

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 5073

Chapter 479, Laws of 2009

61st Legislature
2009 Regular Session

ACCOUNT CONSOLIDATION--STATE GENERAL FUND

EFFECTIVE DATE: 07/01/09

Passed by the Senate April 23, 2009
YEAS 47 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House April 25, 2009
YEAS 96 NAYS 0

FRANK CHOPP

Speaker of the House of Representatives

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5073** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

Approved May 14, 2009, 11:46 a.m.

FILED

May 18, 2009

CHRISTINE GREGOIRE

Governor of the State of Washington

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5073

Passed Legislature - 2009 Regular Session

State of Washington 61st Legislature 2009 Regular Session

By Senate Ways & Means (originally sponsored by Senators Zarelli, Swecker, Benton, and Parlette)

READ FIRST TIME 03/25/09.

1 AN ACT Relating to consolidating accounts into the state general
2 fund; amending RCW 3.50.100, 3.58.060, 3.62.020, 3.62.040, 7.68.030,
3 7.68.035, 7.68.085, 9.41.110, 9A.82.110, 9.68A.120, 10.82.070,
4 10.82.090, 10.105.010, 28A.150.380, 28A.505.210, 28A.505.220,
5 35.20.220, 36.18.012, 36.18.025, 36.70A.130, 39.42.070, 41.05.068,
6 43.08.250, 43.17.150, 43.41.260, 43.79.480, 43.99H.060, 43.99K.030,
7 43.99L.040, 43.135.025, 46.61.5058, 46.64.055, 66.24.210, 66.24.290,
8 67.70.240, 67.70.340, 69.50.505, 70.05.125, 70.47.015, 70.96A.350,
9 70.146.010, 70.146.020, 70.146.030, 70.146.040, 70.146.075, 70.190.010,
10 70.190.100, 72.09.111, 74.09.053, 77.12.201, 82.08.150, 82.24.026,
11 82.24.027, 82.24.028, 82.26.020, 82.64.020, 84.52.067, and 90.71.370;
12 reenacting and amending RCW 2.56.030, 36.18.020, 43.84.092, 43.135.035,
13 43.135.045, 46.63.110, 48.14.0201, 70.146.060, 72.09.480, 82.04.260,
14 and 82.24.020; creating a new section; repealing RCW 43.72.900,
15 69.50.520, 70.146.080, 82.32.390, and 84.52.068; providing an effective
16 date; and declaring an emergency.

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

18 NEW SECTION. **Sec. 1.** No later than December 31, 2009, the state
19 treasurer shall transfer to the state general fund all unexpended

1 balances of the public safety and education account, health services
2 account, violence reduction and drug enforcement account, student
3 achievement fund, water quality account, and equal justice subaccount,
4 as of June 30, 2009.

5 **Sec. 2.** RCW 2.56.030 and 2008 c 291 s 4 and 2008 c 279 s 3 are
6 each reenacted and amended to read as follows:

7 The administrator for the courts shall, under the supervision and
8 direction of the chief justice:

9 (1) Examine the administrative methods and systems employed in the
10 offices of the judges, clerks, stenographers, and employees of the
11 courts and make recommendations, through the chief justice, for the
12 improvement of the same;

13 (2) Examine the state of the dockets of the courts and determine
14 the need for assistance by any court;

15 (3) Make recommendations to the chief justice relating to the
16 assignment of judges where courts are in need of assistance and carry
17 out the direction of the chief justice as to the assignments of judges
18 to counties and districts where the courts are in need of assistance;

19 (4) Collect and compile statistical and other data and make reports
20 of the business transacted by the courts and transmit the same to the
21 chief justice to the end that proper action may be taken in respect
22 thereto;

23 (5) Prepare and submit budget estimates of state appropriations
24 necessary for the maintenance and operation of the judicial system and
25 make recommendations in respect thereto;

26 (6) Collect statistical and other data and make reports relating to
27 the expenditure of public moneys, state and local, for the maintenance
28 and operation of the judicial system and the offices connected
29 therewith;

30 (7) Obtain reports from clerks of courts in accordance with law or
31 rules adopted by the supreme court of this state on cases and other
32 judicial business in which action has been delayed beyond periods of
33 time specified by law or rules of court and make report thereof to
34 supreme court of this state;

35 (8) Act as secretary of the judicial conference referred to in RCW
36 2.56.060;

1 (9) Submit annually, as of February 1st, to the chief justice, a
2 report of the activities of the administrator's office for the
3 preceding calendar year including activities related to courthouse
4 security;

5 (10) Administer programs and standards for the training and
6 education of judicial personnel;

7 (11) Examine the need for new superior court and district court
8 judge positions under an objective workload analysis. The results of
9 the objective workload analysis shall be reviewed by the board for
10 judicial administration which shall make recommendations to the
11 legislature. It is the intent of the legislature that an objective
12 workload analysis become the basis for creating additional district and
13 superior court positions, and recommendations should address that
14 objective;

15 (12) Provide staff to the judicial retirement account plan under
16 chapter 2.14 RCW;

17 (13) Attend to such other matters as may be assigned by the supreme
18 court of this state;

19 (14) Within available funds, develop a curriculum for a general
20 understanding of child development, placement, and treatment resources,
21 as well as specific legal skills and knowledge of relevant statutes
22 including chapters 13.32A, 13.34, and 13.40 RCW, cases, court rules,
23 interviewing skills, and special needs of the abused or neglected
24 child. This curriculum shall be completed and made available to all
25 juvenile court judges, court personnel, and service providers and be
26 updated yearly to reflect changes in statutes, court rules, or case
27 law;

28 (15) Develop, in consultation with the entities set forth in RCW
29 2.56.150(3), a comprehensive statewide curriculum for persons who act
30 as guardians ad litem under Title 13 or 26 RCW. The curriculum shall
31 be made available July 1, 2008, and include specialty sections on child
32 development, child sexual abuse, child physical abuse, child neglect,
33 domestic violence, clinical and forensic investigative and interviewing
34 techniques, family reconciliation and mediation services, and relevant
35 statutory and legal requirements. The curriculum shall be made
36 available to all superior court judges, court personnel, and all
37 persons who act as guardians ad litem;

1 (16) Develop a curriculum for a general understanding of crimes of
2 malicious harassment, as well as specific legal skills and knowledge of
3 RCW 9A.36.080, relevant cases, court rules, and the special needs of
4 malicious harassment victims. This curriculum shall be made available
5 to all superior court and court of appeals judges and to all justices
6 of the supreme court;

7 (17) Develop, in consultation with the criminal justice training
8 commission and the commissions established under chapters 43.113,
9 43.115, and 43.117 RCW, a curriculum for a general understanding of
10 ethnic and cultural diversity and its implications for working with
11 youth of color and their families. The curriculum shall be available
12 to all superior court judges and court commissioners assigned to
13 juvenile court, and other court personnel. Ethnic and cultural
14 diversity training shall be provided annually so as to incorporate
15 cultural sensitivity and awareness into the daily operation of juvenile
16 courts statewide;

17 (18) Authorize the use of closed circuit television and other
18 electronic equipment in judicial proceedings. The administrator shall
19 promulgate necessary standards and procedures and shall provide
20 technical assistance to courts as required;

21 (19) Develop a Washington family law handbook in accordance with
22 RCW 2.56.180;

23 (20) Administer state funds for improving the operation of the
24 courts and provide support for court coordinating councils, under the
25 direction of the board for judicial administration;

26 (21) Administer the family and juvenile court improvement grant
27 program;

28 (22)(a) Administer and distribute amounts appropriated (~~from the~~
29 ~~equal justice subaccount~~) under RCW 43.08.250(2) for district court
30 judges' and qualifying elected municipal court judges' salary
31 contributions. The administrator for the courts shall develop a
32 distribution formula for these amounts that does not differentiate
33 between district and elected municipal court judges.

34 (b) A city qualifies for state contribution of elected municipal
35 court judges' salaries under (a) of this subsection if:

36 (i) The judge is serving in an elected position;

37 (ii) The city has established by ordinance that a full-time judge

1 is compensated at a rate equivalent to at least ninety-five percent,
2 but not more than one hundred percent, of a district court judge salary
3 or for a part-time judge on a pro rata basis the same equivalent; and

4 (iii) The city has certified to the office of the administrator for
5 the courts that the conditions in (b)(i) and (ii) of this subsection
6 have been met;

7 (23) Subject to the availability of funds specifically appropriated
8 therefor, assist courts in the development and implementation of
9 language assistance plans required under RCW 2.43.090.

10 **Sec. 3.** RCW 3.50.100 and 2004 c 15 s 3 are each amended to read as
11 follows:

12 (1) Costs in civil and criminal actions may be imposed as provided
13 in district court. All fees, costs, fines, forfeitures and other money
14 imposed by any municipal court for the violation of any municipal or
15 town ordinances shall be collected by the court clerk and, together
16 with any other noninterest revenues received by the clerk, shall be
17 deposited with the city or town treasurer as a part of the general fund
18 of the city or town, or deposited in such other fund of the city or
19 town, or deposited in such other funds as may be designated by the laws
20 of the state of Washington.

21 (2) Except as provided in RCW 10.99.080, the city treasurer shall
22 remit monthly thirty-two percent of the noninterest money received
23 under this section, other than for parking infractions, and certain
24 costs to the state treasurer. "Certain costs" as used in this
25 subsection, means those costs awarded to prevailing parties in civil
26 actions under RCW 4.84.010 or 36.18.040, or those costs awarded against
27 convicted defendants in criminal actions under RCW 10.01.160,
28 10.46.190, or 36.18.040, or other similar statutes if such costs are
29 specifically designated as costs by the court and are awarded for the
30 specific reimbursement of costs incurred by the state, county, city, or
31 town in the prosecution of the case, including the fees of defense
32 counsel. Money remitted under this subsection to the state treasurer
33 shall be deposited (~~(as provided in RCW 43.08.250)~~) in the state
34 general fund.

35 (3) The balance of the noninterest money received under this
36 section shall be retained by the city and deposited as provided by law.

1 (4) Penalties, fines, bail forfeitures, fees, and costs may accrue
2 interest at the rate of twelve percent per annum, upon assignment to a
3 collection agency. Interest may accrue only while the case is in
4 collection status.

5 (5) Interest retained by the court on penalties, fines, bail
6 forfeitures, fees, and costs shall be split twenty-five percent to the
7 state treasurer for deposit in the (~~public safety and education~~
8 ~~account as provided in RCW 43.08.250~~) state general fund, twenty-five
9 percent to the state treasurer for deposit in the judicial information
10 system account as provided in RCW 2.68.020, twenty-five percent to the
11 city general fund, and twenty-five percent to the city general fund to
12 fund local courts.

13 **Sec. 4.** RCW 3.58.060 and 2005 c 457 s 4 are each amended to read
14 as follows:

15 Any county with a district court created under this title shall
16 create a county trial court improvement account. An amount equal to
17 one hundred percent of the state's contribution received by the county
18 for the payment of district court judges' salaries (~~under RCW~~
19 ~~43.08.250~~) shall be deposited into the account. Money in the account
20 shall be used to fund improvements to superior and district court
21 staffing, programs, facilities, or services, as appropriated by the
22 county legislative authority.

23 **Sec. 5.** RCW 3.62.020 and 2004 c 15 s 4 are each amended to read as
24 follows:

25 (1) Except as provided in subsection (4) of this section, all
26 costs, fees, fines, forfeitures and penalties assessed and collected in
27 whole or in part by district courts, except costs, fines, forfeitures
28 and penalties assessed and collected, in whole or in part, because of
29 the violation of city ordinances, shall be remitted by the clerk of the
30 district court to the county treasurer at least monthly, together with
31 a financial statement as required by the state auditor, noting the
32 information necessary for crediting of such funds as required by law.

33 (2) Except as provided in RCW 10.99.080, the county treasurer shall
34 remit thirty-two percent of the noninterest money received under
35 subsection (1) of this section except certain costs to the state
36 treasurer. "Certain costs" as used in this subsection, means those

1 costs awarded to prevailing parties in civil actions under RCW 4.84.010
2 or 36.18.040, or those costs awarded against convicted defendants in
3 criminal actions under RCW 10.01.160, 10.46.190, or 36.18.040, or other
4 similar statutes if such costs are specifically designated as costs by
5 the court and are awarded for the specific reimbursement of costs
6 incurred by the state or county in the prosecution of the case,
7 including the fees of defense counsel. Money remitted under this
8 subsection to the state treasurer shall be deposited (~~as provided in~~
9 ~~RCW 43.08.250~~) in the state general fund.

10 (3) The balance of the noninterest money received by the county
11 treasurer under subsection (1) of this section shall be deposited in
12 the county current expense fund.

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

17 (5) Penalties, fines, bail forfeitures, fees, and costs may accrue
18 interest at the rate of twelve percent per annum, upon assignment to a
19 collection agency. Interest may accrue only while the case is in
20 collection status.

21 (6) Interest retained by the court on penalties, fines, bail
22 forfeitures, fees, and costs shall be split twenty-five percent to the
23 state treasurer for deposit in the (~~public safety and education~~
24 ~~account as provided in RCW 43.08.250~~) state general fund, twenty-five
25 percent to the state treasurer for deposit in the judicial information
26 system account as provided in RCW 2.68.020, twenty-five percent to the
27 county current expense fund, and twenty-five percent to the county
28 current expense fund to fund local courts.

29 **Sec. 6.** RCW 3.62.040 and 2004 c 15 s 8 are each amended to read as
30 follows:

31 (1) Except as provided in subsection (4) of this section, all
32 costs, fines, forfeitures and penalties assessed and collected, in
33 whole or in part, by district courts because of violations of city
34 ordinances shall be remitted by the clerk of the district court at
35 least monthly directly to the treasurer of the city wherein the
36 violation occurred.

1 (2) Except as provided in RCW 10.99.080, the city treasurer shall
2 remit monthly thirty-two percent of the noninterest money received
3 under this section, other than for parking infractions and certain
4 costs, to the state treasurer. "Certain costs" as used in this
5 subsection, means those costs awarded to prevailing parties in civil
6 actions under RCW 4.84.010 or 36.18.040, or those costs awarded against
7 convicted defendants in criminal actions under RCW 10.01.160,
8 10.46.190, or 36.18.040, or other similar statutes if such costs are
9 specifically designated as costs by the court and are awarded for the
10 specific reimbursement of costs incurred by the state, county, city, or
11 town in the prosecution of the case, including the fees of defense
12 counsel. Money remitted under this subsection to the state treasurer
13 shall be deposited (~~(as provided in RCW 43.08.250)~~) in the state
14 general fund.

15 (3) The balance of the noninterest money received under this
16 section shall be retained by the city and deposited as provided by law.

17 (4) All money collected for city parking infractions shall be
18 remitted by the clerk of the district court at least monthly to the
19 city treasurer for deposit in the city's general fund.

20 (5) Penalties, fines, bail forfeitures, fees, and costs may accrue
21 interest at the rate of twelve percent per annum, upon assignment to a
22 collection agency. Interest may accrue only while the case is in
23 collection status.

24 (6) Interest retained by the court on penalties, fines, bail
25 forfeitures, fees, and costs shall be split twenty-five percent to the
26 state treasurer for deposit in the (~~(public safety and education~~
27 ~~account as provided in RCW 43.08.250)) state general fund, twenty-five
28 percent to the state treasurer for deposit in the judicial information
29 system account as provided in RCW 2.68.020, twenty-five percent to the
30 city general fund, and twenty-five percent to the city general fund to
31 fund local courts.~~

32 **Sec. 7.** RCW 7.68.030 and 1989 1st ex.s. c 5 s 2 are each amended
33 to read as follows:

34 It shall be the duty of the director to establish and administer a
35 program of benefits to innocent victims of criminal acts within the
36 terms and limitations of this chapter. In so doing, the director
37 shall, in accordance with chapter 34.05 RCW, adopt rules and

1 regulations necessary to the administration of this chapter, and the
2 provisions contained in chapter 51.04 RCW, including but not limited to
3 RCW 51.04.020, 51.04.030, 51.04.040, 51.04.050 and 51.04.100 as now or
4 hereafter amended, shall apply where appropriate in keeping with the
5 intent of this chapter. The director may apply for and, subject to
6 appropriation, expend federal funds under Public Law 98-473 and any
7 other federal program providing financial assistance to state crime
8 victim compensation programs. The federal funds shall be deposited in
9 the (~~public safety and education account in the~~) state general fund
10 and may be expended only for purposes authorized by applicable federal
11 law.

12 **Sec. 8.** RCW 7.68.035 and 2000 c 71 s 3 are each amended to read as
13 follows:

14 (1)(a) When any person is found guilty in any superior court of
15 having committed a crime, except as provided in subsection (2) of this
16 section, there shall be imposed by the court upon such convicted person
17 a penalty assessment. The assessment shall be in addition to any other
18 penalty or fine imposed by law and shall be five hundred dollars for
19 each case or cause of action that includes one or more convictions of
20 a felony or gross misdemeanor and two hundred fifty dollars for any
21 case or cause of action that includes convictions of only one or more
22 misdemeanors.

23 (b) When any juvenile is adjudicated of any offense in any juvenile
24 offense disposition under Title 13 RCW, except as provided in
25 subsection (2) of this section, there shall be imposed upon the
26 juvenile offender a penalty assessment. The assessment shall be in
27 addition to any other penalty or fine imposed by law and shall be one
28 hundred dollars for each case or cause of action that includes one or
29 more adjudications for a felony or gross misdemeanor and seventy-five
30 dollars for each case or cause of action that includes adjudications of
31 only one or more misdemeanors.

32 (2) The assessment imposed by subsection (1) of this section shall
33 not apply to motor vehicle crimes defined in Title 46 RCW except those
34 defined in the following sections: RCW 46.61.520, 46.61.522,
35 46.61.024, 46.52.090, 46.70.140, 46.61.502, 46.61.504, 46.52.101,
36 46.20.410, 46.52.020, 46.10.130, 46.09.130, 46.61.5249, 46.61.525,

1 46.61.685, 46.61.530, 46.61.500, 46.61.015, 46.52.010, 46.44.180,
2 46.10.090(2), and 46.09.120(2).

3 (3) When any person accused of having committed a crime posts bail
4 in superior court pursuant to the provisions of chapter 10.19 RCW and
5 such bail is forfeited, there shall be deducted from the proceeds of
6 such forfeited bail a penalty assessment, in addition to any other
7 penalty or fine imposed by law, equal to the assessment which would be
8 applicable under subsection (1) of this section if the person had been
9 convicted of the crime.

10 (4) Such penalty assessments shall be paid by the clerk of the
11 superior court to the county treasurer who shall monthly transmit the
12 money as provided in RCW 10.82.070. Each county shall deposit fifty
13 percent of the money it receives per case or cause of action under
14 subsection (1) of this section and retains under RCW 10.82.070, not
15 less than one and seventy-five one-hundredths percent of the remaining
16 money it retains under RCW 10.82.070 and the money it retains under
17 chapter 3.62 RCW, and all money it receives under subsection (7) of
18 this section into a fund maintained exclusively for the support of
19 comprehensive programs to encourage and facilitate testimony by the
20 victims of crimes and witnesses to crimes. A program shall be
21 considered "comprehensive" only after approval of the department upon
22 application by the county prosecuting attorney. The department shall
23 approve as comprehensive only programs which:

24 (a) Provide comprehensive services to victims and witnesses of all
25 types of crime with particular emphasis on serious crimes against
26 persons and property. It is the intent of the legislature to make
27 funds available only to programs which do not restrict services to
28 victims or witnesses of a particular type or types of crime and that
29 such funds supplement, not supplant, existing local funding levels;

30 (b) Are administered by the county prosecuting attorney either
31 directly through the prosecuting attorney's office or by contract
32 between the county and agencies providing services to victims of crime;

33 (c) Make a reasonable effort to inform the known victim or his
34 surviving dependents of the existence of this chapter and the procedure
35 for making application for benefits;

36 (d) Assist victims in the restitution and adjudication process; and

37 (e) Assist victims of violent crimes in the preparation and

1 presentation of their claims to the department of labor and industries
2 under this chapter.

3 Before a program in any county west of the Cascade mountains is
4 submitted to the department for approval, it shall be submitted for
5 review and comment to each city within the county with a population of
6 more than one hundred fifty thousand. The department will consider if
7 the county's proposed comprehensive plan meets the needs of crime
8 victims in cases adjudicated in municipal, district or superior courts
9 and of crime victims located within the city and county.

10 (5) Upon submission to the department of a letter of intent to
11 adopt a comprehensive program, the prosecuting attorney shall retain
12 the money deposited by the county under subsection (4) of this section
13 until such time as the county prosecuting attorney has obtained
14 approval of a program from the department. Approval of the
15 comprehensive plan by the department must be obtained within one year
16 of the date of the letter of intent to adopt a comprehensive program.
17 The county prosecuting attorney shall not make any expenditures from
18 the money deposited under subsection (4) of this section until approval
19 of a comprehensive plan by the department. If a county prosecuting
20 attorney has failed to obtain approval of a program from the department
21 under subsection (4) of this section or failed to obtain approval of a
22 comprehensive program within one year after submission of a letter of
23 intent under this section, the county treasurer shall monthly transmit
24 one hundred percent of the money deposited by the county under
25 subsection (4) of this section to the state treasurer for deposit in
26 the ((~~public safety and education account established under RCW~~
27 ~~43.08.250~~)) state general fund.

28 (6) County prosecuting attorneys are responsible to make every
29 reasonable effort to insure that the penalty assessments of this
30 chapter are imposed and collected.

31 (7) Every city and town shall transmit monthly one and seventy-five
32 one-hundredths percent of all money, other than money received for
33 parking infractions, retained under RCW ((~~3.46.120~~)) 3.50.100((~~7~~)) and
34 35.20.220 to the county treasurer for deposit as provided in subsection
35 (4) of this section.

36 **Sec. 9.** RCW 7.68.085 and 1990 c 3 s 504 are each amended to read
37 as follows:

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

6 (1) Necessary for a previously accepted condition;

7 (2) Necessary to protect the victim's life or prevent deterioration
8 of the victim's previously accepted condition; and

9 (3) Not available from an alternative source.

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

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

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

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

6 **Sec. 10.** RCW 9.41.110 and 1994 sp.s. c 7 s 416 are each amended to
7 read as follows:

8 (1) No dealer may sell or otherwise transfer, or expose for sale or
9 transfer, or have in his or her possession with intent to sell, or
10 otherwise transfer, any pistol without being licensed as provided in
11 this section.

12 (2) No dealer may sell or otherwise transfer, or expose for sale or
13 transfer, or have in his or her possession with intent to sell, or
14 otherwise transfer, any firearm other than a pistol without being
15 licensed as provided in this section.

16 (3) No dealer may sell or otherwise transfer, or expose for sale or
17 transfer, or have in his or her possession with intent to sell, or
18 otherwise transfer, any ammunition without being licensed as provided
19 in this section.

20 (4) The duly constituted licensing authorities of any city, town,
21 or political subdivision of this state shall grant licenses in forms
22 prescribed by the director of licensing effective for not more than one
23 year from the date of issue permitting the licensee to sell firearms
24 within this state subject to the following conditions, for breach of
25 any of which the license shall be forfeited and the licensee subject to
26 punishment as provided in RCW 9.41.010 through 9.41.810. A licensing
27 authority shall forward a copy of each license granted to the
28 department of licensing. The department of licensing shall notify the
29 department of revenue of the name and address of each dealer licensed
30 under this section.

31 (5)(a) A licensing authority shall, within thirty days after the
32 filing of an application of any person for a dealer's license,
33 determine whether to grant the license. However, if the applicant does
34 not have a valid permanent Washington driver's license or Washington
35 state identification card, or has not been a resident of the state for
36 the previous consecutive ninety days, the licensing authority shall
37 have up to sixty days to determine whether to issue a license. No

1 person shall qualify for a license under this section without first
2 receiving a federal firearms license and undergoing fingerprinting and
3 a background check. In addition, no person ineligible to possess a
4 firearm under RCW 9.41.040 or ineligible for a concealed pistol license
5 under RCW 9.41.070 shall qualify for a dealer's license.

6 (b) A dealer shall require every employee who may sell a firearm in
7 the course of his or her employment to undergo fingerprinting and a
8 background check. An employee must be eligible to possess a firearm,
9 and must not have been convicted of a crime that would make the person
10 ineligible for a concealed pistol license, before being permitted to
11 sell a firearm. Every employee shall comply with requirements
12 concerning purchase applications and restrictions on delivery of
13 pistols that are applicable to dealers.

14 (6)(a) Except as otherwise provided in (b) of this subsection, the
15 business shall be carried on only in the building designated in the
16 license. For the purpose of this section, advertising firearms for
17 sale shall not be considered the carrying on of business.

18 (b) A dealer may conduct business temporarily at a location other
19 than the building designated in the license, if the temporary location
20 is within Washington state and is the location of a gun show sponsored
21 by a national, state, or local organization, or an affiliate of any
22 such organization, devoted to the collection, competitive use, or other
23 sporting use of firearms in the community. Nothing in this subsection
24 (6)(b) authorizes a dealer to conduct business in or from a motorized
25 or towed vehicle.

26 In conducting business temporarily at a location other than the
27 building designated in the license, the dealer shall comply with all
28 other requirements imposed on dealers by RCW 9.41.090, 9.41.100, and
29 9.41.110. The license of a dealer who fails to comply with the
30 requirements of RCW 9.41.080 and 9.41.090 and subsection (8) of this
31 section while conducting business at a temporary location shall be
32 revoked, and the dealer shall be permanently ineligible for a dealer's
33 license.

34 (7) The license or a copy thereof, certified by the issuing
35 authority, shall be displayed on the premises in the area where
36 firearms are sold, or at the temporary location, where it can easily be
37 read.

1 (8)(a) No pistol may be sold: (i) In violation of any provisions
2 of RCW 9.41.010 through 9.41.810; nor (ii) may a pistol be sold under
3 any circumstances unless the purchaser is personally known to the
4 dealer or shall present clear evidence of his or her identity.

5 (b) A dealer who sells or delivers any firearm in violation of RCW
6 9.41.080 is guilty of a class C felony. In addition to any other
7 penalty provided for by law, the dealer is subject to mandatory
8 permanent revocation of his or her dealer's license and permanent
9 ineligibility for a dealer's license.

10 (c) The license fee for pistols shall be one hundred twenty-five
11 dollars. The license fee for firearms other than pistols shall be one
12 hundred twenty-five dollars. The license fee for ammunition shall be
13 one hundred twenty-five dollars. Any dealer who obtains any license
14 under subsection (1), (2), or (3) of this section may also obtain the
15 remaining licenses without payment of any fee. The fees received under
16 this section shall be deposited in the ((~~account under RCW 69.50.520~~))
17 state general fund.

18 (9)(a) A true record in triplicate shall be made of every pistol
19 sold, in a book kept for the purpose, the form of which may be
20 prescribed by the director of licensing and shall be personally signed
21 by the purchaser and by the person effecting the sale, each in the
22 presence of the other, and shall contain the date of sale, the caliber,
23 make, model and manufacturer's number of the weapon, the name, address,
24 occupation, and place of birth of the purchaser and a statement signed
25 by the purchaser that he or she is not ineligible under RCW 9.41.040 to
26 possess a firearm.

27 (b) One copy shall within six hours be sent by certified mail to
28 the chief of police of the municipality or the sheriff of the county of
29 which the purchaser is a resident; the duplicate the dealer shall
30 within seven days send to the director of licensing; the triplicate the
31 dealer shall retain for six years.

32 (10) Subsections (2) through (9) of this section shall not apply to
33 sales at wholesale.

34 (11) The dealer's licenses authorized to be issued by this section
35 are general licenses covering all sales by the licensee within the
36 effective period of the licenses. The department shall provide a
37 single application form for dealer's licenses and a single license form
38 which shall indicate the type or types of licenses granted.

1 (12) Except as provided in RCW 9.41.090, every city, town, and
2 political subdivision of this state is prohibited from requiring the
3 purchaser to secure a permit to purchase or from requiring the dealer
4 to secure an individual permit for each sale.

