
HOUSE BILL 1448

State of Washington

58th Legislature

2003 Regular Session

By Representatives Sommers, Fromhold and Wallace; by request of Office of Financial Management

Read first time 01/27/2003. Referred to Committee on Appropriations.

1 AN ACT Relating to general government-related statutory changes
2 necessary to implement the 2003-2005 omnibus operating appropriations
3 bill; amending RCW 43.185.050, 43.330.090, 43.132.020, 43.132.030,
4 43.132.800, 43.132.810, 27.04.045, 27.04.100, 27.18.010, 27.12.100,
5 40.06.020, 17.15.040, 40.06.030, 42.30.110, 70.95C.060, 41.45.010,
6 41.45.054, and 41.45.060; reenacting and amending RCW 41.45.070 and
7 43.135.045; repealing RCW 43.07.220, 43.07.230, 43.07.240, 43.07.365,
8 36.27.100, 36.27.110, 36.27.120, 38.52.040, and 43.105.290; providing
9 an effective date; and declaring an emergency.

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

11 **Sec. 1.** RCW 43.185.050 and 2002 c 294 s 6 are each amended to read
12 as follows:

13 (1) The department shall use moneys from the housing trust fund and
14 other legislative appropriations to finance in whole or in part any
15 loans or grant projects that will provide housing for persons and
16 families with special housing needs and with incomes at or below fifty
17 percent of the median family income for the county or standard
18 metropolitan statistical area where the project is located. At least
19 thirty percent of these moneys used in any given funding cycle shall be

1 for the benefit of projects located in rural areas of the state as
2 defined by the department. If the department determines that it has
3 not received an adequate number of suitable applications for rural
4 projects during any given funding cycle, the department may allocate
5 unused moneys for projects in nonrural areas of the state.

6 (2) Activities eligible for assistance from the housing trust fund
7 and other legislative appropriations include, but are not limited to:

8 (a) New construction, rehabilitation, or acquisition of low and
9 very low-income housing units;

10 (b) Rent subsidies;

11 (c) Matching funds for social services directly related to
12 providing housing for special-need tenants in assisted projects;

13 (d) Technical assistance, design and finance services and
14 consultation, and administrative costs for eligible nonprofit community
15 or neighborhood-based organizations;

16 (e) Administrative costs for housing assistance groups or
17 organizations when such grant or loan will substantially increase the
18 recipient's access to housing funds other than those available under
19 this chapter;

20 (f) Shelters and related services for the homeless, including
21 emergency shelters and overnight youth shelters;

22 (g) Mortgage subsidies, including temporary rental and mortgage
23 payment subsidies to prevent homelessness;

24 (h) Mortgage insurance guarantee or payments for eligible projects;

25 (i) Down payment or closing cost assistance for eligible first-time
26 home buyers;

27 (j) Acquisition of housing units for the purpose of preservation as
28 low-income or very low-income housing; and

29 (k) Projects making housing more accessible to families with
30 members who have disabilities.

31 (3) Legislative appropriations from capital bond proceeds may be
32 used only for the costs of projects authorized under subsection (2)(a),
33 (i), and (j) of this section, and not for the administrative costs of
34 the department.

35 (4) Moneys from repayment of loans from appropriations from capital
36 bond proceeds may be used for all activities necessary for the proper
37 functioning of the housing assistance program except for activities
38 authorized under subsection (2)(b) and (c) of this section.

1 (5) Administrative costs of the department shall not exceed
2 ((four)) five percent of the annual funds available for the housing
3 assistance program.

4 **Sec. 2.** RCW 43.330.090 and 1998 c 245 s 85 are each amended to
5 read as follows:

6 (1) The department shall work with private sector organizations,
7 local governments, local economic development organizations, and higher
8 education and training institutions to assist in the development of
9 strategies to diversify the economy, facilitate technology transfer and
10 diffusion, and increase value-added production by focusing on targeted
11 sectors. The targeted sectors may include, but are not limited to,
12 software, forest products, biotechnology, environmental industries,
13 recycling markets and waste reduction, aerospace, food processing,
14 tourism, film and video, microelectronics, new materials, robotics, and
15 machine tools. The department shall, on a continuing basis, evaluate
16 the potential return to the state from devoting additional resources to
17 a targeted sector's approach to economic development and including
18 additional sectors in its efforts. The department shall use
19 information gathered in each service delivery region in formulating its
20 sectoral strategies and in designating new targeted sectors.

21 (2) The department shall ensure that the state continues to pursue
22 a coordinated program to expand the tourism industry throughout the
23 state in cooperation with the public and private tourism development
24 organizations. The department shall work to provide a balance of
25 tourism activities throughout the state and during different seasons of
26 the year. ~~((In addition, the department shall promote, market, and
27 encourage growth in the production of films and videos, as well as
28 television commercials within the state; to this end the department is
29 directed to assist in the location of a film and video production
30 studio within the state.))~~

31 (3) In assisting in the development of a targeted sector, the
32 department's activities may include, but are not limited to:

33 (a) Conducting focus group discussions, facilitating meetings, and
34 conducting studies to identify members of the sector, appraise the
35 current state of the sector, and identify issues of common concern
36 within the sector;

1 (b) Supporting the formation of industry associations, publications
2 of association directories, and related efforts to create or expand the
3 activities or industry associations;

4 (c) Assisting in the formation of flexible networks by providing
5 (i) agency employees or private sector consultants trained to act as
6 flexible network brokers and (ii) funding for potential flexible
7 network participants for the purpose of organizing or implementing a
8 flexible network;

9 (d) Helping establish research consortia;

10 (e) Facilitating joint training and education programs;

11 (f) Promoting cooperative market development activities;

12 (g) Analyzing the need, feasibility, and cost of establishing
13 product certification and testing facilities and services; and

14 (h) Providing for methods of electronic communication and
15 information dissemination among firms and groups of firms to facilitate
16 network activity.

