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HOUSE BILL 2223

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State of Washington                      56th Legislature                      1999 Regular Session

By Representatives Conway, Clements and Kenney

Read first time 02/22/1999. Referred to Committee on Commerce & Labor.

1            AN    ACT    Relating   to   telecommunications   contractors   and  
2   installations; amending RCW 43.84.092 and 43.84.092; adding a new  
3   chapter to Title 18 RCW; prescribing penalties; providing an effective  
4   date; and providing an expiration date.

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

6            NEW SECTION.    **Sec. 1.**    Definitions.    The definitions of this  
7   section apply throughout this chapter unless the context clearly  
8   requires otherwise.

9            (1) "Backbone cabling systems" means a system that provides  
10   interconnections between telecommunications closets, equipment rooms,  
11   and entrance facilities in the telecommunications cabling system  
12   structure.    Backbone cabling consists of the backbone cables,  
13   intermediate and main cross-connects, mechanical terminations, and  
14   patch cords or jumpers used for backbone to backbone cross-connection.  
15   Backbone cabling also includes cabling between buildings.

16            (2) "Board" means the telecommunications board created in section  
17   5 of this act.

18            (3) "Department" means the department of labor and industries.

1 (4) "Director" means the director of the department or the  
2 director's designee.

3 (5) "Horizontal cabling systems" means the portions of the  
4 telecommunications cabling system that extends from the work area  
5 telecommunications outlet or connector to the telecommunications  
6 closet. The horizontal cabling includes the horizontal cables, the  
7 telecommunications outlet or connector in the work area, the mechanical  
8 termination, and horizontal cross-connections located in the  
9 telecommunications closet.

10 (6) "Network demarcation point" means the point or interconnection  
11 between the service provider's communications cabling, terminal  
12 equipment, and protective apparatus and the customer's premises  
13 telecommunications cabling system. The location of this point for  
14 regulated carriers is determined by federal and state regulations. The  
15 carrier should be contacted to determine the location policies in  
16 effect in the area.

17 (7) "Scope of work" means the work of a telecommunications  
18 contractor. This includes the installation, maintenance, and testing  
19 of telecommunications systems, equipment, and associated hardware. The  
20 scope includes installations of supporting hardware, pathway systems,  
21 and cable management systems, which excludes cable tray and conduit  
22 raceway systems. The scope also includes open wiring systems of  
23 telecommunications cables, surface nonmetallic raceways designated and  
24 used exclusively for telecommunications, optical fiber innerduct  
25 raceways, underground raceways designated and used exclusively for  
26 telecommunications, and installed for additions or extensions to  
27 existing telecommunications systems not to exceed fifty feet inside the  
28 building, and incidental short sections of circular or surface metal  
29 raceway, not to exceed ten feet, for access or protection of  
30 telecommunications cabling. A telecommunications contractor may  
31 install cable tray and ladder rack in telecommunications service  
32 entrance rooms, spaces, or closets.

33 (8) "Telecommunications administrator" means a person designated by  
34 a telecommunications contractor to supervise the installation of  
35 telecommunications systems in accordance with rules adopted under this  
36 chapter.

37 (9) "Telecommunications closet" means a room for housing  
38 telecommunications equipment, cable terminations, and cross-connect  
39 wiring that serve that particular floor. The closet is the recognized

1 transition point between the backbone and horizontal pathway  
2 facilities.

3 (10) "Telecommunications contractor" means a person, firm,  
4 partnership, corporation, or other entity that advertises, offers to  
5 undertake, undertakes, submits a bid for, or does the work of  
6 installing or maintaining telecommunications systems.

7 (11) "Telecommunications service entrance room or space" means a  
8 room or space used as the building serving facility in which the  
9 joining of interbuilding and intrabuilding backbone facilities takes  
10 place. The service entrance room may also house electronic equipment  
11 serving any telecommunications function.

12 (12) "Telecommunications systems" means structured cabling systems  
13 that begin at the demarcation point between the local service provider  
14 and the customer's premises structured cabling system. A structured  
15 cabling system is the complete collective configuration of cabling and  
16 associated hardware at a given site and installed to perform specific  
17 telecommunications functions.

18 (a) Telecommunications systems encompass all forms of information  
19 generation, processing, and transporting of signals conveyed  
20 electronically or optically within or between buildings, including  
21 voice, data, video, and audio.

22 (b) Telecommunications systems include structured cabling systems,  
23 compatible connecting hardware, telecommunications equipment, premises  
24 switching equipment, infrared, fiber optic, radio-frequency, and other  
25 limited-energy interconnections associated with telecommunications  
26 systems or appliances.

27 (c) Telecommunications systems do not include horizontal cabling  
28 used for fire protection signaling systems, intrusion alarms, access  
29 control systems, patient monitoring systems, energy management control  
30 systems, industrial and automation control systems, HVAC/refrigeration  
31 control systems, lighting control systems, and stand-alone amplified  
32 sound or public address systems.

