
SUBSTITUTE SENATE BILL 6671

State of Washington

54th Legislature

1996 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators McDonald, Snyder, West, Rinehart, Loveland, Sellar, Oke and Kohl)

Read first time 01/26/96.

1 AN ACT Relating to state revenue and caseload forecasts; amending
2 RCW 82.33.010, 82.33.020, 82.33.030, 82.33.040, 7.68.085, 41.06.087,
3 41.45.020, 41.50.067, 43.88.020, 43.88.037, 43.88.120, 43.88.160,
4 50.38.050, 70.94.431, 70.94.483, 3.30.010, 35.10.320, 35.18.020,
5 35.21.600, 35.58.020, 35A.08.020, 35A.12.010, 35A.13.010, 35A.14.700,
6 35A.44.010, 36.13.100, 36.57.010, 36.57A.010, 36.69.460, 36.70A.040,
7 36.70A.110, 36.70A.280, 36.115.060, 43.41.110, 43.62.010, 43.62.020,
8 43.62.030, 43.62.035, 43.62.040, 43.62.050, 43.135.025, 46.68.124,
9 47.24.020, 47.26.060, 54.28.055, 66.08.200, 66.08.210, 66.24.420,
10 70.05.125, 81.112.040, 82.14.210, 82.14.310, 82.14.330, 82.14.340,
11 82.44.150, 82.44.155, and 82.80.080; reenacting and amending RCW
12 43.88.030, 70.94.650, 46.68.110, and 82.14.320; adding a new section to
13 chapter 82.33 RCW; and providing an effective date.

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

15 **Sec. 1.** RCW 82.33.010 and 1990 c 229 s 1 are each amended to read
16 as follows:

17 (1) The economic ~~((and))~~, revenue, and caseload forecast council is
18 hereby created. The council shall consist of two individuals appointed
19 by the governor and four individuals, one of whom is appointed by the

1 chairperson of each of the two largest political caucuses in the senate
2 and house of representatives. In making the two appointments to the
3 council, the governor may designate two other persons to serve as
4 members, in lieu of the two primary appointees, when the council is
5 dealing with issues directly related to caseload forecasts. The chair
6 of the council shall be selected from among the four caucus appointees.
7 The council may select such other officers as the members deem
8 necessary.

9 (2) The council shall employ an economic ~~((and))~~, revenue, and
10 caseload forecast supervisor to supervise the preparation of all
11 economic ~~((and))~~, revenue, and caseload forecasts. As used in this
12 chapter, "supervisor" means the economic ~~((and))~~, revenue, and caseload
13 forecast supervisor.

14 (3) Approval by an affirmative vote of at least five members of the
15 council is required for any decisions regarding employment of the
16 supervisor. Employment of the supervisor shall terminate after each
17 term of three years. At the end of the first year of each three-year
18 term the council shall consider extension of the supervisor's term by
19 one year. The council may fix the compensation of the supervisor. The
20 supervisor shall employ staff sufficient to accomplish the purposes of
21 this section.

22 ~~((+3))~~ (4) The economic ~~((and))~~, revenue, and caseload forecast
23 council shall oversee the preparation of and approve, by an affirmative
24 vote of at least four members, the official, optimistic, and
25 pessimistic state economic ~~((and))~~, revenue, and caseload forecasts
26 prepared under RCW 82.33.020. If the council is unable to approve a
27 forecast before a date required in RCW 82.33.020, the supervisor shall
28 submit the forecast without approval and the forecast shall have the
29 same effect as if approved by the council.

30 ~~((+4))~~ (5) A council member who does not cast an affirmative vote
31 for approval of the official economic and revenue forecast or caseload
32 forecast may request, and the supervisor shall provide, an alternative
33 ~~((economic and revenue))~~ forecast based on assumptions specified by the
34 member.

35 ~~((+5))~~ (6) Members of the economic ~~((and))~~, revenue, and caseload
36 forecast council shall serve without additional compensation but shall
37 be reimbursed for travel expenses in accordance with RCW 44.04.120
38 while attending sessions of the council or on official business
39 authorized by the council. Nonlegislative members of the council shall

1 be reimbursed for travel expenses in accordance with RCW 43.03.050 and
2 43.03.060.

3 (7) "Caseload," as used in this chapter, means the number of
4 persons expected to meet entitlement requirements and require the
5 services of the aid to families with dependent children program, the
6 psychiatric hospitalization programs, the medical assistance program,
7 programs for long-term care for persons with functional disabilities,
8 state correctional institutions, state institutions for juvenile
9 offenders, the common school system, and other state-funded programs as
10 determined by the council.

11 (8) Unless the context clearly requires otherwise, the definitions
12 provided in RCW 43.88.020 apply to this chapter.

13 **Sec. 2.** RCW 82.33.020 and 1992 c 231 s 34 are each amended to read
14 as follows:

15 (1) Four times each year, the supervisor shall prepare, subject to
16 the approval of the economic ((and)), revenue, and caseload forecast
17 council under RCW 82.33.010:

18 (a) An official state economic and revenue forecast;

19 (b) An unofficial state economic and revenue forecast based on
20 optimistic economic and revenue projections; and

21 (c) An unofficial state economic and revenue forecast based on
22 pessimistic economic and revenue projections.

23 (2) Four times each year, or as determined by the council, the
24 supervisor shall prepare, subject to the approval of the economic,
25 revenue, and caseload forecast council under RCW 82.33.010:

26 (a) An official state caseload forecast; and

27 (b) Other forecasts based on alternative assumptions as the council
28 may determine.

29 (3) The supervisor shall submit economic and revenue forecasts
30 prepared under this section, along with any unofficial forecasts
31 provided under RCW 82.33.010, to the governor and the members of the
32 committees on ways and means and the chairs of the committees on
33 transportation of the senate and house of representatives and the chair
34 of the legislative transportation committee, including one copy to the
35 staff of each of the committees, on or before November 20th, February
36 20th in the even-numbered years, March 20th in the odd-numbered years,
37 June 20th, and September 20th. All economic and revenue forecasts
38 shall include both estimated receipts and estimated revenues, in

1 conformance with generally accepted accounting principles as provided
2 by RCW 43.88.037, for the current fiscal year and the next ensuing four
3 fiscal years.

4 ~~((+3))~~ (4) All agencies of state government shall provide to the
5 supervisor immediate access to all information relating to economic
6 ~~((and))~~, revenue, and caseload forecasts. Revenue collection
7 information shall be available to the supervisor the first business day
8 following the conclusion of each collection period.

9 ~~((+4))~~ (5) The economic ~~((and))~~, revenue, and caseload forecast
10 council supervisor and staff shall ~~((co-locate and))~~ share information,
11 data, and files with the tax research section of the department of
12 revenue but shall not duplicate the duties and functions of one
13 another.

14 ~~((+5))~~ (6) As part of its forecasts under subsection (1) of this
15 section, the supervisor shall provide estimated revenue from tuition
16 fees as defined in RCW 28B.15.020.

17 (7) The economic, revenue, and caseload forecast council shall
18 prepare and certify all population determinations and forecasts for the
19 state and its political subdivisions.

20 NEW SECTION. Sec. 3. A new section is added to chapter 82.33 RCW
21 to read as follows:

22 In consultation with the office of financial management and upon
23 the recommendation of the staff of the economic, revenue, and caseload
24 forecast council, the council shall certify the undesignated fund
25 balance and working capital and other reserves for the state general
26 fund. The certification shall be made in conjunction with the revenue
27 forecasts adopted under RCW 82.33.020 and in accordance with generally
28 accepted accounting principles applicable to state governments.

29 The council shall review, and approve or reject, any
30 interpretations and applications by the office of financial management
31 of the comprehensive state budgeting, accounting, and reporting
32 requirements that significantly affect the estimated revenues,
33 receipts, and fund balances of the state general fund.

34 **Sec. 4.** RCW 82.33.030 and 1984 c 138 s 3 are each amended to read
35 as follows:

36 The administrator of the legislative evaluation and accountability
37 program committee may request, and the supervisor shall provide,

1 alternative economic ~~((and))~~, revenue, and caseload forecasts based on
2 assumptions specified by the administrator.

3 **Sec. 5.** RCW 82.33.040 and 1986 c 158 s 23 are each amended to read
4 as follows:

5 (1) To promote the free flow of information and to promote
6 legislative input in the preparation of forecasts, immediate access to
7 all information relating to economic ~~((and))~~, revenue, and caseload
8 forecasts shall be available to the economic and revenue and caseload
9 forecast work groups, hereby created. Revenue collection information
10 shall be available to the economic and revenue forecast work group the
11 first business day following the conclusion of each collection period.
12 Each state agency affected by caseloads shall submit caseload reports
13 and data to the council as soon as the reports and data are available
14 and shall provide to the council and the supervisor such additional
15 raw, program-level data or information as may be necessary for
16 discharge of their respective duties.

17 (2) The economic and revenue forecast work group shall consist of
18 one staff member selected by the executive head or chairperson of each
19 of the following agencies or committees:

- 20 (a) Department of revenue;
- 21 (b) Office of financial management;
- 22 (c) Legislative evaluation and accountability program committee;
- 23 (d) Ways and means committee, or its successor, of the senate; and
- 24 (e) ~~((Ways and means))~~ Finance committee, or its successor, of the
25 house of representatives.

26 ~~((+2))~~ (3) The caseload work group shall consist of one staff
27 member selected by the executive head or chairperson of each of the
28 following agencies, programs, or committees:

- 29 (a) Office of financial management;
- 30 (b) Ways and means committee, or its successor, of the senate;
- 31 (c) Appropriations committee, or its successor, of the house of
32 representatives;
- 33 (d) Legislative evaluation and accountability program committee;
34 and

35 (e) Each state program for which the council forecasts the
36 caseload.

37 (4) The economic ~~((and))~~, revenue, and caseload forecast work
38 groups shall provide technical support to the economic ~~((and))~~,

1 revenue, and caseload forecast council. Meetings of the economic
2 ~~((and))~~, revenue, and caseload forecast work groups may be called by
3 any member of the groups for the purpose of assisting the ~~((economic~~
4 ~~and revenue forecast))~~ council, reviewing ~~((the state economic and~~
5 ~~revenue))~~ forecasts, or reviewing monthly revenue collection data or
6 for any other purpose which may assist the ~~((economic and revenue~~
7 ~~foreecast))~~ council.

8 **Sec. 6.** RCW 7.68.085 and 1990 c 3 s 504 are each amended to read
9 as follows:

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

- 15 (1) Necessary for a previously accepted condition;
16 (2) Necessary to protect the victim's life or prevent deterioration
17 of the victim's previously accepted condition; and
18 (3) Not available from an alternative source.

19 The director of financial management and the director of labor and
20 industries shall monitor expenditures from the public safety and
21 education account. Once each fiscal quarter, the director of financial
22 management shall determine if expenditures from the public safety and
23 education account during the prior fiscal quarter exceeded allotments
24 by more than ten percent. Within thirty days of a determination that
25 expenditures exceeded allotments by more than ten percent, the director
26 of financial management shall develop and implement a plan to reduce
27 expenditures from the account to a level that does not exceed the
28 allotments. Such a plan may include across-the-board reductions in
29 allotments from the account to all nonjudicial agencies except for the
30 crime victims compensation program. In implementing the plan, the
31 director of financial management shall seek the cooperation of judicial
32 agencies in reducing their expenditures from the account. The director
33 of financial management shall notify the legislative fiscal committees
34 prior to implementation of the plan.

35 Development and implementation of the plan is not required if the
36 director of financial management notifies the legislative fiscal
37 committees that increases in the official revenue forecast for the
38 public safety and education account for that fiscal quarter will

1 eliminate the need to reduce expenditures from the account. The
2 official revenue forecast for the public safety and education account
3 shall be prepared by the economic ~~((and))~~, revenue, and caseload
4 forecast council ~~((pursuant to))~~ under RCW 82.33.020 and 82.33.010.

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

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

15 **Sec. 7.** RCW 41.06.087 and 1990 c 229 s 3 are each amended to read
16 as follows:

17 In addition to the exemptions set forth in RCW 41.06.070, this
18 chapter does not apply to the economic and revenue forecast and
19 caseload forecast supervisor and staff employed under RCW 82.33.010.

20 **Sec. 8.** RCW 41.45.020 and 1995 c 239 s 306 are each amended to
21 read as follows:

22 As used in this chapter, the following terms have the meanings
23 indicated unless the context clearly requires otherwise.

24 (1) "Council" means the economic ~~((and))~~, revenue, and caseload
25 forecast council created in RCW 82.33.010.

26 (2) "Department" means the department of retirement systems.

27 (3) "Law enforcement officers' and fire fighters' retirement system
28 plan I" and "law enforcement officers' and fire fighters' retirement
29 system plan II" mean the benefits and funding provisions under chapter
30 41.26 RCW.

31 (4) "Public employees' retirement system plan I" and "public
32 employees' retirement system plan II" mean the benefits and funding
33 provisions under chapter 41.40 RCW.

34 (5) "Teachers' retirement system plan I," "teachers' retirement
35 system plan II," and "teachers' retirement system plan III" mean the
36 benefits and funding provisions under chapter 41.32 RCW.

1 (6) "Washington state patrol retirement system" means the
2 retirement benefits provided under chapter 43.43 RCW.

3 (7) "Unfunded liability" means the unfunded actuarial accrued
4 liability of a retirement system.

5 (8) "Actuary" or "state actuary" means the state actuary employed
6 under chapter 44.44 RCW.

7 (9) "State retirement systems" means the retirement systems listed
8 in RCW 41.50.030.

9 **Sec. 9.** RCW 41.50.067 and 1993 c 519 s 21 are each amended to read
10 as follows:

11 The director shall inform all employers in writing as to the
12 employer rates adopted by the economic ((and)), revenue, and caseload
13 forecast council upon the notification of the council as prescribed in
14 RCW 41.45.060.

15 **Sec. 10.** RCW 43.88.020 and 1995 c 155 s 1 are each amended to read
16 as follows:

17 (1) "Budget" means a proposed plan of expenditures for a given
18 period or purpose and the proposed means for financing these
19 expenditures.

20 (2) "Budget document" means a formal statement, either written or
21 provided on any electronic media or both, offered by the governor to
22 the legislature, as provided in RCW 43.88.030.

23 (3) "Director of financial management" means the official appointed
24 by the governor to serve at the governor's pleasure and to whom the
25 governor may delegate necessary authority to carry out the governor's
26 duties as provided in this chapter. The director of financial
27 management shall be head of the office of financial management which
28 shall be in the office of the governor.

29 (4) "Agency" means and includes every state office, officer, each
30 institution, whether educational, correctional or other, and every
31 department, division, board and commission, except as otherwise
32 provided in this chapter.

33 (5) "Public funds", for purposes of this chapter, means all moneys,
34 including cash, checks, bills, notes, drafts, stocks, and bonds,
35 whether held in trust, for operating purposes, or for capital purposes,
36 and collected or disbursed under law, whether or not such funds are

1 otherwise subject to legislative appropriation, including funds
2 maintained outside the state treasury.

3 (6) "Regulations" means the policies, standards, and requirements,
4 stated in writing, designed to carry out the purposes of this chapter,
5 as issued by the governor or the governor's designated agent, and which
6 shall have the force and effect of law.

7 (7) "Ensuing biennium" means the fiscal biennium beginning on July
8 1st of the same year in which a regular session of the legislature is
9 held during an odd-numbered year pursuant to Article II, section 12 of
10 the Constitution and which biennium next succeeds the current biennium.

11 (8) "Dedicated fund" means a fund in the state treasury, or a
12 separate account or fund in the general fund in the state treasury,
13 that by law is dedicated, appropriated or set aside for a limited
14 object or purpose; but "dedicated fund" does not include a revolving
15 fund or a trust fund.

16 (9) "Revolving fund" means a fund in the state treasury,
17 established by law, from which is paid the cost of goods or services
18 furnished to or by a state agency, and which is replenished through
19 charges made for such goods or services or through transfers from other
20 accounts or funds.

21 (10) "Trust fund" means a fund in the state treasury in which
22 designated persons or classes of persons have a vested beneficial
23 interest or equitable ownership, or which was created or established by
24 a gift, grant, contribution, devise, or bequest that limits the use of
25 the fund to designated objects or purposes.