17 **Sec. 3.** RCW 43.132.020 and 2000 c 182 s 2 are each amended to read
18 as follows:

19 The director of financial management or the director's designee
20 shall, in cooperation with appropriate legislative committees and
21 legislative staff, establish a mechanism for the determination of the
22 fiscal impact of proposed legislation which if enacted into law would
23 directly or indirectly increase or decrease revenues received or
24 expenditures incurred by counties, cities, towns, or any other units of
25 local government. The office of financial management shall, when
26 requested by a member of the state legislature, report in writing as to
27 such fiscal impact and said report shall be known as a "fiscal note".

28 Such fiscal notes shall indicate by fiscal year the total impact on
29 the local governments involved for the first two years the legislation
30 would be in effect and also a cumulative six year forecast of the
31 fiscal impact. Where feasible and applicable, the fiscal note also
32 shall indicate the fiscal impact on each individual county or on a
33 representative sampling of cities, towns, or other units of local
34 government.

35 A fiscal note as defined in this section shall be provided only
36 upon request of any member of the state legislature. A request for a
37 fiscal note on legislation shall be considered to be a continuing

1 request for a fiscal note on any formal alteration of the legislation
2 in the form of amendments to the legislation that are adopted by a
3 committee or a house of the legislature or a substitute version of such
4 legislation that is adopted by a committee and preparation of the
5 fiscal note on the prior version of the legislation shall stop, unless
6 the legislator requesting the fiscal note specifies otherwise or the
7 altered version is first adopted or enacted in the last week of a
8 legislative session.

9 Fiscal notes shall be completed within one week of the request
10 unless a longer time period is allowed by the requesting legislator.
11 In the event a fiscal note has not been completed within one week of a
12 request, a daily report shall be prepared for the requesting legislator
13 by the director of financial management which report summarizes the
14 progress in preparing the fiscal note. If the request is referred to
15 the ~~((director of community, trade, and economic development))~~
16 municipal research council created in chapter 43.110 RCW, the daily
17 report shall also include the date and time such referral was made.

18 **Sec. 4.** RCW 43.132.030 and 1995 c 399 s 80 are each amended to
19 read as follows:

20 The director of financial management ~~((is hereby empowered to))~~ may
21 designate the ~~((director of community, trade, and economic development~~
22 ~~as the official))~~ municipal research council as responsible for the
23 preparation of fiscal notes authorized and required by this chapter.
24 It is the intent of the legislature that when necessary the resources
25 of other state agencies, appropriate legislative staffs, and the
26 various associations of local government may be employed in the
27 development of such fiscal notes.

28 **Sec. 5.** RCW 43.132.800 and 2000 c 182 s 5 are each amended to read
29 as follows:

30 (1) The office of financial management, in consultation with the
31 ~~((department of community, trade, and economic development))~~ municipal
32 research council, shall annually prepare a report on the fiscal impacts
33 to counties, cities, towns, and other units of local governments,
34 arising from selected laws enacted in the preceding five-year period.
35 The office of financial management, in consultation with the
36 ~~((department of community, trade, and economic development))~~ municipal

1 research council, shall annually select up to five laws to include
2 within this report from a recommended list of laws approved by the
3 legislature. The office of financial management, in consultation with
4 the ~~((department of community, trade, and economic development))~~
5 municipal research council, may select up to five laws to include
6 within this report if the legislature does not approve a recommended
7 list.

8 (2) The preparation of the reports required in subsection (1) of
9 this section is subject to available funding.

10 **Sec. 6.** RCW 43.132.810 and 2000 c 182 s 6 are each amended to read
11 as follows:

12 The office of financial management, in consultation with the
13 ~~((department of community, trade, and economic development))~~ municipal
14 research council, shall prepare a report for the legislature on or
15 before December 31st of every even-numbered year on local government
16 fiscal notes, and reports on the fiscal impacts on local governments
17 arising from selected laws, that were prepared over the preceding two-
18 year period.

19 **Sec. 7.** RCW 27.04.045 and 2002 c 342 s 3 are each amended to read
20 as follows:

21 Within available resources appropriated for these purposes, the
22 state librarian shall be responsible and accountable for the following
23 functions:

24 (1) Establishing content-related standards for common formats and
25 agency indexes for state agency-produced information. In developing
26 these standards, the state librarian is encouraged to seek involvement
27 of, and comments from, public and private entities with an interest in
28 such standards;

29 (2) Managing and administering the state library;

30 (3) Exerting leadership in information access and the development
31 of library services;

32 (4) Acquiring library materials, equipment, and supplies by
33 purchase, exchange, gift, or otherwise ~~((; and, as appropriate,~~
34 ~~assisting the legislature, other state agencies, and other libraries in~~
35 ~~the cost-effective purchase of information resources))~~;

1 (5) Employing and terminating personnel in accordance with chapter
2 41.06 RCW as may be necessary to implement the purposes of this
3 chapter;

4 (6) Entering into agreements with other public or private entities
5 as a means of implementing the mission, goals, and objectives of the
6 state library and the entity with which it enters such agreements. In
7 agreements for services between the library and other state agencies,
8 the library may negotiate an exchange of services in lieu of monetary
9 reimbursement for the library's indirect or overhead costs, when such
10 an arrangement facilitates the delivery of library services;