33 (d) Telecommunications systems may interface with other building  
34 signal systems including security, alarms, and energy management at  
35 cross-connection junctions within telecommunications closets or at  
36 extended points of demarcation. Telecommunications systems do not  
37 include the installation or termination of premises line voltage  
38 service, feeder, or branch circuit conductors or equipment.

1 (13) "Workstation" means a building space where the occupant  
2 normally interacts with telecommunications equipment. The  
3 telecommunications outlet in the work area is the point at which end-  
4 user equipment plugs into the building telecommunications utility  
5 formed by the pathway, space, and building wiring system.

6 NEW SECTION. **Sec. 2.** (1) All installations of wires and equipment  
7 defined as telecommunications systems are subject to the requirements  
8 of this chapter. Installations shall be in conformity with approved  
9 methods of construction for safety to life and property. The national  
10 electrical code approved standards of the telecommunications industries  
11 association, the electronic industries association, the American  
12 national standards institute, and other safety standards approved by  
13 the department shall be evidence of approved methods of installation.

14 (2) This chapter may not limit the authority or power of any city  
15 or town to enact and enforce under authority given by law in RCW  
16 19.28.360, any ordinance, or rule requiring an equal, higher, or better  
17 standard of construction and an equal, higher, or better standard of  
18 materials, devices, appliances, and equipment than that required by  
19 this chapter.

20 NEW SECTION. **Sec. 3.** (1) It is unlawful for any person, firm,  
21 partnership, corporation, or other entity to advertise, offer to do  
22 work, submit a bid, engage in, conduct, or carry on the business of  
23 installing or maintaining telecommunications systems without having a  
24 telecommunications contractor registration. Telecommunications  
25 contractors registered under this chapter are not required to be  
26 registered under chapter 18.27 RCW or licensed under chapter 19.28 RCW.  
27 All telecommunications registrations expire twenty-four calendar months  
28 following the day of their issue. A telecommunications contractor  
29 registration is not required for persons making telecommunications  
30 installations on their own property or for regularly employed employees  
31 working on the premises of their employer.

32 (2) Application for a telecommunications contractor registration  
33 shall be made in writing to the department accompanied by the required  
34 fee. The applications shall state:

35 (a) The name and address of the applicant. In the case of firms or  
36 partnerships, the applications shall state the names of the individuals  
37 composing the firm or partnership. In the case of corporations, the

1 applications shall state the names of the corporation's managing  
2 officials;

3 (b) The location of the place of business of the applicant and the  
4 name under which the business is conducted;

5 (c) The employer social security number or tax identification  
6 number;

7 (d) Evidence of workers' compensation coverage for the applicant's  
8 employees working in Washington, as follows:

9 (i) The applicant's industrial insurance account number issued by  
10 the department;

11 (ii) The applicant's self-insurer number issued by the department;  
12 or

13 (iii) For applicants domiciled in a state or province of Canada  
14 subject to an agreement entered into under RCW 51.12.120(7), as  
15 permitted by the agreement, filing a certificate of coverage issued by  
16 the agency that administers the workers' compensation law in the  
17 applicant's state or province of domicile certifying that the applicant  
18 has secured the payment of compensation under the other state's or  
19 province's workers' compensation law;

20 (e) The employment security department number; and

21 (f) The state excise tax registration number.

22 (3) The unified business identifier account number may be  
23 substituted for the information required by subsection (2)(d), (e), and  
24 (f) of this section if the applicant will not employ employees in  
25 Washington.

26 (4) The department may verify the workers' compensation coverage  
27 information provided by the applicant under subsection (2)(d) of this  
28 section including, but not limited to, information regarding the  
29 coverage of an individual employee of the applicant. If coverage is  
30 provided under the laws of another state, the department may notify the  
31 other state that the applicant is employing employees in Washington.

32 (5) To obtain a telecommunications contractor registration the  
33 applicant must designate an individual who currently possesses a  
34 telecommunications administrator certificate. To obtain an  
35 administrator's certificate an individual must pass an examination as  
36 set forth in section 4 of this act. Examination criteria will be  
37 determined by the board.

38 (6) No examination may be required of any applicant for an  
39 administrator certificate who was engaged as a bona fide registered or

1 licensed contractor performing telecommunications installations, or of  
2 an employee, principle, or officer of a bona fide registered or  
3 licensed contractor performing telecommunications installations in the  
4 state of Washington on or before the effective date of this section.  
5 Applicants qualifying under this section shall be issued an  
6 administrator certificate by the department upon making an application  
7 and paying the required fee. Individuals must apply before July 1,  
8 2003, to qualify for an administrator certificate without examination  
9 under this section. The board shall certify to the department the  
10 names of all persons entitled to this administrator certificate.