26 (11) "Administrative expenses" means expenditures for: (a)
27 Salaries, wages, and related costs of personnel and (b) operations and
28 maintenance including but not limited to costs of supplies, materials,
29 services, and equipment.

30 (12) "Fiscal year" means the year beginning July 1st and ending the
31 following June 30th.

32 (13) "Lapse" means the termination of authority to expend an
33 appropriation.

34 (14) "Legislative fiscal committees" means the legislative budget
35 committee, the legislative evaluation and accountability program
36 committee, the ways and means committees of the senate and house of
37 representatives, and, where appropriate, the legislative transportation
38 committee.

1 (15) "Fiscal period" means the period for which an appropriation is
2 made as specified within the act making the appropriation.

3 (16) "Primary budget driver" means the primary determinant of a
4 budget level, other than a price variable, which causes or is
5 associated with the major expenditure of an agency or budget unit
6 within an agency, such as a caseload, enrollment, workload, or
7 population statistic.

8 ~~(17) ("Stabilization account" means the budget stabilization
9 account created under RCW 43.88.525 as an account in the general fund
10 of the state treasury.~~

11 ~~(18) "State tax revenue limit" means the limitation created by
12 chapter 43.135 RCW.~~

13 ~~(19))~~ "General state revenues" means the revenues defined by
14 Article VIII, section 1(c) of the state Constitution.

15 ~~((20))~~ (18) "Annual growth rate in real personal income" means
16 the estimated percentage growth in personal income for the state during
17 the current fiscal year, expressed in constant value dollars, as
18 published by the office of financial management or its successor
19 agency.

20 ~~((21))~~ (19) "Estimated revenues" means estimates of revenue in
21 the most recent official economic and revenue forecast prepared under
22 RCW 82.33.020, and prepared by the office of financial management for
23 those funds, accounts, and sources for which the office of the economic
24 ~~((and)),~~ revenue, and caseload forecast council does not prepare an
25 official forecast including estimates of revenues to support financial
26 plans under RCW 44.40.070, that are prepared by the office of financial
27 management in consultation with the interagency task force.

28 ~~((22))~~ (20) "Estimated receipts" means the estimated receipt of
29 cash in the most recent official economic and revenue forecast prepared
30 under RCW 82.33.020, and prepared by the office of financial management
31 for those funds, accounts, and sources for which the office of the
32 economic ~~((and)),~~ revenue, and caseload forecast council does not
33 prepare an official forecast.

34 ~~((23))~~ (21) "State budgeting, accounting, and reporting system"
35 means a system that gathers, maintains, and communicates fiscal
36 information. The system links fiscal information beginning with
37 development of agency budget requests through adoption of legislative
38 appropriations to tracking actual receipts and expenditures against
39 approved plans.

1 (~~(24)~~) (22) "Allotment of appropriation" means the agency's
2 statement of proposed expenditures, the director of financial
3 management's review of that statement, and the placement of the
4 approved statement into the state budgeting, accounting, and reporting
5 system.

6 (~~(25)~~) (23) "Statement of proposed expenditures" means a plan
7 prepared by each agency that breaks each appropriation out into monthly
8 detail representing the best estimate of how the appropriation will be
9 expended.

10 (~~(26)~~) (24) "Undesignated fund balance (or deficit)" means
11 unreserved and undesignated current assets or other resources available
12 for expenditure over and above any current liabilities which are
13 expected to be incurred by the close of the fiscal period.

14 (~~(27)~~) (25) "Internal audit" means an independent appraisal
15 activity within an agency for the review of operations as a service to
16 management, including a systematic examination of accounting and fiscal
17 controls to assure that human and material resources are guarded
18 against waste, loss, or misuse; and that reliable data are gathered,
19 maintained, and fairly disclosed in a written report of the audit
20 findings.

21 (~~(28)~~) (26) "Performance verification" means an analysis that (a)
22 verifies the accuracy of data used by state agencies in quantifying
23 intended results and measuring performance toward those results, and
24 (b) verifies whether or not the reported results were achieved.

25 (~~(29)~~) (27) "Program evaluation" means the use of a variety of
26 policy and fiscal research methods to (a) determine the extent to which
27 a program is achieving its legislative intent in terms of producing the
28 effects expected, and (b) make an objective judgment of the
29 implementation, outcomes, and net cost or benefit impact of programs in
30 the context of their goals and objectives. It includes the application
31 of systematic methods to measure the results, intended or unintended,
32 of program activities.

33 **Sec. 11.** RCW 43.88.030 and 1994 c 247 s 7 and 1994 c 219 s 2 are
34 each reenacted and amended to read as follows:

35 (1) The director of financial management shall provide all agencies
36 with a complete set of instructions for submitting biennial budget
37 requests to the director at least three months before agency budget
38 documents are due into the office of financial management. The

1 director shall provide agencies that are required under RCW 44.40.070
2 to develop comprehensive six-year program and financial plans with a
3 complete set of instructions for submitting these program and financial
4 plans at the same time that instructions for submitting other budget
5 requests are provided. The budget document or documents shall consist
6 of the governor's budget message which shall be explanatory of the
7 budget and shall contain an outline of the proposed financial policies
8 of the state for the ensuing fiscal period, as well as an outline of
9 the proposed six-year financial policies where applicable, and shall
10 describe in connection therewith the important features of the budget.
11 The message shall set forth the reasons for salient changes from the
12 previous fiscal period in expenditure and revenue items and shall
13 explain any major changes in financial policy. Attached to the budget
14 message shall be such supporting schedules, exhibits and other
15 explanatory material in respect to both current operations and capital
16 improvements as the governor shall deem to be useful to the
17 legislature. The budget document or documents shall set forth a
18 proposal for expenditures in the ensuing fiscal period, or six-year
19 period where applicable, based upon the estimated revenues,
20 undesigned fund balances, and caseloads as approved by the economic
21 ((and)), revenue, and caseload forecast council or upon the estimated
22 revenues, undesigned fund balances, and caseloads of the office of
23 financial management for those funds, accounts, ((and)) sources, and
24 programs for which the office of the economic ((and)), revenue, and
25 caseload forecast council does not prepare an official forecast,
26 including those revenues anticipated to support the six-year programs
27 and financial plans under RCW 44.40.070. In estimating revenues to
28 support financial plans under RCW 44.40.070, the office of financial
29 management shall rely on information and advice from the interagency
30 revenue task force. Revenues shall be estimated for such fiscal period
31 from the source and at the rates existing by law at the time of
32 submission of the budget document, including the supplemental budgets
33 submitted in the even-numbered years of a biennium. However, the
34 estimated revenues, fund balances, and caseloads for use in the
35 governor's budget document may be adjusted to reflect budgetary revenue
36 transfers and revenue estimates dependent upon budgetary assumptions of
37 enrollments, workloads, and caseloads. All adjustments to the approved
38 estimated revenues, fund balances, and caseloads must be set forth in
39 the budget document. The governor may additionally submit, as an

1 appendix to each supplemental, biennial, or six-year agency budget or
2 to the budget document or documents, a proposal for expenditures in the
3 ensuing fiscal period from revenue sources derived from proposed
4 changes in existing statutes.

5 Supplemental and biennial documents shall reflect a six-year
6 expenditure plan consistent with estimated revenues from existing
7 sources and at existing rates for those agencies required to submit
8 six-year program and financial plans under RCW 44.40.070. Any
9 additional revenue resulting from proposed changes to existing statutes
10 shall be separately identified within the document as well as related
11 expenditures for the six-year period.

12 The budget document or documents shall also contain:

13 (a) Revenues classified by fund and source for the immediately past
14 fiscal period, those received or anticipated for the current fiscal
15 period, those anticipated for the ensuing biennium, and those
16 anticipated for the ensuing six-year period to support the six-year
17 programs and financial plans required under RCW 44.40.070;

18 (b) The undesignated fund balance or deficit, by fund;

19 (c) Such additional information dealing with expenditures,
20 revenues, workload, performance, and personnel as the legislature may
21 direct by law or concurrent resolution;

22 (d) Such additional information dealing with revenues and
23 expenditures as the governor shall deem pertinent and useful to the
24 legislature;

25 (e) Tabulations showing expenditures classified by fund, function,
26 activity and object;

27 (f) A delineation of each agency's activities, including those
28 activities funded from nonbudgeted, nonappropriated sources, including
29 funds maintained outside the state treasury;

30 (g) Identification of all proposed direct expenditures to implement
31 the Puget Sound water quality plan under chapter 90.70 RCW, shown by
32 agency and in total; and

33 (h) Tabulations showing each postretirement adjustment by
34 retirement system established after fiscal year 1991, to include, but
35 not be limited to, estimated total payments made to the end of the
36 previous biennial period, estimated payments for the present biennium,
37 and estimated payments for the ensuing biennium.

38 (2) The budget document or documents shall include detailed
39 estimates of all anticipated revenues applicable to proposed operating

1 or capital expenditures and shall also include all proposed operating
2 or capital expenditures. The total of beginning undesignated fund
3 balance and estimated revenues less working capital and other reserves
4 shall equal or exceed the total of proposed applicable expenditures.
5 The budget document or documents shall further include:

6 (a) Interest, amortization and redemption charges on the state
7 debt;

8 (b) Payments of all reliefs, judgments and claims;

9 (c) Other statutory expenditures;

10 (d) Expenditures incident to the operation for each agency;

11 (e) Revenues derived from agency operations;

12 (f) Expenditures and revenues shall be given in comparative form
13 showing those incurred or received for the immediately past fiscal
14 period and those anticipated for the current biennium and next ensuing
15 biennium, as well as those required to support the six-year programs
16 and financial plans required under RCW 44.40.070;

17 (g) A showing and explanation of amounts of general fund and other
18 funds obligations for debt service and any transfers of moneys that
19 otherwise would have been available for appropriation;

20 (h) Common school expenditures on a fiscal-year basis;

21 (i) A showing, by agency, of the value and purpose of financing
22 contracts for the lease/purchase or acquisition of personal or real
23 property for the current and ensuing fiscal periods; and

24 (j) A showing and explanation of anticipated amounts of general
25 fund and other funds required to amortize the unfunded actuarial
26 accrued liability of the retirement system specified under chapter
27 41.45 RCW, and the contributions to meet such amortization, stated in
28 total dollars and as a level percentage of total compensation.

29 (3) A separate capital budget document or schedule shall be
30 submitted that will contain the following:

31 (a) A statement setting forth a long-range facilities plan for the
32 state that identifies and includes the highest priority needs within
33 affordable spending levels;

34 (b) A capital program consisting of proposed capital projects for
35 the next biennium and the two biennia succeeding the next biennium
36 consistent with the long-range facilities plan. Inasmuch as is
37 practical, and recognizing emergent needs, the capital program shall
38 reflect the priorities, projects, and spending levels proposed in
39 previously submitted capital budget documents in order to provide a

1 reliable long-range planning tool for the legislature and state
2 agencies;

3 (c) A capital plan consisting of proposed capital spending for at
4 least four biennia succeeding the next biennium;

5 (d) A statement of the reason or purpose for a project;

6 (e) Verification that a project is consistent with the provisions
7 set forth in chapter 36.70A RCW;

8 (f) A statement about the proposed site, size, and estimated life
9 of the project, if applicable;

10 (g) Estimated total project cost;

11 (h) For major projects valued over five million dollars, estimated
12 costs for the following project components: Acquisition, consultant
13 services, construction, equipment, project management, and other costs
14 included as part of the project. Project component costs shall be
15 displayed in a standard format defined by the office of financial
16 management to allow comparisons between projects;

17 (i) Estimated total project cost for each phase of the project as
18 defined by the office of financial management;

19 (j) Estimated ensuing biennium costs;

20 (k) Estimated costs beyond the ensuing biennium;

21 (l) Estimated construction start and completion dates;

22 (m) Source and type of funds proposed;

23 (n) Estimated ongoing operating budget costs or savings resulting
24 from the project, including staffing and maintenance costs;

25 (o) For any capital appropriation requested for a state agency for
26 the acquisition of land or the capital improvement of land in which the
27 primary purpose of the acquisition or improvement is recreation or
28 wildlife habitat conservation, the capital budget document, or an
29 omnibus list of recreation and habitat acquisitions provided with the
30 governor's budget document, shall identify the projected costs of
31 operation and maintenance for at least the two biennia succeeding the
32 next biennium. Omnibus lists of habitat and recreation land
33 acquisitions shall include individual project cost estimates for
34 operation and maintenance as well as a total for all state projects
35 included in the list. The document shall identify the source of funds
36 from which the operation and maintenance costs are proposed to be
37 funded;

38 (p) Such other information bearing upon capital projects as the
39 governor deems to be useful;

1 (q) Standard terms, including a standard and uniform definition of
2 maintenance for all capital projects;

3 (r) Such other information as the legislature may direct by law or
4 concurrent resolution.

5 For purposes of this subsection (3), the term "capital project"
6 shall be defined subsequent to the analysis, findings, and
7 recommendations of a joint committee comprised of representatives from
8 the house capital appropriations committee, senate ways and means
9 committee, legislative transportation committee, legislative evaluation
10 and accountability program committee, and office of financial
11 management.

12 (4) No change affecting the comparability of agency or program
13 information relating to expenditures, revenues, workload, performance
14 and personnel shall be made in the format of any budget document or
15 report presented to the legislature under this section or RCW
16 43.88.160(1) relative to the format of the budget document or report
17 which was presented to the previous regular session of the legislature
18 during an odd-numbered year without prior legislative concurrence.
19 Prior legislative concurrence shall consist of (a) a favorable majority
20 vote on the proposal by the standing committees on ways and means of
21 both houses if the legislature is in session or (b) a favorable
22 majority vote on the proposal by members of the legislative evaluation
23 and accountability program committee if the legislature is not in
24 session.

25 **Sec. 12.** RCW 43.88.037 and 1987 c 502 s 3 are each amended to read
26 as follows:

27 (1) Subject to the provisions of chapter 82.33 RCW, the director of
28 financial management shall devise and maintain a comprehensive
29 budgeting, accounting, and reporting system in conformance with
30 generally accepted accounting principles applicable to state
31 governments, as published in the accounting procedures manual pursuant
32 to RCW 43.88.160(1).

33 (2) The director of financial management shall submit a budget
34 document in conformance with generally accepted accounting principles
35 applicable to state governments, as published in the accounting
36 procedures manual pursuant to RCW 43.88.160(1).

1 **Sec. 13.** RCW 43.88.120 and 1991 c 358 s 3 are each amended to read
2 as follows:

3 Each agency engaged in the collection of revenues shall prepare
4 estimated revenues and estimated receipts for the current and ensuing
5 biennium and shall submit the estimates to the director of financial
6 management and the director of revenue at times and in the form
7 specified by the directors, along with any other information which the
8 directors may request. For those agencies required to develop six-year
9 programs and financial plans under RCW 44.40.070, six-year revenue
10 estimates shall be submitted to the director of financial management
11 and the legislative transportation committee unless the responsibility
12 for reporting these revenue estimates is assumed elsewhere.

13 A copy of ((such)) the revenue estimates shall be simultaneously
14 submitted to the economic and revenue forecast work group when required
15 by the office of the economic ((and)), revenue, and caseload forecast
16 council.

17 **Sec. 14.** RCW 43.88.160 and 1994 c 184 s 11 are each amended to
18 read as follows:

19 This section sets forth the major fiscal duties and
20 responsibilities of officers and agencies of the executive branch. The
21 regulations issued by the governor pursuant to this chapter shall
22 provide for a comprehensive, orderly basis for fiscal management and
23 control, including efficient accounting and reporting therefor, for the
24 executive branch of the state government and may include, in addition,
25 such requirements as will generally promote more efficient public
26 management in the state.