11 ~~((Maintaining a library at the state capitol grounds to
12 effectively provide library and information services to members of the
13 legislature, state officials, and state employees in connection with
14 their official duties;~~

15 ~~(+8))~~ Serving as the depository for newspapers published in the
16 state of Washington thus providing a central location for a valuable
17 historical record for scholarly, personal, and commercial reference and
18 circulation;

19 ~~((+9))~~ (8) Promoting and facilitating electronic access to public
20 information and services, including providing, or providing for, a
21 service that identifies, describes, and provides location information
22 for government information through electronic means, and that assists
23 government agencies in making their information more readily available
24 to the public;

25 ~~((+10))~~ (9) Collecting ~~((and distributing copies of))~~ state
26 publications, as defined in RCW 40.06.010, prepared by any state agency
27 for distribution. The state library shall maintain the state
28 publications distribution center, as provided in chapter 40.06 RCW.
29 The office of the secretary of state, on recommendation of the state
30 librarian, may provide by rule for deposit with the state library of up
31 to three copies of each publication;

32 ~~((+11))~~ (10) Providing for the sale of library material in
33 accordance with RCW 27.12.305;

34 ~~((+12) Providing advisory services to state agencies regarding
35 their information needs;~~

36 ~~(+13) Providing for library and information service to residents and
37 staff of state supported residential institutions;~~

1 ~~(14)~~) (11) Providing for library and information services to
2 persons throughout the state who are blind and/or physically
3 handicapped;

4 ~~((15))~~ (12) Assisting individuals and groups such as libraries,
5 library boards, governing bodies, and citizens throughout the state
6 toward the establishment and development of library services;

7 ~~((16))~~ (13) Making studies and surveys of library needs in order
8 to provide, expand, enlarge, and otherwise improve access to library
9 facilities and services throughout the state;

10 ~~((17))~~ (14) Serving as an interlibrary loan, information,
11 reference, and referral resource for all libraries in the state. The
12 state library may charge lending fees to other libraries that charge
13 the state library for similar services. Money paid as fees shall be
14 retained by the state library as a recovery of costs; and

15 ~~((18))~~ (15) Accepting and expending in accordance with the terms
16 thereof grants of federal, state, local, or private funds. For the
17 purpose of qualifying to receive such grants, the state librarian is
18 authorized to make applications and reports required by the grantor.

19 **Sec. 8.** RCW 27.04.100 and 1990 c 68 s 1 are each amended to read
20 as follows:

21 (1) In recognition of prison overcrowding and the hazardous nature
22 of employment in state institutions and offices, the legislature hereby
23 provides a supplementary program to reimburse employees ~~((of the state
24 library))~~ working in institutional libraries for some of their costs
25 attributable to their being the victims of offender or resident
26 assaults. This program shall be limited to the reimbursement provided
27 in this section.

28 (2) An employee is only entitled to receive the reimbursement
29 provided in this section if the ~~((state librarian, or the state
30 librarian's designee,))~~ director of the agency in which the
31 institutional library is located finds that each of the following has
32 occurred:

33 (a) An offender or resident has assaulted the employee while the
34 employee is performing the employee's official duties and as a result
35 thereof the employee has sustained injuries which have required the
36 employee to miss days of work; and

1 (b) The assault cannot be attributable to any extent to the
2 employee's negligence, misconduct, or failure to comply with any rules
3 or conditions of employment.

4 (3) The reimbursement authorized under this section shall be as
5 follows:

6 (a) The employee's accumulated sick leave days shall not be reduced
7 for the workdays missed;

8 (b) For each workday missed for which the employee is not eligible
9 to receive compensation under chapter 51.32 RCW, the employee shall
10 receive full pay; and

11 (c) With respect to workdays missed for which the employee will
12 receive or has received compensation under chapter 51.32 RCW, the
13 employee shall be reimbursed in an amount which, when added to that
14 compensation, will result in the employee receiving full pay for the
15 workdays missed.

16 (4) Reimbursement under this section may not last longer than three
17 hundred sixty-five consecutive days after the date of the injury.

18 (5) The employee shall not be entitled to the reimbursement
19 provided in subsection (3) of this section for any workday for which
20 the (~~state librarian, or the state librarian's designee,~~) agency
21 director finds that the employee has not diligently pursued his or her
22 compensation remedies under chapter 51.32 RCW.

23 (6) The reimbursement shall only be made for absences which the
24 (~~state librarian, or the state librarian's designee,~~) agency director
25 believes are justified.

26 (7) While the employee is receiving reimbursement under this
27 section, he or she shall continue to be classified as a state employee
28 and the reimbursement amount shall be considered as salary or wages.

29 (8) All reimbursement payments required to be made to employees
30 under this section shall be made by the (~~state library~~) agency for
31 whom the employee works. The payments shall be considered as a salary
32 or wage expense and shall be paid by the (~~state library~~) agency in
33 the same manner and from the same appropriations as other salary and
34 wage expenses of the (~~state library~~) agency.

35 (9) Should the legislature revoke the reimbursement authorized
36 under this section or repeal this section, no affected employee is
37 entitled thereafter to receive the reimbursement as a matter of
38 contractual right.

1 (10) For the purposes of this section, "offender or resident"
2 means: (a) Inmate as defined in RCW 72.09.020, (b) offender as defined
3 in RCW 9.94A.030, (c) any other person in the custody of or subject to
4 the jurisdiction of the department of corrections, or (d) a resident of
5 a state institution.