11 (7) The application for a contractor registration shall be  
12 accompanied by a bond in the sum of four thousand dollars with the  
13 state of Washington named as obligee in the bond, with good and  
14 sufficient surety, to be approved by the department. The bond shall at  
15 all times be kept in full force and effect, and any cancellation or  
16 revocation thereof, or withdrawal of the surety therefrom, suspends the  
17 registration issued to the principal until a new bond has been filed  
18 and approved as provided in this section. Upon approval of a bond, the  
19 department shall, on the next business day, deposit the fee  
20 accompanying the application in the telecommunications fund and shall  
21 file the bond in the office. The department shall, upon request,  
22 furnish to any person, firm, partnership, corporation, or other entity  
23 a certified copy of the bond upon the payment of a fee that the  
24 department shall set by rule. The fee shall cover but not exceed the  
25 cost of furnishing the certified copy. The bond shall be conditioned  
26 that the principal will pay for all labor, including employee benefits,  
27 and material furnished or used upon the work, taxes and contributions  
28 to the state of Washington, and all damages that may be sustained by  
29 any person, firm, partnership, corporation, or other entity due to a  
30 failure of the principal to make the installation or maintenance in  
31 accordance with this chapter. In lieu of the surety bond required by  
32 this section the applicant may file with the department a cash deposit  
33 or other negotiable security acceptable to the department. If the  
34 applicant has filed a cash deposit, the department shall deposit the  
35 funds in a special trust savings account in a commercial bank, mutual  
36 savings bank, or savings and loan association and shall pay annually to  
37 the depositor the interest derived from the account.

38 (8) Any person, firm, or corporation sustaining any damage or  
39 injury by reason of the principal's breach of the conditions of the

1 bond required under this section may bring an action against the surety  
2 named therein, joining in the action the principal named in the bond;  
3 the action shall be brought in the superior court of any county in  
4 which the principal on the bond resides or transacts business, or in  
5 the county in which the work was performed as a result of which the  
6 breach is alleged to have occurred; the action shall be maintained and  
7 prosecuted as other civil actions. Claims or actions against the  
8 surety on the bond shall be paid in full in the following order of  
9 priority: (a) Labor, including employee benefits, (b) materials and  
10 equipment used upon such work, (c) taxes and contributions due to the  
11 state, (d) damages sustained by any person, firm, or corporation due to  
12 the failure of the principal to make the installation in accordance  
13 with this chapter, or any ordinance, building code, or regulation  
14 applicable thereto. However, the total liability of the surety on any  
15 bond may not exceed the sum of four thousand dollars, and the surety on  
16 the bond may not be liable for monetary penalties. Any action shall be  
17 brought within one year from the completion of the work in the  
18 performance of which the breach is alleged to have occurred. The  
19 surety shall mail a conformed copy of the judgment against the bond to  
20 the department within seven days. In the event that a cash or  
21 securities deposit has been made in lieu of the surety bond, and in the  
22 event of a judgment being entered against the depositor and deposit,  
23 the director shall upon receipt of a certified copy of a final  
24 judgment, pay the judgment from the deposit.

25 NEW SECTION. **Sec. 4.** (1) Each applicant for a telecommunications  
26 contractor registration shall designate a supervisory employee or  
27 member of the firm to take the administrator's examination. This  
28 person shall be designated as administrator under the contractor's  
29 registration. No person may qualify as administrator for more than one  
30 contractor. If the relationship of the administrator with the  
31 telecommunications contractor is terminated, the contractor's  
32 registration is void within ninety days unless another administrator is  
33 qualified by the board. However, if the administrator dies, the  
34 contractor's registration is void within one hundred eighty days unless  
35 another administrator is qualified by the board.

36 (2) A certificate issued under this section is valid for two years  
37 from the nearest birthdate of the administrator, unless revoked or  
38 suspended, and is nontransferable. The certificate may be renewed for

1 a two-year period without examination by appropriate application unless  
2 the certificate has been revoked, suspended, or not renewed within  
3 ninety days after the expiration date. If the certificate is not  
4 renewed before the expiration date, the individual shall pay twice the  
5 usual fee. A person may take the administrator's test as many times as  
6 necessary to pass, without limit.

7 (3) The administrator shall:

8 (a) Be a member of the firm or a supervisory employee and shall be  
9 available during working hours to carry out the duties of an  
10 administrator under this section;

11 (b) Ensure that all telecommunications work complies with the  
12 telecommunication installation laws and rules;

13 (c) Ensure proper permits are required and inspections made;

14 (d) See that corrective notices issued by an inspecting authority  
15 are complied with; and

16 (e) Notify the department in writing within ten days if the  
17 administrator terminates the relationship with the telecommunications  
18 contractor.

19 NEW SECTION. **Sec. 5.** (1) There is created a telecommunications  
20 board, consisting of seven members to be appointed by the governor with  
21 the advice of the director as provided in this section.

22 (2) It is the purpose and function of the board to advise the  
23 director on all matters pertaining to the enforcement of this chapter  
24 including, but not limited to, standards of installation, minimum  
25 inspection procedures, and the adoption of rules pertaining to this  
26 chapter. However, no rules may be amended or repealed until the board  
27 has had an opportunity to consider any proposed amendments or repeals,  
28 and to make recommendations to the director relative thereto.