27 (1) Governor; director of financial management. Subject to the
28 provisions of chapter 82.33 RCW, the governor, through the director of
29 financial management, shall devise and supervise a modern and complete
30 accounting system for each agency to the end that all revenues,
31 expenditures, receipts, disbursements, resources, and obligations of
32 the state shall be properly and systematically accounted for. The
33 accounting system shall include the development of accurate, timely
34 records and reports of all financial affairs of the state. The system
35 shall also provide for central accounts in the office of financial
36 management at the level of detail deemed necessary by the director to
37 perform central financial management. The director of financial
38 management shall adopt and periodically update an accounting procedures

1 manual. Any agency maintaining its own accounting and reporting system
2 shall comply with the updated accounting procedures manual and the
3 rules of the director adopted under this chapter. An agency may
4 receive a waiver from complying with this requirement if the waiver is
5 approved by the director. Waivers expire at the end of the fiscal
6 biennium for which they are granted. The director shall forward notice
7 of waivers granted to the appropriate legislative fiscal committees.
8 The director of financial management may require such financial,
9 statistical, and other reports as the director deems necessary from all
10 agencies covering any period.

11 (2) Except as provided in chapter 82.33 RCW, the director of
12 financial management is responsible for quarterly reporting of primary
13 operating budget drivers such as applicable workloads, caseload
14 estimates, and appropriate unit cost data. These reports shall be
15 transmitted to the legislative fiscal committees or by electronic means
16 to the legislative evaluation and accountability program committee.
17 Quarterly reports shall include actual monthly data and the variance
18 between actual and estimated data to date. The reports shall also
19 include estimates of these items for the remainder of the budget
20 period.

21 (3) The director of financial management shall report at least
22 annually to the appropriate legislative committees regarding the status
23 of all appropriated capital projects, including transportation
24 projects, showing significant cost overruns or underruns. If funds are
25 shifted from one project to another, the office of financial management
26 shall also reflect this in the annual variance report. Once a project
27 is complete, the report shall provide a final summary showing estimated
28 start and completion dates of each project phase compared to actual
29 dates, estimated costs of each project phase compared to actual costs,
30 and whether or not there are any outstanding liabilities or unsettled
31 claims at the time of completion.

32 (4) In addition, the director of financial management, as agent of
33 the governor, shall:

34 (a) Develop and maintain a system of internal controls and internal
35 audits comprising methods and procedures to be adopted by each agency
36 that will safeguard its assets, check the accuracy and reliability of
37 its accounting data, promote operational efficiency, and encourage
38 adherence to prescribed managerial policies for accounting and
39 financial controls. The system developed by the director shall include

1 criteria for determining the scope and comprehensiveness of internal
2 controls required by classes of agencies, depending on the level of
3 resources at risk.

4 Each agency head or authorized designee shall be assigned the
5 responsibility and authority for establishing and maintaining internal
6 audits following the standards of internal auditing of the institute of
7 internal auditors;

8 (b) Make surveys and analyses of agencies with the object of
9 determining better methods and increased effectiveness in the use of
10 manpower and materials; and the director shall authorize expenditures
11 for employee training to the end that the state may benefit from
12 training facilities made available to state employees;

13 (c) Establish policies for allowing the contracting of child care
14 services;

15 (d) Report to the governor with regard to duplication of effort or
16 lack of coordination among agencies;

17 (e) Review any pay and classification plans, and changes
18 thereunder, developed by any agency for their fiscal impact: PROVIDED,
19 That none of the provisions of this subsection shall affect merit
20 systems of personnel management now existing or hereafter established
21 by statute relating to the fixing of qualifications requirements for
22 recruitment, appointment, or promotion of employees of any agency. The
23 director shall advise and confer with agencies including appropriate
24 standing committees of the legislature as may be designated by the
25 speaker of the house and the president of the senate regarding the
26 fiscal impact of such plans and may amend or alter said plans, except
27 that for the following agencies no amendment or alteration of said
28 plans may be made without the approval of the agency concerned:
29 Agencies headed by elective officials;

30 (f) Fix the number and classes of positions or authorized man years
31 of employment for each agency and during the fiscal period amend the
32 determinations previously fixed by the director except that the
33 director shall not be empowered to fix said number or said classes for
34 the following: Agencies headed by elective officials;

35 ~~(g) ((Provide for transfers and repayments between the budget
36 stabilization account and the general fund as directed by appropriation
37 and RCW 43.88.525 through 43.88.540;~~

38 ~~(h))~~ Adopt rules to effectuate provisions contained in (a) through
39 ~~((g))~~ (f) of this subsection.

1 (5) The treasurer shall:

2 (a) Receive, keep, and disburse all public funds of the state not
3 expressly required by law to be received, kept, and disbursed by some
4 other persons: PROVIDED, That this subsection shall not apply to those
5 public funds of the institutions of higher learning which are not
6 subject to appropriation;

7 (b) Receive, disburse, or transfer public funds under the
8 treasurer's supervision or custody;

9 (c) Keep a correct and current account of all moneys received and
10 disbursed by the treasurer, classified by fund or account;

11 (d) Coordinate agencies' acceptance and use of credit cards and
12 other payment methods, if the agencies have received authorization
13 under RCW 43.41.180;

14 (e) Perform such other duties as may be required by law or by
15 regulations issued pursuant to this law.

16 It shall be unlawful for the treasurer to disburse public funds in
17 the treasury except upon forms or by alternative means duly prescribed
18 by the director of financial management. These forms or alternative
19 means shall provide for authentication and certification by the agency
20 head or the agency head's designee that the services have been rendered
21 or the materials have been furnished; or, in the case of loans or
22 grants, that the loans or grants are authorized by law; or, in the case
23 of payments for periodic maintenance services to be performed on state
24 owned equipment, that a written contract for such periodic maintenance
25 services is currently in effect and copies thereof are on file with the
26 office of financial management; and the treasurer shall not be liable
27 under the treasurer's surety bond for erroneous or improper payments so
28 made. When services are lawfully paid for in advance of full
29 performance by any private individual or business entity other than as
30 provided for by RCW 42.24.035, such individual or entity other than
31 central stores rendering such services shall make a cash deposit or
32 furnish surety bond coverage to the state as shall be fixed in an
33 amount by law, or if not fixed by law, then in such amounts as shall be
34 fixed by the director of the department of general administration but
35 in no case shall such required cash deposit or surety bond be less than
36 an amount which will fully indemnify the state against any and all
37 losses on account of breach of promise to fully perform such services.
38 No payments shall be made in advance for any equipment maintenance
39 services to be performed more than three months after such payment.

1 Any such bond so furnished shall be conditioned that the person, firm
2 or corporation receiving the advance payment will apply it toward
3 performance of the contract. The responsibility for recovery of
4 erroneous or improper payments made under this section shall lie with
5 the agency head or the agency head's designee in accordance with
6 regulations issued pursuant to this chapter. Nothing in this section
7 shall be construed to permit a public body to advance funds to a
8 private service provider pursuant to a grant or loan before services
9 have been rendered or material furnished.

10 (6) The state auditor shall:

11 (a) Report to the legislature the results of current post audits
12 that have been made of the financial transactions of each agency; to
13 this end the auditor may, in the auditor's discretion, examine the
14 books and accounts of any agency, official or employee charged with the
15 receipt, custody or safekeeping of public funds. Where feasible in
16 conducting examinations, the auditor shall utilize data and findings
17 from the internal control system prescribed by the office of financial
18 management. The current post audit of each agency may include a
19 section on recommendations to the legislature as provided in (c) of
20 this subsection.

21 (b) Give information to the legislature, whenever required, upon
22 any subject relating to the financial affairs of the state.

23 (c) Make the auditor's official report on or before the thirty-
24 first of December which precedes the meeting of the legislature. The
25 report shall be for the last complete fiscal period and shall include
26 determinations as to whether agencies, in making expenditures, complied
27 with the laws of this state. The state auditor is authorized to
28 perform or participate in performance verifications only as expressly
29 authorized by the legislature in the omnibus biennial appropriations
30 acts. The state auditor, upon completing an audit for legal and
31 financial compliance under chapter 43.09 RCW or a performance
32 verification, may report to the legislative budget committee or other
33 appropriate committees of the legislature, in a manner prescribed by
34 the legislative budget committee, on facts relating to the management
35 or performance of governmental programs where such facts are discovered
36 incidental to the legal and financial audit or performance
37 verification. The auditor may make such a report to a legislative
38 committee only if the auditor has determined that the agency has been
39 given an opportunity and has failed to resolve the management or

1 performance issues raised by the auditor. If the auditor makes a
2 report to a legislative committee, the agency may submit to the
3 committee a response to the report. This subsection (6) shall not be
4 construed to authorize the auditor to allocate other than de minimis
5 resources to performance audits except as expressly authorized in the
6 appropriations acts.

7 (d) Be empowered to take exception to specific expenditures that
8 have been incurred by any agency or to take exception to other
9 practices related in any way to the agency's financial transactions and
10 to cause such exceptions to be made a matter of public record,
11 including disclosure to the agency concerned and to the director of
12 financial management. It shall be the duty of the director of
13 financial management to cause corrective action to be taken promptly,
14 such action to include, as appropriate, the withholding of funds as
15 provided in RCW 43.88.110.

16 (e) Promptly report any irregularities to the attorney general.

17 (f) Investigate improper governmental activity under chapter 42.40
18 RCW.

19 (7) The legislative budget committee may:

20 (a) Make post audits of the financial transactions of any agency
21 and management surveys and program reviews as provided for in RCW
22 44.28.085 as well as performance audits and program evaluations. To
23 this end the committee may in its discretion examine the books,
24 accounts, and other records of any agency, official, or employee.

25 (b) Give information to the legislature or any legislative
26 committee whenever required upon any subject relating to the
27 performance and management of state agencies.

28 (c) Make a report to the legislature which shall include at least
29 the following:

30 (i) Determinations as to the extent to which agencies in making
31 expenditures have complied with the will of the legislature and in this
32 connection, may take exception to specific expenditures or financial
33 practices of any agencies; and

34 (ii) Such plans as it deems expedient for the support of the
35 state's credit, for lessening expenditures, for promoting frugality and
36 economy in agency affairs and generally for an improved level of fiscal
37 management.

1 **Sec. 15.** RCW 50.38.050 and 1993 c 62 s 5 are each amended to read
2 as follows:

3 The department shall have the following duties:

4 (1) Oversight and management of a state-wide comprehensive labor
5 market and occupational supply and demand information system, including
6 development of a five-year employment forecast for state and labor
7 market areas;

8 (2) Produce local labor market information packages for the state's
9 counties, including special studies and job impact analyses in support
10 of state and local employment, training, education, and job creation
11 programs, especially activities that prevent job loss, reduce
12 unemployment, and create jobs;

13 (3) Coordinate with the office of financial management and the
14 office of the economic, revenue, and caseload forecast council to
15 improve employment estimates by enhancing data on corporate officers,
16 improving business establishment listings, expanding sample for
17 employment estimates, and developing business entry/exit analysis
18 relevant to the generation of occupational and economic forecasts; and

19 (4) In cooperation with the office of financial management, produce
20 long-term industry and occupational employment forecasts. These
21 forecasts shall be consistent with the official economic ((and)),
22 revenue, and caseload forecast council biennial economic and revenue
23 forecasts.

24 **Sec. 16.** RCW 70.94.431 and 1995 c 403 s 630 are each amended to
25 read as follows:

26 (1) Except as provided in RCW 43.05.060 through 43.05.080 and
27 43.05.150, and in addition to or as an alternate to any other penalty
28 provided by law, any person who violates any of the provisions of
29 chapter 70.94 RCW, chapter 70.120 RCW, or any of the rules in force
30 under such chapters may incur a civil penalty in an amount not to
31 exceed ten thousand dollars per day for each violation. Each such
32 violation shall be a separate and distinct offense, and in case of a
33 continuing violation, each day's continuance shall be a separate and
34 distinct violation.

35 Any person who fails to take action as specified by an order issued
36 pursuant to this chapter shall be liable for a civil penalty of not
37 more than ten thousand dollars for each day of continued noncompliance.

1 (2) Penalties incurred but not paid shall accrue interest,
2 beginning on the ninety-first day following the date that the penalty
3 becomes due and payable, at the highest rate allowed by RCW 19.52.020
4 on the date that the penalty becomes due and payable. If violations or
5 penalties are appealed, interest shall not begin to accrue until the
6 thirty-first day following final resolution of the appeal.

7 The maximum penalty amounts established in this section may be
8 increased annually to account for inflation as determined by the state
9 office of the economic ~~((and))~~, revenue, and caseload forecast council.

10 (3) Each act of commission or omission which procures, aids or
11 abets in the violation shall be considered a violation under the
12 provisions of this section and subject to the same penalty. The
13 penalties provided in this section shall be imposed pursuant to RCW
14 43.21B.300.

15 (4) All penalties recovered under this section by the department
16 shall be paid into the state treasury and credited to the air pollution
17 control account established in RCW 70.94.015 or, if recovered by the
18 authority, shall be paid into the treasury of the authority and
19 credited to its funds. If a prior penalty for the same violation has
20 been paid to a local authority, the penalty imposed by the department
21 under subsection (1) of this section shall be reduced by the amount of
22 the payment.

23 (5) To secure the penalty incurred under this section, the state or
24 the authority shall have a lien on any vessel used or operated in
25 violation of this chapter which shall be enforced as provided in RCW
26 60.36.050.

27 (6) Public or private entities that are recipients or potential
28 recipients of department grants, whether for air quality related
29 activities or not, may have such grants rescinded or withheld by the
30 department for failure to comply with provisions of this chapter.

31 (7) In addition to other penalties provided by this chapter,
32 persons knowingly under-reporting emissions or other information used
33 to set fees, or persons required to pay emission or permit fees who are
34 more than ninety days late with such payments may be subject to a
35 penalty equal to three times the amount of the original fee owed.

36 (8) By January 1, 1992, the department shall develop rules for
37 excusing excess emissions from enforcement action if such excess
38 emissions are unavoidable. The rules shall specify the criteria and
39 procedures for the department and local air authorities to determine

1 whether a period of excess emissions is excusable in accordance with
2 the state implementation plan.

3 **Sec. 17.** RCW 70.94.483 and 1991 sp.s. c 13 ss 64, 65 are each
4 amended to read as follows:

5 (1) The wood stove education and enforcement account is hereby
6 created in the state treasury. Money placed in the account shall
7 include all money received under subsection (2) of this section and any
8 other money appropriated by the legislature. Money in the account
9 shall be spent for the purposes of the wood stove education program
10 established under RCW 70.94.480 and for enforcement of the wood stove
11 program, and shall be subject to legislative appropriation.

12 (2) The department of ecology, with the advice of the advisory
13 committee, shall set a flat fee of thirty dollars, on the retail sale,
14 as defined in RCW 82.04.050, of each solid fuel burning device after
15 January 1, 1992. The fee shall be imposed upon the consumer and shall
16 not be subject to the retail sales tax provisions of chapters 82.08 and
17 82.12 RCW. The fee may be adjusted annually above thirty dollars to
18 account for inflation as determined by the state office of the economic
19 ~~((and))~~, revenue, and caseload forecast council. The fee shall be
20 collected by the department of revenue in conjunction with the retail
21 sales tax under chapter 82.08 RCW. If the seller fails to collect the
22 fee herein imposed or fails to remit the fee to the department of
23 revenue in the manner prescribed in chapter 82.08 RCW, the seller shall
24 be personally liable to the state for the amount of the fee. The
25 collection provisions of chapter 82.32 RCW shall apply. The department
26 of revenue shall deposit fees collected under this section in the wood
27 stove education and enforcement account.

28 **Sec. 18.** RCW 70.94.650 and 1995 c 362 s 1 and 1995 c 58 s 1 are
29 each reenacted and amended to read as follows:

30 (1) Any person who proposes to set fires in the course of:

31 (a) Weed abatement;

32 (b) Instruction in methods of fire fighting, except training to
33 fight structural fires as provided in RCW 52.12.150 or training to
34 fight aircraft crash rescue fires as provided in subsection (5) of this
35 section, and except forest fire training; or

36 (c) Agricultural activities,

1 shall obtain a permit from an air pollution control authority, the
2 department of ecology, or a local entity delegated permitting authority
3 under RCW 70.94.654. General permit criteria of state-wide
4 applicability shall be established by the department, by rule, after
5 consultation with the various air pollution control authorities.
6 Permits shall be issued under this section based on seasonal operations
7 or by individual operations, or both. All permits shall be conditioned
8 to insure that the public interest in air, water, and land pollution
9 and safety to life and property is fully considered. In addition to
10 any other requirements established by the department to protect air
11 quality pursuant to other laws, applicants for permits must show that
12 the setting of fires as requested is the most reasonable procedure to
13 follow in safeguarding life or property under all circumstances or is
14 otherwise reasonably necessary to successfully carry out the enterprise
15 in which the applicant is engaged, or both. All burning permits will
16 be designed to minimize air pollution insofar as practical. Nothing in
17 this section shall relieve the applicant from obtaining permits,
18 licenses, or other approvals required by any other law. An application
19 for a permit to set fires in the course of agricultural burning for
20 controlling diseases, insects, weed abatement or development of
21 physiological conditions conducive to increased crop yield, shall be
22 acted upon within seven days from the date such application is filed.
23 The department of ecology and local air authorities shall provide
24 convenient methods for issuance and oversight of agricultural burning
25 permits. The department and local air authorities shall, through
26 agreement, work with counties and cities to provide convenient methods
27 for granting permission for agricultural burning, including telephone,
28 facsimile transmission, issuance from local city or county offices, or
29 other methods. A local air authority administering the permit program
30 under this subsection (1)(c) shall not limit the number of days of
31 allowable agricultural burning, but may consider the time of year,
32 meteorological conditions, and other criteria specified in rules
33 adopted by the department to implement this subsection (1)(c).

