1965 c 7 s 35.24.120 are each amended
24 to read as follows:

25 The city clerk shall keep a full and true record of every act and
26 proceeding of the city council and keep such books, accounts and make
27 such reports as may be required by (~~the division of municipal~~
28 ~~corporations in the office of~~) the state auditor. The city clerk
29 shall record all ordinances, annexing thereto his or her certificate
30 giving the number and title of the ordinance, stating that the
31 ordinance was published and posted according to law and that the record
32 is a true and correct copy thereof. The record copy with the clerk's
33 certificate shall be prima facie evidence of the contents of the
34 ordinance and of its passage and publication and shall be admissible as
35 such evidence in any court or proceeding.

1 The city clerk shall be custodian of the seal of the city and shall
2 have authority to acknowledge the execution of all instruments by the
3 city which require acknowledgment.

4 The city clerk may appoint a deputy for whose acts he or she and
5 his or her bondsmen shall be responsible, and he or she and his or her
6 deputy shall have authority to take all necessary affidavits to claims
7 against the city and certify them without charge.

8 The city clerk shall perform such other duties as may be required
9 by statute or ordinance.

10 **Sec. 37.** RCW 35.23.535 and 1965 c 7 s 35.24.430 are each amended
11 to read as follows:

12 No taxes shall be imposed for maintenance and operating charges of
13 city owned water, light, power, or heating works or systems.

14 Rates shall be fixed by ordinance for supplying water, light,
15 power, or heat for commercial, domestic, or irrigation purposes
16 sufficient to pay for all operating and maintenance charges. If the
17 rates in force produce a greater amount than is necessary to meet
18 operating and maintenance charges, the rates may be reduced or the
19 excess income may be transferred to the city's current expense fund.

20 Complete separate accounts for municipal utilities must be kept
21 under the system and on forms prescribed by the (~~division of municipal~~
22 ~~corporations in the office of the~~) state auditor.

23 The term "maintenance and operating charges," as used in this
24 section includes all necessary repairs, replacement, interest on any
25 debts incurred in acquiring, constructing, repairing and operating
26 plants and departments and all depreciation charges. This term shall
27 also include an annual charge equal to four percent on the cost of the
28 plant or system, as determined by (~~the division of municipal~~
29 ~~corporations in the office of~~) the state auditor to be paid into the
30 current expense fund, except that where utility bonds have been or may
31 hereafter be issued and are unpaid no payment shall be required into
32 the current expense fund until such bonds are paid.

33 **Sec. 38.** RCW 35.27.510 and 1965 c 7 s 35.27.510 are each amended
34 to read as follows:

35 When any special fund of a public utility department of a town has
36 retired all bond and warrant indebtedness and is on a cash basis, if a
37 reserve or depreciation fund has been created in an amount satisfactory

1 to (~~the division of municipal corporations in the office of~~) the
2 state auditor and if the fixing of the rates of the utility is governed
3 by contract with the supplier of water, electrical energy, or other
4 commodity sold by the town to its inhabitants, and the rates are at the
5 lowest possible figure, the town council may set aside such portion of
6 the net earnings of the utility as it may deem advisable and transfer
7 it to the town's current expense fund: PROVIDED, That no amount in
8 excess of fifty percent of the net earnings shall be so set aside and
9 transferred except with the unanimous approval of the council and
10 mayor.

11 **Sec. 39.** RCW 35.33.031 and 1969 ex.s. c 95 s 3 are each amended to
12 read as follows:

13 On or before the second Monday of the fourth month prior to the
14 beginning of the city's or town's next fiscal year, or at such other
15 time as the city or town may provide by ordinance or charter, the clerk
16 shall notify in writing the head of each department of a city or town
17 to file with the clerk within fourteen days of the receipt of such
18 notification, detailed estimates of the probable revenue from sources
19 other than ad valorem taxation and of all expenditures required by his
20 or her department for the ensuing fiscal year. The notice shall be
21 accompanied by the proper forms provided by the clerk, prepared in
22 accordance with the requirements and classification established by
23 (~~the division of municipal corporations in the office of~~) the state
24 auditor. The clerk shall prepare the estimates for interest and debt
25 redemption requirements and all other estimates, the preparation of
26 which falls properly within the duties of his or her office. The chief
27 administrative officers of the city or town shall submit to the clerk
28 detailed estimates of all expenditures proposed to be financed from the
29 proceeds of bonds or warrants not yet authorized, together with a
30 statement of the proposed method of financing them. In the absence or
31 disability of the official or person regularly in charge of a
32 department, the duties herein required shall devolve upon the person
33 next in charge of such department.

34 **Sec. 40.** RCW 35.33.041 and 1969 ex.s. c 95 s 4 are each amended to
35 read as follows:

36 All estimates of receipts and expenditures for the ensuing year
37 shall be fully detailed in the annual budget and shall be classified

1 and segregated according to a standard classification of accounts to be
2 adopted and prescribed by the state auditor (~~((through the division of~~
3 ~~municipal corporations))~~) after consultation with the Washington finance
4 officers association, the association of Washington cities and the
5 association of Washington city managers.