5 **Sec. 11.** RCW 9A.82.110 and 2001 c 222 s 15 are each amended to
6 read as follows:

7 (1) ~~((Any payments or forfeiture to the state general fund ordered~~
8 ~~under RCW 9A.82.100 (4) or (5) shall be deposited in the public safety~~
9 ~~and education account.~~

10 (2)) In an action brought by the attorney general on behalf of the
11 state under RCW 9A.82.100(1)(b)(i) in which the state prevails, any
12 payments ordered in excess of the actual damages sustained shall be
13 deposited in the ~~((public safety and education account))~~ state general
14 fund.

15 ~~((3) It is the intent of the legislature that the money deposited~~
16 ~~in the public safety and education account pursuant to this chapter be~~
17 ~~appropriated to promote crime victims' compensation.~~

18 (4)) (2)(a) The county legislative authority may establish an
19 antiprofitereing revolving fund to be administered by the county
20 prosecuting attorney under the conditions and for the purposes provided
21 by this subsection. Disbursements from the fund shall be on
22 authorization of the county prosecuting attorney. No appropriation is
23 required for disbursements.

24 (b) Any prosecution and investigation costs, including attorney's
25 fees, recovered for the state by the county prosecuting attorney as a
26 result of enforcement of civil and criminal statutes pertaining to any
27 offense included in the definition of criminal profiteering, whether by
28 final judgment, settlement, or otherwise, shall be deposited, as
29 directed by a court of competent jurisdiction, in the fund established
30 by this subsection. In an action brought by a prosecuting attorney on
31 behalf of the county under RCW 9A.82.100(1)(b)(i) in which the county
32 prevails, any payments ordered in excess of the actual damages
33 sustained shall be deposited in the ~~((public safety and education~~
34 ~~account in the))~~ state general fund.

35 (c) The county legislative authority may prescribe a maximum level
36 of moneys in the antiprofitereing revolving fund. Moneys exceeding the

1 prescribed maximum shall be transferred to the county current expense
2 fund.

3 (d) The moneys in the fund shall be used by the county prosecuting
4 attorney for the investigation and prosecution of any offense, within
5 the jurisdiction of the county prosecuting attorney, included in the
6 definition of criminal profiteering, including civil enforcement.

7 (e) If a county has not established an antiprofitereering revolving
8 fund, any payments or forfeitures ordered to the county under this
9 chapter shall be deposited to the county current expense fund.

10 **Sec. 12.** RCW 9.68A.120 and 1999 c 143 s 8 are each amended to read
11 as follows:

12 The following are subject to seizure and forfeiture:

13 (1) All visual or printed matter that depicts a minor engaged in
14 sexually explicit conduct.

15 (2) All raw materials, equipment, and other tangible personal
16 property of any kind used or intended to be used to manufacture or
17 process any visual or printed matter that depicts a minor engaged in
18 sexually explicit conduct, and all conveyances, including aircraft,
19 vehicles, or vessels that are used or intended for use to transport, or
20 in any manner to facilitate the transportation of, visual or printed
21 matter in violation of RCW 9.68A.050 or 9.68A.060, but:

22 (a) No conveyance used by any person as a common carrier in the
23 transaction of business as a common carrier is subject to forfeiture
24 under this section unless it appears that the owner or other person in
25 charge of the conveyance is a consenting party or privy to a violation
26 of this chapter;

27 (b) No property is subject to forfeiture under this section by
28 reason of any act or omission established by the owner of the property
29 to have been committed or omitted without the owner's knowledge or
30 consent;

31 (c) A forfeiture of property encumbered by a bona fide security
32 interest is subject to the interest of the secured party if the secured
33 party neither had knowledge of nor consented to the act or omission;
34 and

35 (d) When the owner of a conveyance has been arrested under this
36 chapter the conveyance may not be subject to forfeiture unless it is

1 seized or process is issued for its seizure within ten days of the
2 owner's arrest.

3 (3) All personal property, moneys, negotiable instruments,
4 securities, or other tangible or intangible property furnished or
5 intended to be furnished by any person in exchange for visual or
6 printed matter depicting a minor engaged in sexually explicit conduct,
7 or constituting proceeds traceable to any violation of this chapter.

8 (4) Property subject to forfeiture under this chapter may be seized
9 by any law enforcement officer of this state upon process issued by any
10 superior court having jurisdiction over the property. Seizure without
11 process may be made if:

12 (a) The seizure is incident to an arrest or a search under a search
13 warrant or an inspection under an administrative inspection warrant;

14 (b) The property subject to seizure has been the subject of a prior
15 judgment in favor of the state in a criminal injunction or forfeiture
16 proceeding based upon this chapter;

17 (c) A law enforcement officer has probable cause to believe that
18 the property is directly or indirectly dangerous to health or safety;
19 or

20 (d) The law enforcement officer has probable cause to believe that
21 the property was used or is intended to be used in violation of this
22 chapter.

23 (5) In the event of seizure under subsection (4) of this section,
24 proceedings for forfeiture shall be deemed commenced by the seizure.
25 The law enforcement agency under whose authority the seizure was made
26 shall cause notice to be served within fifteen days following the
27 seizure on the owner of the property seized and the person in charge
28 thereof and any person having any known right or interest therein, of
29 the seizure and intended forfeiture of the seized property. The notice
30 may be served by any method authorized by law or court rule including
31 but not limited to service by certified mail with return receipt
32 requested. Service by mail shall be deemed complete upon mailing
33 within the fifteen day period following the seizure.

34 (6) If no person notifies the seizing law enforcement agency in
35 writing of the person's claim of ownership or right to possession of
36 seized items within forty-five days of the seizure, the item seized
37 shall be deemed forfeited.

1 (7) If any person notifies the seizing law enforcement agency in
2 writing of the person's claim of ownership or right to possession of
3 seized items within forty-five days of the seizure, the person or
4 persons shall be afforded a reasonable opportunity to be heard as to
5 the claim or right. The hearing shall be before an administrative law
6 judge appointed under chapter 34.12 RCW, except that any person
7 asserting a claim or right may remove the matter to a court of
8 competent jurisdiction if the aggregate value of the article or
9 articles involved is more than five hundred dollars. The hearing
10 before an administrative law judge and any appeal therefrom shall be
11 under Title 34 RCW. In a court hearing between two or more claimants
12 to the article or articles involved, the prevailing party shall be
13 entitled to a judgment for costs and reasonable attorney's fees. The
14 burden of producing evidence shall be upon the person claiming to be
15 the lawful owner or the person claiming to have the lawful right to
16 possession of the seized items. The seizing law enforcement agency
17 shall promptly return the article or articles to the claimant upon a
18 determination by the administrative law judge or court that the
19 claimant is lawfully entitled to possession thereof of the seized
20 items.

21 (8) If property is sought to be forfeited on the ground that it
22 constitutes proceeds traceable to a violation of this chapter, the
23 seizing law enforcement agency must prove by a preponderance of the
24 evidence that the property constitutes proceeds traceable to a
25 violation of this chapter.

26 (9) When property is forfeited under this chapter the seizing law
27 enforcement agency may:

28 (a) Retain it for official use or upon application by any law
29 enforcement agency of this state release the property to that agency
30 for the exclusive use of enforcing this chapter;

31 (b) Sell that which is not required to be destroyed by law and
32 which is not harmful to the public. The proceeds and all moneys
33 forfeited under this chapter shall be used for payment of all proper
34 expenses of the investigation leading to the seizure, including any
35 money delivered to the subject of the investigation by the law
36 enforcement agency, and of the proceedings for forfeiture and sale,
37 including expenses of seizure, maintenance of custody, advertising,
38 actual costs of the prosecuting or city attorney, and court costs.

1 Fifty percent of the money remaining after payment of these expenses
2 shall be deposited in the (~~public safety and education account~~
3 ~~established under RCW 43.08.250~~) state general fund and fifty percent
4 shall be deposited in the general fund of the state, county, or city of
5 the seizing law enforcement agency; or

6 (c) Request the appropriate sheriff or director of public safety to
7 take custody of the property and remove it for disposition in
8 accordance with law.

9 **Sec. 13.** RCW 10.82.070 and 2004 c 15 s 6 are each amended to read
10 as follows:

11 (1) All sums of money derived from costs, fines, penalties, and
12 forfeitures imposed or collected, in whole or in part, by a superior
13 court for violation of orders of injunction, mandamus and other like
14 writs, for contempt of court, or for breach of the penal laws shall be
15 paid in cash by the person collecting the same, within twenty days
16 after the collection, to the county treasurer of the county in which
17 the same have accrued.

18 (2) Except as provided in RCW 10.99.080, the county treasurer shall
19 remit monthly thirty-two percent of the money received under this
20 section except for certain costs to the state treasurer for deposit
21 (~~as provided under RCW 43.08.250~~) in the state general fund and shall
22 deposit the remainder as provided by law. "Certain costs" as used in
23 this subsection, means those costs awarded to prevailing parties in
24 civil actions under RCW 4.84.010 or 36.18.040, or those costs awarded
25 against convicted defendants in criminal actions under RCW 10.01.160,
26 10.46.190, or 36.18.040, or other similar statutes if such costs are
27 specifically designated as costs by the court and are awarded for the
28 specific reimbursement of costs incurred by the state or county in the
29 prosecution of the case, including the fees of defense counsel. Costs
30 or assessments awarded to dedicated accounts, state or local, are not
31 subject to this state allocation or to RCW 7.68.035.

32 (3) All fees, fines, forfeitures and penalties collected or
33 assessed by a district court because of the violation of a state law
34 shall be remitted as provided in chapter 3.62 RCW as now exists or is
35 later amended. All fees, fines, forfeitures, and penalties collected
36 or assessed by a superior court in cases on appeal from a lower court

1 shall be remitted to the municipal or district court from which the
2 cases were appealed.

3 **Sec. 14.** RCW 10.82.090 and 2004 c 121 s 1 are each amended to read
4 as follows:

5 (1) Except as provided in subsection (2) of this section, financial
6 obligations imposed in a judgment shall bear interest from the date of
7 the judgment until payment, at the rate applicable to civil judgments.
8 All nonrestitution interest retained by the court shall be split
9 twenty-five percent to the state treasurer for deposit in the (~~public~~
10 ~~safety and education account as provided in RCW 43.08.250~~) state
11 general fund, twenty-five percent to the state treasurer for deposit in
12 the judicial information system account as provided in RCW 2.68.020,
13 twenty-five percent to the county current expense fund, and twenty-five
14 percent to the county current expense fund to fund local courts.

15 (2) The court may, on motion by the offender, following the
16 offender's release from total confinement, reduce or waive the interest
17 on legal financial obligations levied as a result of a criminal
18 conviction. The court may reduce or waive the interest only as an
19 incentive for the offender to meet his or her legal financial
20 obligations. The court may not waive the interest on the restitution
21 portion of the legal financial obligation and may only reduce the
22 interest on the restitution portion of the legal financial obligation
23 if the principal of the restitution has been paid in full. The
24 offender must show that he or she has personally made a good faith
25 effort to pay, that the interest accrual is causing a significant
26 hardship, and that he or she will be unable to pay the principal and
27 interest in full and that reduction or waiver of the interest will
28 likely enable the offender to pay the full principal and any remaining
29 interest thereon. For purposes of this section, "good faith effort"
30 means that the offender has either (a) paid the principal amount in
31 full; or (b) made twenty-four consecutive monthly payments, excluding
32 any payments mandatorily deducted by the department of corrections, on
33 his or her legal financial obligations under his or her payment
34 agreement with the court. The court may grant the motion, establish a
35 payment schedule, and retain jurisdiction over the offender for
36 purposes of reviewing and revising the reduction or waiver of interest.

1 This section applies to persons convicted as adults or in juvenile
2 court.

3 **Sec. 15.** RCW 10.105.010 and 1993 c 288 s 2 are each amended to
4 read as follows:

5 (1) The following are subject to seizure and forfeiture and no
6 property right exists in them: All personal property, including, but
7 not limited to, any item, object, tool, substance, device, weapon,
8 machine, vehicle of any kind, money, security, or negotiable
9 instrument, which has been or was actually employed as an
10 instrumentality in the commission of, or in aiding or abetting in the
11 commission of any felony, or which was furnished or was intended to be
12 furnished by any person in the commission of, as a result of, or as
13 compensation for the commission of, any felony, or which was acquired
14 in whole or in part with proceeds traceable to the commission of a
15 felony. No property may be forfeited under this section until after
16 there has been a superior court conviction of the owner of the property
17 for the felony in connection with which the property was employed,
18 furnished, or acquired.

19 A forfeiture of property encumbered by a bona fide security
20 interest is subject to the interest of the secured party if at the time
21 the security interest was created, the secured party neither had
22 knowledge of nor consented to the commission of the felony.

23 (2) Personal property subject to forfeiture under this chapter may
24 be seized by any law enforcement officer of this state upon process
25 issued by any superior court having jurisdiction over the property.
26 Seizure of personal property without process may be made if:

27 (a) The seizure is incident to an arrest or a search under a search
28 warrant;

29 (b) The property subject to seizure has been the subject of a prior
30 judgment in favor of the state in a criminal injunction or forfeiture
31 proceeding;

32 (c) A law enforcement officer has probable cause to believe that
33 the property is directly dangerous to health or safety; or

34 (d) The law enforcement officer has probable cause to believe that
35 the property was used or is intended to be used in the commission of a
36 felony.

1 (3) In the event of seizure pursuant to this section, proceedings
2 for forfeiture shall be deemed commenced by the seizure. The law
3 enforcement agency under whose authority the seizure was made shall
4 cause notice to be served within fifteen days following the seizure on
5 the owner of the property seized and the person in charge thereof and
6 any person having any known right or interest therein, including any
7 community property interest, of the seizure and intended forfeiture of
8 the seized property. The notice of seizure may be served by any method
9 authorized by law or court rule including but not limited to service by
10 certified mail with return receipt requested. Service by mail shall be
11 deemed complete upon mailing within the fifteen day period following
12 the seizure. Notice of seizure in the case of property subject to a
13 security interest that has been perfected by filing a financing
14 statement in accordance with chapter ((62A.9)) 62A.9A RCW, or a
15 certificate of title shall be made by service upon the secured party or
16 the secured party's assignee at the address shown on the financing
17 statement or the certificate of title.

18 (4) If no person notifies the seizing law enforcement agency in
19 writing of the person's claim of ownership or right to possession of
20 items specified in subsection (1) of this section within forty-five
21 days of the seizure, the item seized shall be deemed forfeited.

22 (5) If a person notifies the seizing law enforcement agency in
23 writing of the person's claim of ownership or right to possession of
24 the seized property within forty-five days of the seizure, the law
25 enforcement agency shall give the person or persons a reasonable
26 opportunity to be heard as to the claim or right. The hearing shall be
27 before the chief law enforcement officer of the seizing agency or the
28 chief law enforcement officer's designee, except where the seizing
29 agency is a state agency as defined in RCW 34.12.020(4), the hearing
30 shall be before the chief law enforcement officer of the seizing agency
31 or an administrative law judge appointed under chapter 34.12 RCW,
32 except that any person asserting a claim or right may remove the matter
33 to a court of competent jurisdiction. Removal may only be accomplished
34 according to the rules of civil procedure. The person seeking removal
35 of the matter must serve process against the state, county, political
36 subdivision, or municipality that operates the seizing agency, and any
37 other party of interest, in accordance with RCW 4.28.080 or 4.92.020,
38 within forty-five days after the person seeking removal has notified

1 the seizing law enforcement agency of the person's claim of ownership
2 or right to possession. The court to which the matter is to be removed
3 shall be the district court when the aggregate value of the property is
4 within the jurisdictional limit set forth in RCW 3.66.020. A hearing
5 before the seizing agency and any appeal therefrom shall be under Title
6 34 RCW. In a court hearing between two or more claimants to the
7 property involved, the prevailing party shall be entitled to a judgment
8 for costs and reasonable attorney's fees. The burden of producing
9 evidence shall be upon the person claiming to be the lawful owner or
10 the person claiming to have the lawful right to possession of the
11 property. The seizing law enforcement agency shall promptly return the
12 property to the claimant upon a determination by the administrative law
13 judge or court that the claimant is the present lawful owner or is
14 lawfully entitled to possession of the property.

15 (6) When property is forfeited under this chapter, after satisfying
16 any court-ordered victim restitution, the seizing law enforcement
17 agency may:

18 (a) Retain it for official use or upon application by any law
19 enforcement agency of this state release such property to such agency
20 for the exclusive use of enforcing the criminal law;

21 (b) Sell that which is not required to be destroyed by law and
22 which is not harmful to the public.

23 (7) By January 31st of each year, each seizing agency shall remit
24 to the state treasurer an amount equal to ten percent of the net
25 proceeds of any property forfeited during the preceding calendar year.
26 Money remitted shall be deposited in the (~~public safety and education~~
27 ~~account~~) state general fund.

28 (a) The net proceeds of forfeited property is the value of the
29 forfeitable interest in the property after deducting the cost of
30 satisfying any bona fide security interest to which the property is
31 subject at the time of seizure; and in the case of sold property, after
32 deducting the cost of sale, including reasonable fees or commissions
33 paid to independent selling agents.

34 (b) The value of sold forfeited property is the sale price. The
35 value of retained forfeited property is the fair market value of the
36 property at the time of seizure, determined when possible by reference
37 to an applicable commonly used index, such as the index used by the
38 department of licensing for valuation of motor vehicles. A seizing

1 agency may use, but need not use, an independent qualified appraiser to
2 determine the value of retained property. If an appraiser is used, the
3 value of the property appraised is net of the cost of the appraisal.
4 The value of destroyed property and retained firearms or illegal
5 property is zero.

6 (c) Retained property and net proceeds not required to be paid to
7 the state treasurer, or otherwise required to be spent under this
8 section, shall be retained by the seizing law enforcement agency
9 exclusively for the expansion and improvement of law enforcement
10 activity. Money retained under this section may not be used to
11 supplant preexisting funding sources.

12 **Sec. 16.** RCW 28A.150.380 and 2001 c 3 s 10 are each amended to
13 read as follows:

14 (1) The state legislature shall, at each regular session in an odd-
15 numbered year, appropriate from the state general fund for the current
16 use of the common schools such amounts as needed for state support to
17 the common schools during the ensuing biennium as provided in this
18 chapter, RCW 28A.160.150 through 28A.160.210, 28A.300.170, and
19 28A.500.010.

20 (2) The state legislature shall also, at each regular session in an
21 odd-numbered year, appropriate from the ((~~student-achievement-fund~~))
22 general fund and education construction fund ((~~solely~~)) for the
23 purposes of and in accordance with the provisions of the student
24 achievement act during the ensuing biennium.

25 **Sec. 17.** RCW 28A.505.210 and 2005 c 497 s 105 are each amended to
26 read as follows:

27 School districts shall have the authority to decide the best use of
28 ((~~student-achievement~~)) funds distributed for the student achievement
29 program under RCW 28A.505.220 to assist students in meeting and
30 exceeding the new, higher academic standards in each district
31 consistent with the provisions of chapter 3, Laws of 2001.

32 (1) ((~~Student-achievement~~)) Funds shall be allocated for the
33 following uses:

34 (a) To reduce class size by hiring certificated elementary
35 classroom teachers in grades K-4 and paying nonemployee-related costs
36 associated with those new teachers;

1 (b) To make selected reductions in class size in grades 5-12, such
2 as small high school writing classes;

3 (c) To provide extended learning opportunities to improve student
4 academic achievement in grades K-12, including, but not limited to,
5 extended school year, extended school day, before-and-after-school
6 programs, special tutoring programs, weekend school programs, summer
7 school, and all-day kindergarten;

8 (d) To provide additional professional development for educators,
9 including additional paid time for curriculum and lesson redesign and
10 alignment, training to ensure that instruction is aligned with state
11 standards and student needs, reimbursement for higher education costs
12 related to enhancing teaching skills and knowledge, and mentoring
13 programs to match teachers with skilled, master teachers. The funding
14 shall not be used for salary increases or additional compensation for
15 existing teaching duties, but may be used for extended year and
16 extended day teaching contracts;

17 (e) To provide early assistance for children who need
18 prekindergarten support in order to be successful in school;

19 (f) To provide improvements or additions to school building
20 facilities which are directly related to the class size reductions and
21 extended learning opportunities under (a) through (c) of this
22 subsection.

23 (2) Annually on or before May 1st, the school district board of
24 directors shall meet at the time and place designated for the purpose
25 of a public hearing on the proposed use of these funds to improve
26 student achievement for the coming year. Any person may appear or by
27 written submission have the opportunity to comment on the proposed plan
28 for the use of these funds. No later than August 31st, as a part of
29 the process under RCW 28A.505.060, each school district shall adopt a
30 plan for the use of these funds for the upcoming school year.
31 Annually, each school district shall provide to the citizens of their
32 district a public accounting of the funds made available to the
33 district during the previous school year under chapter 3, Laws of 2001,
34 how the funds were used, and the progress the district has made in
35 increasing student achievement, as measured by required state
36 assessments and other assessments deemed appropriate by the district.
37 Copies of this report shall be provided to the superintendent of public
38 instruction.

1 **Sec. 18.** RCW 28A.505.220 and 2008 c 170 s 401 are each amended to
2 read as follows:

3 (1) Total distributions for the student achievement program from
4 the ~~((student achievement))~~ general fund to each school district shall
5 be based upon the average number of full-time equivalent students in
6 the school district during the previous school year as reported to the
7 office of the superintendent of public instruction by August 31st of
8 the previous school year. The superintendent of public instruction
9 shall ensure that moneys generated by skill center students are
10 returned to skill centers.

11 (2) The allocation rate per full-time equivalent student shall be
12 three hundred dollars in the 2005-06 school year, three hundred
13 seventy-five dollars in the 2006-07 school year, and four hundred fifty
14 dollars in the 2007-08 school year. For each subsequent school year,
15 the amount allocated per full-time equivalent student shall be adjusted
16 for inflation as defined in RCW 43.135.025(8). These allocations per
17 full-time equivalent student ~~((from the student achievement fund))~~
18 shall be supported from the ~~((following sources:~~

19 ~~(a) Distributions from state property tax proceeds deposited into~~
20 ~~the student achievement fund under RCW 84.52.068; and~~

21 ~~(b))~~ distributions from the education legacy trust account created
22 in RCW 83.100.230(~~(-~~

23 ~~(3) Any funds deposited in the student achievement fund under RCW~~
24 ~~43.135.045 shall be allocated to school districts on a one-time basis~~
25 ~~using a rate per full-time equivalent student. These funds are~~
26 ~~provided in addition to any amounts allocated in subsection (2) of this~~
27 ~~section)) and the state general fund.~~

28 ~~((+4))~~ (3) The school district annual amounts as defined in
29 subsection (2) of this section shall be distributed on the monthly
30 apportionment schedule as defined in RCW 28A.510.250.

31 **Sec. 19.** RCW 35.20.220 and 2004 c 15 s 9 are each amended to read
32 as follows:

33 (1) The chief clerk, under the supervision and direction of the
34 court administrator of the municipal court, shall have the custody and
35 care of the books, papers and records of ~~((said))~~ the court~~((; he))~~.
36 The chief clerk or a deputy shall be present ~~((by himself or deputy))~~
37 during the session of ~~((said))~~ the court~~((;))~~ and ~~((shall have))~~ has

1 the power to swear all witnesses and jurors, (~~and~~) administer oaths
2 and affidavits, and take acknowledgments. (~~He~~) The chief clerk shall
3 keep the records of (~~said~~) the court(~~(~~τ~~)~~) and shall issue all process
4 under his or her hand and the seal of (~~said~~) the court(~~(~~τ~~and~~)). The
5 chief clerk shall do and perform all things and have the same powers
6 pertaining to (~~his~~) the office as the clerks of the superior courts
7 have in their office. He or she shall receive all fines, penalties,
8 and fees of every kind(~~(~~τ~~)~~) and keep a full, accurate, and detailed
9 account of the same(~~(~~τ~~and~~)). The chief clerk shall on each day pay
10 into the city treasury all money received for (~~said~~) the city during
11 the day previous, with a detailed account of the same, and taking the
12 treasurer's receipt therefor.

13 (2) Except as provided in RCW 10.99.080, the city treasurer shall
14 remit monthly thirty-two percent of the noninterest money received
15 under this section, other than for parking infractions and certain
16 costs to the state treasurer. "Certain costs" as used in this
17 subsection, means those costs awarded to prevailing parties in civil
18 actions under RCW 4.84.010 or 36.18.040, or those costs awarded against
19 convicted defendants in criminal actions under RCW 10.01.160,
20 10.46.190, or 36.18.040, or other similar statutes if such costs are
21 specifically designated as costs by the court and are awarded for the
22 specific reimbursement of costs incurred by the state, county, city, or
23 town in the prosecution of the case, including the fees of defense
24 counsel. Money remitted under this subsection to the state treasurer
25 shall be deposited (~~(as provided in RCW 43.08.250)~~) in the state
26 general fund.

27 (3) The balance of the noninterest money received under this
28 section shall be retained by the city and deposited as provided by law.

29 (4) Penalties, fines, bail forfeitures, fees, and costs may accrue
30 interest at the rate of twelve percent per annum, upon assignment to a
31 collection agency. Interest may accrue only while the case is in
32 collection status.

33 (5) Interest retained by the court on penalties, fines, bail
34 forfeitures, fees, and costs shall be split twenty-five percent to the
35 state treasurer for deposit in the (~~(public safety and education~~
36 ~~account as provided in RCW 43.08.250)~~) state general fund, twenty-five
37 percent to the state treasurer for deposit in the judicial information

1 system account as provided in RCW 2.68.020, twenty-five percent to the
2 city general fund, and twenty-five percent to the city general fund to
3 fund local courts.

4 **Sec. 20.** RCW 36.18.012 and 2006 c 192 s 1 are each amended to read
5 as follows:

6 (1) Revenue collected under this section is subject to division
7 with the state (~~for deposit in the public safety and education account~~
8 ~~under RCW 36.18.025~~)).

9 (2) The party filing a transcript or abstract of judgment or
10 verdict from a United States court held in this state, or from the
11 superior court of another county or from a district court in the county
12 of issuance, shall pay at the time of filing a fee of twenty dollars.

13 (3) The clerk shall collect a fee of twenty dollars for: Filing a
14 paper not related to or a part of a proceeding, civil or criminal, or
15 a probate matter, required or permitted to be filed in the clerk's
16 office for which no other charge is provided by law.

17 (4) If the defendant serves or files an answer to an unlawful
18 detainer complaint under chapter 59.18 or 59.20 RCW, the plaintiff
19 shall pay before proceeding with the unlawful detainer action one
20 hundred twelve dollars.

21 (5) Any party filing a counterclaim, cross-claim, or third-party
22 claim in an unlawful detainer action under chapter 59.18 or 59.20 RCW
23 shall pay the equivalent to the total filing fee of an unlawful
24 detainer action pursuant to RCW 36.18.020, including the fee for an
25 unlawful detainer answer pursuant to subsection (4) of this section.

26 (6) For a restrictive covenant for filing a petition to strike
27 discriminatory provisions in real estate under RCW 49.60.227 a fee of
28 twenty dollars must be charged.

29 (7) A fee of twenty dollars must be charged for filing a will only,
30 when no probate of the will is contemplated.

31 (8) A fee of twenty dollars must be charged for filing a petition,
32 written agreement, or written memorandum in a nonjudicial probate
33 dispute under RCW 11.96A.220, if it is filed within an existing case in
34 the same court.

35 (9) A fee of thirty-five dollars must be charged for filing a
36 petition regarding a common law lien under RCW 60.70.060.

1 (10) For the filing of a tax warrant for unpaid taxes or
2 overpayment of benefits by any agency of the state of Washington, a fee
3 of five dollars on or after July 22, 2001, and for the filing of such
4 a tax warrant or overpayment of benefits on or after July 1, 2003, a
5 fee of twenty dollars, of which forty-six percent of the first five
6 dollars is directed to the (~~public safety and education account~~
7 ~~established under RCW 43.08.250~~) state general fund.