34 (2) Permit fees shall be assessed for burning under this section
35 and shall be collected by the department of ecology, the appropriate
36 local air authority, or a local entity delegated permitting authority
37 pursuant to RCW 70.94.654 at the time the permit is issued. All fees
38 collected shall be deposited in the air pollution control account
39 created in RCW 70.94.015, except for that portion of the fee necessary

1 to cover local costs of administering a permit issued under this
2 section. Fees shall be set by rule by the permitting agency at the
3 level determined by the task force created by subsection (4) of this
4 section, but shall not exceed two dollars and fifty cents per acre to
5 be burned. After fees are established by rule, any increases in such
6 fees shall be limited to annual inflation adjustments as determined by
7 the state office of the economic ~~((and))~~, revenue, and caseload
8 forecast council.

9 (3) Conservation districts and the Washington State University
10 agricultural extension program in conjunction with the department shall
11 develop public education material for the agricultural community
12 identifying the health and environmental effects of agricultural
13 outdoor burning and providing technical assistance in alternatives to
14 agricultural outdoor burning.

15 (4) An agricultural burning practices and research task force shall
16 be established under the direction of the department. The task force
17 shall be composed of a representative from the department who shall
18 serve as chair; one representative of eastern Washington local air
19 authorities; three representatives of the agricultural community from
20 different agricultural pursuits; one representative of the department
21 of agriculture; two representatives from universities or colleges
22 knowledgeable in agricultural issues; one representative of the public
23 health or medical community; and one representative of the conservation
24 districts. The task force shall identify best management practices for
25 reducing air contaminant emissions from agricultural activities and
26 provide such information to the department and local air authorities.
27 The task force shall determine the level of fees to be assessed by the
28 permitting agency pursuant to subsection (2) of this section, based
29 upon the level necessary to cover the costs of administering and
30 enforcing the permit programs, to provide funds for research into
31 alternative methods to reduce emissions from such burning, and to the
32 extent possible be consistent with fees charged for such burning
33 permits in neighboring states. The fee level shall provide, to the
34 extent possible, for lesser fees for permittees who use best management
35 practices to minimize air contaminant emissions. The task force shall
36 identify research needs related to minimizing emissions from
37 agricultural burning and alternatives to such burning. Further, the
38 task force shall make recommendations to the department on priorities

1 for spending funds provided through this chapter for research into
2 alternative methods to reduce emissions from agricultural burning.

3 (5) A permit is not required under this section, or under RCW
4 70.94.743 through 70.94.780, from an air pollution control authority,
5 the department, or any local entity with delegated permit authority,
6 for aircraft crash rescue fire training activities meeting the
7 following conditions:

8 (a) Fire fighters participating in the training fires must be
9 limited to those who provide fire fighting support to an airport that
10 is either certified by the federal aviation administration or operated
11 in support of military or governmental activities;

12 (b) The fire training may not be conducted during an air pollution
13 episode or any stage of impaired air quality declared under RCW
14 70.94.715 for the area where training is to be conducted;

15 (c) The number of training fires allowed per year without a permit
16 shall be the minimum number necessary to meet federal aviation
17 administration or other federal safety requirements; and

18 (d) Prior to the commencement of the aircraft fire training, the
19 organization conducting training shall notify both the: (i) Local fire
20 district or fire department; and (ii) air pollution control authority,
21 department of ecology, or local entity delegated permitting authority
22 under RCW 70.94.654, having jurisdiction within the area where training
23 is to be conducted.

24 Aircraft crash rescue fire training activities conducted in
25 compliance with this subsection are not subject to the prohibition, in
26 RCW 70.94.775(1), of outdoor fires containing petroleum products.

27 (6) Subsection (5) of this section shall expire on the earlier of
28 the following dates: (a) July 1, 1998; or (b) the date upon which the
29 North Bend fire training center is fully operational for aircraft crash
30 rescue fire training activities.

31 **Sec. 19.** RCW 3.30.010 and 1984 c 258 s 3 are each amended to read
32 as follows:

33 As used in this chapter unless the context clearly requires
34 otherwise:

35 "City" means an incorporated city or town.

36 "Department" means an administrative unit of a district court
37 established for the orderly and efficient administration of business
38 and may include, without being limited in scope thereby, a unit or

1 units for determining traffic cases, violations of city ordinances,
2 violations of state law, criminal cases, civil cases, or jury cases.

3 "Population" means the latest population of the judicial district
4 of each county as estimated and certified by the (~~office of financial~~
5 ~~management~~) economic, revenue, and caseload forecast council. The
6 (~~office of financial management~~) economic, revenue, and caseload
7 forecast council, on or before May 1, 1970, and on or before May 1st
8 each four years thereafter, shall estimate and certify to the county
9 legislative authority the population of each judicial district of each
10 county.

11 **Sec. 20.** RCW 35.10.320 and 1985 c 281 s 22 are each amended to
12 read as follows:

13 All ordinances in force within any such former city or cities, at
14 the time of consolidation or annexation, not in conflict with the laws
15 governing the consolidated city, or with the ordinances of the former
16 city having the largest population, as shown by the last determination
17 of the (~~office of financial management~~) economic, revenue, and
18 caseload forecast council shall remain in full force and effect until
19 superseded or repealed by the legislative body of the consolidated or
20 annexing city, and shall be enforced by such city, but all ordinances
21 of such former cities, in conflict with such ordinances shall be deemed
22 repealed by, and from and after, such consolidation or annexation, but
23 nothing in this section shall be construed to discharge any person from
24 any liability, civil or criminal, for any violation of any ordinance of
25 such former city or cities incurred prior to such consolidation or
26 annexation.

27 **Sec. 21.** RCW 35.18.020 and 1994 c 223 s 12 are each amended to
28 read as follows:

29 (1) The number of councilmembers in a city or town operating with
30 a council-manager plan of government shall be based upon the latest
31 population of the city or town that is determined by the (~~office of~~
32 ~~financial management~~) economic, revenue, and caseload forecast council
33 as follows:

34 (a) A city or town having not more than two thousand inhabitants,
35 five councilmembers; and

36 (b) A city or town having more than two thousand, seven
37 councilmembers.

1 (2) Except for the initial staggering of terms, councilmembers
2 shall serve for four-year terms of office. All councilmembers shall
3 serve until their successors are elected and qualified and assume
4 office in accordance with RCW 29.04.170. Councilmembers may be elected
5 on a city-wide or town-wide basis, or from wards or districts, or any
6 combination of these alternatives. Candidates shall run for specific
7 positions. Wards or districts shall be redrawn as provided in chapter
8 29.70 RCW. Wards or districts shall be used as follows: (a) Only a
9 resident of the ward or district may be a candidate for, or hold office
10 as, a councilmember of the ward or district; and (b) only voters of the
11 ward or district may vote at a primary to nominate candidates for a
12 councilmember of the ward or district. Voters of the entire city or
13 town may vote at the general election to elect a councilmember of a
14 ward or district, unless the city or town had prior to January 1, 1994,
15 limited the voting in the general election for any or all council
16 positions to only voters residing within the ward or district
17 associated with the council positions. If a city or town had so
18 limited the voting in the general election to only voters residing
19 within the ward or district, then the city or town shall be authorized
20 to continue to do so.

21 (3) When a city or town has qualified for an increase in the number
22 of councilmembers from five to seven by virtue of the next succeeding
23 population determination made by the (~~office of financial management~~)
24 economic, revenue, and caseload forecast council, two additional
25 council positions shall be filled at the next municipal general
26 election with the person elected to one of the new council positions
27 receiving the greatest number of votes being elected for a four-year
28 term of office and the person elected to the other additional council
29 position being elected for a two-year term of office. The two
30 additional councilmembers shall assume office immediately when
31 qualified in accordance with RCW 29.01.135, but the term of office
32 shall be computed from the first day of January after the year in which
33 they are elected. Their successors shall be elected to four-year terms
34 of office.

35 Prior to the election of the two new councilmembers, the city or
36 town council shall fill the additional positions by appointment not
37 later than forty-five days following the release of the population
38 determination, and each appointee shall hold office only until the new
39 position is filled by election.

1 (4) When a city or town has qualified for a decrease in the number
2 of councilmembers from seven to five by virtue of the next succeeding
3 population determination made by the (~~office of financial management~~)
4 economic, revenue, and caseload forecast council, two council positions
5 shall be eliminated at the next municipal general election if four
6 council positions normally would be filled at that election, or one
7 council position shall be eliminated at each of the next two succeeding
8 municipal general elections if three council positions normally would
9 be filled at the first municipal general election after the population
10 determination. The council shall by ordinance indicate which, if any,
11 of the remaining positions shall be elected at-large or from wards or
12 districts.

13 (5) Vacancies on a council shall occur and shall be filled as
14 provided in chapter 42.12 RCW.

15 **Sec. 22.** RCW 35.21.600 and 1979 c 151 s 27 are each amended to
16 read as follows:

17 Any city of ten thousand or more population shall have all power to
18 conduct its affairs consistent with and subject to state law, including
19 the power to frame a charter for its own government in accordance with
20 RCW 35.22.030 through 35.22.200, as now or hereafter amended.
21 "Population" means the number of residents as shown by the figures
22 released for the most recent official state, federal, or county census,
23 or population determination made under the direction of the (~~office of~~
24 ~~financial management~~) economic, revenue, and caseload forecast
25 council. Once any city has ten thousand or more population, any
26 subsequent decrease in population below ten thousand shall not affect
27 any powers theretofore acquired under this section.

28 **Sec. 23.** RCW 35.58.020 and 1982 c 103 s 1 are each amended to read
29 as follows:

30 The definitions set forth in this section apply throughout this
31 chapter.

32 (1) "Metropolitan municipal corporation" means a municipal
33 corporation of the state of Washington created pursuant to this
34 chapter, or a county which has by ordinance or resolution assumed the
35 rights, powers, functions, and obligations of a metropolitan municipal
36 corporation pursuant to the provisions of chapter 36.56 RCW.

1 (2) "Metropolitan area" means the area contained within the
2 boundaries of a metropolitan municipal corporation, or within the
3 boundaries of an area proposed to be organized as such a corporation.

4 (3) "City" means an incorporated city or town.

5 (4) "Component city" means an incorporated city or town within a
6 metropolitan area.

7 (5) "Component county" means a county, all or part of which is
8 included within a metropolitan area.

9 (6) "Central city" means the city with the largest population in a
10 metropolitan area.

11 (7) "Central county" means the county containing the city with the
12 largest population in a metropolitan area.

13 (8) "Special district" means any municipal corporation of the state
14 of Washington other than a city, county, or metropolitan municipal
15 corporation.

16 (9) "Metropolitan council" means the legislative body of a
17 metropolitan municipal corporation, or the legislative body of a county
18 which has by ordinance or resolution assumed the rights, powers,
19 functions, and obligations of a metropolitan municipal corporation
20 pursuant to the provisions of chapter 36.56 RCW.

21 (10) "City council" means the legislative body of any city or town.

22 (11) "Population" means the number of residents as shown by the
23 figures released for the most recent official state, federal, or county
24 census, or population determination made under the direction of the
25 (~~office of financial management~~) economic, revenue, and caseload
26 forecast council.

27 (12) "Metropolitan function" means any of the functions of
28 government named in RCW 35.58.050.

29 (13) "Authorized metropolitan function" means a metropolitan
30 function which a metropolitan municipal corporation shall have been
31 authorized to perform in the manner provided in this chapter.

32 (14) "Metropolitan public transportation" or "metropolitan
33 transportation" for the purposes of this chapter means the
34 transportation of packages, passengers, and their incidental baggage by
35 means other than by chartered bus, sightseeing bus, or any other motor
36 vehicle not on an individual fare-paying basis, together with the
37 necessary passenger terminals and parking facilities or other
38 properties necessary for passenger and vehicular access to and from
39 such people-moving systems(~~(:—PROVIDED, That)~~). However, nothing in

1 this chapter shall be construed to prohibit a metropolitan municipal
2 corporation from leasing its buses to private certified carriers; to
3 prohibit a metropolitan municipal corporation from providing school bus
4 service for the transportation of pupils; or to prohibit a metropolitan
5 municipal corporation from chartering an electric streetcar on rails
6 which it operates entirely within a city.

7 (15) "Pollution" has the meaning given in RCW 90.48.020.

8 **Sec. 24.** RCW 35A.08.020 and 1979 c 151 s 32 are each amended to
9 read as follows:

10 For the purposes of this chapter, the population of a city shall be
11 the number of residents shown by the figures released for the most
12 recent official state or federal census, by a population determination
13 made under the direction of the (~~office of financial management~~)
14 economic, revenue, and caseload forecast council, or by a city census
15 conducted in the following manner:

16 (1) The legislative authority of any such city may provide by
17 ordinance for the appointment by the mayor thereof, of such number of
18 persons as may be designated in the ordinance to make an enumeration of
19 all persons residing within the corporate limits of the city. The
20 enumerators so appointed, before entering upon their duties, shall take
21 an oath for the faithful performance thereof and within five days after
22 their appointment proceed, within their respective districts, to make
23 an enumeration of all persons residing therein, with their names and
24 places of residence.

25 (2) Immediately upon the completion of the enumeration, the
26 enumerators shall make return thereof upon oath to the legislative
27 authority of the city, who at its next meeting or as soon thereafter as
28 practicable, shall canvass and certify the returns.

29 (3) If it appears therefrom that the whole number of persons
30 residing within the corporate limits of the city is ten thousand or
31 more, the mayor and clerk under the corporate seal of the city shall
32 certify the number so ascertained to the secretary of state, who shall
33 file it in his or her office. This certificate when so filed shall be
34 conclusive evidence of the population of the city.

35 **Sec. 25.** RCW 35A.12.010 and 1994 c 223 s 30 are each amended to
36 read as follows:

1 The government of any noncharter code city or charter code city
2 electing to adopt the mayor-council plan of government authorized by
3 this chapter shall be vested in an elected mayor and an elected
4 council. The council of a noncharter code city having less than
5 twenty-five hundred inhabitants shall consist of five members; when
6 there are twenty-five hundred or more inhabitants, the council shall
7 consist of seven members(~~(:—PROVIDED, That)~~). However, if the
8 population of a city after having become a code city decreases from
9 twenty-five hundred or more to less than twenty-five hundred, it shall
10 continue to have a seven member council. If, after a city has become
11 a mayor-council code city, its population increases to twenty-five
12 hundred or more inhabitants, the number of councilmanic offices in such
13 city may increase from five to seven members upon the affirmative vote
14 of a majority of the existing council to increase the number of
15 councilmanic offices in the city. When the population of a mayor-
16 council code city having five councilmanic offices increases to five
17 thousand or more inhabitants, the number of councilmanic offices in the
18 city shall increase from five to seven members. In the event of an
19 increase in the number of councilmanic offices, the city council shall,
20 by majority vote, pursuant to RCW 35A.12.050, appoint two persons to
21 serve in these offices until the next municipal general election, at
22 which election one person shall be elected for a two-year term and one
23 person shall be elected for a four-year term. The number of
24 inhabitants shall be determined by the most recent official state or
25 federal census or determination by the (~~state office of financial~~
26 ~~management~~) economic, revenue, and caseload forecast council. A
27 charter adopted under the provisions of this title, incorporating the
28 mayor-council plan of government set forth in this chapter, may provide
29 for an uneven number of councilmembers not exceeding eleven.