6 **Sec. 41.** RCW 35.33.075 and 1969 ex.s. c 95 s 10 are each amended
7 to read as follows:

8 Following conclusion of the hearing, and prior to the beginning of
9 the fiscal year, the legislative body shall make such adjustments and
10 changes as it deems necessary or proper and after determining the
11 allowance in each item, department, classification and fund, and shall
12 by ordinance, adopt the budget in its final form and content.
13 Appropriations shall be limited to the total estimated revenues
14 contained therein including the amount to be raised by ad valorem taxes
15 and the unencumbered fund balances estimated to be available at the
16 close of the current fiscal year. Such ordinances may adopt the final
17 budget by reference: PROVIDED, That the ordinance adopting such budget
18 shall set forth in summary form the totals of estimated revenues and
19 appropriations for each separate fund and the aggregate totals for all
20 such funds combined.

21 A complete copy of the final budget as adopted shall be transmitted
22 to (~~(the division of municipal corporations in the office of the state~~
23 ~~auditor, and to)~~) the association of Washington cities.

24 **Sec. 42.** RCW 35.33.111 and 1969 ex.s. c 95 s 16 are each amended
25 to read as follows:

26 The (~~(division of municipal corporations in the office of the)~~)
27 state auditor is empowered to make and install the forms and
28 classifications required by this chapter to define what expenditures
29 are chargeable to each budget class and to establish the accounting and
30 cost systems necessary to secure accurate budget information.

31 **Sec. 43.** RCW 35.34.050 and 1985 c 175 s 8 are each amended to read
32 as follows:

33 On or before the second Monday of the fourth month prior to the
34 beginning of the city's or town's next fiscal biennium, or at such
35 other time as the city or town may provide by ordinance or charter, the
36 clerk shall notify in writing the head of each department of a city or

1 town to file with the clerk within fourteen days of the receipt of such
2 notification, detailed estimates of the probable revenue from sources
3 other than ad valorem taxation and of all expenditures required by the
4 department for the ensuing fiscal biennium. The notice shall be
5 accompanied by the proper forms provided by the clerk, prepared in
6 accordance with the requirements and classification established by
7 (~~the division of municipal corporations in the office of~~) the state
8 auditor. The clerk shall prepare the estimates for interest and debt
9 redemption requirements and all other estimates, the preparation of
10 which falls properly within the duties of the clerk's office. The
11 chief administrative officers of the city or town shall submit to the
12 clerk detailed estimates of all expenditures proposed to be financed
13 from the proceeds of bonds or warrants not yet authorized, together
14 with a statement of the proposed method of financing them. In the
15 absence or disability of the official or person regularly in charge of
16 a department, the duties required by this section shall devolve upon
17 the person next in charge of such department.

18 **Sec. 44.** RCW 35.34.060 and 1985 c 175 s 9 are each amended to read
19 as follows:

20 All estimates of receipts and expenditures for the ensuing fiscal
21 biennium shall be fully detailed in the biennial budget and shall be
22 classified and segregated according to a standard classification of
23 accounts to be adopted and prescribed by the state auditor (~~through~~
24 ~~the division of municipal corporations~~) after consultation with the
25 Washington finance officers association, the association of Washington
26 cities, and the association of Washington city managers.

27 **Sec. 45.** RCW 35.34.120 and 1985 c 175 s 15 are each amended to
28 read as follows:

29 Following conclusion of the hearing, and prior to the beginning of
30 the fiscal biennium, the legislative body shall make such adjustments
31 and changes as it deems necessary or proper and, after determining the
32 allowance in each item, department, classification, and fund, shall by
33 ordinance adopt the budget in its final form and content.
34 Appropriations shall be limited to the total estimated revenues
35 contained therein including the amount to be raised by ad valorem taxes
36 and the unencumbered fund balances estimated to be available at the
37 close of the current fiscal biennium. Such ordinances may adopt the

1 final budget by reference. However, the ordinance adopting the budget
2 shall set forth in summary form the totals of estimated revenues and
3 appropriations for each separate fund and the aggregate totals for all
4 such funds combined.

5 A complete copy of the final budget as adopted shall be transmitted
6 to (~~the division of municipal corporations in the office of~~) the
7 state auditor and to the association of Washington cities.

8 **Sec. 46.** RCW 35.34.130 and 1985 c 175 s 16 are each amended to
9 read as follows:

10 The legislative authority of a city or town having adopted the
11 provisions of this chapter shall provide by ordinance for a mid-
12 biennial review and modification of the biennial budget. The ordinance
13 shall provide that such review and modification shall occur no sooner
14 than eight months after the start nor later than conclusion of the
15 first year of the fiscal biennium. The chief administrative officer
16 shall prepare the proposed budget modification and shall provide for
17 publication of notice of hearings consistent with publication of
18 notices for adoption of other city or town ordinances. City or town
19 ordinances providing for a mid-biennium review and modification shall
20 establish procedures for distribution of the proposed modification to
21 members of the city or town legislative authority, procedures for
22 making copies available to the public, and shall provide for public
23 hearings on the proposed budget modification. The budget modification
24 shall be by ordinance approved in the same manner as are other
25 ordinances of the city or town.