6 **Sec. 9.** RCW 27.18.010 and 1982 c 123 s 17 are each amended to read
7 as follows:

8 As used in this chapter, except where the context otherwise
9 requires:

10 (1) "Compact" means the interstate library compact.

11 (2) "Public library agency", with reference to this state, means
12 the state library and any county or city library or any regional
13 library, rural county library district library, island library district
14 library, or intercounty rural library district library.

15 ~~((3) "State library agency", with reference to this state, means
16 the commissioners of the state library.))~~

17 **Sec. 10.** RCW 27.12.100 and 1965 c 63 s 1 are each amended to read
18 as follows:

19 An intercounty rural library district shall be established by joint
20 action of two or more counties proceeding by either of the following
21 alternative methods:

22 (1) The boards of county commissioners of any two or more counties
23 shall adopt identical resolutions proposing the formation of such a
24 district to include all of the areas outside of incorporated cities or
25 towns in such counties as may be designated in such resolutions. In
26 lieu of such resolutions a petition of like purport signed by ten
27 percent of the registered voters residing outside of incorporated
28 cities or towns of a county, may be filed with the county auditor
29 thereof, and shall have the same effect as a resolution. The
30 proposition for the formation of the district as stated on the petition
31 shall be prepared by the attorney general ~~((upon request of the state
32 library commission))~~. Action to initiate the formation of such a
33 district shall become ineffective in any county if corresponding action
34 is not completed within one year thereafter by each other county
35 included in such proposal. The county auditor in each county shall
36 check the validity of the signatures on the petition and shall certify

1 to the board of county commissioners the sufficiency of the signatures.
2 If each petition contains the signatures of ten percent of the
3 registered voters residing outside the incorporated cities and towns of
4 the county, each board of county commissioners shall pass a resolution
5 calling an election for the purpose of submitting the question to the
6 voters and setting the date of said election. When such action has
7 been taken in each of the counties involved, notification shall be made
8 by each board of county commissioners to the board of county
9 commissioners of the county having the largest population according to
10 the last federal census, who shall give proper notification to each
11 county auditor. At the next general or special election held in the
12 respective counties there shall be submitted to the voters in the areas
13 outside of incorporated cities and towns a question as to whether an
14 intercounty rural library district shall be established as outlined in
15 the resolutions or petitions. Notice of said election shall be given
16 the county auditor pursuant to RCW 29.27.080. The county auditor shall
17 provide for the printing of a separate ballot and shall provide for the
18 distribution of ballots to the polling places pursuant to RCW
19 29.04.020. The county auditor shall instruct the election boards in
20 split precincts. The respective county canvassing boards in each
21 county to be included within the intercounty rural library district
22 shall canvass the votes and certify the results to the county auditor
23 pursuant to chapter 29.62 RCW; the result shall then be certified by
24 each county auditor to the county auditor of the county having the
25 largest population according to the last federal census. If a majority
26 of the electors voting on the proposition in each of the counties
27 affected shall vote in favor of such district it shall thereby become
28 established, and the board of county commissioners of the county having
29 the largest population according to the last federal census shall
30 declare the intercounty rural library district established. If two or
31 more of the counties affected are in an existing intercounty rural
32 library district, then the electors in areas outside incorporated
33 cities and towns in those counties shall vote as a unit and the
34 electors in areas outside incorporated cities and towns in each of the
35 other affected counties shall vote as separate units. If a majority of
36 the electors voting on the proposition in the existing district and a
37 majority of the voters in any of the other affected counties shall vote

1 in favor of an expanded intercounty rural library district it shall
2 thereby become established.

3 (2) The county commissioners of two or more counties meeting in
4 joint session attended by a majority of the county commissioners of
5 each county may, by majority vote of those present, order the
6 establishment of an intercounty rural library district to include all
7 of the area outside of incorporated cities and towns in as many of the
8 counties represented at such joint meeting as shall be determined by
9 resolution of such joint meeting. If two or more counties are in an
10 existing intercounty rural library district, then a majority vote of
11 all of the commissioners present from those counties voting as a unit,
12 and a majority vote of the commissioners present from any other county
13 shall cause the joint session to order the establishment of an expanded
14 intercounty rural library district. No county, however, shall be
15 included in such district if a majority of its county commissioners
16 vote against its inclusion in such district.

17 **Sec. 11.** RCW 40.06.020 and 2002 c 342 s 5 are each amended to read
18 as follows:

19 There is hereby created as a division of the state library, and
20 under the direction of the state librarian, a state publications
21 distribution center. Within funds appropriated for this purpose, the
22 center shall utilize the depository library system to permit citizens
23 economical and convenient access to state publications. To this end
24 the secretary of state shall make such rules as may be deemed necessary
25 to carry out the provisions of this chapter.

26 **Sec. 12.** RCW 17.15.040 and 1997 c 357 s 5 are each amended to read
27 as follows:

28 (1) The interagency integrated pest management coordinating
29 committee is created. The committee is composed of the integrated pest
30 management coordinator from each agency or institution listed under RCW
31 17.15.020 and the representatives designated under RCW 17.15.030. The
32 coordinator from the department of agriculture shall serve as chair of
33 the committee.

34 (2) The interagency integrated pest management coordinating
35 committee shall share information among the state agencies and
36 institutions and facilitate interagency coordination.

1 (3) The interagency integrated pest management coordinating
2 committee shall meet at least two times a year. All meetings of the
3 committee must be open to the public. The committee shall give public
4 notice of each meeting.