29 (3) The members of the board shall be selected and appointed as  
30 follows: Two members representing workers in the telecommunications  
31 industry; two members representing telecommunications contractors, with  
32 one contractor member being a telephone company representative; one  
33 member shall be a certified telecommunications administrator; one  
34 member shall be a manufacturer in the telecommunications industry; and  
35 one member representing the public. The board shall have one nonvoting  
36 member who is a building official charged with administration of an  
37 electrical inspection program in an incorporated city or town  
38 established by ordinance under RCW 19.28.360.



1 (4) The governor shall appoint or reappoint board members for terms  
2 of four years, except the governor may appoint the initial members to  
3 staggered terms of from one to three years. The governor shall fill  
4 vacancies caused by death, resignation, or otherwise for the unexpired  
5 term of such members by appointing their successors from the same  
6 business classification. The same procedure is followed in making such  
7 subsequent appointments as is provided for the original appointments.  
8 The board, at this first meeting shall elect one of its members to  
9 serve as chair. The department in conjunction with the board shall  
10 develop rules to govern board procedure.

11 (5) Meetings of the board shall be held at least quarterly in  
12 accordance with a schedule established by the board. Each member of  
13 the board shall receive compensation in accordance with RCW 43.03.240  
14 and shall be reimbursed for travel expenses in accordance with RCW  
15 43.03.050 and 43.03.060. Compensation is paid out of the  
16 telecommunications fund, on vouchers approved by the director.

17 (6) The chief electrical inspector may serve as staff support and  
18 secretary of the board, but may not be a voting member.

19 NEW SECTION. **Sec. 6.** All sums collected by the department of  
20 labor and industries from registrations, permit fees, or other sources,  
21 shall be paid to the state treasurer and placed in a special fund  
22 designated as the telecommunications fund. The director or the  
23 director's designee, upon approval by the board, shall issue vouchers  
24 for sums necessary to accomplish the intent of this chapter to be paid  
25 regularly by the state treasurer. The treasurer shall keep an accurate  
26 record of payments into, or receipts of, the fund, and of all  
27 disbursements therefrom.

28 NEW SECTION. **Sec. 7.** (1) The director, after consulting with the  
29 board and receiving the board's recommendations, shall set a schedule  
30 of registration, work permit fees, and penalty fees that will cover the  
31 costs of administration and enforcement of this chapter. The rules  
32 shall be adopted in accordance with the administrative procedure act,  
33 chapter 34.05 RCW.

34 (2) The director, after consulting with the board and receiving the  
35 board's recommendations, shall adopt reasonable rules in furtherance of  
36 safety to life and property. All rules shall be kept on file by the  
37 department. Compliance with the rules shall be prima facie evidence of

1 compliance with this chapter. The department, upon request, shall  
2 deliver a copy of the rules to all persons, firms, partnerships,  
3 corporations, or other entities licensed under this chapter.

4 NEW SECTION. **Sec. 8.** (1) The director and the officials of all  
5 incorporated cities and towns where electrical inspections are required  
6 by local ordinances, allowed by RCW 19.28.360, have the power to  
7 enforce this chapter in their jurisdictions.

8 (2) The director, through the chief electrical inspector and other  
9 inspectors appointed under RCW 19.28.070, shall enforce this chapter.  
10 Compliance enforcement may be performed by contractor compliance  
11 inspectors appointed under chapter 18.27 RCW. The expenses of the  
12 director and the salaries and expenses of state inspectors incurred in  
13 carrying out the provisions of this chapter shall be paid entirely out  
14 of the telecommunications dedicated fund, on vouchers approved by the  
15 director.

16 NEW SECTION. **Sec. 9.** (1) The director shall require permits for  
17 and cause an inspector to inspect all installations of  
18 telecommunications systems on the customer side of the demarcation line  
19 for projects greater than ten outlets. However:

20 (a) All projects penetrating fire barriers, passing through  
21 hazardous locations and all riser backbone installations regardless of  
22 size shall be inspected;

23 (b) All installations in single-family and duplex residences do not  
24 require inspections;

25 (c) No permits or inspections may be required for installation or  
26 replacement of cord and plug connected telecommunications equipment or  
27 for patch cord and jumper cross-connected equipment.

28 (2) Upon request, the department shall make the required inspection  
29 within forty-eight hours. The forty-eight hour period excludes  
30 holidays, Saturdays, and Sundays.

31 (3) A written report of the inspection, which plainly and clearly  
32 states any corrections or changes required, shall be made by the  
33 inspector. A copy of the report shall be furnished to the person or  
34 entity doing the installation work, and a copy shall be filed by the  
35 department.