26 A complete copy of the budget modification as adopted shall be
27 transmitted to (~~the division of municipal corporations in the office~~
28 ~~of~~) the state auditor and to the association of Washington cities.

29 **Sec. 47.** RCW 35.34.190 and 1985 c 175 s 22 are each amended to
30 read as follows:

31 The (~~division of municipal corporations in the office of the~~)
32 state auditor is empowered to make and install the forms and
33 classifications required by this chapter to define what expenditures
34 are chargeable to each budget class and to establish the accounting and
35 cost systems necessary to secure accurate budget information.

1 **Sec. 48.** RCW 35.76.020 and 1965 c 7 s 35.76.020 are each amended
2 to read as follows:

3 The state auditor(~~(, through the division of municipal~~
4 ~~corporations,)) shall formulate, prescribe, and install a system of~~
5 cost accounting and reporting for each city having a population of more
6 than eight thousand, according to the last official census, which will
7 correctly show all street expenditures by functional categories. The
8 system shall also provide for reporting all revenues available for
9 street purposes from whatever source including local improvement
10 district assessments and state and federal aid.

11 **Sec. 49.** RCW 35.76.030 and 1965 c 7 s 35.76.030 are each amended
12 to read as follows:

13 Consistent with the intent of this chapter as stated in RCW
14 35.76.010, the state auditor, from and after July 1, 1965, (~~through~~
15 ~~the division of municipal corporations,)) is authorized and directed to~~
16 prescribe accounting and reporting procedures for street expenditures
17 for cities and towns having a population of eight thousand or less,
18 according to the last official census.

19 **Sec. 50.** RCW 35.76.050 and 1984 c 7 s 22 are each amended to read
20 as follows:

21 The (~~division of municipal corporations~~) state auditor shall
22 annually make a cost-audit examination of street records for each city
23 and town and make a written report thereon to the legislative body of
24 each city and town. The expense of the examination shall be paid out
25 of that portion of the motor vehicle fund allocated to the cities and
26 towns and withheld for use by the state department of transportation
27 under the terms of RCW 46.68.110(1).

28 **Sec. 51.** RCW 35A.33.030 and 1967 ex.s. c 119 s 35A.33.030 are each
29 amended to read as follows:

30 On or before the second Monday of the fourth month prior to the
31 beginning of the city's next fiscal year, or at such other time as the
32 city may provide by ordinance or charter, the clerk shall notify in
33 writing the head of each department of a code city to file with the
34 clerk within fourteen days of the receipt of such notification,
35 detailed estimates of the probable revenue from sources other than ad
36 valorem taxation and of all expenditures required by his or her

1 department for the ensuing fiscal year. The notice shall be
2 accompanied by the proper forms provided by the clerk, prepared in
3 accordance with the requirements and classification established by the
4 (~~division of municipal corporations in the office of the~~) state
5 auditor. The clerk shall prepare the estimates for interest and debt
6 redemption requirements and all other estimates, the preparation of
7 which falls properly within the duties of his or her office. The chief
8 administrative officers of the city shall submit to the clerk detailed
9 estimates of all expenditures proposed to be financed from the proceeds
10 of bonds or warrants not yet authorized, together with a statement of
11 the proposed method of financing them. In the absence or disability of
12 the official or person regularly in charge of a department, the duties
13 herein required shall devolve upon the person next in charge of such
14 department.

15 **Sec. 52.** RCW 35A.33.040 and 1967 ex.s. c 119 s 35A.33.040 are each
16 amended to read as follows:

17 All estimates of receipts and expenditures for the ensuing year
18 shall be fully detailed in the annual budget and shall be classified
19 and segregated according to a standard classification of accounts to be
20 adopted and prescribed by the state auditor (~~through the division of~~
21 ~~municipal corporations~~) after consultation with the Washington finance
22 officers association, the association of Washington cities and the
23 association of Washington city managers.

24 **Sec. 53.** RCW 35A.33.075 and 1969 ex.s. c 81 s 3 are each amended
25 to read as follows:

26 Following conclusion of the hearing, and prior to the beginning of
27 the fiscal year, the legislative body shall make such adjustments and
28 changes as it deems necessary or proper and after determining the
29 allowance in each item, department, classification and fund, and shall
30 by ordinance, adopt the budget in its final form and content.
31 Appropriations shall be limited to the total estimated revenues
32 contained therein including the amount to be raised by ad valorem taxes
33 and the unencumbered fund balances estimated to be available at the
34 close of the current fiscal year. Such ordinances may adopt the final
35 budget by reference: PROVIDED, That the ordinance adopting such budget
36 shall set forth in summary form the totals of estimated revenues and

1 appropriations for each separate fund and the aggregate totals for all
2 such funds combined.