5 (4) By November 30th of each odd-numbered year up to and including
6 November 30th, 2001, the department of agriculture, with the advice of
7 the interagency integrated pest management coordinating committee,
8 shall prepare a report on the progress of integrated pest management
9 programs. ~~((The report is to be made available through the state
10 library and placed on the legislative alert list.))~~

11 **Sec. 13.** RCW 40.06.030 and 1977 ex.s. c 232 s 10 are each amended
12 to read as follows:

13 (1) Every state agency shall promptly deposit copies of each of its
14 state publications with the state library in quantities as certified by
15 the state librarian as required to meet the needs of the depository
16 library system. Upon consent of the issuing state agency such state
17 publications as are printed by the public printer shall be delivered
18 directly to the ~~((center))~~ library.

19 (2) In the interest of economy and efficiency, the state librarian
20 may specifically or by general rule exempt a given state publication or
21 class of publications from the requirements of this section in full or
22 in part.

23 **Sec. 14.** RCW 42.30.110 and 2001 c 216 s 1 are each amended to read
24 as follows:

25 (1) Nothing contained in this chapter may be construed to prevent
26 a governing body from holding an executive session during a regular or
27 special meeting:

28 (a) To consider matters affecting national security;

29 (b) To consider the selection of a site or the acquisition of real
30 estate by lease or purchase when public knowledge regarding such
31 consideration would cause a likelihood of increased price;

32 (c) To consider the minimum price at which real estate will be
33 offered for sale or lease when public knowledge regarding such
34 consideration would cause a likelihood of decreased price. However,
35 final action selling or leasing public property shall be taken in a
36 meeting open to the public;

1 (d) To review negotiations on the performance of publicly bid
2 contracts when public knowledge regarding such consideration would
3 cause a likelihood of increased costs;

4 (e) To consider, in the case of an export trading company,
5 financial and commercial information supplied by private persons to the
6 export trading company;

7 (f) To receive and evaluate complaints or charges brought against
8 a public officer or employee. However, upon the request of such
9 officer or employee, a public hearing or a meeting open to the public
10 shall be conducted upon such complaint or charge;

11 (g) To evaluate the qualifications of an applicant for public
12 employment or to review the performance of a public employee. However,
13 subject to RCW 42.30.140(4), discussion by a governing body of
14 salaries, wages, and other conditions of employment to be generally
15 applied within the agency shall occur in a meeting open to the public,
16 and when a governing body elects to take final action hiring, setting
17 the salary of an individual employee or class of employees, or
18 discharging or disciplining an employee, that action shall be taken in
19 a meeting open to the public;

20 (h) To evaluate the qualifications of a candidate for appointment
21 to elective office. However, any interview of such candidate and final
22 action appointing a candidate to elective office shall be in a meeting
23 open to the public;

24 (i) To discuss with legal counsel representing the agency matters
25 relating to agency enforcement actions, or to discuss with legal
26 counsel representing the agency litigation or potential litigation to
27 which the agency, the governing body, or a member acting in an official
28 capacity is, or is likely to become, a party, when public knowledge
29 regarding the discussion is likely to result in an adverse legal or
30 financial consequence to the agency.

31 This subsection (1)(i) does not permit a governing body to hold an
32 executive session solely because an attorney representing the agency is
33 present. For purposes of this subsection (1)(i), "potential
34 litigation" means matters protected by RPC 1.6 or RCW 5.60.060(2)(a)
35 concerning:

36 (A) Litigation that has been specifically threatened to which the
37 agency, the governing body, or a member acting in an official capacity
38 is, or is likely to become, a party;

1 (B) Litigation that the agency reasonably believes may be commenced
2 by or against the agency, the governing body, or a member acting in an
3 official capacity; or

4 (C) Litigation or legal risks of a proposed action or current
5 practice that the agency has identified when public discussion of the
6 litigation or legal risks is likely to result in an adverse legal or
7 financial consequence to the agency;

8 (j) To consider, in the case of the state library (~~(commission)~~) or
9 its advisory bodies, western library network prices, products,
10 equipment, and services, when such discussion would be likely to
11 adversely affect the network's ability to conduct business in a
12 competitive economic climate. However, final action on these matters
13 shall be taken in a meeting open to the public;

14 (k) To consider, in the case of the state investment board,
15 financial and commercial information when the information relates to
16 the investment of public trust or retirement funds and when public
17 knowledge regarding the discussion would result in loss to such funds
18 or in private loss to the providers of this information.

19 (2) Before convening in executive session, the presiding officer of
20 a governing body shall publicly announce the purpose for excluding the
21 public from the meeting place, and the time when the executive session
22 will be concluded. The executive session may be extended to a stated
23 later time by announcement of the presiding officer.

24 **Sec. 15.** RCW 70.95C.060 and 1988 c 177 s 6 are each amended to
25 read as follows:

26 (1) The office shall establish a statewide waste reduction hot line
27 with the capacity to refer waste generators and the public to sources
28 of information on specific waste reduction techniques and procedures.
29 The hot line shall coordinate with all other state waste hot lines.

30 (2) The director shall (~~(work with the state library to)~~) establish
31 a data base system that shall include proven waste reduction techniques
32 and case studies of effective waste reduction. The data base system
33 shall be: (a) Coordinated with all other state agency data bases on
34 waste reduction; (b) administered in conjunction with the statewide
35 waste reduction hot line; and (c) readily accessible to the public.

1 **Sec. 16.** RCW 41.45.010 and 2002 c 26 s 3 are each amended to read
2 as follows:

3 It is the intent of the legislature to provide a dependable and
4 systematic process for funding the benefits provided to members and
5 retirees of the public employees' retirement system, chapter 41.40 RCW;
6 the teachers' retirement system, chapter 41.32 RCW; the law enforcement
7 officers' and fire fighters' retirement systems, chapter 41.26 RCW; the
8 school employees' retirement system, chapter 41.35 RCW; and the
9 Washington state patrol retirement system, chapter 43.43 RCW.