8 **Sec. 21.** RCW 36.18.020 and 2005 c 457 s 19 and 2005 c 374 s 5 are
9 each reenacted and amended to read as follows:

10 (1) Revenue collected under this section is subject to division
11 with the state (~~public safety and education account~~) under RCW
12 36.18.025 and with the county or regional law library fund under RCW
13 27.24.070.

14 (2) Clerks of superior courts shall collect the following fees for
15 their official services:

16 (a) In addition to any other fee required by law, the party filing
17 the first or initial paper in any civil action, including, but not
18 limited to an action for restitution, adoption, or change of name, and
19 any party filing a counterclaim, cross-claim, or third-party claim in
20 any such civil action, shall pay, at the time the paper is filed, a fee
21 of two hundred dollars except, in an unlawful detainer action under
22 chapter 59.18 or 59.20 RCW for which the plaintiff shall pay a case
23 initiating filing fee of forty-five dollars, or in proceedings filed
24 under RCW 28A.225.030 alleging a violation of the compulsory attendance
25 laws where the petitioner shall not pay a filing fee. The forty-five
26 dollar filing fee under this subsection for an unlawful detainer action
27 shall not include an order to show cause or any other order or judgment
28 except a default order or default judgment in an unlawful detainer
29 action.

30 (b) Any party, except a defendant in a criminal case, filing the
31 first or initial paper on an appeal from a court of limited
32 jurisdiction or any party on any civil appeal, shall pay, when the
33 paper is filed, a fee of two hundred dollars.

34 (c) For filing of a petition for judicial review as required under
35 RCW 34.05.514 a filing fee of two hundred dollars.

36 (d) For filing of a petition for unlawful harassment under RCW
37 10.14.040 a filing fee of fifty-three dollars.

1 (e) For filing the notice of debt due for the compensation of a
2 crime victim under RCW 7.68.120(2)(a) a fee of two hundred dollars.

3 (f) In probate proceedings, the party instituting such proceedings,
4 shall pay at the time of filing the first paper therein, a fee of two
5 hundred dollars.

6 (g) For filing any petition to contest a will admitted to probate
7 or a petition to admit a will which has been rejected, or a petition
8 objecting to a written agreement or memorandum as provided in RCW
9 11.96A.220, there shall be paid a fee of two hundred dollars.

10 (h) Upon conviction or plea of guilty, upon failure to prosecute an
11 appeal from a court of limited jurisdiction as provided by law, or upon
12 affirmance of a conviction by a court of limited jurisdiction, a
13 defendant in a criminal case shall be liable for a fee of two hundred
14 dollars.

15 (i) With the exception of demands for jury hereafter made and
16 garnishments hereafter issued, civil actions and probate proceedings
17 filed prior to midnight, July 1, 1972, shall be completed and governed
18 by the fee schedule in effect as of January 1, 1972: PROVIDED, That no
19 fee shall be assessed if an order of dismissal on the clerk's record be
20 filed as provided by rule of the supreme court.

21 (3) No fee shall be collected when a petition for relinquishment of
22 parental rights is filed pursuant to RCW 26.33.080 or for forms and
23 instructional brochures provided under RCW 26.50.030.

24 **Sec. 22.** RCW 36.18.025 and 2001 c 146 s 3 are each amended to read
25 as follows:

26 Forty-six percent of the money received from filing fees paid
27 pursuant to RCW 36.18.020, except those collected for the filing of
28 warrants for unpaid taxes or overpayments by state agencies as outlined
29 in RCW 36.18.012(10), shall be transmitted by the county treasurer each
30 month to the state treasurer for deposit in the (~~public safety and~~
31 ~~education account established under RCW 43.08.250~~) state general fund.

32 **Sec. 23.** RCW 36.70A.130 and 2006 c 285 s 2 are each amended to
33 read as follows:

34 (1)(a) Each comprehensive land use plan and development regulations
35 shall be subject to continuing review and evaluation by the county or
36 city that adopted them. Except as otherwise provided, a county or city

1 shall take legislative action to review and, if needed, revise its
2 comprehensive land use plan and development regulations to ensure the
3 plan and regulations comply with the requirements of this chapter
4 according to the time periods specified in subsection (4) of this
5 section.

6 (b) Except as otherwise provided, a county or city not planning
7 under RCW 36.70A.040 shall take action to review and, if needed, revise
8 its policies and development regulations regarding critical areas and
9 natural resource lands adopted according to this chapter to ensure
10 these policies and regulations comply with the requirements of this
11 chapter according to the time periods specified in subsection (4) of
12 this section. Legislative action means the adoption of a resolution or
13 ordinance following notice and a public hearing indicating at a
14 minimum, a finding that a review and evaluation has occurred and
15 identifying the revisions made, or that a revision was not needed and
16 the reasons therefor.

17 (c) The review and evaluation required by this subsection may be
18 combined with the review required by subsection (3) of this section.
19 The review and evaluation required by this subsection shall include,
20 but is not limited to, consideration of critical area ordinances and,
21 if planning under RCW 36.70A.040, an analysis of the population
22 allocated to a city or county from the most recent ten-year population
23 forecast by the office of financial management.

24 (d) Any amendment of or revision to a comprehensive land use plan
25 shall conform to this chapter. Any amendment of or revision to
26 development regulations shall be consistent with and implement the
27 comprehensive plan.

28 (2)(a) Each county and city shall establish and broadly disseminate
29 to the public a public participation program consistent with RCW
30 36.70A.035 and 36.70A.140 that identifies procedures and schedules
31 whereby updates, proposed amendments, or revisions of the comprehensive
32 plan are considered by the governing body of the county or city no more
33 frequently than once every year. "Updates" means to review and revise,
34 if needed, according to subsection (1) of this section, and the time
35 periods specified in subsection (4) of this section or in accordance
36 with the provisions of subsections (5) and (8) of this section.
37 Amendments may be considered more frequently than once per year under
38 the following circumstances:

1 (i) The initial adoption of a subarea plan that does not modify the
2 comprehensive plan policies and designations applicable to the subarea;

3 (ii) The adoption or amendment of a shoreline master program under
4 the procedures set forth in chapter 90.58 RCW;

5 (iii) The amendment of the capital facilities element of a
6 comprehensive plan that occurs concurrently with the adoption or
7 amendment of a county or city budget;

8 (iv) Until June 30, 2006, the designation of recreational lands
9 under RCW 36.70A.1701. A county amending its comprehensive plan
10 pursuant to this subsection (2)(a)(iv) may not do so more frequently
11 than every eighteen months; and

12 (v) The adoption of comprehensive plan amendments necessary to
13 enact a planned action under RCW 43.21C.031(2), provided that
14 amendments are considered in accordance with the public participation
15 program established by the county or city under this subsection (2)(a)
16 and all persons who have requested notice of a comprehensive plan
17 update are given notice of the amendments and an opportunity to
18 comment.

19 (b) Except as otherwise provided in (a) of this subsection, all
20 proposals shall be considered by the governing body concurrently so the
21 cumulative effect of the various proposals can be ascertained.
22 However, after appropriate public participation a county or city may
23 adopt amendments or revisions to its comprehensive plan that conform
24 with this chapter whenever an emergency exists or to resolve an appeal
25 of a comprehensive plan filed with a growth management hearings board
26 or with the court.

27 (3)(a) Each county that designates urban growth areas under RCW
28 36.70A.110 shall review, at least every ten years, its designated urban
29 growth area or areas, and the densities permitted within both the
30 incorporated and unincorporated portions of each urban growth area. In
31 conjunction with this review by the county, each city located within an
32 urban growth area shall review the densities permitted within its
33 boundaries, and the extent to which the urban growth occurring within
34 the county has located within each city and the unincorporated portions
35 of the urban growth areas.

36 (b) The county comprehensive plan designating urban growth areas,
37 and the densities permitted in the urban growth areas by the
38 comprehensive plans of the county and each city located within the

1 urban growth areas, shall be revised to accommodate the urban growth
2 projected to occur in the county for the succeeding twenty-year period.
3 The review required by this subsection may be combined with the review
4 and evaluation required by RCW 36.70A.215.

5 (4) The department shall establish a schedule for counties and
6 cities to take action to review and, if needed, revise their
7 comprehensive plans and development regulations to ensure the plan and
8 regulations comply with the requirements of this chapter. Except as
9 provided in subsections (5) and (8) of this section, the schedule
10 established by the department shall provide for the reviews and
11 evaluations to be completed as follows:

12 (a) On or before December 1, 2004, and every seven years
13 thereafter, for Clallam, Clark, Jefferson, King, Kitsap, Pierce,
14 Snohomish, Thurston, and Whatcom counties and the cities within those
15 counties;

16 (b) On or before December 1, 2005, and every seven years
17 thereafter, for Cowlitz, Island, Lewis, Mason, San Juan, Skagit, and
18 Skamania counties and the cities within those counties;

19 (c) On or before December 1, 2006, and every seven years
20 thereafter, for Benton, Chelan, Douglas, Grant, Kittitas, Spokane, and
21 Yakima counties and the cities within those counties; and

22 (d) On or before December 1, 2007, and every seven years
23 thereafter, for Adams, Asotin, Columbia, Ferry, Franklin, Garfield,
24 Grays Harbor, Klickitat, Lincoln, Okanogan, Pacific, Pend Oreille,
25 Stevens, Wahkiakum, Walla Walla, and Whitman counties and the cities
26 within those counties.

27 (5)(a) Nothing in this section precludes a county or city from
28 conducting the review and evaluation required by this section before
29 the time limits established in subsection (4) of this section.
30 Counties and cities may begin this process early and may be eligible
31 for grants from the department, subject to available funding, if they
32 elect to do so.

33 (b) A county that is subject to a schedule established by the
34 department under subsection (4)(b) through (d) of this section and
35 meets the following criteria may comply with the requirements of this
36 section at any time within the thirty-six months following the date
37 established in the applicable schedule: The county has a population of

1 less than fifty thousand and has had its population increase by no more
2 than seventeen percent in the ten years preceding the date established
3 in the applicable schedule as of that date.

4 (c) A city that is subject to a schedule established by the
5 department under subsection (4)(b) through (d) of this section and
6 meets the following criteria may comply with the requirements of this
7 section at any time within the thirty-six months following the date
8 established in the applicable schedule: The city has a population of
9 no more than five thousand and has had its population increase by the
10 greater of either no more than one hundred persons or no more than
11 seventeen percent in the ten years preceding the date established in
12 the applicable schedule as of that date.

13 (d) State agencies are encouraged to provide technical assistance
14 to the counties and cities in the review of critical area ordinances,
15 comprehensive plans, and development regulations.

16 (6) A county or city subject to the time periods in subsection
17 (4)(a) of this section that, pursuant to an ordinance adopted by the
18 county or city establishing a schedule for periodic review of its
19 comprehensive plan and development regulations, has conducted a review
20 and evaluation of its comprehensive plan and development regulations
21 and, on or after January 1, 2001, has taken action in response to that
22 review and evaluation shall be deemed to have conducted the first
23 review required by subsection (4)(a) of this section. Subsequent
24 review and evaluation by the county or city of its comprehensive plan
25 and development regulations shall be conducted in accordance with the
26 time periods established under subsection (4)(a) of this section.

27 (7) The requirements imposed on counties and cities under this
28 section shall be considered "requirements of this chapter" under the
29 terms of RCW 36.70A.040(1). Only those counties and cities: (a)
30 Complying with the schedules in this section; (b) demonstrating
31 substantial progress towards compliance with the schedules in this
32 section for development regulations that protect critical areas; or (c)
33 complying with the extension provisions of subsection (5)(b) or (c) of
34 this section may receive grants, loans, pledges, or financial
35 guarantees (~~((from those accounts established in RCW 43.155.050 and~~
36 ~~70.146.030))~~ under chapter 43.155 or 70.146 RCW). A county or city that
37 is fewer than twelve months out of compliance with the schedules in
38 this section for development regulations that protect critical areas is

1 making substantial progress towards compliance. Only those counties
2 and cities in compliance with the schedules in this section may receive
3 preference for grants or loans subject to the provisions of RCW
4 43.17.250.

5 (8) Except as provided in subsection (5)(b) and (c) of this
6 section:

7 (a) Counties and cities required to satisfy the requirements of
8 this section according to the schedule established by subsection (4)(b)
9 through (d) of this section may comply with the requirements of this
10 section for development regulations that protect critical areas one
11 year after the dates established in subsection (4)(b) through (d) of
12 this section;

13 (b) Counties and cities complying with the requirements of this
14 section one year after the dates established in subsection (4)(b)
15 through (d) of this section for development regulations that protect
16 critical areas shall be deemed in compliance with the requirements of
17 this section; and

18 (c) This subsection (8) applies only to the counties and cities
19 specified in subsection (4)(b) through (d) of this section, and only to
20 the requirements of this section for development regulations that
21 protect critical areas that must be satisfied by December 1, 2005,
22 December 1, 2006, and December 1, 2007.

23 (9) Notwithstanding subsection (8) of this section and the
24 substantial progress provisions of subsections (7) and (10) of this
25 section, only those counties and cities complying with the schedule in
26 subsection (4) of this section, or the extension provisions of
27 subsection (5)(b) or (c) of this section, may receive preferences for
28 grants, loans, pledges, or financial guarantees (~~from those accounts~~
29 ~~established in RCW 43.155.050 and 70.146.030~~) under chapter 43.155 or
30 70.146 RCW.

31 (10) Until December 1, 2005, and notwithstanding subsection (7) of
32 this section, a county or city subject to the time periods in
33 subsection (4)(a) of this section demonstrating substantial progress
34 towards compliance with the schedules in this section for its
35 comprehensive land use plan and development regulations may receive
36 grants, loans, pledges, or financial guarantees (~~from those accounts~~
37 ~~established in RCW 43.155.050 and 70.146.030~~) under chapter 43.155 or
38 70.146 RCW. A county or city that is fewer than twelve months out of

1 compliance with the schedules in this section for its comprehensive
2 land use plan and development regulations is deemed to be making
3 substantial progress towards compliance.

4 **Sec. 24.** RCW 39.42.070 and 2007 c 215 s 2 are each amended to read
5 as follows:

6 (1) On or after the effective date of this act, the treasurer shall
7 compute general state revenues for the three fiscal years immediately
8 preceding such date and shall determine the arithmetic mean thereof.
9 As soon as is practicable after the close of each fiscal year
10 thereafter, he or she shall do likewise. In determining the amount of
11 general state revenues, the treasurer shall include all state money
12 received in the treasury from each and every source whatsoever except:
13 (a) Fees and revenues derived from the ownership or operation of any
14 undertaking, facility or project; (b) moneys received as gifts, grants,
15 donations, aid or assistance or otherwise from the United States or any
16 department, bureau or corporation thereof, or any person, firm or
17 corporation, public or private, when the terms and conditions of such
18 gift, grant, donation, aid or assistance require the application and
19 disbursement of such moneys otherwise than for the general purposes of
20 the state of Washington; (c) moneys to be paid into and received from
21 retirement system funds, and performance bonds and deposits; (d) moneys
22 to be paid into and received from trust funds including but not limited
23 to moneys received from taxes levied for specific purposes and the
24 several permanent funds of the state and the moneys derived therefrom
25 but excluding bond redemption funds; (e) proceeds received from the
26 sale of bonds or other evidences of indebtedness. Upon computing
27 general state revenues, the treasurer shall make and file in the office
28 of the secretary of state, a certificate containing the results of such
29 computations. Copies of said certificate shall be sent to each elected
30 official of the state and each member of the legislature. The
31 treasurer shall, at the same time, advise each elected official and
32 each member of the legislature of the current available debt capacity
33 of the state, and may make estimated projections for one or more years
34 concerning debt capacity.

35 (2) For purposes of this chapter, general state revenues shall also
36 include revenues that are deposited in the general fund under RCW
37 82.45.180(2), lottery revenues as provided in RCW 67.70.240(3), and

1 revenues paid into the general fund under RCW 84.52.067(~~(, and revenues~~
2 ~~deposited into the student achievement fund and distributed to school~~
3 ~~districts as provided in RCW 84.52.068))~~).

4 **Sec. 25.** RCW 41.05.068 and 2005 c 195 s 2 are each amended to read
5 as follows:

6 The authority may participate as an employer-sponsored program
7 established in section 1860D-22 of the medicare prescription drug,
8 improvement, and modernization act of 2003, P.L. 108-173 et seq., to
9 receive federal employer subsidy funds for continuing to provide
10 retired employee health coverage, including a pharmacy benefit. The
11 administrator, in consultation with the office of financial management,
12 shall evaluate participation in the employer incentive program,
13 including but not limited to any necessary program changes to meet the
14 eligibility requirements that employer-sponsored retiree health
15 coverage provide prescription drug coverage at least equal to the
16 actuarial value of standard prescription drug coverage under medicare
17 part D. Any employer subsidy moneys received from participation in the
18 federal employer incentive program shall be deposited in the (~~health~~
19 ~~services account established in RCW 43.72.900~~) state general fund.

20 **Sec. 26.** RCW 43.08.250 and 2008 c 329 s 913 are each amended to
21 read as follows:

22 (1) The money received by the state treasurer from fees, fines,
23 forfeitures, penalties, reimbursements or assessments by any court
24 organized under Title 3 or 35 RCW, or chapter 2.08 RCW, shall be
25 deposited in the (~~public safety and education account which is hereby~~
26 ~~created in the state treasury. The legislature shall appropriate the~~
27 ~~funds in the account to promote traffic safety education, highway~~
28 ~~safety, criminal justice training, crime victims' compensation,~~
29 ~~judicial education, the judicial information system, civil~~
30 ~~representation of indigent persons under RCW 2.53.030, winter~~
31 ~~recreation parking, drug court operations, and state game programs.~~
32 ~~Through the fiscal biennium ending June 30, 2009, the legislature may~~
33 ~~appropriate moneys from the public safety and education account for~~
34 ~~purposes of appellate indigent defense and other operations of the~~
35 ~~office of public defense, the criminal litigation unit of the attorney~~
36 ~~general's office, the treatment alternatives to street crimes program,~~

1 crime — victims — advocacy — programs, — justice — information — network
2 telecommunication planning, treatment for supplemental security income
3 clients, — sexual assault treatment, — operations of the administrative
4 office of the courts, — security in the common schools, — alternative
5 school start up grants, — programs for disruptive students, — criminal
6 justice data collection, — Washington state patrol criminal justice
7 activities, drug court operations, unified family courts, local court
8 backlog assistance, — financial assistance to local jurisdictions for
9 extraordinary costs incurred in the adjudication of criminal cases,
10 domestic violence treatment and related services, — the department of
11 corrections' — costs — in — implementing — chapter — 196, — Laws — of — 1999,
12 reimbursement — of — local — governments — for — costs — associated — with
13 implementing criminal and civil justice legislation, the replacement of
14 the department of corrections' offender based tracking system, secure
15 and semi-secure crisis residential centers, — HOPE beds, — the family
16 policy council and community public health and safety networks, — the
17 street youth program, — public notification about registered sex
18 offenders, — and — narcotics — or — methamphetamine related — enforcement,
19 education, training, and drug and alcohol treatment services. — During
20 the 2007-2009 fiscal biennium, the legislature may transfer from the
21 public safety and education account to the state general fund such
22 amounts as to reflect the excess fund balance of the fund)) state
23 general fund.

24 (2)((a) The equal justice subaccount is created as a subaccount of
25 the public safety and education account.) The money received by the
26 state treasurer from the increase in fees imposed by sections 9, 10,
27 12, 13, 14, 17, and 19, chapter 457, Laws of 2005 shall be deposited in
28 the ((equal justice subaccount and shall be appropriated only for:

29 (i) Criminal indigent defense assistance and enhancement at the
30 trial court level, including a criminal indigent defense pilot program;

31 (ii) Representation of parents in dependency and termination
32 proceedings;

33 (iii) Civil legal representation of indigent persons; and

34 (iv) Contribution to district court judges' salaries and to
35 eligible elected municipal court judges' salaries.

36 (b) For the 2005-07 fiscal biennium, an amount equal to twenty five
37 percent of revenues to the equal justice subaccount, less one million
38 dollars, shall be appropriated from the equal justice subaccount to the

1 administrator — for — the — courts — for — purposes — of — (a)(iv) — of — this
2 subsection. — For — the — 2007 — 09 — fiscal — biennium — and — subsequent — fiscal
3 biennia, — an — amount — equal — to — fifty — percent — of — revenues — to — the — equal
4 justice — subaccount — shall — be — appropriated — from — the — equal — justice
5 subaccount — to — the — administrator — for — the — courts — for — the — purposes — of
6 (a)(iv) — of — this — subsection)) state general fund. It is the intent of
7 the legislature that fifty percent of such money be appropriated to the
8 administrator for the courts for the purposes of contributing to
9 district court judges' salaries and to eligible elected municipal court
10 judges' salaries. It is further the intent of the legislature that the
11 balance of such moneys be used to fund criminal indigent defense
12 assistance and enhancement at the trial court level, representation of
13 parents in dependency and termination proceedings, and civil legal
14 representation of indigent persons.

15 **Sec. 27.** RCW 43.17.150 and 1986 c 246 s 1 are each amended to read
16 as follows:

17 (1) Each state agency is authorized to receive property or money
18 made available by the attorney general of the United States under
19 section 881(e) of Title 21 of the United States Code and, except as
20 required to the contrary under subsection (2) of this section, to use
21 the property or spend the money for such purposes as are permitted
22 under both federal law and the state law specifying the powers and
23 duties of the agency.

24 (2) Unless precluded by federal law, all funds received by a state
25 agency under section 881(e) of Title 21 of the United States Code shall
26 be promptly deposited into the ((~~public safety and education account~~
27 ~~established in RCW 43.08.250~~)) state general fund.

28 **Sec. 28.** RCW 43.41.260 and 1995 c 265 s 21 are each amended to
29 read as follows:

30 The health care authority, the office of financial management, and
31 the department of social and health services shall together monitor the
32 enrollee level in the basic health plan and the medicaid caseload of
33 children ((~~funded from the health services account~~)). The office of
34 financial management shall adjust the funding levels by interagency
35 reimbursement of funds between the basic health plan and medicaid and

1 adjust the funding levels between the health care authority and the
2 medical assistance administration of the department of social and
3 health services to maximize combined enrollment.

4 NEW SECTION. **Sec. 29.** RCW 43.72.900 (Health services account) and
5 2005 c 518 s 930, 2003 c 259 s 1, 2002 c 371 s 909, 2002 c 2 s 2, &
6 1993 c 492 s 469 are each repealed.

7 **Sec. 30.** RCW 43.79.480 and 2005 c 424 s 12 are each amended to
8 read as follows:

9 (1) Moneys received by the state of Washington in accordance with
10 the settlement of the state's legal action against tobacco product
11 manufacturers, exclusive of costs and attorneys' fees, shall be
12 deposited in the tobacco settlement account created in this section
13 except as these moneys are sold or assigned under chapter 43.340 RCW.

14 (2) The tobacco settlement account is created in the state
15 treasury. Moneys in the tobacco settlement account may only be
16 transferred to the (~~health services account for the purposes set forth~~
17 ~~in RCW 43.72.900~~) state general fund, and to the tobacco prevention
18 and control account for purposes set forth in this section. The
19 legislature shall transfer amounts received as strategic contribution
20 payments as defined in RCW 43.350.010 to the life sciences discovery
21 fund created in RCW 43.350.070.

22 (3) The tobacco prevention and control account is created in the
23 state treasury. The source of revenue for this account is moneys
24 transferred to the account from the tobacco settlement account,
25 investment earnings, donations to the account, and other revenues as
26 directed by law. Expenditures from the account are subject to
27 appropriation.

28 **Sec. 31.** RCW 43.84.092 and 2008 c 128 s 19 and 2008 c 106 s 4 are
29 each reenacted and amended to read as follows:

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

33 (2) The treasury income account shall be utilized to pay or receive
34 funds associated with federal programs as required by the federal cash
35 management improvement act of 1990. The treasury income account is

1 subject in all respects to chapter 43.88 RCW, but no appropriation is
2 required for refunds or allocations of interest earnings required by
3 the cash management improvement act. Refunds of interest to the
4 federal treasury required under the cash management improvement act
5 fall under RCW 43.88.180 and shall not require appropriation. The
6 office of financial management shall determine the amounts due to or
7 from the federal government pursuant to the cash management improvement
8 act. The office of financial management may direct transfers of funds
9 between accounts as deemed necessary to implement the provisions of the
10 cash management improvement act, and this subsection. Refunds or
11 allocations shall occur prior to the distributions of earnings set
12 forth in subsection (4) of this section.

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

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

25 The following accounts and funds shall receive their proportionate
26 share of earnings based upon each account's and fund's average daily
27 balance for the period: The aeronautics account, the aircraft search
28 and rescue account, the budget stabilization account, the capitol
29 building construction account, the Cedar River channel construction and
30 operation account, the Central Washington University capital projects
31 account, the charitable, educational, penal and reformatory
32 institutions account, the cleanup settlement account, the Columbia
33 river basin water supply development account, the common school
34 construction fund, the county arterial preservation account, the county
35 criminal justice assistance account, the county sales and use tax
36 equalization account, the data processing building construction
37 account, the deferred compensation administrative account, the deferred
38 compensation principal account, the department of licensing services

1 account, the department of retirement systems expense account, the
2 developmental disabilities community trust account, the drinking water
3 assistance account, the drinking water assistance administrative
4 account, the drinking water assistance repayment account, the Eastern
5 Washington University capital projects account, the education
6 construction fund, the education legacy trust account, the election
7 account, the energy freedom account, the essential rail assistance
8 account, The Evergreen State College capital projects account, the
9 federal forest revolving account, the ferry bond retirement fund, the
10 freight congestion relief account, the freight mobility investment
11 account, the freight mobility multimodal account, the grade crossing
12 protective fund, (~~the health services account,~~) the public health
13 services account, the health system capacity account, the personal
14 health services account, the high capacity transportation account, the
15 state higher education construction account, the higher education
16 construction account, the highway bond retirement fund, the highway
17 infrastructure account, the highway safety account, the high occupancy
18 toll lanes operations account, the industrial insurance premium refund
19 account, the judges' retirement account, the judicial retirement
20 administrative account, the judicial retirement principal account, the
21 local leasehold excise tax account, the local real estate excise tax
22 account, the local sales and use tax account, the medical aid account,
23 the mobile home park relocation fund, the motor vehicle fund, the
24 motorcycle safety education account, the multimodal transportation
25 account, the municipal criminal justice assistance account, the
26 municipal sales and use tax equalization account, the natural resources
27 deposit account, the oyster reserve land account, the pension funding
28 stabilization account, the perpetual surveillance and maintenance
29 account, the public employees' retirement system plan 1 account, the
30 public employees' retirement system combined plan 2 and plan 3 account,
31 the public facilities construction loan revolving account beginning
32 July 1, 2004, the public health supplemental account, the public
33 transportation systems account, the public works assistance account,
34 the Puget Sound capital construction account, the Puget Sound ferry
35 operations account, the Puyallup tribal settlement account, the real
36 estate appraiser commission account, the recreational vehicle account,
37 the regional mobility grant program account, the resource management
38 cost account, the rural arterial trust account, the rural Washington

1 loan fund, (~~the safety and education account,~~) the site closure
2 account, the small city pavement and sidewalk account, the special
3 category C account, the special wildlife account, the state employees'
4 insurance account, the state employees' insurance reserve account, the
5 state investment board expense account, the state investment board
6 commingled trust fund accounts, the state patrol highway account, the
7 supplemental pension account, the Tacoma Narrows toll bridge account,
8 the teachers' retirement system plan 1 account, the teachers'
9 retirement system combined plan 2 and plan 3 account, the tobacco
10 prevention and control account, the tobacco settlement account, the
11 transportation 2003 account (nickel account), the transportation
12 equipment fund, the transportation fund, the transportation improvement
13 account, the transportation improvement board bond retirement account,
14 the transportation infrastructure account, the transportation
15 partnership account, the traumatic brain injury account, the tuition
16 recovery trust fund, the University of Washington bond retirement fund,
17 the University of Washington building account, the urban arterial trust
18 account, the volunteer firefighters' and reserve officers' relief and
19 pension principal fund, the volunteer firefighters' and reserve
20 officers' administrative fund, the Washington fruit express account,
21 the Washington judicial retirement system account, the Washington law
22 enforcement officers' and firefighters' system plan 1 retirement
23 account, the Washington law enforcement officers' and firefighters'
24 system plan 2 retirement account, the Washington public safety
25 employees' plan 2 retirement account, the Washington school employees'
26 retirement system combined plan 2 and 3 account, the Washington state
27 health insurance pool account, the Washington state patrol retirement
28 account, the Washington State University building account, the
29 Washington State University bond retirement fund, the water pollution
30 control revolving fund, and the Western Washington University capital
31 projects account. Earnings derived from investing balances of the
32 agricultural permanent fund, the normal school permanent fund, the
33 permanent common school fund, the scientific permanent fund, and the
34 state university permanent fund shall be allocated to their respective
35 beneficiary accounts. All earnings to be distributed under this
36 subsection (4)(a) shall first be reduced by the allocation to the state
37 treasurer's service fund pursuant to RCW 43.08.190.