3 A complete copy of the final budget as adopted shall be transmitted
4 to (~~the division of municipal corporations in the office of~~) the
5 state auditor, and to the association of Washington cities.

6 **Sec. 54.** RCW 35A.33.110 and 1967 ex.s. c 119 s 35A.33.110 are each
7 amended to read as follows:

8 The (~~division of municipal corporations in the office of the~~)
9 state auditor is empowered to make and install the forms and
10 classifications required by this chapter to define what expenditures
11 are chargeable to each budget class and to establish the accounting and
12 cost systems necessary to secure accurate budget information.

13 **Sec. 55.** RCW 35A.34.050 and 1985 c 175 s 37 are each amended to
14 read as follows:

15 On or before the second Monday of the fourth month prior to the
16 beginning of the city's next fiscal biennium, or at such other time as
17 the city may provide by ordinance or charter, the clerk shall notify in
18 writing the head of each department of a city to file with the clerk
19 within fourteen days of the receipt of such notification, detailed
20 estimates of the probable revenue from sources other than ad valorem
21 taxation and of all expenditures required by the department for the
22 ensuing fiscal biennium. The notice shall be accompanied by the proper
23 forms provided by the clerk, prepared in accordance with the
24 requirements and classification established by the (~~division of~~
25 ~~municipal corporations in the office of the~~) state auditor. The clerk
26 shall prepare the estimates for interest and debt redemption
27 requirements and all other estimates, the preparation of which falls
28 properly within the duties of the clerk's office. The chief
29 administrative officers of the city shall submit to the clerk detailed
30 estimates of all expenditures proposed to be financed from the proceeds
31 of bonds or warrants not yet authorized, together with a statement of
32 the proposed method of financing them. In the absence or disability of
33 the official or person regularly in charge of a department, the duties
34 required by this section shall devolve upon the person next in charge
35 of such department.

1 **Sec. 56.** RCW 35A.34.060 and 1985 c 175 s 38 are each amended to
2 read as follows:

3 All estimates of receipts and expenditures for the ensuing fiscal
4 biennium shall be fully detailed in the biennial budget and shall be
5 classified and segregated according to a standard classification of
6 accounts to be adopted and prescribed by the state auditor (~~((through~~
7 ~~the division of municipal corporations))~~) after consultation with the
8 Washington finance officers association, the association of Washington
9 cities, and the association of Washington city managers.

10 **Sec. 57.** RCW 35A.34.120 and 1985 c 175 s 44 are each amended to
11 read as follows:

12 Following conclusion of the hearing, and prior to the beginning of
13 the fiscal biennium, the legislative body shall make such adjustments
14 and changes as it deems necessary or proper and, after determining the
15 allowance in each item, department, classification, and fund, shall by
16 ordinance adopt the budget in its final form and content.
17 Appropriations shall be limited to the total estimated revenues
18 contained therein including the amount to be raised by ad valorem taxes
19 and the unencumbered fund balances estimated to be available at the
20 close of the current fiscal biennium. Such ordinances may adopt the
21 final budget by reference. However, the ordinance adopting the budget
22 shall set forth in summary form the totals of estimated revenues and
23 appropriations for each separate fund and the aggregate totals for all
24 such funds combined.

25 A complete copy of the final budget as adopted shall be transmitted
26 to (~~((the division of municipal corporations in the office of))~~) the
27 state auditor and to the association of Washington cities.

28 **Sec. 58.** RCW 35A.34.130 and 1985 c 175 s 45 are each amended to
29 read as follows:

30 The legislative authority of a city having adopted the provisions
31 of this chapter shall provide by ordinance for a mid-biennial review
32 and modification of the biennial budget. The ordinance shall provide
33 that such review and modification shall occur no sooner than eight
34 months after the start nor later than conclusion of the first year of
35 the fiscal biennium. The chief administrative officer shall prepare
36 the proposed budget modification and shall provide for publication of
37 notice of hearings consistent with publication of notices for adoption

1 of other city ordinances. City ordinances providing for a mid-biennium
2 review and modification shall establish procedures for distribution of
3 the proposed modification to members of the city legislative authority,
4 procedures for making copies available to the public, and shall provide
5 for public hearings on the proposed budget modification. The budget
6 modification shall be by ordinance approved in the same manner as are
7 other ordinances of the city.

8 A complete copy of the budget modification as adopted shall be
9 transmitted to (~~the division of municipal corporations in the office~~
10 ~~of~~) the state auditor and to the association of Washington cities.

11 **Sec. 59.** RCW 35A.34.190 and 1985 c 175 s 51 are each amended to
12 read as follows:

13 The (~~division of municipal corporations in the office of the~~)
14 state auditor is empowered to make and install the forms and
15 classifications required by this chapter to define what expenditures
16 are chargeable to each budget class and to establish the accounting and
17 cost systems necessary to secure accurate budget information.