30 A noncharter code city of less than five thousand inhabitants which
31 has elected the mayor-council plan of government and which has seven
32 councilmanic offices may establish a five-member council in accordance
33 with the following procedure. At least six months prior to a municipal
34 general election, the city council shall adopt an ordinance providing
35 for reduction in the number of councilmanic offices to five. The
36 ordinance shall specify which two councilmanic offices, the terms of
37 which expire at the next general election, are to be terminated. The
38 ordinance shall provide for the renumbering of council positions and
39 shall also provide for a two-year extension of the term of office of a

1 retained councilmanic office, if necessary, in order to comply with RCW
2 35A.12.040.

3 However, a noncharter code city that has retained its old mayor-
4 council plan of government, as provided in RCW 35A.02.130, is subject
5 to the laws applicable to that old plan of government.

6 **Sec. 26.** RCW 35A.13.010 and 1994 c 223 s 35 are each amended to
7 read as follows:

8 The councilmembers shall be the only elective officers of a code
9 city electing to adopt the council-manager plan of government
10 authorized by this chapter, except where statutes provide for an
11 elective municipal judge. The council shall appoint an officer whose
12 title shall be "city manager" who shall be the chief executive officer
13 and head of the administrative branch of the city government. The city
14 manager shall be responsible to the council for the proper
15 administration of all affairs of the code city. The council of a
16 noncharter code city having less than twenty-five hundred inhabitants
17 shall consist of five members; when there are twenty-five hundred or
18 more inhabitants the council shall consist of seven members: PROVIDED,
19 That if the population of a city after having become a code city
20 decreases from twenty-five hundred or more to less than twenty-five
21 hundred, it shall continue to have a seven member council. If, after
22 a city has become a council-manager code city its population increases
23 to twenty-five hundred or more inhabitants, the number of councilmanic
24 offices in such city may increase from five to seven members upon the
25 affirmative vote of a majority of the existing council to increase the
26 number of councilmanic offices in the city. When the population of a
27 council-manager code city having five councilmanic offices increases to
28 five thousand or more inhabitants, the number of councilmanic offices
29 in the city shall increase from five to seven members. In the event of
30 an increase in the number of councilmanic offices, the city council
31 shall, by majority vote, pursuant to RCW 35A.13.020, appoint two
32 persons to serve in these offices until the next municipal general
33 election, at which election one person shall be elected for a two-year
34 term and one person shall be elected for a four-year term. The number
35 of inhabitants shall be determined by the most recent official state or
36 federal census or determination by the (~~state office of financial~~
37 ~~management~~) economic, revenue, and caseload forecast council. A
38 charter adopted under the provisions of this title, incorporating the

1 council-manager plan of government set forth in this chapter may
2 provide for an uneven number of councilmembers not exceeding eleven.

3 A noncharter code city of less than five thousand inhabitants which
4 has elected the council-manager plan of government and which has seven
5 councilmanic offices may establish a five-member council in accordance
6 with the following procedure. At least six months prior to a municipal
7 general election, the city council shall adopt an ordinance providing
8 for reduction in the number of councilmanic offices to five. The
9 ordinance shall specify which two councilmanic offices, the terms of
10 which expire at the next general election, are to be terminated. The
11 ordinance shall provide for the renumbering of council positions and
12 shall also provide for a two-year extension of the term of office of a
13 retained councilmanic office, if necessary, in order to comply with RCW
14 35A.12.040.

15 However, a noncharter code city that has retained its old council-
16 manager plan of government, as provided in RCW 35A.02.130, is subject
17 to the laws applicable to that old plan of government.

18 **Sec. 27.** RCW 35A.14.700 and 1979 ex.s. c 18 s 28 are each amended
19 to read as follows:

20 Whenever any territory is annexed to a code city, a certificate as
21 ~~((hereinafter))~~ provided in this section shall be submitted in
22 triplicate to the ~~((office of financial management))~~ economic, revenue,
23 and caseload forecast council within thirty days of the effective date
24 of annexation specified in the relevant ordinance. After approval of
25 the certificate, the ~~((office of financial management))~~ economic,
26 revenue, and caseload forecast council shall retain the original copy
27 in its files, and transmit the second copy to the department of
28 transportation and return the third copy to the code city. ~~((Such))~~
29 The certificates shall be in ~~((such))~~ the form and contain ~~((such))~~
30 information as ~~((shall be))~~ prescribed by the ~~((office of financial~~
31 ~~management))~~ economic, revenue, and caseload forecast council. A copy
32 of the complete ordinance containing a legal description and a map
33 showing specifically the boundaries of the annexed territory shall be
34 attached to each of the three copies of the certificate. The
35 certificate shall be signed by the mayor and attested by the city
36 clerk. Upon request, the ~~((office of financial management))~~ economic,
37 revenue, and caseload forecast council shall furnish certification
38 forms to any code city.

1 Upon approval of the annexation certificate, the ~~((office of~~
2 ~~financial management))~~ economic, revenue, and caseload forecast council
3 shall forward to each state official or department responsible for
4 making allocations or payments to cities or towns, a revised
5 certificate reflecting the increase in population due to such
6 annexation. Upon and after the date of the commencement of the next
7 quarterly period, the population determination indicated in such
8 revised certificate shall be used as the basis for the allocation and
9 payment of state funds to such city or town.

10 For the purposes of this section, each quarterly period shall
11 commence on the first day of the months of January, April, July, and
12 October. Whenever a revised certificate is forwarded by the ~~((office~~
13 ~~of financial management))~~ economic, revenue, and caseload forecast
14 council thirty days or less prior to the commencement of the next
15 quarterly period, the population of the annexed territory shall not be
16 considered until the commencement of the following quarterly period.

17 The resident population of the annexed territory shall be
18 determined by, or under the direction of, the mayor of the code city.
19 ~~((Such))~~ The population determination shall consist of an actual
20 enumeration of the population which shall be made in accordance with
21 practices and policies, and subject to the approval of the ~~((office of~~
22 ~~financial management))~~ economic, revenue, and caseload forecast
23 council. The population shall be determined as of the effective date
24 of annexation as specified in the relevant ordinance.

25 Until an annexation certificate is filed and approved as provided
26 ~~((herein))~~ in this section, ~~((such))~~ the annexed territory shall not be
27 considered by the ~~((office of financial management))~~ economic, revenue,
28 and caseload forecast council in determining the population of ~~((such))~~
29 the code city.

30 **Sec. 28.** RCW 35A.44.010 and 1979 ex.s. c 18 s 32 are each amended
31 to read as follows:

32 The population of code cities shall be determined for specific
33 purposes in accordance with any express provision of state law relating
34 thereto. Where no express provision is made, the provisions of chapter
35 43.62 RCW ~~((43.41.110(7) relating to the office of financial~~
36 ~~management))~~ and the provisions of RCW 35.13.260 shall govern.

1 **Sec. 29.** RCW 36.13.100 and 1991 c 363 s 45 are each amended to
2 read as follows:

3 Whenever any provision of law refers to the population of a county
4 for purposes of distributing funds or for any other purpose, the
5 population of the respective counties shall be determined by the most
6 recent census, population estimate by the (~~office of financial~~
7 ~~management~~) economic, revenue, and caseload forecast council, or
8 special county census as certified by the (~~office of financial~~
9 ~~management~~) economic, revenue, and caseload forecast council.

10 **Sec. 30.** RCW 36.57.010 and 1981 c 319 s 1 are each amended to read
11 as follows:

12 For the purposes of this chapter the following definitions shall
13 apply:

14 (1) "Authority" means the county transportation authority created
15 pursuant to this chapter.

16 (2) "Population" means the number of residents as shown by the
17 figures released for the most recent official state, federal, or county
18 census, or population determination made by the (~~office of financial~~
19 ~~management~~) economic, revenue, and caseload forecast council.

20 (3) "Public transportation function" means the transportation of
21 passengers and their incidental baggage by means other than by
22 chartered bus, sightseeing bus, together with the necessary passenger
23 terminals and parking facilities or other properties necessary for
24 passenger and vehicular access to and from such people-moving systems,
25 and may include contracting for the provision of ambulance services for
26 the transportation of the sick and injured(~~(:—PROVIDED, That such)~~).
27 However, contracting for ambulance services shall not include the
28 exercise of eminent domain powers(~~(:—PROVIDED,)~~). Further, (~~That~~)
29 nothing shall prohibit an authority from leasing its buses to private
30 certified carriers or prohibit the county from providing school bus
31 service.

32 **Sec. 31.** RCW 36.57A.010 and 1983 c 65 s 1 are each amended to read
33 as follows:

34 The definitions set forth in this section apply throughout this
35 chapter unless the context clearly requires otherwise.

1 (1) "Public transportation benefit area" means a municipal
2 corporation of the state of Washington created pursuant to this
3 chapter.

4 (2) "Public transportation benefit area authority" or "authority"
5 means the legislative body of a public transportation benefit area.

6 (3) "City" means an incorporated city or town.

7 (4) "Component city" means an incorporated city or town within a
8 public transportation benefit area.

9 (5) "City council" means the legislative body of any city or town.

10 (6) "County legislative authority" means the board of county
11 commissioners or the county council.

12 (7) "Population" means the number of residents as shown by the
13 figures released for the most recent official state, federal, or county
14 census, or population determination made by the (~~office of financial~~
15 ~~management~~) economic, revenue, and caseload forecast council.

16 (8) "Public transportation service" means the transportation of
17 packages, passengers, and their incidental baggage by means other than
18 by chartered bus, sight-seeing bus, together with the necessary
19 passenger terminals and parking facilities or other properties
20 necessary for passenger and vehicular access to and from such people
21 moving systems(~~(: PROVIDED, That)~~). However, nothing shall prohibit
22 an authority from leasing its buses to private certified carriers or
23 prohibit the authority from providing school bus service.

24 (9) "Public transportation improvement conference" or "conference"
25 means the body established pursuant to RCW 36.57A.020 which shall be
26 authorized to establish, subject to the provisions of RCW 36.57A.030,
27 a public transportation benefit area pursuant to the provisions of this
28 chapter.

29 **Sec. 32.** RCW 36.69.460 and 1979 ex.s. c 11 s 5 are each amended to
30 read as follows:

31 Population determinations for the purposes of RCW 36.69.440 and
32 36.69.450 shall be made by the (~~office of financial management~~)
33 economic, revenue, and caseload forecast council.

34 **Sec. 33.** RCW 36.70A.040 and 1995 c 400 s 1 are each amended to
35 read as follows:

36 (1) Each county that has both a population of fifty thousand or
37 more and, until May 16, 1995, has had its population increase by more

1 than ten percent in the previous ten years or, on or after May 16,
2 1995, has had its population increase by more than seventeen percent in
3 the previous ten years, and the cities located within such county, and
4 any other county regardless of its population that has had its
5 population increase by more than twenty percent in the previous ten
6 years, and the cities located within such county, shall conform with
7 all of the requirements of this chapter. However, the county
8 legislative authority of such a county with a population of less than
9 fifty thousand population may adopt a resolution removing the county,
10 and the cities located within the county, from the requirements of
11 adopting comprehensive land use plans and development regulations under
12 this chapter if this resolution is adopted and filed with the
13 department by December 31, 1990, for counties initially meeting this
14 set of criteria, or within sixty days of the date the (~~office of~~
15 ~~financial management~~) economic, revenue, and caseload forecast council
16 certifies that a county meets this set of criteria under subsection (5)
17 of this section.

18 Once a county meets either of these sets of criteria, the
19 requirement to conform with all of the requirements of this chapter
20 remains in effect, even if the county no longer meets one of these sets
21 of criteria.

22 (2) The county legislative authority of any county that does not
23 meet either of the sets of criteria established under subsection (1) of
24 this section may adopt a resolution indicating its intention to have
25 subsection (1) of this section apply to the county. Each city, located
26 in a county that chooses to plan under this subsection, shall conform
27 with all of the requirements of this chapter. Once such a resolution
28 has been adopted, the county and the cities located within the county
29 remain subject to all of the requirements of this chapter.

30 (3) Any county or city that is initially required to conform with
31 all of the requirements of this chapter under subsection (1) of this
32 section shall take actions under this chapter as follows: (a) The
33 county legislative authority shall adopt a county-wide planning policy
34 under RCW 36.70A.210; (b) the county and each city located within the
35 county shall designate critical areas, agricultural lands, forest
36 lands, and mineral resource lands, and adopt development regulations
37 conserving these designated agricultural lands, forest lands, and
38 mineral resource lands and protecting these designated critical areas,
39 under RCW 36.70A.170 and 36.70A.060; (c) the county shall designate and

1 take other actions related to urban growth areas under RCW 36.70A.110;
2 (d) if the county has a population of fifty thousand or more, the
3 county and each city located within the county shall adopt a
4 comprehensive plan under this chapter and development regulations that
5 are consistent with and implement the comprehensive plan on or before
6 July 1, 1994, and if the county has a population of less than fifty
7 thousand, the county and each city located within the county shall
8 adopt a comprehensive plan under this chapter and development
9 regulations that are consistent with and implement the comprehensive
10 plan by January 1, 1995, but if the governor makes written findings
11 that a county with a population of less than fifty thousand or a city
12 located within such a county is not making reasonable progress toward
13 adopting a comprehensive plan and development regulations the governor
14 may reduce this deadline for such actions to be taken by no more than
15 one hundred eighty days. Any county or city subject to this subsection
16 may obtain an additional six months before it is required to have
17 adopted its development regulations by submitting a letter notifying
18 the department of community, trade, and economic development of its
19 need prior to the deadline for adopting both a comprehensive plan and
20 development regulations.

21 (4) Any county or city that is required to conform with all the
22 requirements of this chapter, as a result of the county legislative
23 authority adopting its resolution of intention under subsection (2) of
24 this section, shall take actions under this chapter as follows: (a)
25 The county legislative authority shall adopt a county-wide planning
26 policy under RCW 36.70A.210; (b) the county and each city that is
27 located within the county shall adopt development regulations
28 conserving agricultural lands, forest lands, and mineral resource lands
29 it designated under RCW 36.70A.060 within one year of the date the
30 county legislative authority adopts its resolution of intention; (c)
31 the county shall designate and take other actions related to urban
32 growth areas under RCW 36.70A.110; and (d) the county and each city
33 that is located within the county shall adopt a comprehensive plan and
34 development regulations that are consistent with and implement the
35 comprehensive plan not later than four years from the date the county
36 legislative authority adopts its resolution of intention, but a county
37 or city may obtain an additional six months before it is required to
38 have adopted its development regulations by submitting a letter
39 notifying the department of community, trade, and economic development

1 of its need prior to the deadline for adopting both a comprehensive
2 plan and development regulations.

3 (5) If the (~~office of financial management~~) economic, revenue,
4 and caseload forecast council certifies that the population of a county
5 that previously had not been required to plan under subsection (1) or
6 (2) of this section has changed sufficiently to meet either of the sets
7 of criteria specified under subsection (1) of this section, and where
8 applicable, the county legislative authority has not adopted a
9 resolution removing the county from these requirements as provided in
10 subsection (1) of this section, the county and each city within such
11 county shall take actions under this chapter as follows: (a) The
12 county legislative authority shall adopt a county-wide planning policy
13 under RCW 36.70A.210; (b) the county and each city located within the
14 county shall adopt development regulations under RCW 36.70A.060
15 conserving agricultural lands, forest lands, and mineral resource lands
16 it designated within one year of the certification by the (~~office of~~
17 ~~financial management~~) economic, revenue, and caseload forecast
18 council; (c) the county shall designate and take other actions related
19 to urban growth areas under RCW 36.70A.110; and (d) the county and each
20 city located within the county shall adopt a comprehensive land use
21 plan and development regulations that are consistent with and implement
22 the comprehensive plan within four years of the certification by the
23 (~~office of financial management~~) economic, revenue, and caseload
24 forecast council, but a county or city may obtain an additional six
25 months before it is required to have adopted its development
26 regulations by submitting a letter notifying the department of
27 community, trade, and economic development of its need prior to the
28 deadline for adopting both a comprehensive plan and development
29 regulations.