36 (4) Whenever the installation of any telecommunications cabling and  
37 associated hardware is not in accordance with this chapter, or is in

1 such a condition as to be dangerous to life or property, the person,  
2 firm, partnership, corporation, or other entity owning, using, or  
3 operating it shall be notified by the department and shall within  
4 fifteen working days, or such further reasonable time as may upon  
5 request be granted, make such repairs and changes as are required to  
6 remove the danger to life or property and to make it conform to this  
7 chapter. The director, through the inspector, is empowered to  
8 disconnect or order the discontinuance of the telecommunications  
9 cabling or electrical service to conductors or equipment that are found  
10 to be in a dangerous or unsafe condition and not in accordance with  
11 this chapter. Upon making a disconnection, the inspector shall attach  
12 a notice stating that the conductors have been found dangerous to life  
13 or property and are not in accordance with this chapter. It is  
14 unlawful for any person to reconnect such defective conductors or  
15 equipment without the approval of the department, and until the  
16 conductors and equipment have been placed in a safe and secure  
17 condition that complies with this chapter.

18 (5) The director, through the electrical inspector, has the right  
19 during reasonable hours to enter into and upon any building or premises  
20 in the discharge of his or her official duties for the purpose of  
21 making any inspection or test of the installation of new or altered  
22 telecommunications systems contained in or on the buildings or  
23 premises. No telecommunications cabling subject to this chapter may be  
24 concealed until it has been approved by the inspector making the  
25 inspection. At the time of the inspection, wiring or equipment subject  
26 to this chapter must be sufficiently accessible to permit the inspector  
27 to verify installation conformance with the adopted codes and any other  
28 requirements of this chapter.

29 NEW SECTION. **Sec. 10.** (1) It is unlawful for any person, firm,  
30 partnership, corporation, or other entity to install or maintain any  
31 telecommunications cabling and associated hardware in violation of this  
32 chapter. When the interpretation and application of the installation  
33 or maintenance standards provided for in this chapter are in dispute or  
34 in doubt, the board shall, upon application of any interested person,  
35 firm, partnership, corporation, or other entity, determine the methods  
36 of installation or maintenance of the cabling materials and hardware to  
37 be used in the case submitted for its decision.

1 (2) Any person, firm, partnership, corporation, or other entity  
2 desiring a decision of the board under this section shall, in writing,  
3 notify the director of such desire and shall accompany the notice with  
4 a certified check payable to the department in the sum of two hundred  
5 dollars. The notice shall specify the ruling or interpretation desired  
6 and the contention of the person, firm, partnership, corporation, or  
7 other entity as to the proper interpretation or application on the  
8 question on which a decision is desired. If the board determines that  
9 the contention of the applicant for a decision was proper, the two  
10 hundred dollars shall be returned to the applicant; otherwise it shall  
11 be used in paying the expenses and per diem of the members of the board  
12 in connection with the matter. Any portion of the two hundred dollars  
13 not used in paying the per diem and expenses of the board in the case  
14 shall be paid into the telecommunications fund.

15 NEW SECTION. **Sec. 11.** Any person, firm, partnership, corporation,  
16 or other entity violating any of the provisions of this chapter shall  
17 be assessed a penalty of not less than one hundred dollars or more than  
18 ten thousand dollars per violation. The department, after consulting  
19 with the board and receiving the board's recommendations, shall set by  
20 rule a schedule of penalties for violating this chapter. The  
21 department shall notify the person, firm, partnership, corporation, or  
22 other entity violating any of these provisions of the amount of the  
23 penalty and of the specific violation. The notice shall be sent by  
24 certified mail, return receipt requested, to the last known address of  
25 the assessed party. Penalties are subject to review by an appeal to  
26 the board. The filing of an appeal stays the effect of the penalty  
27 until the board makes its decision. The appeal shall be filed within  
28 twenty days after notice of the penalty is given to the assessed party,  
29 and shall be made by filing a written notice of appeal with the  
30 department. The notice shall be accompanied by a certified check for  
31 two hundred dollars, that shall be returned to the assessed party if  
32 the decision of the department is not sustained by the board. If the  
33 board sustains the decision of the department, the two hundred dollars  
34 shall be applied by the department to the payment of the per diem and  
35 expenses of the members of the board incurred in the matter, and any  
36 balance remaining after payment of per diem and expenses shall be paid  
37 into the telecommunications fund. The hearing and review procedures  
38 shall be conducted in accordance with chapter 34.05 RCW. The board

1 shall assign its hearings to an administrative law judge to conduct the  
2 hearing and issue a proposed decision and order. The board shall be  
3 allowed a minimum of twenty days to review a proposed decision and  
4 shall issue its decision no later than the next regularly scheduled  
5 board meeting.