18 **Sec. 60.** RCW 35A.37.010 and 1983 c 3 s 62 are each amended to read
19 as follows:

20 Code cities shall establish such funds for the segregation,
21 budgeting, expenditure and accounting for moneys received for special
22 purposes as are required by general law applicable to such cities'
23 activities and the officers thereof shall pay into, expend from, and
24 account for such moneys in the manner provided therefor including but
25 not limited to the requirements of the following:

- 26 (1) Accounting funds as required by RCW 35.37.010;
- 27 (2) Annexation and consolidation fund as required by chapters 35.10
28 and 35.13 RCW;
- 29 (3) Assessment fund as required by RCW 8.12.480;
- 30 (4) Equipment rental fund as authorized by RCW 35.21.088;
- 31 (5) Current expense fund as required by RCW 35.37.010, usually
32 referred to as the general fund;
- 33 (6) Local improvement guaranty fund as required by RCW 35.54.010;
- 34 (7) An indebtedness and sinking fund, together with separate funds
35 for utilities and institutions as required by RCW 35.37.020;
- 36 (8) Local improvement district fund and revolving fund as required
37 by RCW 35.45.130 and 35.48.010;

1 (9) City street fund as required by chapter 35.76 RCW and RCW
2 47.24.040;

3 (10) Firemen's relief and pension fund as required by chapters
4 41.16 and 41.18 RCW;

5 (11) Policemen's relief and pension fund as required by RCW
6 41.20.130 and 63.32.030;

7 (12) First class cities' employees retirement and pension system as
8 authorized by chapter 41.28 RCW;

9 (13) Applicable rules of the (~~division of municipal corporations~~
10 ~~office of~~) state auditor. (~~RCW 43.09.190 through 43.09.282.~~)

11 **Sec. 61.** RCW 36.22.140 and 1963 c 4 s 36.22.140 are each amended
12 to read as follows:

13 Each county auditor or chief financial officer shall be ex officio
14 deputy (~~supervisor~~) of the (~~division of municipal corporations~~)
15 state auditor for the purpose of accounting and reporting on municipal
16 corporations and in such capacity shall be under the direction of the
17 (~~chief supervisor~~) state auditor, but he or she shall receive no
18 additional salary or compensation by virtue thereof and shall perform
19 no duties as such, except in connection with county business.

20 **Sec. 62.** RCW 36.40.030 and 1963 c 4 s 36.40.030 are each amended
21 to read as follows:

22 The estimates required in RCW 36.40.010 and 36.40.020 shall be
23 submitted on forms provided by the county auditor or chief financial
24 officer and classified according to the classification established by
25 the (~~division of municipal corporations~~) state auditor. The county
26 auditor or chief financial officer shall provide such forms. He or she
27 shall also prepare the estimates for interest and debt redemption
28 requirements and any other estimates the preparation of which properly
29 falls within the duties of his or her office.

30 Each such official shall file his or her estimates within the time
31 and in the manner provided in the notice and form and the county
32 auditor or chief financial officer shall deduct and withhold as a
33 penalty from the salary of each official failing or refusing to file
34 such estimates as herein provided, the sum of ten dollars for each day
35 of delay: PROVIDED, That the total penalty against any one official
36 shall not exceed fifty dollars in any one year.

1 In the absence or disability of any official the duties required
2 herein shall devolve upon the official or employee in charge of the
3 office, department, service, or institution for the time being. The
4 notice shall contain a copy of this penalty clause.

5 **Sec. 63.** RCW 36.40.040 and 1973 c 39 s 1 are each amended to read
6 as follows:

7 Upon receipt of the estimates the county auditor or chief financial
8 officer shall prepare the county budget which shall set forth the
9 complete financial program of the county for the ensuing fiscal year,
10 showing the expenditure program and the sources of revenue by which it
11 is to be financed.

12 The revenue section shall set forth the estimated receipts from
13 sources other than taxation for each office, department, service, or
14 institution for the ensuing fiscal year, the actual receipts for the
15 first six months of the current fiscal year and the actual receipts for
16 the last completed fiscal year, the estimated surplus at the close of
17 the current fiscal year and the amount proposed to be raised by
18 taxation.

19 The expenditure section shall set forth in comparative and tabular
20 form by offices, departments, services, and institutions the estimated
21 expenditures for the ensuing fiscal year, the appropriations for the
22 current fiscal year, the actual expenditures for the first six months
23 of the current fiscal year including all contracts or other obligations
24 against current appropriations, and the actual expenditures for the
25 last completed fiscal year.

26 All estimates of receipts and expenditures for the ensuing year
27 shall be fully detailed in the annual budget and shall be classified
28 and segregated according to a standard classification of accounts to be
29 adopted and prescribed by the state auditor (~~((through the division of~~
30 ~~municipal corporations))~~) after consultation with the Washington state
31 association of counties and the Washington state association of
32 (~~(elected)~~) county officials.