30 (6) A copy of each document that is required under this section
31 shall be submitted to the department at the time of its adoption.

32 **Sec. 34.** RCW 36.70A.110 and 1995 c 400 s 2 are each amended to
33 read as follows:

34 (1) Each county that is required or chooses to plan under RCW
35 36.70A.040 shall designate an urban growth area or areas within which
36 urban growth shall be encouraged and outside of which growth can occur
37 only if it is not urban in nature. Each city that is located in such
38 a county shall be included within an urban growth area. An urban

1 growth area may include more than a single city. An urban growth area
2 may include territory that is located outside of a city only if such
3 territory already is characterized by urban growth whether or not the
4 urban growth area includes a city, or is adjacent to territory already
5 characterized by urban growth, or is a designated new fully contained
6 community as defined by RCW 36.70A.350.

7 (2) Based upon the growth management population projection made for
8 the county by the (~~office of financial management~~) economic, revenue,
9 and caseload forecast council, the urban growth areas in the county
10 shall include areas and densities sufficient to permit the urban growth
11 that is projected to occur in the county for the succeeding twenty-year
12 period. Each urban growth area shall permit urban densities and shall
13 include greenbelt and open space areas. An urban growth area
14 determination may include a reasonable land market supply factor and
15 shall permit a range of urban densities and uses. In determining this
16 market factor, cities and counties may consider local circumstances.
17 Cities and counties have discretion in their comprehensive plans to
18 make many choices about accommodating growth.

19 Within one year of July 1, 1990, each county that as of June 1,
20 1991, was required or chose to plan under RCW 36.70A.040, shall begin
21 consulting with each city located within its boundaries and each city
22 shall propose the location of an urban growth area. Within sixty days
23 of the date the county legislative authority of a county adopts its
24 resolution of intention or of certification by the (~~office of~~
25 ~~financial management~~) economic, revenue, and caseload forecast
26 council, all other counties that are required or choose to plan under
27 RCW 36.70A.040 shall begin this consultation with each city located
28 within its boundaries. The county shall attempt to reach agreement
29 with each city on the location of an urban growth area within which the
30 city is located. If such an agreement is not reached with each city
31 located within the urban growth area, the county shall justify in
32 writing why it so designated the area an urban growth area. A city may
33 object formally with the department over the designation of the urban
34 growth area within which it is located. Where appropriate, the
35 department shall attempt to resolve the conflicts, including the use of
36 mediation services.

37 (3) Urban growth should be located first in areas already
38 characterized by urban growth that have adequate existing public
39 facility and service capacities to serve such development, second in

1 areas already characterized by urban growth that will be served
2 adequately by a combination of both existing public facilities and
3 services and any additional needed public facilities and services that
4 are provided by either public or private sources, and third in the
5 remaining portions of the urban growth areas. Urban growth may also be
6 located in designated new fully contained communities as defined by RCW
7 36.70A.350.

8 (4) In general, cities are the units of local government most
9 appropriate to provide urban governmental services. In general, it is
10 not appropriate that urban governmental services be extended to or
11 expanded in rural areas except in those limited circumstances shown to
12 be necessary to protect basic public health and safety and the
13 environment and when such services are financially supportable at rural
14 densities and do not permit urban development.

15 (5) On or before October 1, 1993, each county that was initially
16 required to plan under RCW 36.70A.040(1) shall adopt development
17 regulations designating interim urban growth areas under this chapter.
18 Within three years and three months of the date the county legislative
19 authority of a county adopts its resolution of intention or of
20 certification by the (~~office of financial management~~) economic,
21 revenue, and caseload forecast council, all other counties that are
22 required or choose to plan under RCW 36.70A.040 shall adopt development
23 regulations designating interim urban growth areas under this chapter.
24 Adoption of the interim urban growth areas may only occur after public
25 notice; public hearing; and compliance with the state environmental
26 policy act, chapter 43.21C RCW, and RCW 36.70A.110. Such action may be
27 appealed to the appropriate growth management hearings board under RCW
28 36.70A.280. Final urban growth areas shall be adopted at the time of
29 comprehensive plan adoption under this chapter.

30 (6) Each county shall include designations of urban growth areas in
31 its comprehensive plan.

32 **Sec. 35.** RCW 36.70A.280 and 1995 c 347 s 108 are each amended to
33 read as follows:

34 (1) A growth management hearings board shall hear and determine
35 only those petitions alleging either:

36 (a) That a state agency, county, or city planning under this
37 chapter is not in compliance with the requirements of this chapter,
38 chapter 90.58 RCW as it relates to the adoption of shoreline master

1 programs or amendments thereto, or chapter 43.21C RCW as it relates to
2 plans, development regulations, or amendments, adopted under RCW
3 36.70A.040 or chapter 90.58 RCW; or

4 (b) That the twenty-year growth management planning population
5 projections adopted by the (~~office of financial management pursuant~~
6 ~~to~~) economic, revenue, and caseload forecast council under RCW
7 43.62.035 should be adjusted.

8 (2) A petition may be filed only by the state, a county or city
9 that plans under this chapter, a person who has either appeared before
10 the county or city regarding the matter on which a review is being
11 requested or is certified by the governor within sixty days of filing
12 the request with the board, or a person qualified pursuant to RCW
13 34.05.530.

14 (3) For purposes of this section "person" means any individual,
15 partnership, corporation, association, governmental subdivision or unit
16 thereof, or public or private organization or entity of any character.

17 (4) When considering a possible adjustment to a growth management
18 planning population projection prepared by the (~~office of financial~~
19 ~~management~~) economic, revenue, and caseload forecast council, a board
20 shall consider the implications of any such adjustment to the
21 population forecast for the entire state.

22 The rationale for any adjustment that is adopted by a board must be
23 documented and filed with the (~~office of financial management~~)
24 economic, revenue, and caseload forecast council within ten working
25 days after adoption.

26 If adjusted by a board, a county growth management planning
27 population projection shall only be used for the planning purposes set
28 forth in this chapter and shall be known as a "board adjusted
29 population projection". None of these changes shall affect the
30 official state and county population forecasts prepared by the (~~office~~
31 ~~of financial management~~) economic, revenue, and caseload forecast
32 council, which shall continue to be used for state budget and planning
33 purposes.

34 **Sec. 36.** RCW 36.115.060 and 1994 c 266 s 6 are each amended to
35 read as follows:

36 (1) The county legislative authority of every county with a
37 population of one hundred fifty thousand or more shall convene a
38 meeting on or before March 1, 1995, to develop a process for the

1 establishment of service agreements. Invitations to attend this
2 meeting shall be sent to the governing body of each city located in the
3 county, and to the governing body of each special district located in
4 the county that provides one or more of the governmental services as
5 defined in RCW 36.115.020(2).

6 The legislative authorities of counties of less than one hundred
7 fifty thousand population may utilize this chapter by adopting a
8 resolution stating their intent to do so. In that case or in the case
9 of counties whose populations reach one hundred fifty thousand after
10 March 1, 1995, this meeting shall be convened no later than sixty days
11 after the date the county adopts its resolution of intention or was
12 certified by the (~~office of financial management~~) economic, revenue,
13 and caseload forecast council as having a population of one hundred
14 fifty thousand or more.

15 (2) On or before January 1, 1997, a service agreement must be
16 adopted in each county under this chapter or a progress report must be
17 submitted to the appropriate committees of the legislature.

18 (3) In other counties that choose to utilize this chapter or whose
19 population reaches one hundred fifty thousand, the service agreement
20 must be adopted two years after the initial meeting provided for in
21 subsection (1) of this section is convened or a progress report must be
22 submitted to the appropriate committees of the legislature.

23 **Sec. 37.** RCW 43.41.110 and 1981 2nd ex.s. c 4 s 13 are each
24 amended to read as follows:

25 The office of financial management shall:

26 (1) Provide technical assistance to the governor and the
27 legislature in identifying needs and in planning to meet those needs
28 through state programs and a plan for expenditures.

29 (2) Perform the comprehensive planning functions and processes
30 necessary or advisable for state program planning and development,
31 preparation of the budget, inter-departmental and inter-governmental
32 coordination and cooperation, and determination of state capital
33 improvement requirements.

34 (3) Provide assistance and coordination to state agencies and
35 departments in their preparation of plans and programs.

36 (4) Provide general coordination and review of plans in functional
37 areas of state government as may be necessary for receipt of federal or
38 state funds.

1 (5) Participate with other states or subdivisions thereof in
2 interstate planning.

3 (6) Encourage educational and research programs that further
4 planning and provide administrative and technical services therefor.

5 (7) ~~((Carry out the provisions of RCW 43.62.010 through 43.62.050
6 relating to the state census.~~

7 ~~(8))~~ Be the official state participant in the federal-state
8 cooperative program for local population estimates and as such certify
9 all city and county special censuses to be considered in the allocation
10 of state and federal revenues.

11 ~~((9))~~ (8) Be the official state center for processing and
12 dissemination of federal decennial or quinquennial census data in
13 cooperation with other state agencies.

14 ~~((10))~~ (9) Be the official state agency certifying annexations,
15 incorporations, or disincorporations to the United States bureau of the
16 census.

17 ~~((11))~~ (10) Review all United States bureau of the census
18 population estimates used for federal revenue sharing purposes and
19 provide a liaison for local governments with the United States bureau
20 of the census in adjusting or correcting revenue sharing population
21 estimates.

22 ~~((12))~~ (11) Provide fiscal notes depicting the expected fiscal
23 impact of proposed legislation in accordance with chapter 43.88A RCW.

24 ~~((13))~~ (12) Be the official state agency to estimate and manage
25 the cash flow of all public funds as provided in chapter 43.88 RCW. To
26 this end, the office shall adopt such rules as are necessary to manage
27 the cash flow of public funds.

28 **Sec. 38.** RCW 43.62.010 and 1990 c 42 s 317 are each amended to
29 read as follows:

30 If the state or any of its political subdivisions, or other
31 agencies, use the population studies services of the ~~((office of
32 financial management))~~ economic, revenue, and caseload forecast council
33 or the successor thereto, the state, its political subdivision, or
34 other agencies utilizing such services shall pay for the cost of
35 rendering such services. Expenditures shall be paid out of funds
36 allocated to cities and towns under RCW 82.44.155 and shall be paid
37 from ~~((said))~~ the fund before any allocations or payments are made to
38 cities and towns under RCW 82.44.155.

1 **Sec. 39.** RCW 43.62.020 and 1979 c 151 s 128 are each amended to
2 read as follows:

3 Whenever cities and towns of the state are, by law, allocated and
4 entitled to be paid any funds or state moneys from any source, and the
5 allocation and payment is required to be made on a populations basis,
6 notwithstanding the provisions of any other law to the contrary, all
7 such allocations shall be made on the basis of the population of the
8 respective cities and towns as last determined by the (~~office of~~
9 ~~financial management: PROVIDED, That~~) economic, revenue, and caseload
10 forecast council. However, the regular federal decennial census
11 figures released for cities and towns shall be considered by the
12 (~~office of financial management~~) economic, revenue, and caseload
13 forecast council in determining the population of cities and towns.

14 **Sec. 40.** RCW 43.62.030 and 1988 c 260 s 1 are each amended to read
15 as follows:

16 The (~~office of financial management~~) economic, revenue, and
17 caseload forecast council shall annually as of April 1st, determine the
18 populations of all cities and towns of the state; and on or before July
19 1st of each year, shall file with the secretary of state a certificate
20 showing its determination as to the populations of cities and towns of
21 the state. A copy of such certificate shall be forwarded by the agency
22 to each state official or department responsible for making allocations
23 or payments, and on and after January 1st next following the date when
24 such certificate or certificates are filed, the population
25 determination shown in such certificate or certificates shall be used
26 as the basis for the allocation and payment of state funds, to cities
27 and towns until the next January 1st following the filing of successive
28 certificates by the agency(~~: PROVIDED, That~~). However, whenever
29 territory is annexed to a city or town, the population of the annexed
30 territory shall be added to the population of the annexing city or town
31 upon the effective date of the annexation as specified in the relevant
32 ordinance, and upon approval of the agency as provided in RCW
33 35.13.260, as now or hereafter amended, a revised certificate
34 reflecting the determination of the population as increased from such
35 annexation shall be forwarded by the agency to each state official or
36 department responsible for making allocations or payments, and upon and
37 after the date of the commencement of the next quarterly period, the
38 population determination indicated in such revised certificate shall be

1 used as the basis for allocation and payment of state funds to such
2 city or town until the next annual population determination becomes
3 effective(~~(:—PROVIDED)~~). Further, (~~(That)~~) whenever any city or town
4 becomes incorporated subsequent to the determination of such
5 population, the populations of such cities and towns as shown in the
6 records of incorporation filed with the secretary of state shall be
7 used in determining the amount of allocation and payments, and the
8 agency shall so notify the proper state officials or departments, and
9 such cities and towns shall be entitled to participate in allocations
10 thereafter made(~~(:—PROVIDED)~~). Further, (~~(That)~~) in case any
11 incorporated city or town disincorporates subsequent to the filing of
12 such certificate or certificates, the agency shall promptly notify the
13 proper state officials or departments thereof, and such cities and
14 towns shall cease to participate in allocations thereafter made, and
15 all credit accrued to such incorporated city or town shall be
16 distributed to the credit of the remaining cities and towns. The
17 secretary of state shall promptly notify the agency of the
18 incorporation of each new city and town and of the disincorporation of
19 any cities or towns.

20 For the purposes of this section, each quarterly period shall
21 commence on the first day of the months of January, April, July, and
22 October. Whenever a revised certificate due to an annexation is
23 forwarded by the agency thirty days or less prior to the commencement
24 of the next quarterly period, the population of the annexed territory
25 shall not be considered until the commencement of the following
26 quarterly period.

27 Armed forces shipboard population, on-base naval group quarter
28 population, and military dependents living in housing under United
29 States navy jurisdiction, shall be determined quarterly by the (~~(office~~
30 ~~of financial management)~~) economic, revenue, and caseload forecast
31 council on the first days of January, April, July, and October. These
32 counts shall be used to increase or decrease the armed forces component
33 of the resident population determinations in the cities of Bremerton
34 and Everett for the purpose of allocating state revenues according to
35 this section. Counts on the first day of the quarterly periods
36 commencing with January, April, July, and October shall be used to
37 adjust the total population for the following quarter, in the same
38 manner adjustments are made for population changes due to annexation as
39 specified in RCW 35.13.260 and 35A.14.700.

1 Population determinations made under this section shall include
2 only those persons who meet resident population criteria as defined by
3 the federal bureau of the census.

4 **Sec. 41.** RCW 43.62.035 and 1995 c 162 s 1 are each amended to read
5 as follows:

6 The (~~office of financial management~~) economic, revenue, and
7 caseload forecast council shall determine the population of each county
8 of the state annually as of April 1st of each year and on or before
9 July 1st of each year shall file a certificate with the secretary of
10 state showing its determination of the population for each county. The
11 (~~office of financial management~~) economic, revenue, and caseload
12 forecast council also shall determine the percentage increase in
13 population for each county over the preceding ten-year period, as of
14 April 1st, and shall file a certificate with the secretary of state by
15 July 1st showing its determination. At least once every ten years the
16 (~~office of financial management~~) economic, revenue, and caseload
17 forecast council shall prepare twenty-year growth management planning
18 population projections required by RCW 36.70A.110 for each county that
19 adopts a comprehensive plan under RCW 36.70A.040 and shall review these
20 projections with such counties and the cities in those counties before
21 final adoption. The county and its cities may provide to the
22 (~~office~~) council such information as they deem relevant to the
23 (~~office's~~) council's projection, and the (~~office~~) council shall
24 consider and comment on such information before adoption. Each
25 projection shall be expressed as a reasonable range developed within
26 the standard state high and low projection. The middle range shall
27 represent the (~~office's~~) council's estimate of the most likely
28 population projection for the county. If any city or county believes
29 that a projection will not accurately reflect actual population growth
30 in a county, it may petition the (~~office~~) council to revise the
31 projection accordingly. The (~~office~~) council shall complete the
32 first set of ranges for every county by December 31, 1995.

33 A comprehensive plan adopted or amended before December 31, 1995,
34 shall not be considered to be in noncompliance with the twenty-year
35 growth management planning population projection if the projection used
36 in the comprehensive plan is in compliance with the range later adopted
37 under this section.