6 NEW SECTION. **Sec. 12.** (1) The department has the power, in case  
7 of serious noncompliance with this chapter, to revoke or suspend for  
8 such a period as it determines, any contractor registration or  
9 administrator certificate issued under this chapter. The department  
10 shall notify the holder of the registration or certificate of the  
11 revocation or suspension. Notice shall be made by certified mail sent  
12 to the address of the holder of the registration or certificate as  
13 shown on the application. A revocation or suspension is effective  
14 twenty days after the holder receives notice. Any revocation or  
15 suspension is subject to review by an appeal to the board. The filing  
16 of an appeal stays the effect of a revocation or suspension until the  
17 board makes its decision. The appeal shall be filed within twenty days  
18 after notice of the revocation or suspension is given, and shall be  
19 effected by filing a written notice of appeal with the department,  
20 accompanied by a certified check for two hundred dollars. The  
21 certified check shall be returned to the holder of the registration or  
22 certificate, if the decision of the department is not sustained by the  
23 board. The hearing shall be conducted in accordance with chapter 34.05  
24 RCW. If the board sustains the decision of the department, the two  
25 hundred dollars shall be applied by the department to the payment of  
26 the per diem and expenses of the members of the board incurred in the  
27 matter, and any balance remaining after payment of per diem and  
28 expenses shall be paid into the telecommunications fund.

29 (2) The department shall immediately suspend the registration or  
30 certificate of a person who has been certified under RCW 74.20A.320 by  
31 the department of social and health services as a person who is not in  
32 compliance with a support order. If the person has continued to meet  
33 all other requirements for reinstatement during the suspension,  
34 reissuance of the registration or certificate shall be automatic upon  
35 the department's receipt of a release issued by the department of  
36 social and health services stating that the licensee is in compliance  
37 with the order.

1        NEW SECTION.    **Sec. 13.** Nothing contained in this chapter may be  
2 construed to relieve from, or lessen the responsibility or liability  
3 of, any person for injury or damage to person or property caused by, or  
4 resulting from, any defect of any nature in any telecommunications work  
5 performed by the person, or in any telecommunications equipment owned,  
6 controlled, installed, operated, or used by him or her. The state of  
7 Washington, its officers, agents, or employees may not incur, or be  
8 held as assuming any liability by reason of, or in consequence of, any  
9 permission, certificate of inspection, inspection, act performed, or  
10 approval authorized, issued, or given under this chapter.

11        NEW SECTION.    **Sec. 14.** Disputes arising under this chapter  
12 regarding whether the city or town's telecommunications rules,  
13 regulations, or ordinances are equal to the rules adopted by the  
14 department shall be resolved by arbitration. The department shall  
15 appoint two members of the board to serve on the arbitration panel, and  
16 the city or town shall appoint two persons to serve on the arbitration  
17 panel. These four persons shall choose a fifth person to serve. If  
18 the four persons cannot agree on a fifth person, the presiding judge of  
19 the superior court of the county in which the city or town is located  
20 shall choose a fifth person. A decision of the arbitration panel may  
21 be appealed to the superior court of the county in which the city or  
22 town is located within thirty days after the date the panel issues its  
23 final decision.

24        NEW SECTION.    **Sec. 15.** (1) At the time of registration and  
25 subsequent reregistration, the applicant shall furnish insurance or  
26 financial responsibility in the form of an assigned account in the  
27 amount of twenty thousand dollars for injury or damages to property,  
28 fifty thousand dollars for injury or damage including death to any one  
29 person, and one hundred thousand dollars for injury or damage including  
30 death to more than one person, or financial responsibility to satisfy  
31 these amounts.

32        (2) Failure to maintain insurance or financial responsibility  
33 relative to the contractor's activities is cause to suspend or deny the  
34 contractor's registration.

35        (3)(a) Proof of financial responsibility authorized in this section  
36 may be given by providing, in the amount required by subsection (1) of  
37 this section, an assigned account acceptable to the department. The

1 assigned account shall be held by the department to satisfy any  
2 execution on a judgment issued against the contractor for damage to  
3 property or injury or death to any person occurring in the contractor's  
4 contracting operation, according to the provisions of the assigned  
5 account agreement. The department shall have no liability for payment  
6 in excess of the amount of the assigned account.

7 (b) The assigned account filed with the director as proof of  
8 financial responsibility shall be canceled three years after:

9 (i) The contractor's registration has expired or been revoked;

10 (ii) The contractor has furnished proof of insurance as required by  
11 subsection (1) of this section; or

12 (iii) No legal action has been instituted against the contractor or  
13 on the account at the end of the three-year period.

14 (c) If a contractor chooses to file an assigned account as  
15 authorized in this section, the contractor shall, on a contracting  
16 project, notify each person with whom the contractor enters into a  
17 contract or to whom the contractor submits a bid, that the contractor  
18 has filed an assigned account in lieu of insurance and that recovery  
19 from the account for any claim against the contractor for property  
20 damage or personal injury or death occurring on the project requires  
21 the claimant to obtain a court judgment.