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

4 **Sec. 32.** RCW 43.99H.060 and 1991 sp.s. c 31 s 15 are each amended
5 to read as follows:

6 (1) For bonds issued for the purposes of RCW 43.99H.020(16), on
7 each date on which any interest or principal and interest payment is
8 due, the board of regents or the board of trustees of Washington State
9 University shall cause the amount computed in RCW 43.99H.040(1) to be
10 paid out of the appropriate building account or capital projects
11 account to the state treasurer for deposit into the general fund of the
12 state treasury.

13 (2) For bonds issued for the purposes of RCW 43.99H.020(15), on
14 each date on which any interest or principal and interest payment is
15 due, the state treasurer shall transfer the amount computed in RCW
16 43.99H.040(2) from the capitol campus reserve account, hereby created
17 in the state treasury, to the general fund of the state treasury. At
18 the time of sale of the bonds issued for the purposes of RCW
19 43.99H.020(15), and on or before June 30th of each succeeding year
20 while such bonds remain outstanding, the state finance committee shall
21 determine, based on current balances and estimated receipts and
22 expenditures from the capitol campus reserve account, that portion of
23 principal and interest on such RCW 43.99H.020(15) bonds which will, by
24 virtue of payments from the capitol campus reserve account, be
25 reimbursed from sources other than "general state revenues" as that
26 term is defined in Article VIII, section 1 of the state Constitution.
27 The amount so determined by the state finance committee, as from time
28 to time adjusted in accordance with this subsection, shall not
29 constitute indebtedness for purposes of the limitations set forth in
30 RCW 39.42.060.

31 (3) For bonds issued for the purposes of RCW 43.99H.020(17), on
32 each date on which any interest or principal and interest payment is
33 due, the director of the department of labor and industries shall cause
34 fifty percent of the amount computed in RCW 43.99H.040(3) to be
35 transferred from the accident fund created in RCW 51.44.010 and fifty
36 percent of the amount computed in RCW 43.99H.040(3) to be transferred

1 from the medical aid fund created in RCW 51.44.020, to the general fund
2 of the state treasury.

3 (4) For bonds issued for the purposes of RCW 43.99H.020(18), on
4 each date on which any interest or principal and interest payment is
5 due, the board of regents of the University of Washington shall cause
6 the amount computed in RCW 43.99H.040(4) to be paid out of University
7 of Washington nonappropriated local funds to the state treasurer for
8 deposit into the general fund of the state treasury.

9 ~~(5) ((For bonds issued for the purposes of RCW 43.99H.020(20), on
10 each date on which any interest or principal and interest payment is
11 due, the state treasurer shall transfer the amount computed in RCW
12 43.99H.040(5) from the public safety and education account created in
13 RCW 43.08.250 to the general fund of the state treasury.~~

14 ~~(6))~~ For bonds issued for the purposes of RCW 43.99H.020(4), on
15 each date on which any interest or principal and interest payment is
16 due, the state treasurer shall transfer from property taxes in the
17 state general fund levied for the support of the common schools under
18 RCW 84.52.065 to the general fund of the state treasury for
19 unrestricted use the amount computed in RCW 43.99H.040(6).

20 **Sec. 33.** RCW 43.99K.030 and 2005 c 487 s 8 are each amended to
21 read as follows:

22 (1)(a) The debt-limit general fund bond retirement account shall be
23 used for the payment of the principal of and interest on the bonds
24 authorized in RCW 43.99K.020 (1), (2), and (3).

25 (b) The debt-limit reimbursable bond retirement account shall be
26 used for the payment of the principal of and interest on the bonds
27 authorized in RCW 43.99K.020(4).

28 (c) The nondebt-limit reimbursable bond retirement account shall be
29 used for the payment of the principal of and interest on the bonds
30 authorized in RCW 43.99K.020(5).

31 (2) The state finance committee shall, on or before June 30th of
32 each year, certify to the state treasurer the amount needed in the
33 ensuing twelve months to meet the bond retirement and interest
34 requirements. On each date on which any interest or principal and
35 interest payment is due, the state treasurer shall withdraw from any
36 general state revenues received in the state treasury and deposit in
37 the debt-limit general fund bond retirement account, debt-limit

1 reimbursable bond retirement account, nondebt-limit reimbursable bond
2 retirement account, as necessary, an amount equal to the amount
3 certified by the state finance committee to be due on the payment date.

4 ~~(3) ((On each date on which any interest or principal and interest
5 payment is due on bonds issued for the purposes of RCW 43.99K.020(4),
6 the state treasurer shall transfer from the public safety and education
7 account to the general fund of the state treasury the amount computed
8 in subsection (2) of this section for the bonds issued for the purposes
9 of RCW 43.99K.020(4)).~~

10 ~~(4))~~ On each date on which any interest or principal and interest
11 payment is due on bonds issued for the purposes of RCW 43.99K.020(5),
12 the board of regents of the University of Washington shall cause to be
13 paid out of University of Washington nonappropriated local funds to the
14 state treasurer for deposit into the general fund of the state treasury
15 the amount computed in subsection (2) of this section for bonds issued
16 for the purposes of RCW 43.99K.020(5).

17 ~~((+5))~~ (4) Bonds issued under this section and RCW 43.99K.010 and
18 43.99K.020 shall state that they are a general obligation of the state
19 of Washington, shall pledge the full faith and credit of the state to
20 the payment of the principal thereof and the interest thereon, and
21 shall contain an unconditional promise to pay the principal and
22 interest as the same shall become due.

23 ~~((+6))~~ (5) The owner and holder of each of the bonds or the
24 trustee for the owner and holder of any of the bonds may by mandamus or
25 other appropriate proceeding require the transfer and payment of funds
26 as directed in this section.

27 **Sec. 34.** RCW 43.99L.040 and 1997 c 456 s 4 are each amended to
28 read as follows:

29 (1) The debt-limit reimbursable bond retirement account shall be
30 used for the payment of the principal of and interest on the bonds
31 authorized in RCW 43.99L.020(2).

32 (2) The state finance committee shall, on or before June 30th of
33 each year, certify to the state treasurer the amount needed in the
34 ensuing twelve months to meet the ~~((bonds [bond]))~~ bond retirement and
35 interest requirements on the bonds authorized in RCW 43.99L.020(2).

36 (3) On each date on which any interest or principal and interest
37 payment is due on bonds issued for the purpose of RCW 43.99L.020(2),

1 the state treasurer shall transfer from the (~~public safety and~~
2 ~~education account~~) state general fund to the debt-limit reimbursable
3 bond retirement account the amount computed in subsection (2) of this
4 section for the bonds issued for the purpose of RCW 43.99L.020(2).

5 **Sec. 35.** RCW 43.135.025 and 2005 c 72 s 4 are each amended to read
6 as follows:

7 (1) The state shall not expend from the general fund (~~and related~~
8 ~~funds~~) during any fiscal year state moneys in excess of the state
9 expenditure limit established under this chapter.

10 (2) Except pursuant to a declaration of emergency under RCW
11 43.135.035 or pursuant to an appropriation under RCW
12 43.135.045(~~(4)(b)~~) (2), the state treasurer shall not issue or redeem
13 any check, warrant, or voucher that will result in a state general fund
14 (~~or related fund~~) expenditure for any fiscal year in excess of the
15 state expenditure limit established under this chapter. A violation of
16 this subsection constitutes a violation of RCW 43.88.290 and shall
17 subject the state treasurer to the penalties provided in RCW 43.88.300.

18 (3) The state expenditure limit for any fiscal year shall be the
19 previous fiscal year's state expenditure limit increased by a
20 percentage rate that equals the fiscal growth factor.

21 (4) For purposes of computing the state expenditure limit for the
22 fiscal year beginning July 1, (~~2007~~) 2009, the phrase "the previous
23 fiscal year's state expenditure limit" means the total state
24 expenditures from the state general fund (~~and related funds~~), the
25 public safety and education account, the health services account, the
26 violence reduction and drug enforcement account, the student
27 achievement fund, the water quality account, and the equal justice
28 subaccount, not including federal funds, for the fiscal year beginning
29 July 1, (~~2006~~) 2008, plus the fiscal growth factor.

30 (5) A state expenditure limit committee is established for the
31 purpose of determining and adjusting the state expenditure limit as
32 provided in this chapter. The members of the state expenditure limit
33 committee are the director of financial management, the attorney
34 general or the attorney general's designee, and the chairs and ranking
35 minority members of the senate committee on ways and means and the
36 house of representatives committee on (~~appropriations~~) ways and

1 means. All actions of the state expenditure limit committee taken
2 pursuant to this chapter require an affirmative vote of at least four
3 members.

4 (6) Each November, the state expenditure limit committee shall
5 adjust the expenditure limit for the preceding fiscal year based on
6 actual expenditures and known changes in the fiscal growth factor and
7 then project an expenditure limit for the next two fiscal years. If,
8 by November 30th, the state expenditure limit committee has not adopted
9 the expenditure limit adjustment and projected expenditure limit as
10 provided in subsection (5) of this section, the attorney general or his
11 or her designee shall adjust or project the expenditure limit, as
12 necessary.

13 (7) "Fiscal growth factor" means the average growth in state
14 personal income for the prior ten fiscal years.

15 (8) "General fund" means the state general fund.

16 ~~((9) "Related fund" means the health services account, violence
17 reduction and drug enforcement account, public safety and education
18 account, water quality account, or student achievement fund.))~~

19 **Sec. 36.** RCW 43.135.035 and 2008 c 1 s 5 (Initiative Measure No.
20 960) and 2007 c 484 s 6 are each reenacted and amended to read as
21 follows:

22 (1) After July 1, 1995, any action or combination of actions by the
23 legislature that raises taxes may be taken only if approved by a
24 two-thirds vote of each house of the legislature, and then only if
25 state expenditures in any fiscal year, including the new revenue, will
26 not exceed the state expenditure limits established under this chapter.
27 Pursuant to the referendum power set forth in Article II, section 1(b)
28 of the state Constitution, tax increases may be referred to the voters
29 for their approval or rejection at an election.

30 (2)(a) If the legislative action under subsection (1) of this
31 section will result in expenditures in excess of the state expenditure
32 limit, then the action of the legislature shall not take effect until
33 approved by a vote of the people at a November general election. The
34 state expenditure limit committee shall adjust the state expenditure
35 limit by the amount of additional revenue approved by the voters under
36 this section. This adjustment shall not exceed the amount of revenue

1 generated by the legislative action during the first full fiscal year
2 in which it is in effect. The state expenditure limit shall be
3 adjusted downward upon expiration or repeal of the legislative action.

4 (b) The ballot title for any vote of the people required under this
5 section shall be substantially as follows:

6 "Shall taxes be imposed on in order to allow a
7 spending increase above last year's authorized spending adjusted for
8 personal income growth?"

9 (3)(a) The state expenditure limit may be exceeded upon declaration
10 of an emergency for a period not to exceed twenty-four months by a law
11 approved by a two-thirds vote of each house of the legislature and
12 signed by the governor. The law shall set forth the nature of the
13 emergency, which is limited to natural disasters that require immediate
14 government action to alleviate human suffering and provide humanitarian
15 assistance. The state expenditure limit may be exceeded for no more
16 than twenty-four months following the declaration of the emergency and
17 only for the purposes contained in the emergency declaration.

18 (b) Additional taxes required for an emergency under this section
19 may be imposed only until thirty days following the next general
20 election, unless an extension is approved at that general election.
21 The additional taxes shall expire upon expiration of the declaration of
22 emergency. The legislature shall not impose additional taxes for
23 emergency purposes under this subsection unless funds in the education
24 construction fund have been exhausted.

25 (c) The state or any political subdivision of the state shall not
26 impose any tax on intangible property listed in RCW 84.36.070 as that
27 statute exists on January 1, 1993.

28 (4) If the cost of any state program or function is shifted from
29 the state general fund (~~(or a related fund)~~) to another source of
30 funding, or if moneys are transferred from the state general fund (~~(or~~
31 ~~a-related-fund)~~) to another fund or account, the state expenditure
32 limit committee, acting pursuant to RCW 43.135.025(5), shall lower the
33 state expenditure limit to reflect the shift. For the purposes of this
34 section, a transfer of money from the state general fund (~~(or a related~~
35 ~~fund)~~) to another fund or account includes any state legislative action
36 taken that has the effect of reducing revenues from a particular
37 source, where such revenues would otherwise be deposited into the state
38 general fund (~~(or a related fund)~~), while increasing the revenues from

1 that particular source to another state or local government account.
2 This subsection does not apply to: (a) The dedication or use of
3 lottery revenues under RCW 67.70.240(3) (~~or property taxes under RCW~~
4 ~~84.52.068~~), in support of education or education expenditures; or (b)
5 a transfer of moneys to, or an expenditure from, the budget
6 stabilization account.

7 (5) If the cost of any state program or function and the ongoing
8 revenue necessary to fund the program or function are shifted to the
9 state general fund (~~or a related fund~~) on or after January 1, 2007,
10 the state expenditure limit committee, acting pursuant to RCW
11 43.135.025(5), shall increase the state expenditure limit to reflect
12 the shift unless the shifted revenue had previously been shifted from
13 the general fund (~~or a related fund~~).

14 (6) For the purposes of chapter 1, Laws of 2008, "raises taxes"
15 means any action or combination of actions by the legislature that
16 increases state tax revenue deposited in any fund, budget, or account,
17 regardless of whether the revenues are deposited into the general fund.

18 **Sec. 37.** RCW 43.135.045 and 2007 c 520 s 6035 and 2007 c 484 s 5
19 are each reenacted and amended to read as follows:

20 (~~(1) The student achievement fund is hereby created in the state~~
21 ~~treasury.~~

22 ~~(2)~~) The education construction fund is hereby created in the
23 state treasury.

24 ~~((a))~~) (1) Funds may be appropriated from the education
25 construction fund exclusively for common school construction or higher
26 education construction. During the 2007-2009 fiscal biennium, funds
27 may also be used for higher education facilities preservation and
28 maintenance.

29 ~~((b))~~) (2) Funds may be appropriated for any other purpose only if
30 approved by a two-thirds vote of each house of the legislature and if
31 approved by a vote of the people at the next general election. An
32 appropriation approved by the people under this subsection shall result
33 in an adjustment to the state expenditure limit only for the fiscal
34 period for which the appropriation is made and shall not affect any
35 subsequent fiscal period.

36 (3) Funds (~~from the student achievement fund~~) for the student
37 achievement program in RCW 28A.505.210 and 28A.505.220 shall be

1 appropriated to the superintendent of public instruction strictly for
2 distribution to school districts to meet the provisions set out in the
3 student achievement act. Allocations shall be made on an equal per
4 full-time equivalent student basis to each school district.

5 **Sec. 38.** RCW 46.61.5058 and 1998 c 207 s 2 are each amended to
6 read as follows:

7 (1) Upon the arrest of a person or upon the filing of a complaint,
8 citation, or information in a court of competent jurisdiction, based
9 upon probable cause to believe that a person has violated RCW 46.61.502
10 or 46.61.504 or any similar municipal ordinance, if such person has a
11 prior offense within seven years as defined in RCW 46.61.5055, and
12 where the person has been provided written notice that any transfer,
13 sale, or encumbrance of such person's interest in the vehicle over
14 which that person was actually driving or had physical control when the
15 violation occurred, is unlawful pending either acquittal, dismissal,
16 sixty days after conviction, or other termination of the charge, such
17 person shall be prohibited from encumbering, selling, or transferring
18 his or her interest in such vehicle, except as otherwise provided in
19 (a), (b), and (c) of this subsection, until either acquittal,
20 dismissal, sixty days after conviction, or other termination of the
21 charge. The prohibition against transfer of title shall not be stayed
22 pending the determination of an appeal from the conviction.

23 (a) A vehicle encumbered by a bona fide security interest may be
24 transferred to the secured party or to a person designated by the
25 secured party;

26 (b) A leased or rented vehicle may be transferred to the lessor,
27 rental agency, or to a person designated by the lessor or rental
28 agency; and

29 (c) A vehicle may be transferred to a third party or a vehicle
30 dealer who is a bona fide purchaser or may be subject to a bona fide
31 security interest in the vehicle unless it is established that (i) in
32 the case of a purchase by a third party or vehicle dealer, such party
33 or dealer had actual notice that the vehicle was subject to the
34 prohibition prior to the purchase, or (ii) in the case of a security
35 interest, the holder of the security interest had actual notice that
36 the vehicle was subject to the prohibition prior to the encumbrance of
37 title.

1 (2) On conviction for a violation of either RCW 46.61.502 or
2 46.61.504 or any similar municipal ordinance where the person convicted
3 has a prior offense within seven years as defined in RCW 46.61.5055,
4 the motor vehicle the person was driving or over which the person had
5 actual physical control at the time of the offense, if the person has
6 a financial interest in the vehicle, is subject to seizure and
7 forfeiture pursuant to this section.

8 (3) A vehicle subject to forfeiture under this chapter may be
9 seized by a law enforcement officer of this state upon process issued
10 by a court of competent jurisdiction. Seizure of a vehicle may be made
11 without process if the vehicle subject to seizure has been the subject
12 of a prior judgment in favor of the state in a forfeiture proceeding
13 based upon this section.

14 (4) Seizure under subsection (3) of this section automatically
15 commences proceedings for forfeiture. The law enforcement agency under
16 whose authority the seizure was made shall cause notice of the seizure
17 and intended forfeiture of the seized vehicle to be served within
18 fifteen days after the seizure on the owner of the vehicle seized, on
19 the person in charge of the vehicle, and on any person having a known
20 right or interest in the vehicle, including a community property
21 interest. The notice of seizure may be served by any method authorized
22 by law or court rule, including but not limited to service by certified
23 mail with return receipt requested. Service by mail is complete upon
24 mailing within the fifteen-day period after the seizure. Notice of
25 seizure in the case of property subject to a security interest that has
26 been perfected on a certificate of title shall be made by service upon
27 the secured party or the secured party's assignee at the address shown
28 on the financing statement or the certificate of title.

29 (5) If no person notifies the seizing law enforcement agency in
30 writing of the person's claim of ownership or right to possession of
31 the seized vehicle within forty-five days of the seizure, the vehicle
32 is deemed forfeited.

33 (6) If a person notifies the seizing law enforcement agency in
34 writing of the person's claim of ownership or right to possession of
35 the seized vehicle within forty-five days of the seizure, the law
36 enforcement agency shall give the person or persons a reasonable
37 opportunity to be heard as to the claim or right. The hearing shall be
38 before the chief law enforcement officer of the seizing agency or the

1 chief law enforcement officer's designee, except where the seizing
2 agency is a state agency as defined in RCW 34.12.020, the hearing shall
3 be before the chief law enforcement officer of the seizing agency or an
4 administrative law judge appointed under chapter 34.12 RCW, except that
5 any person asserting a claim or right may remove the matter to a court
6 of competent jurisdiction. Removal may only be accomplished according
7 to the rules of civil procedure. The person seeking removal of the
8 matter must serve process against the state, county, political
9 subdivision, or municipality that operates the seizing agency, and any
10 other party of interest, in accordance with RCW 4.28.080 or 4.92.020,
11 within forty-five days after the person seeking removal has notified
12 the seizing law enforcement agency of the person's claim of ownership
13 or right to possession. The court to which the matter is to be removed
14 shall be the district court when the aggregate value of the vehicle is
15 within the jurisdictional limit set forth in RCW 3.66.020. A hearing
16 before the seizing agency and any appeal therefrom shall be under Title
17 34 RCW. In a court hearing between two or more claimants to the
18 vehicle involved, the prevailing party shall be entitled to a judgment
19 for costs and reasonable attorneys' fees. The burden of producing
20 evidence shall be upon the person claiming to be the legal owner or the
21 person claiming to have the lawful right to possession of the vehicle.
22 The seizing law enforcement agency shall promptly return the vehicle to
23 the claimant upon a determination by the administrative law judge or
24 court that the claimant is the present legal owner under Title 46 RCW
25 or is lawfully entitled to possession of the vehicle.

26 (7) When a vehicle is forfeited under this chapter the seizing law
27 enforcement agency may sell the vehicle, retain it for official use, or
28 upon application by a law enforcement agency of this state release the
29 vehicle to that agency for the exclusive use of enforcing this title;
30 provided, however, that the agency shall first satisfy any bona fide
31 security interest to which the vehicle is subject under subsection
32 (1)(a) or (c) of this section.

33 (8) When a vehicle is forfeited, the seizing agency shall keep a
34 record indicating the identity of the prior owner, if known, a
35 description of the vehicle, the disposition of the vehicle, the value
36 of the vehicle at the time of seizure, and the amount of proceeds
37 realized from disposition of the vehicle.

1 (9) Each seizing agency shall retain records of forfeited vehicles
2 for at least seven years.

3 (10) Each seizing agency shall file a report including a copy of
4 the records of forfeited vehicles with the state treasurer each
5 calendar quarter.

6 (11) The quarterly report need not include a record of a forfeited
7 vehicle that is still being held for use as evidence during the
8 investigation or prosecution of a case or during the appeal from a
9 conviction.

10 (12) By January 31st of each year, each seizing agency shall remit
11 to the state treasurer an amount equal to ten percent of the net
12 proceeds of vehicles forfeited during the preceding calendar year.
13 Money remitted shall be deposited in the (~~public safety and education~~
14 ~~account~~) state general fund.

15 (13) The net proceeds of a forfeited vehicle is the value of the
16 forfeitable interest in the vehicle after deducting the cost of
17 satisfying a bona fide security interest to which the vehicle is
18 subject at the time of seizure; and in the case of a sold vehicle,
19 after deducting the cost of sale, including reasonable fees or
20 commissions paid to independent selling agents.

21 (14) The value of a sold forfeited vehicle is the sale price. The
22 value of a retained forfeited vehicle is the fair market value of the
23 vehicle at the time of seizure, determined when possible by reference
24 to an applicable commonly used index, such as the index used by the
25 department of licensing. A seizing agency may, but need not, use an
26 independent qualified appraiser to determine the value of retained
27 vehicles. If an appraiser is used, the value of the vehicle appraised
28 is net of the cost of the appraisal.

29 **Sec. 39.** RCW 46.63.110 and 2007 c 356 s 8 and 2007 c 199 s 28 are
30 each reenacted and amended to read as follows:

31 (1) A person found to have committed a traffic infraction shall be
32 assessed a monetary penalty. No penalty may exceed two hundred and
33 fifty dollars for each offense unless authorized by this chapter or
34 title.

35 (2) The monetary penalty for a violation of (a) RCW 46.55.105(2) is
36 two hundred fifty dollars for each offense; (b) RCW 46.61.210(1) is

1 five hundred dollars for each offense. No penalty assessed under this
2 subsection (2) may be reduced.

3 (3) The supreme court shall prescribe by rule a schedule of
4 monetary penalties for designated traffic infractions. This rule shall
5 also specify the conditions under which local courts may exercise
6 discretion in assessing fines and penalties for traffic infractions.
7 The legislature respectfully requests the supreme court to adjust this
8 schedule every two years for inflation.

9 (4) There shall be a penalty of twenty-five dollars for failure to
10 respond to a notice of traffic infraction except where the infraction
11 relates to parking as defined by local law, ordinance, regulation, or
12 resolution or failure to pay a monetary penalty imposed pursuant to
13 this chapter. A local legislative body may set a monetary penalty not
14 to exceed twenty-five dollars for failure to respond to a notice of
15 traffic infraction relating to parking as defined by local law,
16 ordinance, regulation, or resolution. The local court, whether a
17 municipal, police, or district court, shall impose the monetary penalty
18 set by the local legislative body.

19 (5) Monetary penalties provided for in chapter 46.70 RCW which are
20 civil in nature and penalties which may be assessed for violations of
21 chapter 46.44 RCW relating to size, weight, and load of motor vehicles
22 are not subject to the limitation on the amount of monetary penalties
23 which may be imposed pursuant to this chapter.

24 (6) Whenever a monetary penalty, fee, cost, assessment, or other
25 monetary obligation is imposed by a court under this chapter it is
26 immediately payable. If the court determines, in its discretion, that
27 a person is not able to pay a monetary obligation in full, and not more
28 than one year has passed since the later of July 1, 2005, or the date
29 the monetary obligation initially became due and payable, the court
30 shall enter into a payment plan with the person, unless the person has
31 previously been granted a payment plan with respect to the same
32 monetary obligation, or unless the person is in noncompliance of any
33 existing or prior payment plan, in which case the court may, at its
34 discretion, implement a payment plan. If the court has notified the
35 department that the person has failed to pay or comply and the person
36 has subsequently entered into a payment plan and made an initial
37 payment, the court shall notify the department that the infraction has
38 been adjudicated, and the department shall rescind any suspension of

1 the person's driver's license or driver's privilege based on failure to
2 respond to that infraction. "Payment plan," as used in this section,
3 means a plan that requires reasonable payments based on the financial
4 ability of the person to pay. The person may voluntarily pay an amount
5 at any time in addition to the payments required under the payment
6 plan.

7 (a) If a payment required to be made under the payment plan is
8 delinquent or the person fails to complete a community restitution
9 program on or before the time established under the payment plan,
10 unless the court determines good cause therefor and adjusts the payment
11 plan or the community restitution plan accordingly, the court shall
12 notify the department of the person's failure to meet the conditions of
13 the plan, and the department shall suspend the person's driver's
14 license or driving privilege until all monetary obligations, including
15 those imposed under subsections (3) and (4) of this section, have been
16 paid, and court authorized community restitution has been completed, or
17 until the department has been notified that the court has entered into
18 a new time payment or community restitution agreement with the person.

19 (b) If a person has not entered into a payment plan with the court
20 and has not paid the monetary obligation in full on or before the time
21 established for payment, the court shall notify the department of the
22 delinquency. The department shall suspend the person's driver's
23 license or driving privilege until all monetary obligations have been
24 paid, including those imposed under subsections (3) and (4) of this
25 section, or until the person has entered into a payment plan under this
26 section.

27 (c) If the payment plan is to be administered by the court, the
28 court may assess the person a reasonable administrative fee to be
29 wholly retained by the city or county with jurisdiction. The
30 administrative fee shall not exceed ten dollars per infraction or
31 twenty-five dollars per payment plan, whichever is less.

32 (d) Nothing in this section precludes a court from contracting with
33 outside entities to administer its payment plan system. When outside
34 entities are used for the administration of a payment plan, the court
35 may assess the person a reasonable fee for such administrative
36 services, which fee may be calculated on a periodic, percentage, or
37 other basis.

1 (e) If a court authorized community restitution program for
2 offenders is available in the jurisdiction, the court may allow
3 conversion of all or part of the monetary obligations due under this
4 section to court authorized community restitution in lieu of time
5 payments if the person is unable to make reasonable time payments.