10 The legislature finds that the funding status of the state
11 retirement systems has improved dramatically since 1989. Because of
12 the big reduction in unfunded pension liabilities, it is now prudent to
13 adjust the long-term economic assumptions that are used in the
14 actuarial studies conducted by the state actuary. The legislature
15 finds that it is reasonable to increase the salary growth assumption in
16 light of Initiative Measure No. 732, to increase the investment return
17 assumption in light of the asset allocation policies and historical
18 returns of the state investment board, and to reestablish June 30,
19 2024, as the target date to achieve full funding of all liabilities in
20 the public employees' retirement system plan 1, the teachers'
21 retirement system plan 1, and the law enforcement officers' and fire
22 fighters' retirement system plan 1.

23 The funding process established by this chapter is intended to
24 achieve the following goals:

25 (1) To continue to fully fund the public employees' retirement
26 system plans 2 and 3, the teachers' retirement system plans 2 and 3,
27 the school employees' retirement system plans 2 and 3, and the law
28 enforcement officers' and fire fighters' retirement system plan 2 as
29 provided by law;

30 (2) To fully amortize the total costs of the public employees'
31 retirement system plan 1, the teachers' retirement system plan 1, and
32 the law enforcement officers' and fire fighters' retirement system plan
33 1, not later than June 30, 2024;

34 (3) To establish predictable long-term employer contribution rates
35 which will remain a relatively constant proportion of the future state
36 budgets, while allowing for adjustments to reflect changing economic,
37 demographic, and financial conditions; and

1 (4) To fund, to the extent feasible, benefit increases for plan 1
2 members and all benefits for plan 2 and 3 members over the working
3 lives of those members so that the cost of those benefits are paid by
4 the taxpayers who receive the benefit of those members' service.

5 **Sec. 17.** RCW 41.45.054 and 2002 c 7 s 1 are each amended to read
6 as follows:

7 The basic employer and state contribution rates and plan 2 member
8 contribution rates are changed to reflect the 2000 actuarial valuation,
9 incorporating the 1995-2000 actuarial experience study conducted by the
10 office of the state actuary, and to reflect changes in actuarial
11 methods adopted by the 2003 legislature. The results of the 2000
12 actuarial valuation shall be adjusted to reflect an April 1, 2002,
13 implementation date.

14 (1) Beginning (~~(April 1, 2002)~~) July 1, 2003, the following
15 employer contribution rates shall be charged:

16 (a) (~~(1.10)~~) 1.40 percent for the public employees' retirement
17 system; and

18 (b) (~~(2.64)~~) 3.03 percent for the law enforcement officers' and
19 fire fighters' retirement system plan 2.

20 (2) Beginning (~~(April 1, 2002)~~) July 1, 2003, the basic state
21 contribution rate for the law enforcement officers' and fire fighters'
22 retirement system plan 2 shall be (~~(1.75)~~) 2.02 percent.

23 (3) Beginning (~~(April 1, 2002)~~) September 1, 2003, the following
24 employer contribution rates shall be charged:

25 (a) (~~(0.96)~~) 1.40 percent for the school employees' retirement
26 system; and

27 (b) (~~(1.05)~~) 1.0 percent for the teachers' retirement system.

28 (4) Beginning (~~(April 1, 2002)~~) July 1, 2003, the following member
29 contribution rates shall be charged:

30 (a) (~~(0.65)~~) 0.80 percent for the public employees' retirement
31 system plan 2; and

32 (b) (~~(4.39)~~) 5.05 percent for the law enforcement officers' and
33 fire fighters' retirement system plan 2.

34 (5) Beginning (~~(April 1, 2002)~~) September 1, 2003, the following
35 member contribution rates shall be charged:

36 (a) (~~(0.35)~~) 0.80 percent for the school employees' retirement
37 system plan 2; and

1 (b) ((~~0.15~~)) 0.0 percent for the teachers' retirement system plan
2 2.

3 ((~~6~~) ~~The contribution rates in this section shall be collected~~
4 ~~through June 30, 2003.~~))

5 **Sec. 18.** RCW 41.45.060 and 2002 c 26 s 2 are each amended to read
6 as follows:

7 (1) The state actuary shall provide actuarial valuation results
8 based on the economic assumptions and asset value smoothing technique
9 included in RCW 41.45.035 or adopted by the council under RCW 41.45.030
10 or 41.45.035.

11 (2) Not later than September 30, 2002, and every two years
12 thereafter, consistent with the economic assumptions and asset value
13 smoothing technique included in RCW 41.45.035 or adopted under RCW
14 41.45.030 or 41.45.035, the council shall adopt and may make changes
15 to:

16 (a) A basic state contribution rate for the law enforcement
17 officers' and fire fighters' retirement system;

18 (b) Basic employer contribution rates for the public employees'
19 retirement system, the teachers' retirement system, and the Washington
20 state patrol retirement system to be used in the ensuing biennial
21 period; and

22 (c) A basic employer contribution rate for the school employees'
23 retirement system for funding both that system and the public
24 employees' retirement system plan 1.