33 The county auditor or chief financial officer shall set forth
34 separately in the annual budget to be submitted to the (~~(board of)~~)
35 county (~~(commissioners)~~) legislative authority the total amount of
36 emergency warrants issued during the preceding fiscal year, together
37 with a statement showing the amount issued for each emergency, and the
38 board shall include in the annual tax levy, a levy sufficient to raise

1 an amount equal to the total of such warrants: PROVIDED, That the
2 board may fund the warrants or any part thereof into bonds instead of
3 including them in the budget levy.

4 **Sec. 64.** RCW 36.40.080 and 1963 c 4 s 36.40.080 are each amended
5 to read as follows:

6 Upon the conclusion of the budget hearing the (~~board of~~) county
7 (~~commissioners~~) legislative authority shall fix and determine each
8 item of the budget separately and shall by resolution adopt the budget
9 as so finally determined and enter the same in detail in the official
10 minutes of the board, a copy of which budget shall be forwarded to the
11 (~~division of municipal corporations~~) state auditor.

12 **Sec. 65.** RCW 36.40.220 and 1963 c 4 s 36.40.220 are each amended
13 to read as follows:

14 The (~~division of municipal corporations~~) state auditor may make
15 such rules, classifications, and forms as may be necessary to carry out
16 the provisions in respect to county budgets, define what expenditures
17 shall be chargeable to each budget account, and establish such
18 accounting and cost systems as may be necessary to provide accurate
19 budget information.

20 **Sec. 66.** RCW 36.47.060 and 1969 ex.s. c 5 s 5 are each amended to
21 read as follows:

22 The financial records of the Washington state association of county
23 officials shall be subject to audit by the (~~Washington~~) state
24 (~~division of municipal corporations~~) auditor.

25 **Sec. 67.** RCW 36.68.530 and 1981 c 210 s 11 are each amended to
26 read as follows:

27 The governing body of each park and recreation service area shall
28 annually compile a budget for each service area in a form prescribed by
29 the state (~~division of municipal corporations~~) auditor for the
30 ensuing calendar year which shall, to the extent that anticipated
31 income is actually realized, constitute the appropriations for the
32 service area. The budget may include an amount to accumulate a reserve
33 for a stated capital purpose. In compiling the budget, all available
34 funds and anticipated income shall be taken into consideration,
35 including contributions or contractual payments from school districts,

1 cities, or towns, county or any other governmental entity, gifts and
2 donations, special tax levy, fees and charges, proceeds of bond issues,
3 and cumulative reserve funds.

4 **Sec. 68.** RCW 36.69.160 and 1963 c 4 s 36.69.160 are each amended
5 to read as follows:

6 The board of park and recreation commissioners of each park and
7 recreation district shall annually compile a budget, in form prescribed
8 by the state (~~((division of municipal corporations))~~) auditor, for the
9 ensuing calendar year, and which shall, to the extent that anticipated
10 income is actually realized, constitute the appropriations for the
11 district. The budget may include an amount to accumulate a reserve for
12 a stated capital purpose. In compiling the budget, all available funds
13 and anticipated income shall be taken into consideration, including
14 contributions or contractual payments from school districts, cities or
15 towns, county, or any other governmental unit; gifts and donations;
16 special tax levy; assessments; fees and charges; proceeds of bond
17 issues; cumulative reserve funds.

18 **Sec. 69.** RCW 36.80.080 and 1985 c 120 s 3 are each amended to read
19 as follows:

20 The (~~((division of municipal corporations))~~) state auditor shall
21 annually make a cost-audit examination of the books and records of the
22 county road engineer and make a written report thereon to the county
23 legislative authority. The expense of the examination shall be paid
24 from the county road fund.

25 **Sec. 70.** RCW 36.82.200 and 1963 c 4 s 36.82.200 are each amended
26 to read as follows:

27 The board shall hold such hearing at the time and place designated
28 in the notice, and it may be continued from day to day until concluded
29 but not to exceed a total of five days. Upon the conclusion of the
30 hearing the board shall fix and determine the supplemental budget and
31 by resolution adopt it as finally determined and enter it in detail in
32 the official minutes of the board, (~~((copies))~~) a copy of which
33 supplemental budget shall be forwarded(~~((, one))~~) to the director (~~((and
34 one to the division of municipal corporations))~~).

1 **Sec. 71.** RCW 40.14.070 and 1982 c 36 s 6 are each amended to read
2 as follows:

3 County, municipal, and other local government agencies may request
4 authority to destroy noncurrent public records having no further
5 administrative or legal value by submitting to the division of archives
6 and records management lists of such records on forms prepared by the
7 division. The archivist (~~(and the chief examiner of the division of~~
8 ~~municipal corporations of the office of)~~), a representative appointed
9 by the state auditor, and a representative appointed by the attorney
10 general shall constitute a committee, known as the local records
11 committee, which shall review such lists and which may veto the
12 destruction of any or all items contained therein.