6 (7) In addition to any other penalties imposed under this section
7 and not subject to the limitation of subsection (1) of this section, a
8 person found to have committed a traffic infraction shall be assessed:

9 (a) A fee of five dollars per infraction. Under no circumstances
10 shall this fee be reduced or waived. Revenue from this fee shall be
11 forwarded to the state treasurer for deposit in the emergency medical
12 services and trauma care system trust account under RCW 70.168.040;

13 (b) A fee of ten dollars per infraction. Under no circumstances
14 shall this fee be reduced or waived. Revenue from this fee shall be
15 forwarded to the state treasurer for deposit in the Washington auto
16 theft prevention authority account; and

17 (c) A fee of two dollars per infraction. Revenue from this fee
18 shall be forwarded to the state treasurer for deposit in the traumatic
19 brain injury account established in RCW 74.31.060.

20 (8)(a) In addition to any other penalties imposed under this
21 section and not subject to the limitation of subsection (1) of this
22 section, a person found to have committed a traffic infraction other
23 than of RCW 46.61.527 shall be assessed an additional penalty of twenty
24 dollars. The court may not reduce, waive, or suspend the additional
25 penalty unless the court finds the offender to be indigent. If a court
26 authorized community restitution program for offenders is available in
27 the jurisdiction, the court shall allow offenders to offset all or a
28 part of the penalty due under this subsection (8) by participation in
29 the court authorized community restitution program.

30 (b) Eight dollars and fifty cents of the additional penalty under
31 (a) of this subsection shall be remitted to the state treasurer. The
32 remaining revenue from the additional penalty must be remitted under
33 chapters 2.08, 3.46, 3.50, 3.62, 10.82, and 35.20 RCW. Money remitted
34 under this subsection to the state treasurer must be deposited (~~as~~
35 ~~provided in RCW 43.08.250~~) in the state general fund. The balance of
36 the revenue received by the county or city treasurer under this
37 subsection must be deposited into the county or city current expense

1 fund. Moneys retained by the city or county under this subsection
2 shall constitute reimbursement for any liabilities under RCW
3 43.135.060.

4 (9) If a legal proceeding, such as garnishment, has commenced to
5 collect any delinquent amount owed by the person for any penalty
6 imposed by the court under this section, the court may, at its
7 discretion, enter into a payment plan.

8 (10) The monetary penalty for violating RCW 46.37.395 is: (a) Two
9 hundred fifty dollars for the first violation; (b) five hundred dollars
10 for the second violation; and (c) seven hundred fifty dollars for each
11 violation thereafter.

12 **Sec. 40.** RCW 46.64.055 and 2002 c 175 s 38 are each amended to
13 read as follows:

14 (1) In addition to any other penalties imposed for conviction of a
15 violation of this title that is a misdemeanor, gross misdemeanor, or
16 felony, the court shall impose an additional penalty of fifty dollars.
17 The court may not reduce, waive, or suspend the additional penalty
18 unless the court finds the offender to be indigent. If a community
19 restitution program for offenders is available in the jurisdiction, the
20 court shall allow offenders to offset all or a part of the penalty due
21 under this section by participation in the community restitution
22 program.

23 (2) Revenue from the additional penalty must be remitted under
24 chapters 2.08, 3.46, 3.50, 3.62, 10.82, and 35.20 RCW. Money remitted
25 under this section to the state treasurer must be deposited (~~as~~
26 ~~provided in RCW 43.08.250~~) in the state general fund. The balance of
27 the revenue received by the county or city treasurer under this section
28 must be deposited into the county or city current expense fund. Moneys
29 retained by the city or county under this subsection shall constitute
30 reimbursement for any liabilities under RCW 43.135.060.

31 **Sec. 41.** RCW 48.14.0201 and 2005 c 405 s 1, 2005 c 223 s 6, and
32 2005 c 7 s 1 are each reenacted and amended to read as follows:

33 (1) As used in this section, "taxpayer" means a health maintenance
34 organization as defined in RCW 48.46.020, a health care service
35 contractor as defined in RCW 48.44.010, or a self-funded multiple
36 employer welfare arrangement as defined in RCW 48.125.010.

1 (2) Each taxpayer shall pay a tax on or before the first day of
2 March of each year to the state treasurer through the insurance
3 commissioner's office. The tax shall be equal to the total amount of
4 all premiums and prepayments for health care services received by the
5 taxpayer during the preceding calendar year multiplied by the rate of
6 two percent.

7 (3) Taxpayers shall prepay their tax obligations under this
8 section. The minimum amount of the prepayments shall be percentages of
9 the taxpayer's tax obligation for the preceding calendar year
10 recomputed using the rate in effect for the current year. For the
11 prepayment of taxes due during the first calendar year, the minimum
12 amount of the prepayments shall be percentages of the taxpayer's tax
13 obligation that would have been due had the tax been in effect during
14 the previous calendar year. The tax prepayments shall be paid to the
15 state treasurer through the commissioner's office by the due dates and
16 in the following amounts:

17 (a) On or before June 15, forty-five percent;

18 (b) On or before September 15, twenty-five percent;

19 (c) On or before December 15, twenty-five percent.

20 (4) For good cause demonstrated in writing, the commissioner may
21 approve an amount smaller than the preceding calendar year's tax
22 obligation as recomputed for calculating the health maintenance
23 organization's, health care service contractor's, self-funded multiple
24 employer welfare arrangement's, or certified health plan's prepayment
25 obligations for the current tax year.

26 (5) Moneys collected under this section shall be deposited in the
27 general fund (~~through March 31, 1996, and in the health services~~
28 ~~account under RCW 43.72.900 after March 31, 1996~~).

29 (6) The taxes imposed in this section do not apply to:

30 (a) Amounts received by any taxpayer from the United States or any
31 instrumentality thereof as prepayments for health care services
32 provided under Title XVIII (medicare) of the federal social security
33 act.

34 (b) Amounts received by any taxpayer from the state of Washington
35 as prepayments for health care services provided under:

36 (i) The medical care services program as provided in RCW 74.09.035;

37 (ii) The Washington basic health plan on behalf of subsidized
38 enrollees as provided in chapter 70.47 RCW; or

1 (iii) The medicaid program on behalf of elderly or (~~disabled~~)
2 clients with disabilities as provided in chapter 74.09 RCW when these
3 prepayments are received prior to July 1, 2009, and are associated with
4 a managed care contract program that has been implemented on a
5 voluntary demonstration or pilot project basis.

6 (c) Amounts received by any health care service contractor, as
7 defined in RCW 48.44.010, as prepayments for health care services
8 included within the definition of practice of dentistry under RCW
9 18.32.020.

10 (d) Participant contributions to self-funded multiple employer
11 welfare arrangements that are not taxable in this state.

12 (7) Beginning January 1, 2000, the state does hereby preempt the
13 field of imposing excise or privilege taxes upon taxpayers and no
14 county, city, town, or other municipal subdivision shall have the right
15 to impose any such taxes upon such taxpayers. This subsection shall be
16 limited to premiums and payments for health benefit plans offered by
17 health care service contractors under chapter 48.44 RCW, health
18 maintenance organizations under chapter 48.46 RCW, and self-funded
19 multiple employer welfare arrangements as defined in RCW 48.125.010.
20 The preemption authorized by this subsection shall not impair the
21 ability of a county, city, town, or other municipal subdivision to
22 impose excise or privilege taxes upon the health care services directly
23 delivered by the employees of a health maintenance organization under
24 chapter 48.46 RCW.

25 (8)(a) The taxes imposed by this section apply to a self-funded
26 multiple employer welfare arrangement only in the event that they are
27 not preempted by the employee retirement income security act of 1974,
28 as amended, 29 U.S.C. Sec. 1001 et seq. The arrangements and the
29 commissioner shall initially request an advisory opinion from the
30 United States department of labor or obtain a declaratory ruling from
31 a federal court on the legality of imposing state premium taxes on
32 these arrangements. Once the legality of the taxes has been
33 determined, the multiple employer welfare arrangement certified by the
34 insurance commissioner must begin payment of these taxes.

35 (b) If there has not been a final determination of the legality of
36 these taxes, then beginning on the earlier of (i) the date the fourth
37 multiple employer welfare arrangement has been certified by the
38 insurance commissioner, or (ii) April 1, 2006, the arrangement shall

1 deposit the taxes imposed by this section into an interest bearing
2 escrow account maintained by the arrangement. Upon a final
3 determination that the taxes are not preempted by the employee
4 retirement income security act of 1974, as amended, 29 U.S.C. Sec. 1001
5 et seq., all funds in the interest bearing escrow account shall be
6 transferred to the state treasurer.

7 (9) The effect of transferring contracts for health care services
8 from one taxpayer to another taxpayer is to transfer the tax prepayment
9 obligation with respect to the contracts.

10 (10) On or before June 1st of each year, the commissioner shall
11 notify each taxpayer required to make prepayments in that year of the
12 amount of each prepayment and shall provide remittance forms to be used
13 by the taxpayer. However, a taxpayer's responsibility to make
14 prepayments is not affected by failure of the commissioner to send, or
15 the taxpayer to receive, the notice or forms.

16 **Sec. 42.** RCW 66.24.210 and 2008 c 94 s 8 are each amended to read
17 as follows:

18 (1) There is hereby imposed upon all wines except cider sold to
19 wine distributors and the Washington state liquor control board, within
20 the state a tax at the rate of twenty and one-fourth cents per liter.
21 Any domestic winery or certificate of approval holder acting as a
22 distributor of its own production shall pay taxes imposed by this
23 section. There is hereby imposed on all cider sold to wine
24 distributors and the Washington state liquor control board within the
25 state a tax at the rate of three and fifty-nine one-hundredths cents
26 per liter. However, wine sold or shipped in bulk from one winery to
27 another winery shall not be subject to such tax.

28 (a) The tax provided for in this section shall be collected by
29 direct payments based on wine purchased by wine distributors.

30 (b) Except as provided in subsection (7) of this section, every
31 person purchasing wine under the provisions of this section shall on or
32 before the twentieth day of each month report to the board all
33 purchases during the preceding calendar month in such manner and upon
34 such forms as may be prescribed by the board, and with such report
35 shall pay the tax due from the purchases covered by such report unless
36 the same has previously been paid. Any such purchaser of wine whose
37 applicable tax payment is not postmarked by the twentieth day following

1 the month of purchase will be assessed a penalty at the rate of two
2 percent a month or fraction thereof. The board may require that every
3 such person shall execute to and file with the board a bond to be
4 approved by the board, in such amount as the board may fix, securing
5 the payment of the tax. If any such person fails to pay the tax when
6 due, the board may forthwith suspend or cancel the license until all
7 taxes are paid.

8 (c) Any licensed retailer authorized to purchase wine from a
9 certificate of approval holder with a direct shipment endorsement or a
10 domestic winery shall make monthly reports to the liquor control board
11 on wine purchased during the preceding calendar month in the manner and
12 upon such forms as may be prescribed by the board.

13 (2) An additional tax is imposed equal to the rate specified in RCW
14 82.02.030 multiplied by the tax payable under subsection (1) of this
15 section. All revenues collected during any month from this additional
16 tax shall be transferred to the state general fund by the twenty-fifth
17 day of the following month.

18 (3) An additional tax is imposed on wines subject to tax under
19 subsection (1) of this section, at the rate of one-fourth of one cent
20 per liter for wine sold after June 30, 1987. After June 30, 1996, such
21 additional tax does not apply to cider. An additional tax of five one-
22 hundredths of one cent per liter is imposed on cider sold after June
23 30, 1996. All revenues collected under this subsection (3) shall be
24 disbursed quarterly to the Washington wine commission for use in
25 carrying out the purposes of chapter 15.88 RCW.

26 (4) An additional tax is imposed on all wine subject to tax under
27 subsection (1) of this section. The additional tax is equal to twenty-
28 three and forty-four one-hundredths cents per liter on fortified wine
29 as defined in RCW 66.04.010 when bottled or packaged by the
30 manufacturer, one cent per liter on all other wine except cider, and
31 eighteen one-hundredths of one cent per liter on cider. All revenues
32 collected during any month from this additional tax shall be deposited
33 in the (~~violence-reduction-and-drug-enforcement-account-under-RCW~~
34 ~~69.50.520~~) state general fund by the twenty-fifth day of the following
35 month.

36 (5)(a) An additional tax is imposed on all cider subject to tax
37 under subsection (1) of this section. The additional tax is equal to

1 two and four one-hundredths cents per liter of cider sold after June
2 30, 1996, and before July 1, 1997, and is equal to four and seven one-
3 hundredths cents per liter of cider sold after June 30, 1997.

4 (b) All revenues collected from the additional tax imposed under
5 this subsection (5) shall be deposited in the (~~health services account~~
6 ~~under RCW 43.72.900~~) state general fund.

7 (6) For the purposes of this section, "cider" means table wine that
8 contains not less than one-half of one percent of alcohol by volume and
9 not more than seven percent of alcohol by volume and is made from the
10 normal alcoholic fermentation of the juice of sound, ripe apples or
11 pears. "Cider" includes, but is not limited to, flavored, sparkling,
12 or carbonated cider and cider made from condensed apple or pear must.

13 (7) For the purposes of this section, out-of-state wineries shall
14 pay taxes under this section on wine sold and shipped directly to
15 Washington state residents in a manner consistent with the requirements
16 of a wine distributor under subsections (1) through (4) of this
17 section, except wineries shall be responsible for the tax and not the
18 resident purchaser.

19 **Sec. 43.** RCW 66.24.290 and 2006 c 302 s 7 are each amended to read
20 as follows:

21 (1) Any microbrewer or domestic brewery or beer distributor
22 licensed under this title may sell and deliver beer and strong beer to
23 holders of authorized licenses direct, but to no other person, other
24 than the board. Any certificate of approval holder authorized to act
25 as a distributor under RCW 66.24.270 shall pay the taxes imposed by
26 this section.

27 (a) Every such brewery or beer distributor shall report all sales
28 to the board monthly, pursuant to the regulations, and shall pay to the
29 board as an added tax for the privilege of manufacturing and selling
30 the beer and strong beer within the state a tax of one dollar and
31 thirty cents per barrel of thirty-one gallons on sales to licensees
32 within the state and on sales to licensees within the state of bottled
33 and canned beer, including strong beer, shall pay a tax computed in
34 gallons at the rate of one dollar and thirty cents per barrel of
35 thirty-one gallons.

36 (b) Any brewery or beer distributor whose applicable tax payment is
37 not postmarked by the twentieth day following the month of sale will be

1 assessed a penalty at the rate of two percent per month or fraction
2 thereof. Beer and strong beer shall be sold by breweries and
3 distributors in sealed barrels or packages.

4 (c) The moneys collected under this subsection shall be distributed
5 as follows: (i) Three-tenths of a percent shall be distributed to
6 border areas under RCW 66.08.195; and (ii) of the remaining moneys:
7 (A) Twenty percent shall be distributed to counties in the same manner
8 as under RCW 66.08.200; and (B) eighty percent shall be distributed to
9 incorporated cities and towns in the same manner as under RCW
10 66.08.210.

11 (d) Any licensed retailer authorized to purchase beer from a
12 certificate of approval holder with a direct shipment endorsement or a
13 brewery or microbrewery shall make monthly reports to the liquor
14 control board on beer purchased during the preceding calendar month in
15 the manner and upon such forms as may be prescribed by the board.

16 (2) An additional tax is imposed on all beer and strong beer
17 subject to tax under subsection (1) of this section. The additional
18 tax is equal to two dollars per barrel of thirty-one gallons. All
19 revenues collected during any month from this additional tax shall be
20 deposited in the (~~violence-reduction-and-drug-enforcement-account~~
21 ~~under RCW 69.50.520~~) state general fund by the twenty-fifth day of the
22 following month.

23 (3)(a) An additional tax is imposed on all beer and strong beer
24 subject to tax under subsection (1) of this section. The additional
25 tax is equal to ninety-six cents per barrel of thirty-one gallons
26 through June 30, 1995, two dollars and thirty-nine cents per barrel of
27 thirty-one gallons for the period July 1, 1995, through June 30, 1997,
28 and four dollars and seventy-eight cents per barrel of thirty-one
29 gallons thereafter.

30 (b) The additional tax imposed under this subsection does not apply
31 to the sale of the first sixty thousand barrels of beer each year by
32 breweries that are entitled to a reduced rate of tax under 26 U.S.C.
33 Sec. 5051, as existing on July 1, 1993, or such subsequent date as may
34 be provided by the board by rule consistent with the purposes of this
35 exemption.

36 (c) All revenues collected from the additional tax imposed under
37 this subsection (3) shall be deposited in the (~~health-services-account~~
38 ~~under RCW 43.72.900~~) state general fund.

1 (4) An additional tax is imposed on all beer and strong beer that
2 is subject to tax under subsection (1) of this section that is in the
3 first sixty thousand barrels of beer and strong beer by breweries that
4 are entitled to a reduced rate of tax under 26 U.S.C. Sec. 5051, as
5 existing on July 1, 1993, or such subsequent date as may be provided by
6 the board by rule consistent with the purposes of the exemption under
7 subsection (3)(b) of this section. The additional tax is equal to one
8 dollar and forty-eight and two-tenths cents per barrel of thirty-one
9 gallons. By the twenty-fifth day of the following month, three percent
10 of the revenues collected from this additional tax shall be distributed
11 to border areas under RCW 66.08.195 and the remaining moneys shall be
12 transferred to the state general fund.

13 (5) The board may make refunds for all taxes paid on beer and
14 strong beer exported from the state for use outside the state.

15 (6) The board may require filing with the board of a bond to be
16 approved by it, in such amount as the board may fix, securing the
17 payment of the tax. If any licensee fails to pay the tax when due, the
18 board may forthwith suspend or cancel his or her license until all
19 taxes are paid.

20 **Sec. 44.** RCW 67.70.240 and 2001 c 3 s 4 are each amended to read
21 as follows:

22 The moneys in the state lottery account shall be used only:

23 (1) For the payment of prizes to the holders of winning lottery
24 tickets or shares;

25 (2) For purposes of making deposits into the reserve account
26 created by RCW 67.70.250 and into the lottery administrative account
27 created by RCW 67.70.260;

28 (3) For purposes of making deposits into the education construction
29 fund (~~(and student achievement fund)~~) created in RCW 43.135.045. (~~For~~
30 ~~the transition period from July 1, 2001, until and including June 30,~~
31 ~~2002, fifty percent of the moneys not otherwise obligated under this~~
32 ~~section shall be placed in the student achievement fund and fifty~~
33 ~~percent of these moneys shall be placed in the education construction~~
34 ~~fund. On and after July 1, 2002, until June 30, 2004, seventy five~~
35 ~~percent of these moneys shall be placed in the student achievement fund~~
36 ~~and twenty five percent shall be placed in the education construction~~
37 ~~fund.)) On and after July 1, 2004, all deposits not otherwise~~

1 obligated under this section shall be placed in the education
2 construction fund. Moneys in the state lottery account deposited in
3 the education construction fund (~~(and the student achievement fund)~~)
4 are included in "general state revenues" under RCW 39.42.070;

5 (4) For distribution to a county for the purpose of paying the
6 principal and interest payments on bonds issued by the county to
7 construct a baseball stadium, as defined in RCW 82.14.0485, including
8 reasonably necessary preconstruction costs. Three million dollars
9 shall be distributed under this subsection during calendar year 1996.
10 During subsequent years, such distributions shall equal the prior
11 year's distributions increased by four percent. Distributions under
12 this subsection shall cease when the bonds issued for the construction
13 of the baseball stadium are retired, but not more than twenty years
14 after the tax under RCW 82.14.0485 is first imposed;

15 (5) For distribution to the stadium and exhibition center account,
16 created in RCW 43.99N.060. Subject to the conditions of RCW
17 43.99N.070, six million dollars shall be distributed under this
18 subsection during the calendar year 1998. During subsequent years,
19 such distribution shall equal the prior year's distributions increased
20 by four percent. No distribution may be made under this subsection
21 after December 31, 1999, unless the conditions for issuance of the
22 bonds under RCW 43.99N.020(2) are met. Distributions under this
23 subsection shall cease when the bonds are retired, but not later than
24 December 31, 2020;

25 (6) For the purchase and promotion of lottery games and game-
26 related services; and

27 (7) For the payment of agent compensation.

28 The office of financial management shall require the allotment of
29 all expenses paid from the account and shall report to the ways and
30 means committees of the senate and house of representatives any changes
31 in the allotments.

32 **Sec. 45.** RCW 67.70.340 and 2005 c 369 s 4 are each amended to read
33 as follows:

34 (1) The legislature recognizes that creating a shared game lottery
35 could result in less revenue being raised by the existing state lottery
36 ticket sales. The legislature further recognizes that the (~~two~~
37 ~~funds~~) fund most impacted by this potential event (~~(are the student~~

1 ~~achievement—fund—and~~) is the education construction account.
2 Therefore, it is the intent of the legislature to use some of the
3 proceeds from the shared game lottery to make up the difference that
4 the potential state lottery revenue loss would have on (~~the student~~
5 ~~achievement—fund—and~~) the education construction account. The
6 legislature further intends to use some of the proceeds from the shared
7 game lottery to fund programs and services related to problem and
8 pathological gambling.

9 (2) The (~~student achievement fund and the~~) education construction
10 account (~~are~~) is expected to (~~collectively~~) receive one hundred two
11 million dollars annually from state lottery games other than the shared
12 game lottery. For fiscal year 2003 and thereafter, if the amount of
13 lottery revenues earmarked for the (~~student achievement fund and the~~)
14 education construction account is less than one hundred two million
15 dollars, the commission, after making the transfer required under
16 subsection (3) of this section, must transfer sufficient moneys from
17 revenues derived from the shared game lottery into the (~~student~~
18 ~~achievement fund and the~~) education construction account to bring the
19 total revenue up to one hundred two million dollars. (~~The funds~~
20 ~~transferred from the shared game lottery account under this subsection~~
21 ~~must be divided between the student achievement fund and the education~~
22 ~~construction account in a manner consistent with RCW 67.70.240(3).)~~)

23 (3)(a) The commission shall transfer, from revenue derived from the
24 shared game lottery, to the problem gambling account created in RCW
25 43.20A.892, an amount equal to the percentage specified in (b) of this
26 subsection of net receipts. For purposes of this subsection, "net
27 receipts" means the difference between (i) revenue received from the
28 sale of lottery tickets or shares and revenue received from the sale of
29 shared game lottery tickets or shares; and (ii) the sum of payments
30 made to winners.

31 (b) In fiscal year 2006, the percentage to be transferred to the
32 problem gambling account is one-tenth of one percent. In fiscal year
33 2007 and subsequent fiscal years, the percentage to be transferred to
34 the problem gambling account is thirteen one-hundredths of one percent.

35 (4) The remaining net revenues, if any, in the shared game lottery
36 account after the transfers pursuant to this section shall be deposited
37 into the general fund.

1 **Sec. 46.** RCW 69.50.505 and 2008 c 6 s 631 are each amended to read
2 as follows:

3 (1) The following are subject to seizure and forfeiture and no
4 property right exists in them:

5 (a) All controlled substances which have been manufactured,
6 distributed, dispensed, acquired, or possessed in violation of this
7 chapter or chapter 69.41 or 69.52 RCW, and all hazardous chemicals, as
8 defined in RCW 64.44.010, used or intended to be used in the
9 manufacture of controlled substances;

10 (b) All raw materials, products, and equipment of any kind which
11 are used, or intended for use, in manufacturing, compounding,
12 processing, delivering, importing, or exporting any controlled
13 substance in violation of this chapter or chapter 69.41 or 69.52 RCW;

14 (c) All property which is used, or intended for use, as a container
15 for property described in (a) or (b) of this subsection;

16 (d) All conveyances, including aircraft, vehicles, or vessels,
17 which are used, or intended for use, in any manner to facilitate the
18 sale, delivery, or receipt of property described in (a) or (b) of this
19 subsection, except that:

20 (i) No conveyance used by any person as a common carrier in the
21 transaction of business as a common carrier is subject to forfeiture
22 under this section unless it appears that the owner or other person in
23 charge of the conveyance is a consenting party or privy to a violation
24 of this chapter or chapter 69.41 or 69.52 RCW;

25 (ii) No conveyance is subject to forfeiture under this section by
26 reason of any act or omission established by the owner thereof to have
27 been committed or omitted without the owner's knowledge or consent;

28 (iii) No conveyance is subject to forfeiture under this section if
29 used in the receipt of only an amount of marijuana for which possession
30 constitutes a misdemeanor under RCW 69.50.4014;

31 (iv) A forfeiture of a conveyance encumbered by a bona fide
32 security interest is subject to the interest of the secured party if
33 the secured party neither had knowledge of nor consented to the act or
34 omission; and

35 (v) When the owner of a conveyance has been arrested under this
36 chapter or chapter 69.41 or 69.52 RCW the conveyance in which the
37 person is arrested may not be subject to forfeiture unless it is seized

1 or process is issued for its seizure within ten days of the owner's
2 arrest;

3 (e) All books, records, and research products and materials,
4 including formulas, microfilm, tapes, and data which are used, or
5 intended for use, in violation of this chapter or chapter 69.41 or
6 69.52 RCW;

7 (f) All drug paraphernalia;

8 (g) All moneys, negotiable instruments, securities, or other
9 tangible or intangible property of value furnished or intended to be
10 furnished by any person in exchange for a controlled substance in
11 violation of this chapter or chapter 69.41 or 69.52 RCW, all tangible
12 or intangible personal property, proceeds, or assets acquired in whole
13 or in part with proceeds traceable to an exchange or series of
14 exchanges in violation of this chapter or chapter 69.41 or 69.52 RCW,
15 and all moneys, negotiable instruments, and securities used or intended
16 to be used to facilitate any violation of this chapter or chapter 69.41
17 or 69.52 RCW. A forfeiture of money, negotiable instruments,
18 securities, or other tangible or intangible property encumbered by a
19 bona fide security interest is subject to the interest of the secured
20 party if, at the time the security interest was created, the secured
21 party neither had knowledge of nor consented to the act or omission.
22 No personal property may be forfeited under this subsection (1)(g), to
23 the extent of the interest of an owner, by reason of any act or
24 omission which that owner establishes was committed or omitted without
25 the owner's knowledge or consent; and

26 (h) All real property, including any right, title, and interest in
27 the whole of any lot or tract of land, and any appurtenances or
28 improvements which are being used with the knowledge of the owner for
29 the manufacturing, compounding, processing, delivery, importing, or
30 exporting of any controlled substance, or which have been acquired in
31 whole or in part with proceeds traceable to an exchange or series of
32 exchanges in violation of this chapter or chapter 69.41 or 69.52 RCW,
33 if such activity is not less than a class C felony and a substantial
34 nexus exists between the commercial production or sale of the
35 controlled substance and the real property. However:

36 (i) No property may be forfeited pursuant to this subsection
37 (1)(h), to the extent of the interest of an owner, by reason of any act

1 or omission committed or omitted without the owner's knowledge or
2 consent;

3 (ii) The bona fide gift of a controlled substance, legend drug, or
4 imitation controlled substance shall not result in the forfeiture of
5 real property;

6 (iii) The possession of marijuana shall not result in the
7 forfeiture of real property unless the marijuana is possessed for
8 commercial purposes, the amount possessed is five or more plants or one
9 pound or more of marijuana, and a substantial nexus exists between the
10 possession of marijuana and the real property. In such a case, the
11 intent of the offender shall be determined by the preponderance of the
12 evidence, including the offender's prior criminal history, the amount
13 of marijuana possessed by the offender, the sophistication of the
14 activity or equipment used by the offender, and other evidence which
15 demonstrates the offender's intent to engage in commercial activity;

16 (iv) The unlawful sale of marijuana or a legend drug shall not
17 result in the forfeiture of real property unless the sale was forty
18 grams or more in the case of marijuana or one hundred dollars or more
19 in the case of a legend drug, and a substantial nexus exists between
20 the unlawful sale and the real property; and

21 (v) A forfeiture of real property encumbered by a bona fide
22 security interest is subject to the interest of the secured party if
23 the secured party, at the time the security interest was created,
24 neither had knowledge of nor consented to the act or omission.