1 **Sec. 42.** RCW 43.62.040 and 1979 c 151 s 130 are each amended to
2 read as follows:

3 The department of revenue or any other state officer or officials
4 of cities, towns, or counties shall upon request of the (~~office of~~
5 ~~financial management~~) economic, revenue, and caseload forecast council
6 furnish such information, aid, and assistance as may be required by the
7 (~~office of financial management~~) economic, revenue, and caseload
8 forecast council in the performance of its population studies. The
9 action of the (~~office of financial management~~) economic, revenue, and
10 caseload forecast council in determining the population shall be final
11 and conclusive.

12 **Sec. 43.** RCW 43.62.050 and 1979 c 151 s 131 are each amended to
13 read as follows:

14 The (~~office of financial management~~) economic, revenue, and
15 caseload forecast council shall develop and maintain student enrollment
16 forecasts of Washington schools, including both public and private,
17 elementary schools, junior high schools, high schools, colleges, and
18 universities. A current report of (~~such~~) the forecasts shall be
19 submitted to the standing committees on ways and means of the house and
20 the senate on or before the fifteenth day of November of each even-
21 numbered year.

22 **Sec. 44.** RCW 43.135.025 and 1994 c 2 s 2 are each amended to read
23 as follows:

24 (1) The state shall not expend from the general fund during any
25 fiscal year state moneys in excess of the state expenditure limit
26 established under this chapter.

27 (2) Except pursuant to a declaration of emergency under RCW
28 43.135.035 or pursuant to an appropriation under RCW 43.135.045(4)(b),
29 the state treasurer shall not issue or redeem any check, warrant, or
30 voucher that will result in a state general fund expenditure for any
31 fiscal year in excess of the state expenditure limit established under
32 this chapter. A violation of this subsection constitutes a violation
33 of RCW 43.88.290 and shall subject the state treasurer to the penalties
34 provided in RCW 43.88.300.

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

1 (4) For purposes of computing the state expenditure limit for the
2 fiscal year beginning July 1, 1995, the phrase "the previous fiscal
3 year's state expenditure limit" means the total state expenditures from
4 the state general fund, not including federal funds, for the fiscal
5 year beginning July 1, 1989, plus the fiscal growth factor. This
6 calculation is then computed for the state expenditure limit for fiscal
7 years 1992, 1993, 1994, and 1995, and as required under RCW
8 43.135.035(4).

9 (5) Each November, the office of financial management shall adjust
10 the expenditure limit for the preceding fiscal year based on actual
11 expenditures and known changes in the fiscal growth factor and then
12 project an expenditure limit for the next two fiscal years. The office
13 of financial management shall notify the legislative fiscal committees
14 of all adjustments to the state expenditure limit and projections of
15 future expenditure limits.

16 (6) "Fiscal growth factor" means the average of the sum of
17 inflation and population change for each of the prior three fiscal
18 years.

19 (7) "Inflation" means the percentage change in the implicit price
20 deflator for the United States for each fiscal year as published by the
21 federal bureau of labor statistics.

22 (8) "Population change" means the percentage change in state
23 population for each fiscal year as reported by the (~~office of~~
24 ~~financial management~~) economic, revenue, and caseload forecast
25 council.

26 **Sec. 45.** RCW 46.68.110 and 1991 sp.s. c 15 s 46 and 1991 c 342 s
27 59 are each reenacted and amended to read as follows:

28 Funds credited to the incorporated cities and towns of the state as
29 set forth in (~~subdivision (1) of~~) RCW 46.68.100(1) shall be subject
30 to deduction and distribution as follows:

31 (1) One and one-half percent of such sums shall be deducted monthly
32 as such sums are credited and set aside for the use of the department
33 of transportation for the supervision of work and expenditures of such
34 incorporated cities and towns on the city and town streets thereof,
35 including the supervision and administration of federal-aid programs
36 for which the department of transportation has responsibility(~~+~~
37 ~~PROVIDED, That~~). However, any moneys so retained and not expended

1 shall be credited in the succeeding biennium to the incorporated cities
2 and towns in proportion to deductions herein made;

3 (2) Thirty-three one-hundredths of one percent of such funds shall
4 be deducted monthly, as such funds accrue, and set aside for the use of
5 the department of transportation for the purpose of funding the cities'
6 share of the costs of highway jurisdiction studies and other studies.
7 Any funds so retained and not expended shall be credited in the
8 succeeding biennium to the cities in proportion to the deductions made;

9 (3) From April 1, 1992, two percent of such funds shall be deducted
10 monthly, as such funds accrue, to be deposited in the city hardship
11 assistance account, hereby created in the motor vehicle fund, to
12 implement the city hardship assistance program, as provided in RCW
13 47.26.164;

14 (4) The balance remaining to the credit of incorporated cities and
15 towns after such deduction shall be apportioned monthly as such funds
16 accrue among the several cities and towns within the state ratably on
17 the basis of the population last determined by the (~~office of~~
18 ~~financial management~~) economic, revenue, and caseload forecast
19 council.

20 **Sec. 46.** RCW 46.68.124 and 1990 c 33 s 586 are each amended to
21 read as follows:

22 (1) The equivalent population for each county shall be computed as
23 the sum of the population residing in the county's unincorporated area
24 plus twenty-five percent of the population residing in the county's
25 incorporated area. Population figures required for the computations in
26 this subsection shall be certified by the (~~director~~) supervisor of
27 the (~~office of financial management~~) economic, revenue, and caseload
28 forecast council on or before July 1st of each odd-numbered year.

29 (2) The total annual road cost for each county shall be computed as
30 the sum of one twenty-fifth of the total estimated county road
31 replacement cost, plus the total estimated annual maintenance cost.
32 Appropriate costs for bridges and ferries shall be included. The
33 county road administration board shall be responsible for establishing
34 a uniform system of roadway categories for both maintenance and
35 construction and also for establishing a single state-wide cost per
36 mile rate for each roadway category. The total annual cost for each
37 county will be based on the established state-wide cost per mile and
38 associated mileage for each category. The mileage to be used for these

1 computations shall be as shown in the county road log as maintained by
2 the county road administration board as of July 1, 1985, and each two
3 years thereafter. Each county shall be responsible for submitting
4 changes, corrections, and deletions as regards the county road log to
5 the county road administration board. Such changes, corrections, and
6 deletions shall be subject to verification and approval by the county
7 road administration board prior to inclusion in the county road log.

8 (3) The money need factor for each county shall be the county's
9 total annual road cost less the following four amounts:

10 (a) One-half the sum of the actual county road tax levied upon the
11 valuation of all taxable property within the county road districts
12 pursuant to RCW 36.82.040 for the two calendar years next preceding the
13 year of computation of the allocation amounts as certified by the
14 department of revenue;

15 (b) One-half the sum of all funds received by the county road fund
16 from the federal forest reserve fund pursuant to RCW 28A.520.010 and
17 28A.520.020 during the two calendar years next preceding the year of
18 computation of the allocation amounts as certified by the state
19 treasurer;

20 (c) One-half the sum of timber excise taxes received by the county
21 road fund pursuant to chapter 84.33 RCW in the two calendar years next
22 preceding the year of computation of the allocation amounts as
23 certified by the state treasurer;

24 (d) One-half the sum of motor vehicle license fees and motor
25 vehicle and special fuel taxes refunded to the county, pursuant to RCW
26 46.68.080 during the two calendar years next preceding the year of
27 computation of the allocation amounts as certified by the state
28 treasurer.

29 (4) The state treasurer and the department of revenue shall furnish
30 to the county road administration board the information required by
31 subsection (3) of this section on or before July 1st of each odd-
32 numbered year.

33 (5) The county road administration board, shall compute and provide
34 to the counties the allocation factors of the several counties on or
35 before September 1st of each year based solely upon the sources of
36 information herein before required(~~(: PROVIDED, That)~~). However, the
37 allocation factor shall be held to a level not more than five percent
38 above or five percent below the allocation factor in use during the
39 previous calendar year. Upon computation of the actual allocation

1 factors of the several counties, the county road administration board
2 shall provide such factors to the state treasurer to be used in the
3 computation of the counties' fuel tax allocation for the succeeding
4 calendar year. The state treasurer shall adjust the fuel tax
5 allocation of each county on January 1st of every year based solely
6 upon the information provided by the county road administration board.

7 **Sec. 47.** RCW 47.24.020 and 1993 c 126 s 1 are each amended to read
8 as follows:

9 The jurisdiction, control, and duty of the state and city or town
10 with respect to such streets shall be as follows:

11 (1) The department has no authority to change or establish any
12 grade of any such street without approval of the governing body of such
13 city or town, except with respect to limited access facilities
14 established by the commission;

15 (2) The city or town shall exercise full responsibility for and
16 control over any such street beyond the curbs and if no curb is
17 installed, beyond that portion of the highway used for highway
18 purposes. However, within incorporated cities and towns the title to
19 a state limited access highway vests in the state, and, notwithstanding
20 any other provision of this section, the department shall exercise full
21 jurisdiction, responsibility, and control to and over such facility as
22 provided in chapter 47.52 RCW;

23 (3) The department has authority to prohibit the suspension of
24 signs, banners, or decorations above the portion of such street between
25 the curbs or portion used for highway purposes up to a vertical height
26 of twenty feet above the surface of the roadway;

27 (4) The city or town shall at its own expense maintain all
28 underground facilities in such streets, and has the right to construct
29 such additional underground facilities as may be necessary in such
30 streets;

31 (5) The city or town has the right to grant the privilege to open
32 the surface of any such street, but all damage occasioned thereby shall
33 promptly be repaired either by the city or town itself or at its
34 direction;

35 (6) The city or town at its own expense shall provide street
36 illumination and shall clean all such streets, including storm sewer
37 inlets and catch basins, and remove all snow, except that the state
38 shall when necessary plow the snow on the roadway. In cities and towns

1 having a population of twenty-two thousand five hundred or less
2 according to the latest determination of population by the (~~office of~~
3 ~~financial management~~) economic, revenue, and caseload forecast
4 council, the state, when necessary for public safety, shall assume, at
5 its expense, responsibility for the stability of the slopes of cuts and
6 fills and the embankments within the right of way to protect the
7 roadway itself. When the population of a city or town first exceeds
8 twenty-two thousand five hundred according to the determination of
9 population by the (~~office of financial management~~) economic, revenue,
10 and caseload forecast council, the city or town shall have three years
11 from the date of the determination to plan for additional staffing,
12 budgetary, and equipment requirements before being required to assume
13 the responsibilities under this subsection. The state shall install,
14 maintain, and operate all illuminating facilities on any limited access
15 facility, together with its interchanges, located within the corporate
16 limits of any city or town, and shall assume and pay the costs of all
17 such installation, maintenance, and operation incurred after November
18 1, 1954;

19 (7) The department has the right to use all storm sewers on such
20 highways without cost; and if new storm sewer facilities are necessary
21 in construction of new streets by the department, the cost of the
22 facilities shall be borne by the state and/or city as may be mutually
23 agreed upon between the department and the governing body of the city
24 or town;

25 (8) Cities and towns have exclusive right to grant franchises not
26 in conflict with state laws, over, beneath, and upon such streets, but
27 the department is authorized to enforce in an action brought in the
28 name of the state any condition of any franchise which a city or town
29 has granted on such street. No franchise for transportation of
30 passengers in motor vehicles may be granted on such streets without the
31 approval of the department, but the department shall not refuse to
32 approve such franchise unless another street conveniently located and
33 of strength of construction to sustain travel of such vehicles is
34 accessible;

35 (9) Every franchise or permit granted any person by a city or town
36 for use of any portion of such street by a public utility shall require
37 the grantee or permittee to restore, repair, and replace to its
38 original condition any portion of the street damaged or injured by it;

1 (10) The city or town has the right to issue overload or overwidth
2 permits for vehicles to operate on such streets or roads subject to
3 regulations printed and distributed to the cities and towns by the
4 department;

5 (11) Cities and towns shall regulate and enforce all traffic and
6 parking restrictions on such streets, but all regulations adopted by a
7 city or town relating to speed, parking, and traffic control devices on
8 such streets not identical to state law relating thereto are subject to
9 the approval of the department before becoming effective. All
10 regulations pertaining to speed, parking, and traffic control devices
11 relating to such streets heretofore adopted by a city or town not
12 identical with state laws shall become null and void unless approved by
13 the department heretofore or within one year after March 21, 1963;

14 (12) The department shall erect, control, and maintain at state
15 expense all route markers and directional signs, except street signs,
16 on such streets;

17 (13) The department shall install, operate, maintain, and control
18 at state expense all traffic control signals, signs, and traffic
19 control devices for the purpose of regulating both pedestrian and motor
20 vehicular traffic on, entering upon, or leaving state highways in
21 cities and towns having a population of twenty-two thousand five
22 hundred or less according to the latest determination of population by
23 the (~~office of financial management~~) economic, revenue, and caseload
24 forecast council. Such cities and towns may submit to the department
25 a plan for traffic control signals, signs, and traffic control devices
26 desired by them, indicating the location, nature of installation, or
27 type thereof, or a proposed amendment to such an existing plan or
28 installation, and the department shall consult with the cities or towns
29 concerning the plan before installing such signals, signs, or devices.
30 Cities and towns having a population in excess of twenty-two thousand
31 five hundred according to the latest determination of population by the
32 (~~office of financial management~~) economic, revenue, and caseload
33 forecast council shall install, maintain, operate, and control such
34 signals, signs, and devices at their own expense, subject to approval
35 of the department for the installation and type only. When the
36 population of a city or town first exceeds twenty-two thousand five
37 hundred according to the determination of population by the (~~office of~~
38 ~~financial management~~) economic, revenue, and caseload forecast
39 council, the city or town shall have three years from the date of the

1 determination to plan for additional staffing, budgetary, and equipment
2 requirements before being required to assume the responsibilities under
3 this subsection. For the purpose of this subsection, striping, lane
4 marking, and channelization are considered traffic control devices;

5 (14) All revenue from parking meters placed on such streets belongs
6 to the city or town;

7 (15) Rights of way for such streets shall be acquired by either the
8 city or town or by the state as shall be mutually agreed upon. Costs
9 of acquiring rights of way may be at the sole expense of the state or
10 at the expense of the city or town or at the expense of the state and
11 the city or town as may be mutually agreed upon. Title to all such
12 rights of way so acquired shall vest in the city or town(~~(:—PROVIDED,~~
13 ~~That))~~). However, no vacation, sale, rental, or any other
14 nontransportation use of any unused portion of any such street may be
15 made by the city or town without the prior written approval of the
16 department; and all revenue derived from sale, vacation, rental, or any
17 nontransportation use of such rights of way shall be shared by the city
18 or town and the state in the same proportion as the purchase costs were
19 shared;

20 (16) If any city or town fails to perform any of its obligations as
21 set forth in this section or in any cooperative agreement entered into
22 with the department for the maintenance of a city or town street
23 forming part of the route of a state highway, the department may notify
24 the mayor of the city or town to perform the necessary maintenance
25 within thirty days. If the city or town within the thirty days fails
26 to perform the maintenance or fails to authorize the department to
27 perform the maintenance as provided by RCW 47.24.050, the department
28 may perform the maintenance, the cost of which is to be deducted from
29 any sums in the motor vehicle fund credited or to be credited to the
30 city or town.

31 **Sec. 48.** RCW 47.26.060 and 1981 c 315 s 1 are each amended to read
32 as follows:

33 Funds available for expenditure by the department of transportation
34 pursuant to RCW 46.68.150 shall be apportioned to the five regions for
35 expenditure upon state highways in urban areas in the following manner:

36 (1) One-third in the ratio which the population of the urban areas
37 of each region bears to the total population of all of the urban areas

1 of the state as last determined by the (~~office of financial~~
2 ~~management~~) economic, revenue, and caseload forecast council;

3 (2) One-third in the ratio which the vehicle-miles traveled on
4 state highways (other than interstate highways) within the urban areas
5 of each region bears to the total vehicle-miles traveled on all state
6 highways (other than interstate highways) within all urban areas of the
7 state as last determined by the department of transportation; and

8 (3) One-third in the ratio which the state highway category A needs
9 on state highways (other than interstate highways) within the urban
10 areas of each region bears to the total category A needs on state
11 highways (other than interstate highways) within all urban areas of the
12 state as last revised by the department of transportation.