13 A local government agency, as an alternative to submitting lists,
14 may elect to establish a records control program based on recurring
15 disposition schedules recommended by the agency to the local records
16 committee. The schedules are to be submitted on forms provided by the
17 division of archives and records management to the local records
18 committee, which may either veto, approve, or amend the schedule.
19 Approval of such schedule or amended schedule shall be by unanimous
20 vote of the local records committee. Upon such approval, the schedule
21 shall constitute authority for the local government agency to destroy
22 the records listed thereon, after the required retention period, on a
23 recurring basis until the schedule is either amended or revised by the
24 committee.

25 Except as otherwise provided by law, no public records shall be
26 destroyed until approved for destruction by the local records
27 committee. Official public records shall not be destroyed unless:

28 (1) The records are six or more years old;

29 (2) The department of origin of the records has made a satisfactory
30 showing to the state records committee that the retention of the
31 records for a minimum of six years is both unnecessary and
32 uneconomical, particularly where lesser federal retention periods for
33 records generated by the state under federal programs have been
34 established; or

35 (3) The originals of official public records less than six years
36 old have been copied or reproduced by any photographic, photostatic,
37 microfilm, miniature photographic, or other process approved by the
38 state archivist which accurately reproduces or forms a durable medium
39 for so reproducing the original.

1 An automatic reduction of retention periods from seven to six years
2 for official public records on record retention schedules existing on
3 June 10, 1982, shall not be made, but the same shall be reviewed
4 individually by the local records committee for approval or disapproval
5 of the change to a retention period of six years.

6 The state archivist may furnish appropriate information,
7 suggestions, and guidelines to local government agencies for their
8 assistance in the preparation of lists and schedules or any other
9 matter relating to the retention, preservation, or destruction of
10 records under this chapter. The local records committee may adopt
11 appropriate regulations establishing procedures to be followed in such
12 matters.

13 Records of county, municipal, or other local government agencies,
14 designated by the archivist as of primarily historical interest, may be
15 transferred to a recognized depository agency.

16 **Sec. 72.** RCW 42.24.080 and 1965 c 116 s 1 are each amended to read
17 as follows:

18 All claims presented against any county, city, district or other
19 municipal corporation or political subdivision by persons furnishing
20 materials, rendering services or performing labor, or for any other
21 contractual purpose, shall be audited, before payment, by an auditing
22 officer elected or appointed pursuant to statute or, in the absence of
23 statute, an appropriate charter provision, ordinance or resolution of
24 the municipal corporation or political subdivision. Such claims shall
25 be prepared for audit and payment on a form and in the manner
26 prescribed by the (~~division of municipal corporations in the~~) state
27 auditor(~~'s office~~). The form shall provide for the authentication
28 and certification by such auditing officer that the materials have been
29 furnished, the services rendered or the labor performed as described,
30 and that the claim is a just, due and unpaid obligation against the
31 municipal corporation or political subdivision; and no claim shall be
32 paid without such authentication and certification: PROVIDED, That the
33 certificates as to claims of officers and employees of a county, city,
34 district or other municipal corporation or political subdivision, for
35 services rendered, shall be made by the person charged with the duty of
36 preparing and submitting vouchers for the payment of services, and he
37 or she shall certify that the claim is just, true and unpaid, which
38 certificate shall be part of the voucher.

1 **Sec. 73.** RCW 42.24.090 and 1981 c 56 s 1 are each amended to read
2 as follows:

3 No claim for reimbursement of any expenditures by officers or
4 employees of any municipal corporation or political subdivision of the
5 state for transportation, lodging, meals or any other purpose shall be
6 allowed by any officer, employee or board charged with auditing
7 accounts unless the same shall be presented in a detailed account:
8 PROVIDED, That, unless otherwise authorized by law, the legislative
9 body of any municipal corporation or political subdivision of the state
10 may prescribe by ordinance or resolution the amounts to be paid
11 officers or employees thereof as reimbursement for the use of their
12 personal automobiles or other transportation equipment in connection
13 with officially assigned duties and other travel for approved public
14 purposes, or as reimbursement to such officers or employees in lieu of
15 actual expenses incurred for lodging, meals or other purposes. The
16 rates for such reimbursements may be computed on a mileage, hourly, per
17 diem, monthly, or other basis as the respective legislative bodies
18 shall determine to be proper in each instance: PROVIDED, That in lieu
19 of such reimbursements, payments for the use of personal automobiles
20 for official travel may be established if the legislative body
21 determines that these payments would be less costly to the municipal
22 corporation or political subdivision of the state than providing
23 automobiles for official travel.

24 All claims authorized under this section shall be duly certified by
25 the officer or employee submitting such claims on forms and in the
26 manner prescribed by the (~~division of municipal corporations in the~~
27 ~~office of the~~) state auditor.

28 **Sec. 74.** RCW 53.06.060 and 1961 c 31 s 6 are each amended to read
29 as follows:

30 The financial records of the Washington public ports association
31 shall be subject to audit by the (~~Washington state division of~~
32 ~~municipal corporations of the~~) state auditor.