25 (2) Real or personal property subject to forfeiture under this
26 chapter may be seized by any board inspector or law enforcement officer
27 of this state upon process issued by any superior court having
28 jurisdiction over the property. Seizure of real property shall include
29 the filing of a lis pendens by the seizing agency. Real property
30 seized under this section shall not be transferred or otherwise
31 conveyed until ninety days after seizure or until a judgment of
32 forfeiture is entered, whichever is later: PROVIDED, That real
33 property seized under this section may be transferred or conveyed to
34 any person or entity who acquires title by foreclosure or deed in lieu
35 of foreclosure of a security interest. Seizure of personal property
36 without process may be made if:

37 (a) The seizure is incident to an arrest or a search under a search
38 warrant or an inspection under an administrative inspection warrant;

1 (b) The property subject to seizure has been the subject of a prior
2 judgment in favor of the state in a criminal injunction or forfeiture
3 proceeding based upon this chapter;

4 (c) A board inspector or law enforcement officer has probable cause
5 to believe that the property is directly or indirectly dangerous to
6 health or safety; or

7 (d) The board inspector or law enforcement officer has probable
8 cause to believe that the property was used or is intended to be used
9 in violation of this chapter.

10 (3) In the event of seizure pursuant to subsection (2) of this
11 section, proceedings for forfeiture shall be deemed commenced by the
12 seizure. The law enforcement agency under whose authority the seizure
13 was made shall cause notice to be served within fifteen days following
14 the seizure on the owner of the property seized and the person in
15 charge thereof and any person having any known right or interest
16 therein, including any community property interest, of the seizure and
17 intended forfeiture of the seized property. Service of notice of
18 seizure of real property shall be made according to the rules of civil
19 procedure. However, the state may not obtain a default judgment with
20 respect to real property against a party who is served by substituted
21 service absent an affidavit stating that a good faith effort has been
22 made to ascertain if the defaulted party is incarcerated within the
23 state, and that there is no present basis to believe that the party is
24 incarcerated within the state. Notice of seizure in the case of
25 property subject to a security interest that has been perfected by
26 filing a financing statement in accordance with chapter 62A.9A RCW, or
27 a certificate of title, shall be made by service upon the secured party
28 or the secured party's assignee at the address shown on the financing
29 statement or the certificate of title. The notice of seizure in other
30 cases may be served by any method authorized by law or court rule
31 including but not limited to service by certified mail with return
32 receipt requested. Service by mail shall be deemed complete upon
33 mailing within the fifteen day period following the seizure.

34 (4) If no person notifies the seizing law enforcement agency in
35 writing of the person's claim of ownership or right to possession of
36 items specified in subsection (1)(d), (g), or (h) of this section
37 within forty-five days of the seizure in the case of personal property
38 and ninety days in the case of real property, the item seized shall be

1 deemed forfeited. The community property interest in real property of
2 a person whose spouse or domestic partner committed a violation giving
3 rise to seizure of the real property may not be forfeited if the person
4 did not participate in the violation.

5 (5) If any person notifies the seizing law enforcement agency in
6 writing of the person's claim of ownership or right to possession of
7 items specified in subsection (1)(b), (c), (d), (e), (f), (g), or (h)
8 of this section within forty-five days of the seizure in the case of
9 personal property and ninety days in the case of real property, the
10 person or persons shall be afforded a reasonable opportunity to be
11 heard as to the claim or right. The hearing shall be before the chief
12 law enforcement officer of the seizing agency or the chief law
13 enforcement officer's designee, except where the seizing agency is a
14 state agency as defined in RCW 34.12.020(4), the hearing shall be
15 before the chief law enforcement officer of the seizing agency or an
16 administrative law judge appointed under chapter 34.12 RCW, except that
17 any person asserting a claim or right may remove the matter to a court
18 of competent jurisdiction. Removal of any matter involving personal
19 property may only be accomplished according to the rules of civil
20 procedure. The person seeking removal of the matter must serve process
21 against the state, county, political subdivision, or municipality that
22 operates the seizing agency, and any other party of interest, in
23 accordance with RCW 4.28.080 or 4.92.020, within forty-five days after
24 the person seeking removal has notified the seizing law enforcement
25 agency of the person's claim of ownership or right to possession. The
26 court to which the matter is to be removed shall be the district court
27 when the aggregate value of personal property is within the
28 jurisdictional limit set forth in RCW 3.66.020. A hearing before the
29 seizing agency and any appeal therefrom shall be under Title 34 RCW.
30 In all cases, the burden of proof is upon the law enforcement agency to
31 establish, by a preponderance of the evidence, that the property is
32 subject to forfeiture.

33 The seizing law enforcement agency shall promptly return the
34 article or articles to the claimant upon a determination by the
35 administrative law judge or court that the claimant is the present
36 lawful owner or is lawfully entitled to possession thereof of items
37 specified in subsection (1)(b), (c), (d), (e), (f), (g), or (h) of this
38 section.

1 (6) In any proceeding to forfeit property under this title, where
2 the claimant substantially prevails, the claimant is entitled to
3 reasonable attorneys' fees reasonably incurred by the claimant. In
4 addition, in a court hearing between two or more claimants to the
5 article or articles involved, the prevailing party is entitled to a
6 judgment for costs and reasonable attorneys' fees.

7 (7) When property is forfeited under this chapter the board or
8 seizing law enforcement agency may:

9 (a) Retain it for official use or upon application by any law
10 enforcement agency of this state release such property to such agency
11 for the exclusive use of enforcing the provisions of this chapter;

12 (b) Sell that which is not required to be destroyed by law and
13 which is not harmful to the public;

14 (c) Request the appropriate sheriff or director of public safety to
15 take custody of the property and remove it for disposition in
16 accordance with law; or

17 (d) Forward it to the drug enforcement administration for
18 disposition.

19 (8)(a) When property is forfeited, the seizing agency shall keep a
20 record indicating the identity of the prior owner, if known, a
21 description of the property, the disposition of the property, the value
22 of the property at the time of seizure, and the amount of proceeds
23 realized from disposition of the property.

24 (b) Each seizing agency shall retain records of forfeited property
25 for at least seven years.

26 (c) Each seizing agency shall file a report including a copy of the
27 records of forfeited property with the state treasurer each calendar
28 quarter.

29 (d) The quarterly report need not include a record of forfeited
30 property that is still being held for use as evidence during the
31 investigation or prosecution of a case or during the appeal from a
32 conviction.

33 (9)(a) By January 31st of each year, each seizing agency shall
34 remit to the state treasurer an amount equal to ten percent of the net
35 proceeds of any property forfeited during the preceding calendar year.
36 Money remitted shall be deposited in the (~~violence reduction and drug~~
37 ~~enforcement account under RCW 69.50.520~~) state general fund.

1 (b) The net proceeds of forfeited property is the value of the
2 forfeitable interest in the property after deducting the cost of
3 satisfying any bona fide security interest to which the property is
4 subject at the time of seizure; and in the case of sold property, after
5 deducting the cost of sale, including reasonable fees or commissions
6 paid to independent selling agents, and the cost of any valid
7 landlord's claim for damages under subsection (15) of this section.

8 (c) The value of sold forfeited property is the sale price. The
9 value of retained forfeited property is the fair market value of the
10 property at the time of seizure, determined when possible by reference
11 to an applicable commonly used index, such as the index used by the
12 department of licensing for valuation of motor vehicles. A seizing
13 agency may use, but need not use, an independent qualified appraiser to
14 determine the value of retained property. If an appraiser is used, the
15 value of the property appraised is net of the cost of the appraisal.
16 The value of destroyed property and retained firearms or illegal
17 property is zero.

18 (10) Forfeited property and net proceeds not required to be paid to
19 the state treasurer shall be retained by the seizing law enforcement
20 agency exclusively for the expansion and improvement of controlled
21 substances related law enforcement activity. Money retained under this
22 section may not be used to supplant preexisting funding sources.

23 (11) Controlled substances listed in Schedule I, II, III, IV, and
24 V that are possessed, transferred, sold, or offered for sale in
25 violation of this chapter are contraband and shall be seized and
26 summarily forfeited to the state. Controlled substances listed in
27 Schedule I, II, III, IV, and V, which are seized or come into the
28 possession of the board, the owners of which are unknown, are
29 contraband and shall be summarily forfeited to the board.

30 (12) Species of plants from which controlled substances in
31 Schedules I and II may be derived which have been planted or cultivated
32 in violation of this chapter, or of which the owners or cultivators are
33 unknown, or which are wild growths, may be seized and summarily
34 forfeited to the board.

35 (13) The failure, upon demand by a board inspector or law
36 enforcement officer, of the person in occupancy or in control of land
37 or premises upon which the species of plants are growing or being

1 stored to produce an appropriate registration or proof that he or she
2 is the holder thereof constitutes authority for the seizure and
3 forfeiture of the plants.

4 (14) Upon the entry of an order of forfeiture of real property, the
5 court shall forward a copy of the order to the assessor of the county
6 in which the property is located. Orders for the forfeiture of real
7 property shall be entered by the superior court, subject to court
8 rules. Such an order shall be filed by the seizing agency in the
9 county auditor's records in the county in which the real property is
10 located.

11 (15) A landlord may assert a claim against proceeds from the sale
12 of assets seized and forfeited under subsection (7)(b) of this section,
13 only if:

14 (a) A law enforcement officer, while acting in his or her official
15 capacity, directly caused damage to the complaining landlord's property
16 while executing a search of a tenant's residence; and

17 (b) The landlord has applied any funds remaining in the tenant's
18 deposit, to which the landlord has a right under chapter 59.18 RCW, to
19 cover the damage directly caused by a law enforcement officer prior to
20 asserting a claim under the provisions of this section;

21 (i) Only if the funds applied under (b) of this subsection are
22 insufficient to satisfy the damage directly caused by a law enforcement
23 officer, may the landlord seek compensation for the damage by filing a
24 claim against the governmental entity under whose authority the law
25 enforcement agency operates within thirty days after the search;

26 (ii) Only if the governmental entity denies or fails to respond to
27 the landlord's claim within sixty days of the date of filing, may the
28 landlord collect damages under this subsection by filing within thirty
29 days of denial or the expiration of the sixty-day period, whichever
30 occurs first, a claim with the seizing law enforcement agency. The
31 seizing law enforcement agency must notify the landlord of the status
32 of the claim by the end of the thirty-day period. Nothing in this
33 section requires the claim to be paid by the end of the sixty-day or
34 thirty-day period.

35 (c) For any claim filed under (b) of this subsection, the law
36 enforcement agency shall pay the claim unless the agency provides
37 substantial proof that the landlord either:

1 (i) Knew or consented to actions of the tenant in violation of this
2 chapter or chapter 69.41 or 69.52 RCW; or

3 (ii) Failed to respond to a notification of the illegal activity,
4 provided by a law enforcement agency under RCW 59.18.075, within seven
5 days of receipt of notification of the illegal activity.

6 (16) The landlord's claim for damages under subsection (15) of this
7 section may not include a claim for loss of business and is limited to:

8 (a) Damage to tangible property and clean-up costs;

9 (b) The lesser of the cost of repair or fair market value of the
10 damage directly caused by a law enforcement officer;

11 (c) The proceeds from the sale of the specific tenant's property
12 seized and forfeited under subsection (7)(b) of this section; and

13 (d) The proceeds available after the seizing law enforcement agency
14 satisfies any bona fide security interest in the tenant's property and
15 costs related to sale of the tenant's property as provided by
16 subsection (9)(b) of this section.

17 (17) Subsections (15) and (16) of this section do not limit any
18 other rights a landlord may have against a tenant to collect for
19 damages. However, if a law enforcement agency satisfies a landlord's
20 claim under subsection (15) of this section, the rights the landlord
21 has against the tenant for damages directly caused by a law enforcement
22 officer under the terms of the landlord and tenant's contract are
23 subrogated to the law enforcement agency.

24 NEW SECTION. **Sec. 47.** RCW 69.50.520 (Violence reduction and drug
25 enforcement account) and 2005 c 518 s 937, 2005 c 514 s 1107, 2005 c
26 514 s 202, 2004 c 276 s 912, 2003 1st sp.s. c 25 s 930, & 2002 c 371 s
27 920 are each repealed.

28 **Sec. 48.** RCW 70.05.125 and 1998 c 266 s 1 are each amended to read
29 as follows:

30 (1) The county public health account is created in the state
31 treasury. Funds deposited in the county public health account shall be
32 distributed by the state treasurer to each local public health
33 jurisdiction based upon amounts certified to it by the department of
34 community, trade, and economic development in consultation with the
35 Washington state association of counties. The account shall include
36 funds distributed under RCW ((~~82.44.110~~ and)) 82.14.200(8) and such

1 funds as are appropriated to the account from the (~~health services~~
2 ~~account under RCW 43.72.900~~) state general fund, the public health
3 services account under RCW 43.72.902, and such other funds as the
4 legislature may appropriate to it.

5 (2)(a) The director of the department of community, trade, and
6 economic development shall certify the amounts to be distributed to
7 each local public health jurisdiction using 1995 as the base year of
8 actual city contributions to local public health.

9 (b) Only if funds are available and in an amount no greater than
10 available funds under RCW 82.14.200(8), the department of community,
11 trade, and economic development shall adjust the amount certified under
12 (a) of this subsection to compensate for any annexation of an area with
13 fifty thousand residents or more to any city as a result of a petition
14 during calendar year 1996 or 1997, or for any city that became newly
15 incorporated as a result of an election during calendar year 1994 or
16 1995. The amount to be adjusted shall be equal to the amount which
17 otherwise would have been lost to the health jurisdiction due to the
18 annexation or incorporation as calculated using the jurisdiction's 1995
19 funding formula.

20 (c) The county treasurer shall certify the actual 1995 city
21 contribution to the department. Funds in excess of the base shall be
22 distributed proportionately among the health jurisdictions based on
23 incorporated population figures as last determined by the office of
24 financial management.

25 (3) Moneys distributed under this section shall be expended
26 exclusively for local public health purposes.

27 **Sec. 49.** RCW 70.47.015 and 2008 c 217 s 99 are each amended to
28 read as follows:

29 (1) The legislature finds that the basic health plan has been an
30 effective program in providing health coverage for uninsured residents.
31 Further, since 1993, substantial amounts of public funds have been
32 allocated for subsidized basic health plan enrollment.

33 (~~It is the intent of the legislature that the basic health~~
34 ~~plan enrollment be expanded expeditiously, consistent with funds~~
35 ~~available in the health services account, with the goal of two hundred~~
36 ~~thousand adult subsidized basic health plan enrollees and one hundred~~

1 ~~thirty thousand children covered through expanded medical assistance~~
2 ~~services by June 30, 1997, with the priority of providing needed health~~
3 ~~services to children in conjunction with other public programs.~~

4 ~~(3))~~ Effective January 1, 1996, basic health plan enrollees whose
5 income is less than one hundred twenty-five percent of the federal
6 poverty level shall pay at least a ten-dollar premium share.

7 ~~((4))~~ (3) No later than July 1, 1996, the administrator shall
8 implement procedures whereby hospitals licensed under chapters 70.41
9 and 71.12 RCW, health carrier, rural health care facilities regulated
10 under chapter 70.175 RCW, and community and migrant health centers
11 funded under RCW 41.05.220, may expeditiously assist patients and their
12 families in applying for basic health plan or medical assistance
13 coverage, and in submitting such applications directly to the health
14 care authority or the department of social and health services. The
15 health care authority and the department of social and health services
16 shall make every effort to simplify and expedite the application and
17 enrollment process.

18 ~~((5))~~ (4) No later than July 1, 1996, the administrator shall
19 implement procedures whereby disability insurance producers, licensed
20 under chapter 48.17 RCW, may expeditiously assist patients and their
21 families in applying for basic health plan or medical assistance
22 coverage, and in submitting such applications directly to the health
23 care authority or the department of social and health services.
24 Insurance producers may receive a commission for each individual sale
25 of the basic health plan to anyone not signed up within the previous
26 five years and a commission for each group sale of the basic health
27 plan, if funding for this purpose is provided in a specific
28 appropriation to the health care authority. No commission shall be
29 provided upon a renewal. Commissions shall be determined based on the
30 estimated annual cost of the basic health plan, however, commissions
31 shall not result in a reduction in the premium amount paid to health
32 carriers. For purposes of this section "health carrier" is as defined
33 in RCW 48.43.005. The administrator may establish: (a) Minimum
34 educational requirements that must be completed by the insurance
35 producers; (b) an appointment process for insurance producers marketing
36 the basic health plan; or (c) standards for revocation of the
37 appointment of an insurance producer to submit applications for cause,
38 including untrustworthy or incompetent conduct or harm to the public.

1 The health care authority and the department of social and health
2 services shall make every effort to simplify and expedite the
3 application and enrollment process.

4 **Sec. 50.** RCW 70.96A.350 and 2008 c 329 s 918 are each amended to
5 read as follows:

6 (1) The criminal justice treatment account is created in the state
7 treasury. Moneys in the account may be expended solely for: (a)
8 Substance abuse treatment and treatment support services for offenders
9 with an addiction or a substance abuse problem that, if not treated,
10 would result in addiction, against whom charges are filed by a
11 prosecuting attorney in Washington state; (b) the provision of drug and
12 alcohol treatment services and treatment support services for
13 nonviolent offenders within a drug court program; and (c) during the
14 2007-2009 biennium, operation of the integrated crisis response and
15 intensive case management pilots contracted with the department of
16 social and health services division of alcohol and substance abuse.
17 Moneys in the account may be spent only after appropriation.

18 (2) For purposes of this section:

19 (a) "Treatment" means services that are critical to a participant's
20 successful completion of his or her substance abuse treatment program,
21 but does not include the following services: Housing other than that
22 provided as part of an inpatient substance abuse treatment program,
23 vocational training, and mental health counseling; and

24 (b) "Treatment support" means transportation to or from inpatient
25 or outpatient treatment services when no viable alternative exists, and
26 child care services that are necessary to ensure a participant's
27 ability to attend outpatient treatment sessions.

28 (3) Revenues to the criminal justice treatment account consist of:
29 (a) Funds transferred to the account pursuant to this section; and (b)
30 any other revenues appropriated to or deposited in the account.

31 (4)(a) For the fiscal biennium beginning July 1, 2003, the state
32 treasurer shall transfer eight million nine hundred fifty thousand
33 dollars from the general fund into the criminal justice treatment
34 account, divided into eight equal quarterly payments. For the fiscal
35 year beginning July 1, 2005, and each subsequent fiscal year, the state
36 treasurer shall transfer eight million two hundred fifty thousand
37 dollars from the general fund to the criminal justice treatment

1 account, divided into four equal quarterly payments. For the fiscal
2 year beginning July 1, 2006, and each subsequent fiscal year, the
3 amount transferred shall be increased on an annual basis by the
4 implicit price deflator as published by the federal bureau of labor
5 statistics.

6 ~~(b) ((For the fiscal biennium beginning July 1, 2003, and each
7 biennium thereafter, the state treasurer shall transfer two million
8 nine hundred eighty four thousand dollars from the general fund into
9 the violence reduction and drug enforcement account, divided into eight
10 quarterly payments. The amounts transferred pursuant to this
11 subsection (4)(b) shall be used solely for providing drug and alcohol
12 treatment services to offenders confined in a state correctional
13 facility who are assessed with an addiction or a substance abuse
14 problem that if not treated would result in addiction.~~

15 ~~(e))~~ In each odd-numbered year, the legislature shall appropriate
16 the amount transferred to the criminal justice treatment account in (a)
17 of this subsection to the division of alcohol and substance abuse for
18 the purposes of subsection (5) of this section.

19 (5) Moneys appropriated to the division of alcohol and substance
20 abuse from the criminal justice treatment account shall be distributed
21 as specified in this subsection. The department shall serve as the
22 fiscal agent for purposes of distribution. Until July 1, 2004, the
23 department may not use moneys appropriated from the criminal justice
24 treatment account for administrative expenses and shall distribute all
25 amounts appropriated under subsection (4)~~((e))~~ (b) of this section in
26 accordance with this subsection. Beginning in July 1, 2004, the
27 department may retain up to three percent of the amount appropriated
28 under subsection (4)~~((e))~~ (b) of this section for its administrative
29 costs.

30 (a) Seventy percent of amounts appropriated to the division from
31 the account shall be distributed to counties pursuant to the
32 distribution formula adopted under this section. The division of
33 alcohol and substance abuse, in consultation with the department of
34 corrections, the sentencing guidelines commission, the Washington state
35 association of counties, the Washington state association of drug court
36 professionals, the superior court judges' association, the Washington
37 association of prosecuting attorneys, representatives of the criminal
38 defense bar, representatives of substance abuse treatment providers,

1 and any other person deemed by the division to be necessary, shall
2 establish a fair and reasonable methodology for distribution to
3 counties of moneys in the criminal justice treatment account. County
4 or regional plans submitted for the expenditure of formula funds must
5 be approved by the panel established in (b) of this subsection.

6 (b) Thirty percent of the amounts appropriated to the division from
7 the account shall be distributed as grants for purposes of treating
8 offenders against whom charges are filed by a county prosecuting
9 attorney. The division shall appoint a panel of representatives from
10 the Washington association of prosecuting attorneys, the Washington
11 association of sheriffs and police chiefs, the superior court judges'
12 association, the Washington state association of counties, the
13 Washington defender's association or the Washington association of
14 criminal defense lawyers, the department of corrections, the Washington
15 state association of drug court professionals, substance abuse
16 treatment providers, and the division. The panel shall review county
17 or regional plans for funding under (a) of this subsection and grants
18 approved under this subsection. The panel shall attempt to ensure that
19 treatment as funded by the grants is available to offenders statewide.

20 (6) The county alcohol and drug coordinator, county prosecutor,
21 county sheriff, county superior court, a substance abuse treatment
22 provider appointed by the county legislative authority, a member of the
23 criminal defense bar appointed by the county legislative authority,
24 and, in counties with a drug court, a representative of the drug court
25 shall jointly submit a plan, approved by the county legislative
26 authority or authorities, to the panel established in subsection (5)(b)
27 of this section, for disposition of all the funds provided from the
28 criminal justice treatment account within that county. The funds shall
29 be used solely to provide approved alcohol and substance abuse
30 treatment pursuant to RCW 70.96A.090 and treatment support services.
31 No more than ten percent of the total moneys received under subsections
32 (4) and (5) of this section by a county or group of counties
33 participating in a regional agreement shall be spent for treatment
34 support services.

35 (7) Counties are encouraged to consider regional agreements and
36 submit regional plans for the efficient delivery of treatment under
37 this section.

1 (8) Moneys allocated under this section shall be used to
2 supplement, not supplant, other federal, state, and local funds used
3 for substance abuse treatment.

4 (9) Counties must meet the criteria established in RCW
5 2.28.170(3)(b).

6 **Sec. 51.** RCW 70.146.010 and 1986 c 3 s 1 are each amended to read
7 as follows:

8 The long-range health and environmental goals for the state of
9 Washington require the protection of the state's surface and
10 underground waters for the health, safety, use, enjoyment, and economic
11 benefit of its people. It is the purpose of this chapter to provide
12 financial assistance to the state and to local governments for the
13 planning, design, acquisition, construction, and improvement of water
14 pollution control facilities and related activities in the achievement
15 of state and federal water pollution control requirements for the
16 protection of the state's waters.

17 It is the intent of the legislature that distribution of moneys for
18 water pollution control facilities under this chapter be made on an
19 equitable basis taking into consideration legal mandates, local effort,
20 ratepayer impacts, and past distributions of state and federal moneys
21 for water pollution control facilities.

22 It is the intent of this chapter that the cost of any water
23 pollution control facility attributable to increased or additional
24 capacity that exceeds one hundred ten percent of existing needs at the
25 time of application for assistance under this chapter shall be entirely
26 a local or private responsibility. It is the intent of this chapter
27 that industrial pretreatment be paid by industries and that (~~the water~~
28 ~~quality account~~) state funds shall not be used for such purposes.

29 **Sec. 52.** RCW 70.146.020 and 1995 2nd sp.s. c 18 s 920 are each
30 amended to read as follows:

31 Unless the context clearly requires otherwise, the definitions in
32 this section apply throughout this chapter.

33 (1) (~~"Account" means the water quality account in the state~~
34 ~~treasury.~~

35 ~~(2)~~) "Department" means the department of ecology.

1 (~~(3)~~) (2) "Eligible cost" means the cost of that portion of a
2 water pollution control facility that can be financed under this
3 chapter excluding any portion of a facility's cost attributable to
4 capacity that is in excess of that reasonably required to address one
5 hundred ten percent of the applicant's needs for water pollution
6 control existing at the time application is submitted for assistance
7 under this chapter.

8 (~~(4)~~) (3) "Water pollution control facility" or "facilities"
9 means any facilities or systems for the control, collection, storage,
10 treatment, disposal, or recycling of wastewater, including but not
11 limited to sanitary sewage, storm water, residential, commercial,
12 industrial, and agricultural wastes, which are causing water quality
13 degradation due to concentrations of conventional, nonconventional, or
14 toxic pollutants. Water pollution control facilities include all
15 equipment, utilities, structures, real property, and interests in and
16 improvements on real property necessary for or incidental to such
17 purpose. Water pollution control facilities also include such
18 facilities, equipment, and collection systems as are necessary to
19 protect federally designated sole source aquifers.

20 (~~(5)~~) (4) "Water pollution control activities" means actions
21 taken by a public body for the following purposes: (a) To prevent or
22 mitigate pollution of underground water; (b) to control nonpoint
23 sources of water pollution; (c) to restore the water quality of fresh
24 water lakes; and (d) to maintain or improve water quality through the
25 use of water pollution control facilities or other means. During the
26 1995-1997 fiscal biennium, "water pollution control activities"
27 includes activities by state agencies to protect public drinking water
28 supplies and sources.

29 (~~(6)~~) (5) "Public body" means the state of Washington or any
30 agency, county, city or town, conservation district, other political
31 subdivision, municipal corporation, quasi-municipal corporation, and
32 those Indian tribes now or hereafter recognized as such by the federal
33 government.

34 (~~(7)~~) (6) "Water pollution" means such contamination, or other
35 alteration of the physical, chemical, or biological properties of any
36 waters of the state, including change in temperature, taste, color,
37 turbidity, or odor of the waters, or such discharge of any liquid,
38 gaseous, solid, radioactive, or other substance into any waters of the

1 state as will or is likely to create a nuisance or render such waters
2 harmful, detrimental, or injurious to the public health, safety, or
3 welfare, or to domestic, commercial, industrial, agricultural,
4 recreational, or other legitimate beneficial uses, or to livestock,
5 wild animals, birds, fish, or other aquatic life.

6 ~~((+8))~~ (7) "Nonpoint source water pollution" means pollution that
7 enters any waters of the state from any dispersed water-based or land-
8 use activities, including, but not limited to, atmospheric deposition,
9 surface water runoff from agricultural lands, urban areas, and forest
10 lands, subsurface or underground sources, and discharges from boats or
11 other marine vessels.

12 ~~((+9))~~ (8) "Sole source aquifer" means the sole or principal
13 source of public drinking water for an area designated by the
14 administrator of the environmental protection agency pursuant to Public
15 Law 93-523, Sec. 1424(b).