22 **Sec. 16.** RCW 43.84.092 and 1997 c 218 s 5 are each amended to read  
23 as follows:

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

27 (2) The treasury income account shall be utilized to pay or receive  
28 funds associated with federal programs as required by the federal cash  
29 management improvement act of 1990. The treasury income account is  
30 subject in all respects to chapter 43.88 RCW, but no appropriation is  
31 required for refunds or allocations of interest earnings required by  
32 the cash management improvement act. Refunds of interest to the  
33 federal treasury required under the cash management improvement act  
34 fall under RCW 43.88.180 and shall not require appropriation. The  
35 office of financial management shall determine the amounts due to or  
36 from the federal government pursuant to the cash management improvement  
37 act. The office of financial management may direct transfers of funds  
38 between accounts as deemed necessary to implement the provisions of the

1 cash management improvement act, and this subsection. Refunds or  
2 allocations shall occur prior to the distributions of earnings set  
3 forth in subsection (4) of this section.

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

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

16 (a) The following accounts and funds shall receive their  
17 proportionate share of earnings based upon each account's and fund's  
18 average daily balance for the period: The capitol building  
19 construction account, the Cedar River channel construction and  
20 operation account, the Central Washington University capital projects  
21 account, the charitable, educational, penal and reformatory  
22 institutions account, the common school construction fund, the county  
23 criminal justice assistance account, the county sales and use tax  
24 equalization account, the data processing building construction  
25 account, the deferred compensation administrative account, the deferred  
26 compensation principal account, the department of retirement systems  
27 expense account, the drinking water assistance account, the Eastern  
28 Washington University capital projects account, the education  
29 construction fund, the emergency reserve fund, the federal forest  
30 revolving account, the health services account, the public health  
31 services account, the health system capacity account, the personal  
32 health services account, the highway infrastructure account, the  
33 industrial insurance premium refund account, the judges' retirement  
34 account, the judicial retirement administrative account, the judicial  
35 retirement principal account, the local leasehold excise tax account,  
36 the local real estate excise tax account, the local sales and use tax  
37 account, the medical aid account, the mobile home park relocation fund,  
38 the municipal criminal justice assistance account, the municipal sales  
39 and use tax equalization account, the natural resources deposit



1 account, the perpetual surveillance and maintenance account, the public  
2 employees' retirement system plan I account, the public employees'  
3 retirement system plan II account, the Puyallup tribal settlement  
4 account, the resource management cost account, the site closure  
5 account, the special wildlife account, the state employees' insurance  
6 account, the state employees' insurance reserve account, the state  
7 investment board expense account, the state investment board commingled  
8 trust fund accounts, the supplemental pension account, the teachers'  
9 retirement system plan I account, the teachers' retirement system plan  
10 II account, the telecommunications fund, the transportation  
11 infrastructure account, the tuition recovery trust fund, the University  
12 of Washington bond retirement fund, the University of Washington  
13 building account, the volunteer fire fighters' relief and pension  
14 principal account, the volunteer fire fighters' relief and pension  
15 administrative account, the Washington judicial retirement system  
16 account, the Washington law enforcement officers' and fire fighters'  
17 system plan I retirement account, the Washington law enforcement  
18 officers' and fire fighters' system plan II retirement account, the  
19 Washington state patrol retirement account, the Washington State  
20 University building account, the Washington State University bond  
21 retirement fund, the water pollution control revolving fund, and the  
22 Western Washington University capital projects account. Earnings  
23 derived from investing balances of the agricultural permanent fund, the  
24 normal school permanent fund, the permanent common school fund, the  
25 scientific permanent fund, and the state university permanent fund  
26 shall be allocated to their respective beneficiary accounts. All  
27 earnings to be distributed under this subsection (4)(a) shall first be  
28 reduced by the allocation to the state treasurer's service fund  
29 pursuant to RCW 43.08.190.

30 (b) The following accounts and funds shall receive eighty percent  
31 of their proportionate share of earnings based upon each account's or  
32 fund's average daily balance for the period: The aeronautics account,  
33 the aircraft search and rescue account, the central Puget Sound public  
34 transportation account, the city hardship assistance account, the  
35 county arterial preservation account, the department of licensing  
36 services account, the economic development account, the essential rail  
37 assistance account, the essential rail banking account, the ferry bond  
38 retirement fund, the gasohol exemption holding account, the grade  
39 crossing protective fund, the high capacity transportation account, the

1 highway bond retirement fund, the highway construction stabilization  
2 account, the highway safety account, the marine operating fund, the  
3 motor vehicle fund, the motorcycle safety education account, the  
4 pilotage account, the public transportation systems account, the Puget  
5 Sound capital construction account, the Puget Sound ferry operations  
6 account, the recreational vehicle account, the rural arterial trust  
7 account, the safety and education account, the small city account, the  
8 special category C account, the state patrol highway account, the  
9 transfer relief account, the transportation capital facilities account,  
10 the transportation equipment fund, the transportation fund, the  
11 transportation improvement account, the transportation revolving loan  
12 account, and the urban arterial trust account.