25 The contribution rates adopted by the council shall be subject to
26 revision by the legislature.

27 (3) The employer and state contribution rates adopted by the
28 council shall be the level percentages of pay that are needed:

29 (a) To fully amortize the total costs of the public employees'
30 retirement system plan 1, the teachers' retirement system plan 1, and
31 the law enforcement officers' and fire fighters' retirement system plan
32 1 not later than June 30, 2024, except as provided in subsection (5) of
33 this section. The net contribution rate developed in subsection (4) of
34 this section shall be used as the normal cost;

35 (b) To also continue to fully fund the public employees' retirement
36 system plans 2 and 3, the teachers' retirement system plans 2 and 3,

1 the school employees' retirement system plans 2 and 3, and the law
2 enforcement officers' and fire fighters' retirement system plan 2 in
3 accordance with RCW 41.45.061, 41.45.067, and this section; and

4 (c) For the law enforcement officers' and fire fighters' system
5 plan 2 the rate charged to employers, except as provided in RCW
6 41.26.450, shall be thirty percent of the cost of the retirement system
7 and the rate charged to the state shall be twenty percent of the cost
8 of the retirement system.

9 (4) The ~~((aggregate actuarial cost))~~ projected unit credit method
10 with a fifteen-year amortization of unfunded liabilities shall be used
11 to calculate a combined plan 2 and 3 employer contribution rate ~~((and~~
12 ~~a))~~. The aggregate actuarial cost method shall be used to calculate
13 the Washington state patrol retirement system contribution rate.

14 (5) The council shall immediately notify the directors of the
15 office of financial management and department of retirement systems of
16 the state and employer contribution rates adopted. The rates shall be
17 effective for the ensuing biennial period, subject to any legislative
18 modifications.

19 (6) The director of the department of retirement systems shall
20 collect the rates established in RCW ~~((41.45.053 through June 30,~~
21 ~~2003))~~ 41.45.054. ~~((Thereafter, the director shall collect those rates~~
22 ~~adopted by the council. The rates established in RCW 41.45.053, or by~~
23 ~~the council, shall be subject to revision by the council.))~~

24 **Sec. 19.** RCW 41.45.070 and 2001 2nd sp.s. c 11 s 16 and 2001 2nd
25 sp.s. c 11 s 15 are each reenacted and amended to read as follows:

26 (1) In addition to the basic employer contribution rate established
27 in RCW 41.45.060 or ~~((41.45.053))~~ 41.45.054, the department shall also
28 charge employers of public employees' retirement system, teachers'
29 retirement system, school employees' retirement system, or Washington
30 state patrol retirement system members an additional supplemental rate
31 to pay for the cost of additional benefits, if any, granted to members
32 of those systems. Except as provided in subsections (6) and (7) of
33 this section, the supplemental contribution rates required by this
34 section shall be calculated by the state actuary and shall be charged
35 regardless of language to the contrary contained in the statute which
36 authorizes additional benefits.

1 (2) In addition to the basic state contribution rate established in
2 RCW 41.45.060 or (~~41.45.053~~) 41.45.054 for the law enforcement
3 officers' and fire fighters' retirement system plan 2, the department
4 shall also establish a supplemental rate to pay for the cost of
5 additional benefits, if any, granted to members of the law enforcement
6 officers' and fire fighters' retirement system plan 2. Except as
7 provided in subsection (6) of this section, this supplemental rate
8 shall be calculated by the state actuary and the state treasurer shall
9 transfer the additional required contributions regardless of language
10 to the contrary contained in the statute which authorizes the
11 additional benefits.

12 (3) The supplemental rate charged under this section to fund
13 benefit increases provided to active members of the public employees'
14 retirement system plan 1, the teachers' retirement system plan 1, and
15 Washington state patrol retirement system, shall be calculated as the
16 level percentage of all members' pay needed to fund the cost of the
17 benefit not later than June 30, 2024.

18 (4) The supplemental rate charged under this section to fund
19 benefit increases provided to active and retired members of the public
20 employees' retirement system plan 2 and plan 3, the teachers'
21 retirement system plan 2 and plan 3, and the school employees'
22 retirement system plan 2 and plan 3(~~(7-07)~~) shall be sufficient to
23 amortize the unfunded liability portion of the cost of the benefit over
24 a fifteen-year period. The supplemental rate charged under this
25 section to fund benefit increases provided to the law enforcement
26 officers' and fire fighters' retirement system plan 2(~~(7)~~) shall be
27 calculated as the level percentage of all members' pay needed to fund
28 the cost of the benefit, as calculated under RCW 41.45.060, 41.45.061,
29 or 41.45.067.

30 (5) The supplemental rate charged under this section to fund
31 postretirement adjustments which are provided on a nonautomatic basis
32 to current retirees shall be calculated as the percentage of pay needed
33 to fund the adjustments as they are paid to the retirees. The
34 supplemental rate charged under this section to fund automatic
35 postretirement adjustments for active or retired members of the public
36 employees' retirement system plan 1 and the teachers' retirement system
37 plan 1 shall be calculated as the level percentage of pay needed to

1 fund the cost of the automatic adjustments not later than June 30,
2 2024.

3 (6) A supplemental rate shall not be charged to pay for the cost of
4 additional benefits granted to members pursuant to chapter 340, Laws of
5 1998.

6 (7) A supplemental rate shall not be charged to pay for the cost of
7 additional benefits granted to members pursuant to chapter 41.31A RCW;
8 section 309, chapter 341, Laws of 1998; or section 701, chapter 341,
9 Laws of 1998.