16 **Sec. 53.** RCW 70.146.030 and 2007 c 522 s 955 are each amended to
17 read as follows:

18 ~~((1) The water quality account is hereby created in the state
19 treasury. Moneys in the account may be used only in a manner
20 consistent with this chapter. Moneys deposited in the account shall be
21 administered by the department of ecology and shall be subject to
22 legislative appropriation. Moneys placed in the account shall include
23 tax receipts as provided in RCW 82.24.027, 82.24.026(2)(d), and
24 82.32.390, principal and interest from the repayment of any loans
25 granted pursuant to this chapter, and any other moneys appropriated to
26 the account by the legislature.~~

27 ~~(2))~~ The department may ~~((use or permit the use of any moneys in
28 the account to))~~ make grants or loans to public bodies, including
29 grants to public bodies as cost-sharing moneys in any case where
30 federal, local, or other funds are made available on a cost-sharing
31 basis, for water pollution control facilities and activities, or for
32 purposes of assisting a public body to obtain an ownership interest in
33 water pollution control facilities and/or to defray a part of the
34 payments made by a public body to a service provider under a service
35 agreement entered into pursuant to RCW 70.150.060, within the purposes
36 of this chapter and for related administrative expenses. ~~((For the
37 period July 1, 2007, to June 30, 2009, moneys in the account may be~~

1 used to process applications received by the department that seek to
2 make changes to or transfer existing water rights and for other water
3 resources and water quality activities, for water conveyance projects,
4 shoreline - technical - assistance. [,] - Puget - Sound - education - and
5 outreach [,] and for grants and technical assistance to public bodies
6 for watershed planning under chapter 90.82 RCW.)) No more than three
7 percent of the moneys ((deposited in the account)) may be used by the
8 department to pay for the administration of the grant and loan program
9 authorized by this chapter.

10 ((~~(3) - Beginning with the biennium ending June 30, 1997, the~~
11 ~~department shall present a biennial progress report on the use of~~
12 ~~moneys from the account to the chairs of the senate committee on ways~~
13 ~~and means and the house of representatives committee on appropriations.~~
14 ~~The first report is due June 30, 1996, and the report for each~~
15 ~~succeeding biennium is due December 31st of the odd numbered year. The~~
16 ~~report shall consist of a list of each recipient, project description,~~
17 ~~and amount of the grant, loan, or both.))~~

18 **Sec. 54.** RCW 70.146.040 and 1986 c 3 s 6 are each amended to read
19 as follows:

20 No grant or loan made in this chapter for fiscal year 1987 shall be
21 construed to establish a precedent for levels of grants or loans made
22 ((~~from the water quality account~~)) under this chapter thereafter.

23 **Sec. 55.** RCW 70.146.060 and 1987 c 527 s 1 and 1987 c 436 s 7 are
24 each reenacted and amended to read as follows:

25 ((~~During the period from July 1, 1987, until June 30, 1995, the~~
26 ~~following - limitations - shall - apply - to - the - department's - total~~
27 ~~distribution of funds appropriated from the water quality account:~~

28 ~~(1) - Not - more - than - fifty - percent - for - water - pollution - control~~
29 ~~facilities which discharge directly into marine waters;~~

30 ~~(2) - Not - more - than - twenty - percent - for - water - pollution - control~~
31 ~~activities that prevent or mitigate pollution of underground waters and~~
32 ~~facilities that protect federally designated sole source aquifers with~~
33 ~~at least two thirds for the Spokane Rathdrum Prairie Aquifer;~~

34 ~~(3) - Not - more - than - ten - percent - for - water - pollution - control~~
35 ~~activities that protect freshwater lakes and rivers including but not~~
36 ~~limited to Lake Chelan and the Yakima and Columbia rivers;~~

1 ~~(4) Not more than ten percent for activities which control nonpoint~~
2 ~~source water pollution;~~

3 ~~(5) Ten percent and such sums as may be remaining from the~~
4 ~~categories specified in subsections (1) through (4) of this section for~~
5 ~~water pollution control activities or facilities as determined by the~~
6 ~~department; and~~

7 ~~(6) Two and one half percent of the total amounts of moneys under~~
8 ~~subsections (1) through (5) of this section from February 21, 1986,~~
9 ~~until December 31, 1995, shall be appropriated biennially to the state~~
10 ~~conservation commission for the purposes of this chapter. Not less~~
11 ~~than ten percent of the moneys received by the state conservation~~
12 ~~commission under the provisions of this section shall be expended on~~
13 ~~research activities.~~

14 ~~The distribution under this section shall not be required to be met~~
15 ~~in any single fiscal year.))~~

16 Funds provided for facilities and activities under this chapter may
17 be used for payments to a service provider under a service agreement
18 pursuant to RCW 70.150.060. If funds are to be used for such payments,
19 the department may make periodic disbursements to a public body or may
20 make a single lump sum disbursement. Disbursements of funds with
21 respect to a facility owned or operated by a service provider shall be
22 equivalent in value to disbursements that would otherwise be made if
23 that facility were owned or operated by a public body. Payments under
24 this chapter for waste disposal and management facilities made to
25 public bodies entering into service agreements pursuant to RCW
26 70.150.060 shall not exceed amounts paid to public bodies not entering
27 into service agreements.

28 **Sec. 56.** RCW 70.146.075 and 1987 c 516 s 1 are each amended to
29 read as follows:

30 (1) The department of ecology may enter into contracts with local
31 jurisdictions which provide for extended grant payments under which
32 eligible costs may be paid on an advanced or deferred basis.

33 (2) Extended grant payments shall be in equal annual payments, the
34 total of which does not exceed, on a net present value basis, fifty
35 percent of the total eligible cost of the project incurred at the time
36 of design and construction. The duration of such extended grant

1 payments shall be for a period not to exceed twenty years. The total
2 of federal and state grant moneys received for the eligible costs of
3 the project shall not exceed fifty percent of the eligible costs.

4 (3) Any moneys appropriated by the legislature (~~(from the water~~
5 ~~quality account))~~ for the purposes of this section shall be first used
6 by the department of ecology to satisfy the conditions of the extended
7 grant payment contracts.

8 NEW SECTION. **Sec. 57.** RCW 70.146.080 (Determination of tax
9 receipts in water quality account--Transfer of sufficient moneys from
10 general revenues) and 2007 c 522 s 956, 2005 c 518 s 941, 2003 1st
11 sp.s. c 25 s 935, 1994 sp.s. c 6 s 902, 1993 sp.s. c 24 s 924, 1991
12 sp.s. c 16 s 923, & 1986 c 3 s 11 are each repealed.

13 **Sec. 58.** RCW 70.190.010 and 1996 c 132 s 2 are each amended to
14 read as follows:

15 Unless the context clearly requires otherwise, the definitions in
16 this section apply throughout this chapter.

17 (1) "Administrative costs" means the costs associated with
18 procurement; payroll processing; personnel functions; management;
19 maintenance and operation of space and property; data processing and
20 computer services; accounting; budgeting; auditing; indirect costs; and
21 organizational planning, consultation, coordination, and training.

22 (2) "Assessment" has the same meaning as provided in RCW 43.70.010.

23 (3) "At-risk" children are children who engage in or are victims of
24 at-risk behaviors.

25 (4) "At-risk behaviors" means violent delinquent acts, teen
26 substance abuse, teen pregnancy and male parentage, teen suicide
27 attempts, dropping out of school, child abuse or neglect, and domestic
28 violence.

29 (5) "Community public health and safety networks" or "networks"
30 means the organizations authorized under RCW 70.190.060.

31 (6) "Comprehensive plan" means a two-year plan that examines
32 available resources and unmet needs for a county or multicounty area,
33 barriers that limit the effective use of resources, and a plan to
34 address these issues that is broadly supported by local residents.

35 (7) "Participating state agencies" means the office of the
36 superintendent of public instruction, the department of social and

1 health services, the department of health, the employment security
2 department, the department of community, trade, and economic
3 development, and such other departments as may be specifically
4 designated by the governor.

5 (8) "Family policy council" or "council" means the superintendent
6 of public instruction, the secretary of social and health services, the
7 secretary of health, the commissioner of the employment security
8 department, and the director of the department of community, trade, and
9 economic development or their designees, one legislator from each
10 caucus of the senate and house of representatives, and one
11 representative of the governor.

12 (9) "Fiduciary interest" means (a) the right to compensation from
13 a health, educational, social service, or justice system organization
14 that receives public funds, or (b) budgetary or policy-making authority
15 for an organization listed in (a) of this subsection. A person who
16 acts solely in an advisory capacity and receives no compensation from
17 a health, educational, social service, or justice system organization,
18 and who has no budgetary or policy-making authority is deemed to have
19 no fiduciary interest in the organization.

20 (10) "Outcome" or "outcome based" means defined and measurable
21 outcomes used to evaluate progress in reducing the rate of at-risk
22 children and youth through reducing risk factors and increasing
23 protective factors.

24 (11) "Matching funds" means an amount no less than twenty-five
25 percent of the amount budgeted for a network. The network's matching
26 funds may be in-kind goods and services. Funding sources allowable for
27 match include appropriate federal or local levy funds, private
28 charitable funding, and other charitable giving. Basic education funds
29 or state general funds shall not be used as a match. ((~~State general
30 funds shall not be used as a match for violence reduction and drug
31 enforcement account funds created under RCW 69.50.520.~~))

32 (12) "Policy development" has the same meaning as provided in RCW
33 43.70.010.

34 (13) "Protective factors" means those factors determined by the
35 department of health to be empirically associated with behaviors that
36 contribute to socially acceptable and healthy nonviolent behaviors.
37 Protective factors include promulgation, identification, and acceptance
38 of community norms regarding appropriate behaviors in the area of

1 delinquency, early sexual activity, alcohol and substance abuse,
2 educational opportunities, employment opportunities, and absence of
3 crime.

4 (14) "Risk factors" means those factors determined by the
5 department of health to be empirically associated with at-risk
6 behaviors that contribute to violence.

7 **Sec. 59.** RCW 70.190.100 and 1998 c 245 s 123 are each amended to
8 read as follows:

9 The family policy council shall:

10 (1) Establish network boundaries no later than July 1, 1994. There
11 is a presumption that no county may be divided between two or more
12 community networks and no network shall have fewer than forty thousand
13 population. When approving multicounty networks, considering dividing
14 a county between networks, or creating a network with a population of
15 less than forty thousand, the council must consider: (a) Common
16 economic, geographic, and social interests; (b) historical and existing
17 shared governance; and (c) the size and location of population centers.
18 Individuals and groups within any area shall be given ample opportunity
19 to propose network boundaries in a manner designed to assure full
20 consideration of their expressed wishes;

21 (2) Develop a technical assistance and training program to assist
22 communities in creating and developing community networks and
23 comprehensive plans;

24 (3) Approve the structure, purpose, goals, plan, and performance
25 measurements of each community network;

26 (4) Identify all prevention and early intervention programs and
27 funds, including all programs (~~((funded under RCW 69.50.520, in addition~~
28 ~~to the programs))~~) set forth in RCW 70.190.110, which could be
29 transferred, in all or part, to the community networks, and report
30 their findings and recommendations to the governor and the legislature
31 regarding any appropriate program transfers by January 1 of each year;

32 (5) Reward community networks that show exceptional success as
33 provided in RCW 43.41.195;

34 (6) Seek every opportunity to maximize federal and other funding
35 that is consistent with the plans approved by the council for the
36 purpose and goals of this chapter;

1 (7) Review the state-funded out-of-home placement rate before the
2 end of each contract to determine whether the region has sufficiently
3 reduced the rate. If the council determines that there has not been a
4 sufficient reduction in the rate, it may reduce the immediately
5 succeeding grant to the network;

6 (8)(a) The council shall monitor the implementation of programs
7 contracted by participating state agencies by reviewing periodic
8 reports on the extent to which services were delivered to intended
9 populations, the quality of services, and the extent to which service
10 outcomes were achieved at the conclusion of service interventions.
11 This monitoring shall include provision for periodic feedback to
12 community networks;

13 (b) The legislature intends that this monitoring be used by the
14 Washington state institute for public policy, together with public
15 health data on at-risk behaviors and risk and protective factors, to
16 produce an external evaluation of the effectiveness of the networks and
17 their programs. For this reason, and to conserve public funds, the
18 council shall not conduct or contract for the conduct of control group
19 studies, quasi-experimental design studies, or other analysis efforts
20 to attempt to determine the impact of network programs on at-risk
21 behaviors or risk and protective factors; and

22 (9) Review the implementation of chapter 7, Laws of 1994 sp. sess.
23 The report shall use measurable performance standards to evaluate the
24 implementation.

25 **Sec. 60.** RCW 72.09.111 and 2007 c 483 s 605 are each amended to
26 read as follows:

27 (1) The secretary shall deduct taxes and legal financial
28 obligations from the gross wages, gratuities, or workers' compensation
29 benefits payable directly to the inmate under chapter 51.32 RCW, of
30 each inmate working in correctional industries work programs, or
31 otherwise receiving such wages, gratuities, or benefits. The secretary
32 shall also deduct child support payments from the gratuities of each
33 inmate working in class II through class IV correctional industries
34 work programs. The secretary shall develop a formula for the
35 distribution of offender wages, gratuities, and benefits. The formula
36 shall not reduce the inmate account below the indigency level, as
37 defined in RCW 72.09.015.

1 (a) The formula shall include the following minimum deductions from
2 class I gross wages and from all others earning at least minimum wage:

3 (i) Five percent to the (~~public safety and education account for~~
4 ~~the purpose of crime victims' compensation~~) state general fund;

5 (ii) Ten percent to a department personal inmate savings account;

6 (iii) Twenty percent to the department to contribute to the cost of
7 incarceration; and

8 (iv) Twenty percent for payment of legal financial obligations for
9 all inmates who have legal financial obligations owing in any
10 Washington state superior court.

11 (b) The formula shall include the following minimum deductions from
12 class II gross gratuities:

13 (i) Five percent to the (~~public safety and education account for~~
14 ~~the purpose of crime victims' compensation~~) state general fund;

15 (ii) Ten percent to a department personal inmate savings account;

16 (iii) Fifteen percent to the department to contribute to the cost
17 of incarceration;

18 (iv) Twenty percent for payment of legal financial obligations for
19 all inmates who have legal financial obligations owing in any
20 Washington state superior court; and

21 (v) Fifteen percent for any child support owed under a support
22 order.

23 (c) The formula shall include the following minimum deductions from
24 any workers' compensation benefits paid pursuant to RCW 51.32.080:

25 (i) Five percent to the (~~public safety and education account for~~
26 ~~the purpose of crime victims' compensation~~) state general fund;

27 (ii) Ten percent to a department personal inmate savings account;

28 (iii) Twenty percent to the department to contribute to the cost of
29 incarceration; and

30 (iv) An amount equal to any legal financial obligations owed by the
31 inmate established by an order of any Washington state superior court
32 up to the total amount of the award.

33 (d) The formula shall include the following minimum deductions from
34 class III gratuities:

35 (i) Five percent for the (~~purpose of crime victims' compensation~~)
36 state general fund; and

37 (ii) Fifteen percent for any child support owed under a support
38 order.

1 (e) The formula shall include the following minimum deduction from
2 class IV gross gratuities:

3 (i) Five percent to the department to contribute to the cost of
4 incarceration; and

5 (ii) Fifteen percent for any child support owed under a support
6 order.

7 (2) Any person sentenced to life imprisonment without possibility
8 of release or parole under chapter 10.95 RCW or sentenced to death
9 shall be exempt from the requirement under subsection (1)(a)(ii),
10 (b)(ii), or (c)(ii).

11 (3)(a) The department personal inmate savings account, together
12 with any accrued interest, shall only be available to an inmate at the
13 following times:

14 (i) The time of his or her release from confinement;

15 (ii) Prior to his or her release from confinement in order to
16 secure approved housing; or

17 (iii) When the secretary determines that an emergency exists for
18 the inmate.

19 (b) If funds are made available pursuant to (a)(ii) or (iii) of
20 this subsection, the funds shall be made available to the inmate in an
21 amount determined by the secretary.

22 (c) The management of classes I, II, and IV correctional industries
23 may establish an incentive payment for offender workers based on
24 productivity criteria. This incentive shall be paid separately from
25 the hourly wage/gratuity rate and shall not be subject to the specified
26 deduction for cost of incarceration.

27 (4)(a) Subject to availability of funds for the correctional
28 industries program, the expansion of inmate employment in class I and
29 class II correctional industries shall be implemented according to the
30 following schedule:

31 (i) Not later than June 30, 2005, the secretary shall achieve a net
32 increase of at least two hundred in the number of inmates employed in
33 class I or class II correctional industries work programs above the
34 number so employed on June 30, 2003;

35 (ii) Not later than June 30, 2006, the secretary shall achieve a
36 net increase of at least four hundred in the number of inmates employed
37 in class I or class II correctional industries work programs above the
38 number so employed on June 30, 2003;

1 (iii) Not later than June 30, 2007, the secretary shall achieve a
2 net increase of at least six hundred in the number of inmates employed
3 in class I or class II correctional industries work programs above the
4 number so employed on June 30, 2003;

5 (iv) Not later than June 30, 2008, the secretary shall achieve a
6 net increase of at least nine hundred in the number of inmates employed
7 in class I or class II correctional industries work programs above the
8 number so employed on June 30, 2003;

9 (v) Not later than June 30, 2009, the secretary shall achieve a net
10 increase of at least one thousand two hundred in the number of inmates
11 employed in class I or class II correctional industries work programs
12 above the number so employed on June 30, 2003;

13 (vi) Not later than June 30, 2010, the secretary shall achieve a
14 net increase of at least one thousand five hundred in the number of
15 inmates employed in class I or class II correctional industries work
16 programs above the number so employed on June 30, 2003.

17 (b) Failure to comply with the schedule in this subsection does not
18 create a private right of action.

19 (5) In the event that the offender worker's wages, gratuity, or
20 workers' compensation benefit is subject to garnishment for support
21 enforcement, the (~~crime victims' compensation~~) state general fund,
22 savings, and cost of incarceration deductions shall be calculated on
23 the net wages after taxes, legal financial obligations, and
24 garnishment.

25 (6) The department shall explore other methods of recovering a
26 portion of the cost of the inmate's incarceration and for encouraging
27 participation in work programs, including development of incentive
28 programs that offer inmates benefits and amenities paid for only from
29 wages earned while working in a correctional industries work program.

30 (7) The department shall develop the necessary administrative
31 structure to recover inmates' wages and keep records of the amount
32 inmates pay for the costs of incarceration and amenities. All funds
33 deducted from inmate wages under subsection (1) of this section for the
34 purpose of contributions to the cost of incarceration shall be
35 deposited in a dedicated fund with the department and shall be used
36 only for the purpose of enhancing and maintaining correctional
37 industries work programs.

1 (8) It shall be in the discretion of the secretary to apportion the
2 inmates between class I and class II depending on available contracts
3 and resources.

4 (9) Nothing in this section shall limit the authority of the
5 department of social and health services division of child support from
6 taking collection action against an inmate's moneys, assets, or
7 property pursuant to chapter 26.23, 74.20, or 74.20A RCW.

8 **Sec. 61.** RCW 72.09.480 and 2007 c 483 s 404, 2007 c 365 s 1, and
9 2007 c 91 s 1 are each reenacted and amended to read as follows:

10 (1) Unless the context clearly requires otherwise, the definitions
11 in this section apply to this section.

12 (a) "Cost of incarceration" means the cost of providing an inmate
13 with shelter, food, clothing, transportation, supervision, and other
14 services and supplies as may be necessary for the maintenance and
15 support of the inmate while in the custody of the department, based on
16 the average per inmate costs established by the department and the
17 office of financial management.

18 (b) "Minimum term of confinement" means the minimum amount of time
19 an inmate will be confined in the custody of the department,
20 considering the sentence imposed and adjusted for the total potential
21 earned early release time available to the inmate.

22 (c) "Program" means any series of courses or classes necessary to
23 achieve a proficiency standard, certificate, or postsecondary degree.

24 (2) When an inmate, except as provided in subsections (4) and (8)
25 of this section, receives any funds in addition to his or her wages or
26 gratuities, except settlements or awards resulting from legal action,
27 the additional funds shall be subject to the following deductions and
28 the priorities established in chapter 72.11 RCW:

29 (a) Five percent to the (~~public safety and education account for~~
30 ~~the purpose of crime victims' compensation~~) state general fund;

31 (b) Ten percent to a department personal inmate savings account;

32 (c) Twenty percent for payment of legal financial obligations for
33 all inmates who have legal financial obligations owing in any
34 Washington state superior court;

35 (d) Twenty percent for any child support owed under a support
36 order; and

1 (e) Twenty percent to the department to contribute to the cost of
2 incarceration.

3 (3) When an inmate, except as provided in subsection (8) of this
4 section, receives any funds from a settlement or award resulting from
5 a legal action, the additional funds shall be subject to the deductions
6 in RCW 72.09.111(1)(a) and the priorities established in chapter 72.11
7 RCW.

8 (4) When an inmate who is subject to a child support order receives
9 funds from an inheritance, the deduction required under subsection
10 (2)(e) of this section shall only apply after the child support
11 obligation has been paid in full.

12 (5) The amount deducted from an inmate's funds under subsection (2)
13 of this section shall not exceed the department's total cost of
14 incarceration for the inmate incurred during the inmate's minimum or
15 actual term of confinement, whichever is longer.

16 (6)(a) The deductions required under subsection (2) of this section
17 shall not apply to funds received by the department from an offender or
18 from a third party on behalf of an offender for payment of education or
19 vocational programs or postsecondary education degree programs as
20 provided in RCW 72.09.460 and 72.09.465.

21 (b) The deductions required under subsection (2) of this section
22 shall not apply to funds received by the department from a third party,
23 including but not limited to a nonprofit entity on behalf of the
24 department's education, vocation, or postsecondary education degree
25 programs.

26 (7) The deductions required under subsection (2) of this section
27 shall not apply to any money received by the department, on behalf of
28 an inmate, from family or other outside sources for the payment of
29 postage expenses. Money received under this subsection may only be
30 used for the payment of postage expenses and may not be transferred to
31 any other account or purpose. Money that remains unused in the
32 inmate's postage fund at the time of release shall be subject to the
33 deductions outlined in subsection (2) of this section.

34 (8) When an inmate sentenced to life imprisonment without
35 possibility of release or sentenced to death under chapter 10.95 RCW
36 receives funds, deductions are required under subsection (2) of this
37 section, with the exception of a personal inmate savings account under
38 subsection (2)(b) of this section.

1 (9) The secretary of the department of corrections, or his or her
2 designee, may exempt an inmate from a personal inmate savings account
3 under subsection (2)(b) of this section if the inmate's earliest
4 release date is beyond the inmate's life expectancy.

5 (10) The interest earned on an inmate savings account created as a
6 result of the plan in section 4, chapter 325, Laws of 1999 shall be
7 exempt from the mandatory deductions under this section and RCW
8 72.09.111.

9 (11) Nothing in this section shall limit the authority of the
10 department of social and health services division of child support, the
11 county clerk, or a restitution recipient from taking collection action
12 against an inmate's moneys, assets, or property pursuant to chapter
13 9.94A, 26.23, 74.20, or 74.20A RCW including, but not limited to, the
14 collection of moneys received by the inmate from settlements or awards
15 resulting from legal action.

16 **Sec. 62.** RCW 74.09.053 and 2006 c 264 s 2 are each amended to read
17 as follows:

18 (1) The department of social and health services, in coordination
19 with the health care authority, shall by November 15th of each year
20 report to the legislature:

21 (a) The number of medical assistance recipients who: (i) Upon
22 enrollment or recertification had reported being employed, and
23 beginning with the 2008 report, the month and year they reported being
24 hired; or (ii) upon enrollment or recertification had reported being
25 the dependent of someone who was employed, and beginning with the 2008
26 report, the month and year they reported the employed person was hired.
27 For recipients identified under (a)(i) and (ii) of this subsection, the
28 department shall report the basis for their medical assistance
29 eligibility, including but not limited to family medical coverage,
30 transitional medical assistance, children's medical (~~or aged or~~
31 ~~disabled~~) coverage, aged coverage, or coverage for persons with
32 disabilities; member months; and the total cost to the state for these
33 recipients, expressed as general fund-state(~~7 health services~~
34 ~~account~~) and general fund-federal dollars. The information shall be
35 reported by employer (~~size~~) size for employers having more than
36 fifty employees as recipients or with dependents as recipients. This

1 information shall be provided for the preceding January and June of
2 that year.

3 (b) The following aggregated information: (i) The number of
4 employees who are recipients or with dependents as recipients by
5 private and governmental employers; (ii) the number of employees who
6 are recipients or with dependents as recipients by employer size for
7 employers with fifty or fewer employees, fifty-one to one hundred
8 employees, one hundred one to one thousand employees, one thousand one
9 to five thousand employees and more than five thousand employees; and
10 (iii) the number of employees who are recipients or with dependents as
11 recipients by industry type.

12 (({+2})) (2) For each aggregated classification, the report will
13 include the number of hours worked, the number of department of social
14 and health services covered lives, and the total cost to the state for
15 these recipients. This information shall be for each quarter of the
16 preceding year.

17 **Sec. 63.** RCW 77.12.201 and 1987 c 506 s 29 are each amended to
18 read as follows:

19 The legislative authority of a county may elect, by giving written
20 notice to the director and the treasurer prior to January 1st of any
21 year, to obtain for the following year an amount in lieu of real
22 property taxes on game lands as provided in RCW 77.12.203. Upon the
23 election, the county shall keep a record of all fines, forfeitures,
24 reimbursements, and costs assessed and collected, in whole or in part,
25 under this title for violations of law or rules adopted pursuant to
26 this title and shall monthly remit an amount equal to the amount
27 collected to the state treasurer for deposit in the (~~public safety and~~
28 ~~education account established under RCW 43.08.250~~) state general fund.
29 The election shall continue until the department is notified
30 differently prior to January 1st of any year.

31 **Sec. 64.** RCW 82.04.260 and 2008 c 296 s 1, 2008 c 217 s 100, and
32 2008 c 81 s 4 are each reenacted and amended to read as follows:

33 (1) Upon every person engaging within this state in the business of
34 manufacturing:

35 (a) Wheat into flour, barley into pearl barley, soybeans into
36 soybean oil, canola into canola oil, canola meal, or canola byproducts,

1 or sunflower seeds into sunflower oil; as to such persons the amount of
2 tax with respect to such business shall be equal to the value of the
3 flour, pearl barley, oil, canola meal, or canola byproduct
4 manufactured, multiplied by the rate of 0.138 percent;

5 (b) Beginning July 1, 2012, seafood products that remain in a raw,
6 raw frozen, or raw salted state at the completion of the manufacturing
7 by that person; or selling manufactured seafood products that remain in
8 a raw, raw frozen, or raw salted state at the completion of the
9 manufacturing, to purchasers who transport in the ordinary course of
10 business the goods out of this state; as to such persons the amount of
11 tax with respect to such business shall be equal to the value of the
12 products manufactured or the gross proceeds derived from such sales,
13 multiplied by the rate of 0.138 percent. Sellers must keep and
14 preserve records for the period required by RCW 82.32.070 establishing
15 that the goods were transported by the purchaser in the ordinary course
16 of business out of this state;

17 (c) Beginning July 1, 2012, dairy products that as of September 20,
18 2001, are identified in 21 C.F.R., chapter 1, parts 131, 133, and 135,
19 including byproducts from the manufacturing of the dairy products such
20 as whey and casein; or selling the same to purchasers who transport in
21 the ordinary course of business the goods out of state; as to such
22 persons the tax imposed shall be equal to the value of the products
23 manufactured or the gross proceeds derived from such sales multiplied
24 by the rate of 0.138 percent. Sellers must keep and preserve records
25 for the period required by RCW 82.32.070 establishing that the goods
26 were transported by the purchaser in the ordinary course of business
27 out of this state;

28 (d) Beginning July 1, 2012, fruits or vegetables by canning,
29 preserving, freezing, processing, or dehydrating fresh fruits or
30 vegetables, or selling at wholesale fruits or vegetables manufactured
31 by the seller by canning, preserving, freezing, processing, or
32 dehydrating fresh fruits or vegetables and sold to purchasers who
33 transport in the ordinary course of business the goods out of this
34 state; as to such persons the amount of tax with respect to such
35 business shall be equal to the value of the products manufactured or
36 the gross proceeds derived from such sales multiplied by the rate of
37 0.138 percent. Sellers must keep and preserve records for the period

1 required by RCW 82.32.070 establishing that the goods were transported
2 by the purchaser in the ordinary course of business out of this state;

3 (e) Until July 1, 2009, alcohol fuel, biodiesel fuel, or biodiesel
4 feedstock, as those terms are defined in RCW 82.29A.135; as to such
5 persons the amount of tax with respect to the business shall be equal
6 to the value of alcohol fuel, biodiesel fuel, or biodiesel feedstock
7 manufactured, multiplied by the rate of 0.138 percent; and

8 (f) Alcohol fuel or wood biomass fuel, as those terms are defined
9 in RCW 82.29A.135; as to such persons the amount of tax with respect to
10 the business shall be equal to the value of alcohol fuel or wood
11 biomass fuel manufactured, multiplied by the rate of 0.138 percent.