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

16 **Sec. 17.** RCW 43.84.092 and 1998 c 341 s 708 are each amended to  
17 read as follows:

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

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

36 (3) Except for the provisions of RCW 43.84.160, the treasury income  
37 account may be utilized for the payment of purchased banking services  
38 on behalf of treasury funds including, but not limited to, depository,

1 safekeeping, and disbursement functions for the state treasury and  
2 affected state agencies. The treasury income account is subject in all  
3 respects to chapter 43.88 RCW, but no appropriation is required for  
4 payments to financial institutions. Payments shall occur prior to  
5 distribution of earnings set forth in subsection (4) of this section.

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

10 (a) The following accounts and funds shall receive their  
11 proportionate share of earnings based upon each account's and fund's  
12 average daily balance for the period: The capitol building  
13 construction account, the Cedar River channel construction and  
14 operation account, the Central Washington University capital projects  
15 account, the charitable, educational, penal and reformatory  
16 institutions account, the common school construction fund, the county  
17 criminal justice assistance account, the county sales and use tax  
18 equalization account, the data processing building construction  
19 account, the deferred compensation administrative account, the deferred  
20 compensation principal account, the department of retirement systems  
21 expense account, the drinking water assistance account, the Eastern  
22 Washington University capital projects account, the education  
23 construction fund, the emergency reserve fund, the federal forest  
24 revolving account, the health services account, the public health  
25 services account, the health system capacity account, the personal  
26 health services account, the highway infrastructure account, the  
27 industrial insurance premium refund account, the judges' retirement  
28 account, the judicial retirement administrative account, the judicial  
29 retirement principal account, the local leasehold excise tax account,  
30 the local real estate excise tax account, the local sales and use tax  
31 account, the medical aid account, the mobile home park relocation fund,  
32 the municipal criminal justice assistance account, the municipal sales  
33 and use tax equalization account, the natural resources deposit  
34 account, the perpetual surveillance and maintenance account, the public  
35 employees' retirement system plan I account, the public employees'  
36 retirement system plan II account, the Puyallup tribal settlement  
37 account, the resource management cost account, the site closure  
38 account, the special wildlife account, the state employees' insurance  
39 account, the state employees' insurance reserve account, the state

1 investment board expense account, the state investment board commingled  
2 trust fund accounts, the supplemental pension account, the teachers'  
3 retirement system plan I account, the teachers' retirement system  
4 combined plan II and plan III account, the telecommunications fund, the  
5 transportation infrastructure account, the tuition recovery trust fund,  
6 the University of Washington bond retirement fund, the University of  
7 Washington building account, the volunteer fire fighters' relief and  
8 pension principal account, the volunteer fire fighters' relief and  
9 pension administrative account, the Washington judicial retirement  
10 system account, the Washington law enforcement officers' and fire  
11 fighters' system plan I retirement account, the Washington law  
12 enforcement officers' and fire fighters' system plan II retirement  
13 account, the Washington school employees' retirement system combined  
14 plan II and III account, the Washington state patrol retirement  
15 account, the Washington State University building account, the  
16 Washington State University bond retirement fund, the water pollution  
17 control revolving fund, and the Western Washington University capital  
18 projects account. Earnings derived from investing balances of the  
19 agricultural permanent fund, the normal school permanent fund, the  
20 permanent common school fund, the scientific permanent fund, and the  
21 state university permanent fund shall be allocated to their respective  
22 beneficiary accounts. All earnings to be distributed under this  
23 subsection (4)(a) shall first be reduced by the allocation to the state  
24 treasurer's service fund pursuant to RCW 43.08.190.

25 (b) The following accounts and funds shall receive eighty percent  
26 of their proportionate share of earnings based upon each account's or  
27 fund's average daily balance for the period: The aeronautics account,  
28 the aircraft search and rescue account, the central Puget Sound public  
29 transportation account, the city hardship assistance account, the  
30 county arterial preservation account, the department of licensing  
31 services account, the economic development account, the essential rail  
32 assistance account, the essential rail banking account, the ferry bond  
33 retirement fund, the gasohol exemption holding account, the grade  
34 crossing protective fund, the high capacity transportation account, the  
35 highway bond retirement fund, the highway construction stabilization  
36 account, the highway safety account, the marine operating fund, the  
37 motor vehicle fund, the motorcycle safety education account, the  
38 pilotage account, the public transportation systems account, the Puget  
39 Sound capital construction account, the Puget Sound ferry operations

1 account, the recreational vehicle account, the rural arterial trust  
2 account, the safety and education account, the small city account, the  
3 special category C account, the state patrol highway account, the  
4 transfer relief account, the transportation capital facilities account,  
5 the transportation equipment fund, the transportation fund, the  
6 transportation improvement account, the transportation revolving loan  
7 account, and the urban arterial trust account.

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

11 NEW SECTION. **Sec. 18.** Sections 1 through 15 of this act  
12 constitute a new chapter in Title 18 RCW.

13 NEW SECTION. **Sec. 19.** Section 16 of this act expires September 1,  
14 2000.

15 NEW SECTION. **Sec. 20.** Section 17 of this act takes effect  
16 September 1, 2000.

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