33 **Sec. 75.** RCW 56.08.110 and 1973 1st ex.s. c 195 s 62 are each
34 amended to read as follows:

35 To improve the organization and operation of sewer districts, the
36 commissioners of two or more such districts may form an association
37 thereof, for the purpose of securing and disseminating information of

1 value to the members of the association and for the purpose of
2 promoting the more economical and efficient operation of the
3 comprehensive plans of sewer systems in their respective districts.
4 The commissioners of sewer districts so associated shall adopt articles
5 of association, select such officers as they may determine, and employ
6 and discharge such agents and employees as shall be deemed convenient
7 to carry out the purposes of the association. Sewer district
8 commissioners and their employees are authorized to attend meetings of
9 the association. The expense of the association may be paid from the
10 maintenance or general funds of the associated districts in such manner
11 as shall be provided in the articles of association: PROVIDED, That
12 the aggregate contributions made to the association by the district in
13 any calendar year shall not exceed the amount which would be raised by
14 a levy of two and one-half cents per thousand dollars of assessed value
15 against the taxable property of the district. The financial records of
16 such association shall be subject to audit by the ((Washington state
17 ~~division of municipal corporations of the~~) state auditor.

18 **Sec. 76.** RCW 57.08.110 and 1973 1st ex.s. c 195 s 68 are each
19 amended to read as follows:

20 To improve the organization and operation of water districts, the
21 commissioners of two or more such districts may form an association
22 thereof, for the purpose of securing and disseminating information of
23 value to the members of the association and for the purpose of
24 promoting the more economical and efficient operation of the
25 comprehensive plans of water supply in their respective districts. The
26 commissioners of water districts so associated shall adopt articles of
27 association, select such officers as they may determine, and employ and
28 discharge such agents and employees as shall be deemed convenient to
29 carry out the purposes of the association. Water district
30 commissioners and employees are authorized to attend meetings of the
31 association. The expense of the association may be paid from the
32 maintenance or general funds of the associated districts in such manner
33 as shall be provided in the articles of association: PROVIDED, That
34 the aggregate contributions made to the association by the district in
35 any calendar year shall not exceed the amount which would be raised by
36 a levy of two and one-half cents per thousand dollars of assessed value
37 against the taxable property of the district. The financial records of

1 such association shall be subject to audit by the (~~Washington state~~
2 ~~division of municipal corporations of the~~) state auditor.

3 **Sec. 77.** RCW 70.12.070 and 1991 c 3 s 316 are each amended to read
4 as follows:

5 The public health pool fund shall be subject to audit by the
6 (~~division of departmental audits~~) state auditor and shall be subject
7 to check by the state department of health.

8 NEW SECTION. **Sec. 78.** The following acts or parts of acts are
9 each repealed:

- 10 (1) RCW 43.09.030 and 1965 c 8 s 43.09.030;
11 (2) RCW 43.09.040 and 1965 c 8 s 43.09.040;
12 (3) RCW 43.09.190 and 1965 c 8 s 43.09.190;
13 (4) RCW 43.09.250 and 1988 c 52 s 1 & 1965 c 8 s 43.09.250; and
14 (5) RCW 43.09.300 and 1988 c 53 s 1 & 1965 c 8 s 43.09.300.

15 NEW SECTION. **Sec. 79.** Sections 2 through 5, 8, and 14 of this act
16 are each added to chapter 43.09 RCW."

17 **EHB 1889** - S COMM AMD
18 By Committee on Government Operations

19
20 On page 1, line 2 of the title, after "auditor;" strike the
21 remainder of the title and insert "amending RCW 43.09.010, 43.09.170,
22 43.09.180, 43.09.200, 43.09.205, 43.09.220, 43.09.230, 43.09.240,
23 43.09.260, 43.09.265, 43.09.270, 43.09.280, 43.09.2801, 43.09.282,
24 43.09.290, 43.09.310, 43.09.330, 43.09.340, 43.09.410, 43.09.412,
25 43.09.414, 43.09.416, 43.09.418, 3.30.070, 3.62.020, 14.08.090,
26 35.02.132, 35.07.230, 35.21.270, 35.23.121, 35.23.535, 35.27.510,
27 35.33.031, 35.33.041, 35.33.075, 35.33.111, 35.34.050, 35.34.060,
28 35.34.120, 35.34.130, 35.34.190, 35.76.020, 35.76.030, 35.76.050,
29 35A.33.030, 35A.33.040, 35A.33.075, 35A.33.110, 35A.34.050, 35A.34.060,
30 35A.34.120, 35A.34.130, 35A.34.190, 35A.37.010, 36.22.140, 36.40.030,
31 36.40.040, 36.40.080, 36.40.220, 36.47.060, 36.68.530, 36.69.160,
32 36.80.080, 36.82.200, 40.14.070, 42.24.080, 42.24.090, 53.06.060,
33 56.08.110, 57.08.110, and 70.12.070; adding new sections to chapter

1 43.09 RCW; and repealing RCW 43.09.030, 43.09.040, 43.09.190,
2 43.09.250, and 43.09.300."

--- **END** ---