12 (2) Upon every person engaging within this state in the business of
13 splitting or processing dried peas; as to such persons the amount of
14 tax with respect to such business shall be equal to the value of the
15 peas split or processed, multiplied by the rate of 0.138 percent.

16 (3) Upon every nonprofit corporation and nonprofit association
17 engaging within this state in research and development, as to such
18 corporations and associations, the amount of tax with respect to such
19 activities shall be equal to the gross income derived from such
20 activities multiplied by the rate of 0.484 percent.

21 (4) Upon every person engaging within this state in the business of
22 slaughtering, breaking and/or processing perishable meat products
23 and/or selling the same at wholesale only and not at retail; as to such
24 persons the tax imposed shall be equal to the gross proceeds derived
25 from such sales multiplied by the rate of 0.138 percent.

26 (5) Upon every person engaging within this state in the business of
27 acting as a travel agent or tour operator; as to such persons the
28 amount of the tax with respect to such activities shall be equal to the
29 gross income derived from such activities multiplied by the rate of
30 0.275 percent.

31 (6) Upon every person engaging within this state in business as an
32 international steamship agent, international customs house broker,
33 international freight forwarder, vessel and/or cargo charter broker in
34 foreign commerce, and/or international air cargo agent; as to such
35 persons the amount of the tax with respect to only international
36 activities shall be equal to the gross income derived from such
37 activities multiplied by the rate of 0.275 percent.

1 (7) Upon every person engaging within this state in the business of
2 stevedoring and associated activities pertinent to the movement of
3 goods and commodities in waterborne interstate or foreign commerce; as
4 to such persons the amount of tax with respect to such business shall
5 be equal to the gross proceeds derived from such activities multiplied
6 by the rate of 0.275 percent. Persons subject to taxation under this
7 subsection shall be exempt from payment of taxes imposed by chapter
8 82.16 RCW for that portion of their business subject to taxation under
9 this subsection. Stevedoring and associated activities pertinent to
10 the conduct of goods and commodities in waterborne interstate or
11 foreign commerce are defined as all activities of a labor, service or
12 transportation nature whereby cargo may be loaded or unloaded to or
13 from vessels or barges, passing over, onto or under a wharf, pier, or
14 similar structure; cargo may be moved to a warehouse or similar holding
15 or storage yard or area to await further movement in import or export
16 or may move to a consolidation freight station and be stuffed,
17 unstuffed, containerized, separated or otherwise segregated or
18 aggregated for delivery or loaded on any mode of transportation for
19 delivery to its consignee. Specific activities included in this
20 definition are: Wharfage, handling, loading, unloading, moving of
21 cargo to a convenient place of delivery to the consignee or a
22 convenient place for further movement to export mode; documentation
23 services in connection with the receipt, delivery, checking, care,
24 custody and control of cargo required in the transfer of cargo;
25 imported automobile handling prior to delivery to consignee; terminal
26 stevedoring and incidental vessel services, including but not limited
27 to plugging and unplugging refrigerator service to containers,
28 trailers, and other refrigerated cargo receptacles, and securing ship
29 hatch covers.

30 (8) Upon every person engaging within this state in the business of
31 disposing of low-level waste, as defined in RCW 43.145.010; as to such
32 persons the amount of the tax with respect to such business shall be
33 equal to the gross income of the business, excluding any fees imposed
34 under chapter 43.200 RCW, multiplied by the rate of 3.3 percent.

35 If the gross income of the taxpayer is attributable to activities
36 both within and without this state, the gross income attributable to
37 this state shall be determined in accordance with the methods of
38 apportionment required under RCW 82.04.460.

1 (9) Upon every person engaging within this state as an insurance
2 producer or title insurance agent licensed under chapter 48.17 RCW; as
3 to such persons, the amount of the tax with respect to such licensed
4 activities shall be equal to the gross income of such business
5 multiplied by the rate of 0.484 percent.

6 (10) Upon every person engaging within this state in business as a
7 hospital, as defined in chapter 70.41 RCW, that is operated as a
8 nonprofit corporation or by the state or any of its political
9 subdivisions, as to such persons, the amount of tax with respect to
10 such activities shall be equal to the gross income of the business
11 multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5
12 percent thereafter. (~~The moneys collected under this subsection shall
13 be deposited in the health services account created under RCW
14 43.72.900.~~)

15 (11)(a) Beginning October 1, 2005, upon every person engaging
16 within this state in the business of manufacturing commercial
17 airplanes, or components of such airplanes, or making sales, at retail
18 or wholesale, of commercial airplanes or components of such airplanes,
19 manufactured by the seller, as to such persons the amount of tax with
20 respect to such business shall, in the case of manufacturers, be equal
21 to the value of the product manufactured and the gross proceeds of
22 sales of the product manufactured, or in the case of processors for
23 hire, be equal to the gross income of the business, multiplied by the
24 rate of:

25 (i) 0.4235 percent from October 1, 2005, through the later of June
26 30, 2007; and

27 (ii) 0.2904 percent beginning July 1, 2007.

28 (b) Beginning July 1, 2008, upon every person who is not eligible
29 to report under the provisions of (a) of this subsection (11) and is
30 engaging within this state in the business of manufacturing tooling
31 specifically designed for use in manufacturing commercial airplanes or
32 components of such airplanes, or making sales, at retail or wholesale,
33 of such tooling manufactured by the seller, as to such persons the
34 amount of tax with respect to such business shall, in the case of
35 manufacturers, be equal to the value of the product manufactured and
36 the gross proceeds of sales of the product manufactured, or in the case
37 of processors for hire, be equal to the gross income of the business,
38 multiplied by the rate of 0.2904 percent.

1 (c) For the purposes of this subsection (11), "commercial airplane"
2 and "component" have the same meanings as provided in RCW 82.32.550.

3 (d) In addition to all other requirements under this title, a
4 person eligible for the tax rate under this subsection (11) must report
5 as required under RCW 82.32.545.

6 (e) This subsection (11) does not apply on and after July 1, 2024.

7 (12)(a) Until July 1, 2024, upon every person engaging within this
8 state in the business of extracting timber or extracting for hire
9 timber; as to such persons the amount of tax with respect to the
10 business shall, in the case of extractors, be equal to the value of
11 products, including byproducts, extracted, or in the case of extractors
12 for hire, be equal to the gross income of the business, multiplied by
13 the rate of 0.4235 percent from July 1, 2006, through June 30, 2007,
14 and 0.2904 percent from July 1, 2007, through June 30, 2024.

15 (b) Until July 1, 2024, upon every person engaging within this
16 state in the business of manufacturing or processing for hire: (i)
17 Timber into timber products or wood products; or (ii) timber products
18 into other timber products or wood products; as to such persons the
19 amount of the tax with respect to the business shall, in the case of
20 manufacturers, be equal to the value of products, including byproducts,
21 manufactured, or in the case of processors for hire, be equal to the
22 gross income of the business, multiplied by the rate of 0.4235 percent
23 from July 1, 2006, through June 30, 2007, and 0.2904 percent from July
24 1, 2007, through June 30, 2024.

25 (c) Until July 1, 2024, upon every person engaging within this
26 state in the business of selling at wholesale: (i) Timber extracted by
27 that person; (ii) timber products manufactured by that person from
28 timber or other timber products; or (iii) wood products manufactured by
29 that person from timber or timber products; as to such persons the
30 amount of the tax with respect to the business shall be equal to the
31 gross proceeds of sales of the timber, timber products, or wood
32 products multiplied by the rate of 0.4235 percent from July 1, 2006,
33 through June 30, 2007, and 0.2904 percent from July 1, 2007, through
34 June 30, 2024.

35 (d) Until July 1, 2024, upon every person engaging within this
36 state in the business of selling standing timber; as to such persons
37 the amount of the tax with respect to the business shall be equal to
38 the gross income of the business multiplied by the rate of 0.2904

1 percent. For purposes of this subsection (12)(d), "selling standing
2 timber" means the sale of timber apart from the land, where the buyer
3 is required to sever the timber within thirty months from the date of
4 the original contract, regardless of the method of payment for the
5 timber and whether title to the timber transfers before, upon, or after
6 severance.

7 (e) For purposes of this subsection, the following definitions
8 apply:

9 (i) "Biocomposite surface products" means surface material products
10 containing, by weight or volume, more than fifty percent recycled paper
11 and that also use nonpetroleum-based phenolic resin as a bonding agent.

12 (ii) "Paper and paper products" means products made of interwoven
13 cellulosic fibers held together largely by hydrogen bonding. "Paper
14 and paper products" includes newsprint; office, printing, fine, and
15 pressure-sensitive papers; paper napkins, towels, and toilet tissue;
16 kraft bag, construction, and other kraft industrial papers; paperboard,
17 liquid packaging containers, containerboard, corrugated, and solid-
18 fiber containers including linerboard and corrugated medium; and
19 related types of cellulosic products containing primarily, by weight or
20 volume, cellulosic materials. "Paper and paper products" does not
21 include books, newspapers, magazines, periodicals, and other printed
22 publications, advertising materials, calendars, and similar types of
23 printed materials.

24 (iii) "Recycled paper" means paper and paper products having fifty
25 percent or more of their fiber content that comes from postconsumer
26 waste. For purposes of this subsection (12)(e)(iii), "postconsumer
27 waste" means a finished material that would normally be disposed of as
28 solid waste, having completed its life cycle as a consumer item.

29 (iv) "Timber" means forest trees, standing or down, on privately or
30 publicly owned land. "Timber" does not include Christmas trees that
31 are cultivated by agricultural methods or short-rotation hardwoods as
32 defined in RCW 84.33.035.

33 (v) "Timber products" means:

34 (A) Logs, wood chips, sawdust, wood waste, and similar products
35 obtained wholly from the processing of timber, short-rotation hardwoods
36 as defined in RCW 84.33.035, or both;

37 (B) Pulp, including market pulp and pulp derived from recovered
38 paper or paper products; and

1 (C) Recycled paper, but only when used in the manufacture of
2 biocomposite surface products.

3 (vi) "Wood products" means paper and paper products; dimensional
4 lumber; engineered wood products such as particleboard, oriented strand
5 board, medium density fiberboard, and plywood; wood doors; wood
6 windows; and biocomposite surface products.

7 (13) Upon every person engaging within this state in inspecting,
8 testing, labeling, and storing canned salmon owned by another person,
9 as to such persons, the amount of tax with respect to such activities
10 shall be equal to the gross income derived from such activities
11 multiplied by the rate of 0.484 percent.

12 **Sec. 65.** RCW 82.08.150 and 2005 c 514 s 201 are each amended to
13 read as follows:

14 (1) There is levied and shall be collected a tax upon each retail
15 sale of spirits in the original package at the rate of fifteen percent
16 of the selling price. The tax imposed in this subsection shall apply
17 to all such sales including sales by the Washington state liquor stores
18 and agencies, but excluding sales to spirits, beer, and wine restaurant
19 licensees.

20 (2) There is levied and shall be collected a tax upon each sale of
21 spirits in the original package at the rate of ten percent of the
22 selling price on sales by Washington state liquor stores and agencies
23 to spirits, beer, and wine restaurant licensees.

24 (3) There is levied and shall be collected an additional tax upon
25 each retail sale of spirits in the original package at the rate of one
26 dollar and seventy-two cents per liter. The additional tax imposed in
27 this subsection shall apply to all such sales including sales by
28 Washington state liquor stores and agencies, and including sales to
29 spirits, beer, and wine restaurant licensees.

30 (4) An additional tax is imposed equal to fourteen percent
31 multiplied by the taxes payable under subsections (1), (2), and (3) of
32 this section.

33 (5) An additional tax is imposed upon each retail sale of spirits
34 in the original package at the rate of seven cents per liter. The
35 additional tax imposed in this subsection shall apply to all such sales
36 including sales by Washington state liquor stores and agencies, and
37 including sales to spirits, beer, and wine restaurant licensees. All

1 revenues collected during any month from this additional tax shall be
2 deposited in the (~~violence-reduction-and-drug-enforcement-account~~
3 ~~under RCW 69.50.520~~) state general fund by the twenty-fifth day of the
4 following month.

5 (6)(a) An additional tax is imposed upon retail sale of spirits in
6 the original package at the rate of one and seven-tenths percent of the
7 selling price through June 30, 1995, two and six-tenths percent of the
8 selling price for the period July 1, 1995, through June 30, 1997, and
9 three and four-tenths of the selling price thereafter. This additional
10 tax applies to all such sales including sales by Washington state
11 liquor stores and agencies, but excluding sales to spirits, beer, and
12 wine restaurant licensees.

13 (b) An additional tax is imposed upon retail sale of spirits in the
14 original package at the rate of one and one-tenth percent of the
15 selling price through June 30, 1995, one and seven-tenths percent of
16 the selling price for the period July 1, 1995, through June 30, 1997,
17 and two and three-tenths of the selling price thereafter. This
18 additional tax applies to all such sales to spirits, beer, and wine
19 restaurant licensees.

20 (c) An additional tax is imposed upon each retail sale of spirits
21 in the original package at the rate of twenty cents per liter through
22 June 30, 1995, thirty cents per liter for the period July 1, 1995,
23 through June 30, 1997, and forty-one cents per liter thereafter. This
24 additional tax applies to all such sales including sales by Washington
25 state liquor stores and agencies, and including sales to spirits, beer,
26 and wine restaurant licensees.

27 (d) All revenues collected during any month from additional taxes
28 under this subsection shall be deposited in the (~~health-services~~
29 ~~account created under RCW 43.72.900~~) state general fund by the twenty-
30 fifth day of the following month.

31 (7)(a) An additional tax is imposed upon each retail sale of
32 spirits in the original package at the rate of one dollar and thirty-
33 three cents per liter. This additional tax applies to all such sales
34 including sales by Washington state liquor stores and agencies, but
35 excluding sales to spirits, beer, and wine restaurant licensees.

36 (b) All revenues collected during any month from additional taxes
37 under this subsection shall be deposited by the twenty-fifth day of the
38 following month (~~as follows:~~

1 ~~(i) 97.5 percent~~) into the general fund(~~(+~~
2 ~~(ii) 2.3 percent into the health services account created under RCW~~
3 ~~43.72.900; and~~
4 ~~(iii) 0.2 percent into the violence reduction and drug enforcement~~
5 ~~account created under RCW 69.50.520)~~).

6 (8) The tax imposed in RCW 82.08.020 shall not apply to sales of
7 spirits in the original package.

8 (9) The taxes imposed in this section shall be paid by the buyer to
9 the seller, and each seller shall collect from the buyer the full
10 amount of the tax payable in respect to each taxable sale under this
11 section. The taxes required by this section to be collected by the
12 seller shall be stated separately from the selling price and for
13 purposes of determining the tax due from the buyer to the seller, it
14 shall be conclusively presumed that the selling price quoted in any
15 price list does not include the taxes imposed by this section.

16 (10) As used in this section, the terms, "spirits" and "package"
17 shall have the meaning ascribed to them in chapter 66.04 RCW.

18 **Sec. 66.** RCW 82.24.020 and 2008 c 226 s 3 and 2008 c 86 s 301 are
19 each reenacted and amended to read as follows:

20 (1) There is levied and there shall be collected as provided in
21 this chapter, a tax upon the sale, use, consumption, handling,
22 possession, or distribution of all cigarettes, in an amount equal to
23 one and fifteen one-hundredths cents per cigarette.

24 (2) An additional tax is imposed upon the sale, use, consumption,
25 handling, possession, or distribution of all cigarettes, in an amount
26 equal to five hundred twenty-five one-thousandths of a cent per
27 cigarette. All revenues collected during any month from this
28 additional tax shall be deposited in the (~~violence reduction and drug~~
29 ~~enforcement account under RCW 69.50.520~~) state general fund by the
30 twenty-fifth day of the following month.

31 (3) An additional tax is imposed upon the sale, use, consumption,
32 handling, possession, or distribution of all cigarettes, in an amount
33 equal to two and five one-hundredths cents per cigarette. All revenues
34 collected during any month from this additional tax shall be deposited
35 in the (~~health services account created under RCW 43.72.900~~) state
36 general fund by the twenty-fifth day of the following month.

1 (4) Wholesalers subject to the payment of this tax may, if they
2 wish, absorb five one-hundredths cents per cigarette of the tax and not
3 pass it on to purchasers without being in violation of this section or
4 any other act relating to the sale or taxation of cigarettes.

5 (5) For purposes of this chapter, "possession" shall mean both (a)
6 physical possession by the purchaser and, (b) when cigarettes are being
7 transported to or held for the purchaser or his or her designee by a
8 person other than the purchaser, constructive possession by the
9 purchaser or his or her designee, which constructive possession shall
10 be deemed to occur at the location of the cigarettes being so
11 transported or held.

12 (6) In accordance with federal law and rules prescribed by the
13 department, an enrolled member of a federally recognized Indian tribe
14 may purchase cigarettes from an Indian tribal organization under the
15 jurisdiction of the member's tribe for the member's own use exempt from
16 the applicable taxes imposed by this chapter. Except as provided in
17 subsection (7) of this section, any person, who purchases cigarettes
18 from an Indian tribal organization and who is not an enrolled member of
19 the federally recognized Indian tribe within whose jurisdiction the
20 sale takes place, is not exempt from the applicable taxes imposed by
21 this chapter.

22 (7) If the state enters into a cigarette tax contract or agreement
23 with a federally recognized Indian tribe under chapter 43.06 RCW, the
24 terms of the contract or agreement shall take precedence over any
25 conflicting provisions of this chapter while the contract or agreement
26 is in effect.

27 **Sec. 67.** RCW 82.24.026 and 2008 c 86 s 302 are each amended to
28 read as follows:

29 (1) In addition to the tax imposed upon the sale, use, consumption,
30 handling, possession, or distribution of cigarettes set forth in RCW
31 82.24.020, there is imposed a tax in an amount equal to three cents per
32 cigarette.

33 (2) The revenue collected under this section shall be deposited as
34 follows:

35 (a) (~~21.7 percent shall be deposited into the health services~~
36 ~~account.~~

37 ~~(b) 2.8))~~ 28.5 percent shall be deposited into the general fund.

1 ~~((c) 2.3 percent shall be deposited into the violence reduction~~
2 ~~and drug enforcement account under RCW 69.50.520.~~

3 ~~(d) 1.7 percent shall be deposited into the water quality account~~
4 ~~under RCW 70.146.030.~~

5 ~~(e))~~ (b) The remainder shall be deposited into the education
6 legacy trust account.

7 **Sec. 68.** RCW 82.24.027 and 2008 c 86 s 303 are each amended to
8 read as follows:

9 (1) There is hereby levied and there shall be collected by the
10 department of revenue from the persons mentioned in and in the manner
11 provided by this chapter, an additional tax upon the sale, use,
12 consumption, handling, possession, or distribution of cigarettes in an
13 amount equal to four-tenths of a cent per cigarette.

14 (2) The moneys collected under this section shall be deposited (~~as~~
15 ~~follows:~~

16 ~~(a) For the period beginning July 1, 2001, through June 30, 2021,~~
17 ~~into the water quality account under RCW 70.146.030; and~~

18 ~~(b) For the period beginning July 1, 2021,~~) in the general fund.

19 **Sec. 69.** RCW 82.24.028 and 2008 c 86 s 304 are each amended to
20 read as follows:

21 In addition to the tax imposed upon the sale, use, consumption,
22 handling, possession, or distribution of cigarettes set forth in RCW
23 82.24.020, there is imposed a tax in an amount equal to three cents per
24 cigarette. All revenues collected during any month from this
25 additional tax shall be deposited in the (~~health services account~~
26 ~~created under RCW 43.72.900)) state general fund by the twenty-fifth
27 day of the following month.~~

28 **Sec. 70.** RCW 82.26.020 and 2005 c 180 s 3 are each amended to read
29 as follows:

30 (1) There is levied and there shall be collected a tax upon the
31 sale, handling, or distribution of all tobacco products in this state
32 at the following rate:

33 (a) Seventy-five percent of the taxable sales price of cigars, not
34 to exceed fifty cents per cigar; or

1 (b) Seventy-five percent of the taxable sales price of all tobacco
2 products that are not cigars.

3 (2) Taxes under this section shall be imposed at the time the
4 distributor (a) brings, or causes to be brought, into this state from
5 without the state tobacco products for sale, (b) makes, manufactures,
6 fabricates, or stores tobacco products in this state for sale in this
7 state, (c) ships or transports tobacco products to retailers in this
8 state, to be sold by those retailers, or (d) handles for sale any
9 tobacco products that are within this state but upon which tax has not
10 been imposed.

11 (3) The moneys collected under this section shall be deposited (~~as~~
12 ~~follows:~~

13 ~~(a) Thirty seven percent in the general fund;~~

14 ~~(b) Fifty percent in the health services account created under RCW~~
15 ~~43.72.900; and~~

16 ~~(c) Thirteen percent in the water quality account under RCW~~
17 ~~70.146.030 for the period beginning July 1, 2005, through June 30,~~
18 ~~2021, and in the general fund for the period beginning July 1, 2021))~~
19 into the state general fund.

20 NEW SECTION. Sec. 71. RCW 82.32.390 (Certain revenues to be
21 deposited in water quality account) and 1986 c 3 s 15 are each
22 repealed.

23 **Sec. 72.** RCW 82.64.020 and 1994 sp.s. c 7 s 906 are each amended
24 to read as follows:

25 (1) A tax is imposed on each sale at wholesale of syrup in this
26 state. The rate of the tax shall be equal to one dollar per gallon.
27 Fractional amounts shall be taxed proportionally.

28 (2) A tax is imposed on each sale at retail of syrup in this state.
29 The rate of the tax shall be equal to the rate imposed under subsection
30 (1) of this section.

31 (3) Moneys collected under this chapter shall be deposited in the
32 (~~violence reduction and drug enforcement account under RCW 69.50.520~~)
33 state general fund.

34 (4) Chapter 82.32 RCW applies to the taxes imposed in this chapter.
35 The tax due dates, reporting periods, and return requirements

1 applicable to chapter 82.04 RCW apply equally to the taxes imposed in
2 this chapter.

3 **Sec. 73.** RCW 84.52.067 and 2001 c 3 s 7 are each amended to read
4 as follows:

5 All property taxes levied by the state for the support of common
6 schools shall be paid into the general fund of the state treasury as
7 provided in RCW 84.56.280(~~(, except for the amounts collected under RCW~~
8 ~~84.52.068 — which — shall — be — directly — deposited — into — the — student~~
9 ~~achievement fund and distributed to school districts as provided in RCW~~
10 ~~84.52.068))~~).

11 **Sec. 74.** RCW 90.71.370 and 2008 c 329 s 927 are each amended to
12 read as follows:

13 (1) By December 1, 2008, and by September 1st of each even-numbered
14 year beginning in 2010, the council shall provide to the governor and
15 the appropriate fiscal committees of the senate and house of
16 representatives its recommendations for the funding necessary to
17 implement the action agenda in the succeeding biennium. The
18 recommendations shall:

- 19 (a) Identify the funding needed by action agenda element;
20 (b) Address funding responsibilities among local, state, and
21 federal governments, as well as nongovernmental funding; and
22 (c) Address funding needed to support the work of the partnership,
23 the panel, the ecosystem work group, and entities assisting in
24 coordinating local efforts to implement the plan.

25 (2) In the 2008 report required under subsection (1) of this
26 section, the council shall include recommendations for projected
27 funding needed through 2020 to implement the action agenda; funding
28 needs for science panel staff; identify methods to secure stable and
29 sufficient funding to meet these needs; and include proposals for new
30 sources of funding to be dedicated to Puget Sound protection and
31 recovery. In preparing the science panel staffing proposal, the
32 council shall consult with the panel.

33 (3) By November 1st of each odd-numbered year beginning in 2009,
34 the council shall produce a state of the Sound report that includes, at
35 a minimum:

1 (a) An assessment of progress by state and nonstate entities in
2 implementing the action agenda, including accomplishments in the use of
3 state funds for action agenda implementation;

4 (b) A description of actions by implementing entities that are
5 inconsistent with the action agenda and steps taken to remedy the
6 inconsistency;

7 (c) The comments by the panel on progress in implementing the plan,
8 as well as findings arising from the assessment and monitoring program;

9 (d) A review of citizen concerns provided to the partnership and
10 the disposition of those concerns;

11 (e) A review of the expenditures of funds to state agencies for the
12 implementation of programs affecting the protection and recovery of
13 Puget Sound, and an assessment of whether the use of the funds is
14 consistent with the action agenda; and

15 (f) An identification of all funds provided to the partnership, and
16 recommendations as to how future state expenditures for all entities,
17 including the partnership, could better match the priorities of the
18 action agenda.

19 (4)(a) The council shall review state programs that fund facilities
20 and activities that may contribute to action agenda implementation. By
21 November 1, 2009, the council shall provide initial recommendations
22 regarding program changes to the governor and appropriate fiscal and
23 policy committees of the senate and house of representatives. By
24 November 1, 2010, the council shall provide final recommendations
25 regarding program changes, including proposed legislation to implement
26 the recommendation, to the governor and appropriate fiscal and policy
27 committees of the senate and house of representatives.

28 (b) The review in this subsection shall be conducted with the
29 active assistance and collaboration of the agencies administering these
30 programs, and in consultation with local governments and other entities
31 receiving funding from these programs:

32 (i) (~~The — water — quality — account~~) Water — pollution — control
33 facilities financing, chapter 70.146 RCW;

34 (ii) The water pollution control revolving fund, chapter 90.50A
35 RCW;

36 (iii) The public works assistance account, chapter 43.155 RCW;

37 (iv) The aquatic lands enhancement account, RCW 79.105.150;

1 (v) The state toxics control account and local toxics control
2 account and clean-up program, chapter 70.105D RCW;

3 (vi) The acquisition of habitat conservation and outdoor recreation
4 land, chapter 79A.15 RCW;

5 (vii) The salmon recovery funding board, RCW 77.85.110 through
6 77.85.150;

7 (viii) The community economic revitalization board, chapter 43.160
8 RCW;

9 (ix) Other state financial assistance to water quality-related
10 projects and activities; and

11 (x) Water quality financial assistance from federal programs
12 administered through state programs or provided directly to local
13 governments in the Puget Sound basin.

14 (c) The council's review shall include but not be limited to:

15 (i) Determining the level of funding and types of projects and
16 activities funded through the programs that contribute to
17 implementation of the action agenda;

18 (ii) Evaluating the procedures and criteria in each program for
19 determining which projects and activities to fund, and their
20 relationship to the goals and priorities of the action agenda;

21 (iii) Assessing methods for ensuring that the goals and priorities
22 of the action agenda are given priority when program funding decisions
23 are made regarding water quality-related projects and activities in the
24 Puget Sound basin and habitat-related projects and activities in the
25 Puget Sound basin;

26 (iv) Modifying funding criteria so that projects, programs, and
27 activities that are inconsistent with the action agenda are ineligible
28 for funding;

29 (v) Assessing ways to incorporate a strategic funding approach for
30 the action agenda within the outcome-focused performance measures
31 required by RCW 43.41.270 in administering natural resource-related and
32 environmentally based grant and loan programs.

33 NEW SECTION. **Sec. 75.** RCW 84.52.068 (State levy--Distribution to
34 school districts) and 2005 c 514 s 1104, 2003 1st sp.s. c 19 s 1, &
35 2001 c 3 s 5 are each repealed.

1 NEW SECTION. **Sec. 76.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and takes effect
4 July 1, 2009.

 Passed by the Senate April 23, 2009.

 Passed by the House April 25, 2009.

 Approved by the Governor May 14, 2009.

 Filed in Office of Secretary of State May 18, 2009.