10 **Sec. 20.** RCW 43.135.045 and 2001 c 3 s 9, 2000 2nd sp.s. c 5 s 1,
11 and 2000 2nd sp.s. c 2 s 3 are each reenacted and amended to read as
12 follows:

13 (1) The emergency reserve fund is established in the state
14 treasury. During each fiscal year, the state treasurer shall deposit
15 in the emergency reserve fund all general fund--state revenues in
16 excess of the state expenditure limit for that fiscal year. Deposits
17 shall be made at the end of each fiscal quarter based on projections of
18 state revenues and the state expenditure limit. The treasurer shall
19 make transfers between these accounts as necessary to reconcile actual
20 annual revenues and the expenditure limit for fiscal year 2000 and
21 thereafter.

22 (2) The legislature may appropriate moneys from the emergency
23 reserve fund only with approval of at least two-thirds of the members
24 of each house of the legislature, and then only if the appropriation
25 does not cause total expenditures to exceed the state expenditure limit
26 under this chapter.

27 (3) The emergency reserve fund balance shall not exceed five
28 percent of annual general fund--state revenues as projected by the
29 official state revenue forecast. Any balance in excess of five percent
30 shall be transferred on a quarterly basis by the state treasurer as
31 follows: Seventy-five percent to the student achievement fund hereby
32 created in the state treasury and twenty-five percent to the general
33 fund balance. The treasurer shall make transfers between these
34 accounts as necessary to reconcile actual annual revenues for fiscal
35 year 2000 and thereafter. When per-student state funding for the
36 maintenance and operation of K-12 education meets a level of no less
37 than ninety percent of the national average of total funding from all

1 sources per student as determined by the most recent published data
2 from the national center for education statistics of the United States
3 department of education, as calculated by the office of financial
4 management, further deposits to the student achievement fund shall be
5 required only to the extent necessary to maintain the ninety-percent
6 level. Remaining funds are part of the general fund balance and these
7 funds are subject to the expenditure limits of this chapter.

8 (4) The education construction fund is hereby created in the state
9 treasury.

10 (a) Funds may be appropriated from the education construction fund
11 exclusively for common school construction or higher education
12 construction.

13 (b) Funds may be appropriated for any other purpose only if
14 approved by a two-thirds vote of each house of the legislature and if
15 approved by a vote of the people at the next general election. An
16 appropriation approved by the people under this subsection shall result
17 in an adjustment to the state expenditure limit only for the fiscal
18 period for which the appropriation is made and shall not affect any
19 subsequent fiscal period.

20 (5) Funds from the student achievement fund shall be appropriated
21 to the superintendent of public instruction strictly for distribution
22 to school districts to meet the provisions set out in the student
23 achievement act. Allocations shall be made on an equal per full-time
24 equivalent student basis to each school district. ~~((Earnings of the
25 emergency reserve fund under RCW 43.84.092(4)(a) shall be transferred
26 quarterly to the multimodal transportation account, except for those
27 earnings that are in excess of thirty five million dollars each fiscal
28 year. Within thirty days following any fiscal year in which earnings
29 transferred to the multimodal transportation account under this
30 subsection did not total thirty five million dollars, the state
31 treasurer shall transfer from the emergency reserve fund an amount
32 necessary to bring the total deposited in the multimodal transportation
33 account under this subsection to thirty five million dollars. The
34 revenues to the multimodal transportation account reflected in this
35 subsection provide ongoing support for the transportation programs of
36 the state. However, it is the intent of the legislature that any new
37 long term financial support that may be subsequently provided for
38 transportation programs will be used to replace and supplant the~~

1 ~~revenues reflected in this subsection, thereby allowing those revenues~~
2 ~~to be returned to the purposes to which they were previously~~
3 ~~dedicated.))~~

4 NEW SECTION. **Sec. 21.** The following acts or parts of acts are
5 each repealed:

- 6 (1) RCW 43.07.220 (Oral history program) and 1991 c 237 s 1;
- 7 (2) RCW 43.07.230 (Oral history advisory committee--Members) and
8 1991 c 237 s 2;
- 9 (3) RCW 43.07.240 (Oral history advisory committee--Duties) and
10 1991 c 237 s 3; and
- 11 (4) RCW 43.07.365 (Oral history activities--Funding--Rules) and
12 2002 c 358 s 3.

13 NEW SECTION. **Sec. 22.** The following acts or parts of acts are
14 each repealed:

- 15 (1) RCW 36.27.100 (Statewide drug prosecution assistance program--
16 Created) and 1995 c 399 s 41 & 1989 c 271 s 236;
- 17 (2) RCW 36.27.110 (Statewide drug prosecution assistance program--
18 Advisory committee--Selection of project director) and 1989 c 271 s
19 237; and
- 20 (3) RCW 36.27.120 (Statewide drug prosecution assistance program--
21 Personnel--Review of assignments--Supervision of special deputies) and
22 1989 c 271 s 238.

23 NEW SECTION. **Sec. 23.** RCW 38.52.040 (Emergency management
24 council--Members--Ad hoc committees--Function as state emergency
25 response commission--Rules review) and 1995 c 269 s 1202, 1988 c 81 s
26 18, 1984 c 38 s 5, 1979 ex.s. c 57 s 8, 1975-'76 2nd ex.s. c 34 s 82,
27 1974 ex.s. c 171 s 6, & 1951 c 178 s 5 are each repealed.

28 NEW SECTION. **Sec. 24.** RCW 43.105.290 (Electronic access to public
29 records--Government information locator service pilot project) and 1996
30 c 171 s 13 are each repealed.

31 NEW SECTION. **Sec. 25.** Sections 16 through 19, 21, and 22 of this
32 act are necessary for the immediate preservation of the public peace,

1 health, or safety, or support of the state government and its existing
2 public institutions, and take effect July 1, 2003.

--- END ---