13 The department of transportation shall adjust the schedule for
14 apportionment of such funds to the five regions in the manner provided
15 herein prior to the commencement of each biennium.

16 **Sec. 49.** RCW 54.28.055 and 1986 c 189 s 1 are each amended to read
17 as follows:

18 (1) After computing the tax imposed by RCW 54.28.025(1), the
19 department of revenue shall instruct the state treasurer to distribute
20 the amount collected as follows:

21 (a) Fifty percent to the state general fund for the support of
22 schools; and

23 (b) Twenty-two percent to the counties, twenty-three percent to the
24 cities, three percent to the fire protection districts, and two percent
25 to the library districts.

26 (2) Each county, city, fire protection district and library
27 district shall receive a percentage of the amount for distribution to
28 counties, cities, fire protection districts and library districts,
29 respectively, in the proportion that the population of such district
30 residing within the impacted area bears to the total population of all
31 such districts residing within the impacted area. For the purposes of
32 this chapter, the term "library district" includes only regional
33 libraries as defined in RCW 27.12.010(4), rural county library
34 districts as defined in RCW 27.12.010(5), intercounty rural library
35 districts as defined in RCW 27.12.010(6), and island library districts
36 as defined in RCW 27.12.010(7). The population of a library district,
37 for purposes of such a distribution, shall not include any population

1 within the library district and the impact area that also is located
2 within a city or town.

3 (3) If any distribution pursuant to subsection (1)(b) of this
4 section cannot be made, then that share shall be prorated among the
5 state and remaining local districts.

6 (4) All distributions directed by this section to be made on the
7 basis of population shall be calculated in accordance with data to be
8 provided by the (~~office of financial management~~) economic, revenue,
9 and caseload forecast council.

10 **Sec. 50.** RCW 66.08.200 and 1979 c 151 s 167 are each amended to
11 read as follows:

12 With respect to the ten percent share coming to the counties, the
13 computations for distribution shall be made by the state agency
14 responsible for collecting the same as follows:

15 The share coming to each eligible county shall be determined by a
16 division among the eligible counties according to the relation which
17 the population of the unincorporated area of such eligible county, as
18 last determined by the (~~office of financial management~~) economic,
19 revenue, and caseload forecast council, bears to the population of the
20 total combined unincorporated areas of all eligible counties, as
21 determined by the (~~office of financial management: PROVIDED, That~~)
22 economic, revenue, and caseload forecast council. However, no county
23 in which the sale of liquor is forbidden in the unincorporated area
24 thereof as the result of an election shall be entitled to share in such
25 distribution. "Unincorporated area" means all that portion of any
26 county not included within the limits of incorporated cities and towns.

27 When a special county census has been conducted for the purpose of
28 determining the population base of a county's unincorporated area for
29 use in the distribution of liquor funds, the census figure shall become
30 effective for the purpose of distributing funds as of the official
31 census date once the census results have been certified by the (~~office~~
32 ~~of financial management~~) economic, revenue, and caseload forecast
33 council and officially submitted to the office of the secretary of
34 state.

35 **Sec. 51.** RCW 66.08.210 and 1979 c 151 s 168 are each amended to
36 read as follows:

1 With respect to the forty percent share coming to the incorporated
2 cities and towns, the computations for distribution shall be made by
3 the state agency responsible for collecting the same as follows:

4 The share coming to each eligible city or town shall be determined
5 by a division among the eligible cities and towns within the state
6 ratably on the basis of population as last determined by the ((office
7 of financial management: AND PROVIDED, That)) economic, revenue, and
8 caseload forecast council. However, no city or town in which the sale
9 of liquor is forbidden as the result of an election shall be entitled
10 to any share in such distribution.

11 **Sec. 52.** RCW 66.24.420 and 1995 c 55 s 1 are each amended to read
12 as follows:

13 (1) The class H license shall be issued in accordance with the
14 following schedule of annual fees:

15 (a) The annual fee for said license, if issued to a club, whether
16 inside or outside of incorporated cities and towns, shall be seven
17 hundred dollars.

18 (b) The annual fee for said license, if issued to any other class
19 H licensee in incorporated cities and towns, shall be graduated
20 according to the population thereof as follows:

	Incorporated	Fees
	Cities and towns	
	Less than 20,000	\$1,200
	20,000 or over	\$2,000

25 (c) The annual fee for said license when issued to any other class
26 H licensee outside of incorporated cities and towns shall be: Two
27 thousand dollars; this fee shall be prorated according to the calendar
28 quarters, or portion thereof, during which the licensee is open for
29 business, except in case of suspension or revocation of the license.

30 (d) Where the license shall be issued to any corporation,
31 association or person operating a bona fide restaurant in an airport
32 terminal facility providing service to transient passengers with more
33 than one place where liquor is to be dispensed and sold, such license
34 shall be issued upon the payment of the annual fee, which shall be a
35 master license and shall permit such sale within and from one such
36 place. Such license may be extended to additional places on the
37 premises at the discretion of the board and a duplicate license may be

1 issued for each such additional place: PROVIDED, That the holder of a
2 master license for a restaurant in an airport terminal facility shall
3 be required to maintain in a substantial manner at least one place on
4 the premises for preparing, cooking and serving of complete meals, and
5 such food service shall be available on request in other licensed
6 places on the premises: PROVIDED, FURTHER, That an additional license
7 fee of twenty-five percent of the annual master license fee shall be
8 required for such duplicate licenses.

9 (e) Where the license shall be issued to any corporation,
10 association, or person operating dining places at publicly owned civic
11 centers with facilities for sports, entertainment, and conventions,
12 with more than one place where liquor is to be dispensed and sold, such
13 license shall be issued upon the payment of the annual fee, which shall
14 be a master license and shall permit such sale within and from one such
15 place. Such license may be extended to additional places on the
16 premises at the discretion of the board and a duplicate license may be
17 issued for each such additional place: PROVIDED, That the holder of a
18 master license for a dining place at such a publicly owned civic center
19 shall be required to maintain in a substantial manner at least one
20 place on the premises for preparing, cooking and serving of complete
21 meals, and food service shall be available on request in other licensed
22 places on the premises: PROVIDED FURTHER, That an additional license
23 fee of ten dollars shall be required for such duplicate licenses.

24 (f) Where the license shall be issued to any corporation,
25 association or person operating more than one building containing
26 dining places at privately owned facilities which are open to the
27 public and where there is a continuity of ownership of all adjacent
28 property, such license shall be issued upon the payment of an annual
29 fee which shall be a master license and shall permit such sale within
30 and from one such place. Such license may be extended to the
31 additional dining places on the property or, in the case of a class H
32 licensed hotel, property owned or controlled by leasehold interest by
33 that hotel for use as a conference or convention center or banquet
34 facility open to the general public for special events in the same
35 metropolitan area, at the discretion of the board and a duplicate
36 license may be issued for each additional place: PROVIDED, That the
37 holder of the master license for the dining place shall not offer
38 alcoholic beverages for sale, service, and consumption at the
39 additional place unless food service is available at both the location

1 of the master license and the duplicate license: PROVIDED FURTHER,
2 That an additional license fee of twenty dollars shall be required for
3 such duplicate licenses.

4 (2) The board, so far as in its judgment is reasonably possible,
5 shall confine class H licenses to the business districts of cities and
6 towns and other communities, and not grant such licenses in residential
7 districts, nor within the immediate vicinity of schools, without being
8 limited in the administration of this subsection to any specific
9 distance requirements.

10 (3) The board shall have discretion to issue class H licenses
11 outside of cities and towns in the state of Washington. The purpose of
12 this subsection is to enable the board, in its discretion, to license
13 in areas outside of cities and towns and other communities,
14 establishments which are operated and maintained primarily for the
15 benefit of tourists, vacationers and travelers, and also golf and
16 country clubs, and common carriers operating dining, club and buffet
17 cars, or boats.

18 (4) The total number of class H licenses issued in the state of
19 Washington by the board, not including those class H licenses issued to
20 clubs, shall not in the aggregate at any time exceed one license for
21 each fifteen hundred of population in the state, determined according
22 to the yearly population determination developed by the (~~office of~~
23 ~~financial management pursuant to~~) economic, revenue, and caseload
24 forecast council under RCW 43.62.030.

25 (5) Notwithstanding the provisions of subsection (4) of this
26 section, the board shall refuse a class H license to any applicant if
27 in the opinion of the board the class H licenses already granted for
28 the particular locality are adequate for the reasonable needs of the
29 community.

30 **Sec. 53.** RCW 70.05.125 and 1995 1st sp.s. c 15 s 1 are each
31 amended to read as follows:

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

1 appropriated to the account from the health services account under RCW
2 43.72.900, the public health services account under RCW 43.72.902, and
3 such other funds as the legislature may appropriate to it.

4 (2) The director of the department of community, trade, and
5 economic development shall certify the amounts to be distributed to
6 each local public health jurisdiction using 1995 as the base year of
7 actual city contributions to local public health. The county treasurer
8 shall certify the actual 1995 city contribution to the department.
9 Funds in excess of the base shall be distributed proportionately among
10 the health jurisdictions based on incorporated population figures as
11 last determined by the (~~office of financial management~~) economic,
12 revenue, and caseload forecast council.

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

15 **Sec. 54.** RCW 81.112.040 and 1994 c 109 s 1 are each amended to
16 read as follows:

17 (1) The regional transit authority shall be governed by a board
18 consisting of representatives appointed by the county executive and
19 confirmed by the council or other legislative authority of each member
20 county. Membership shall be based on population from that portion of
21 each county which lies within the service area. Board members shall be
22 appointed initially on the basis of one for each one hundred forty-five
23 thousand population within the county. Such appointments shall be made
24 following consultation with city and town jurisdictions within the
25 service area. In addition, the secretary of transportation or the
26 secretary's designee shall serve as a member of the board and may have
27 voting status with approval of a majority of the other members of the
28 board. Only board members, not including alternates or designees, may
29 cast votes.

30 Each member of the board, except the secretary of transportation or
31 the secretary's designee, shall be:

32 (a) An elected official who serves on the legislative authority of
33 a city or as mayor of a city within the boundaries of the authority;

34 (b) On the legislative authority of the county, if fifty percent of
35 the population of the legislative official's district is within the
36 authority boundaries; or

37 (c) A county executive from a member county within the authority
38 boundaries.

1 When making appointments, each county executive shall ensure that
2 representation on the board includes an elected city official
3 representing the largest city in each county and assures proportional
4 representation from other cities, and representation from
5 unincorporated areas of each county within the service area. At least
6 one-half of all appointees from each county shall serve on the
7 governing authority of a public transportation system.

8 Members appointed from each county shall serve staggered four-year
9 terms. Vacancies shall be filled by appointment for the remainder of
10 the unexpired term of the position being vacated.

11 The governing board shall be reconstituted, with regard to the
12 number of representatives from each county, on a population basis,
13 using the official (~~office of financial management~~) economic,
14 revenue, and caseload forecast council population estimates, five years
15 after its initial formation and, at minimum, in the year following each
16 official federal census. The board membership may be reduced,
17 maintained, or expanded to reflect population changes but under no
18 circumstances may the board membership exceed twenty-five.

19 (2) Major decisions of the authority shall require a favorable vote
20 of two-thirds of the entire membership of the voting members. "Major
21 decisions" include at least the following: System plan adoption and
22 amendment; system phasing decisions; annual budget adoption;
23 authorization of annexations; modification of board composition; and
24 executive director employment.

25 (3) Each member of the board is eligible to be reimbursed for
26 travel expenses in accordance with RCW 43.03.050 and 43.03.060 and to
27 receive compensation as provided in RCW 43.03.250.

28 **Sec. 55.** RCW 82.14.210 and 1991 sp.s. c 13 s 16 are each amended
29 to read as follows:

30 There is created in the state treasury a special account to be
31 known as the "municipal sales and use tax equalization account." Into
32 this account shall be placed such revenues as are provided under RCW
33 82.44.110(1)(e). Funds in this account shall be allocated by the state
34 treasurer according to the following procedure:

35 (1) Prior to January 1st of each year the department of revenue
36 shall determine the total and the per capita levels of revenues for
37 each city and the state-wide weighted average per capita level of

1 revenues for all cities imposing the sales and use tax authorized under
2 RCW 82.14.030(1) for the previous calendar year.

3 (2) At such times as distributions are made under RCW 82.44.150,
4 the state treasurer shall apportion to each city not imposing the sales
5 and use tax under RCW 82.14.030(2) an amount from the municipal sales
6 and use tax equalization account equal to the amount distributed to the
7 city under RCW 82.44.155, multiplied by thirty-five sixty-fifths.

8 (3) Subsequent to the distributions under subsection (2) of this
9 section, and at such times as distributions are made under RCW
10 82.44.150, the state treasurer shall apportion to each city imposing
11 the sales and use tax under RCW 82.14.030(1) at the maximum rate and
12 receiving less than seventy percent of the state-wide weighted average
13 per capita level of revenues for all cities as determined by the
14 department of revenue under subsection (1) of this section, an amount
15 from the municipal sales and use tax equalization account sufficient,
16 when added to the per capita level of revenues received the previous
17 calendar year by the city, to equal seventy percent of the state-wide
18 weighted average per capita level of revenues for all cities determined
19 under subsection (1) of this section, subject to reduction under
20 subsection (6) of this section.

21 (4) Subsequent to the distributions under subsection (3) of this
22 section, and at such times as distributions are made under RCW
23 82.44.150, the state treasurer shall apportion to each city imposing
24 the sales and use tax under RCW 82.14.030(2) at the maximum rate and
25 receiving a distribution under subsection (3) of this section, a third
26 distribution from the municipal sales and use tax equalization account.
27 The distribution to each qualifying city shall be equal to the
28 distribution to the city under subsection (3) of this section, subject
29 to the reduction under subsection (6) of this section. To qualify for
30 the distributions under this subsection, the city must impose the tax
31 under RCW 82.14.030(2) for the entire calendar year. Cities imposing
32 the tax for less than the full year shall qualify for prorated
33 allocations under this subsection proportionate to the number of months
34 of the year during which the tax is imposed.

35 (5) For a city with an official incorporation date after January 1,
36 1990, municipal sales and use tax equalization distributions shall be
37 made according to the procedures in this subsection. Municipal sales
38 and use tax equalization distributions to eligible new cities shall be
39 made at the same time as distributions are made under subsections (3)

1 and (4) of this section. The department of revenue shall follow the
2 estimating procedures outlined in this subsection until the new city
3 has received a full year's worth of revenues under RCW 82.14.030(1) as
4 of the January municipal sales and use tax equalization distribution.

5 (a) Whether a newly incorporated city determined to receive funds
6 under this subsection receives its first equalization payment at the
7 January, April, July, or October municipal sales and use tax
8 equalization distribution shall depend on the date the city first
9 imposes the tax authorized under RCW 82.14.030(1).

10 (i) A newly incorporated city imposing the tax authorized under RCW
11 82.14.030(1) effective as of January 1st shall be eligible to receive
12 funds under this subsection beginning with the April municipal sales
13 and use tax equalization distribution of that year.

14 (ii) A newly incorporated city imposing the tax authorized under
15 RCW 82.14.030(1) effective as of February 1st, March 1st, or April 1st
16 shall be eligible to receive funds under this subsection beginning with
17 the July municipal sales and use tax equalization distribution of that
18 year.

19 (iii) A newly incorporated city imposing the tax authorized under
20 RCW 82.14.030(1) effective as of May 1st, June 1st, or July 1st shall
21 be eligible to receive funds under this subsection beginning with the
22 October municipal sales and use tax equalization distribution of that
23 year.

24 (iv) A newly incorporated city imposing the tax authorized under
25 RCW 82.14.030(1) effective as of August 1st, September 1st, or October
26 1st shall be eligible to receive funds under this subsection beginning
27 with the January municipal sales and use tax equalization distribution
28 of the next year.

29 (v) A newly incorporated city imposing the tax authorized under RCW
30 82.14.030(1) effective as of November 1st or December 1st shall be
31 eligible to receive funds under this subsection beginning with the
32 April municipal sales and use tax equalization distribution of the next
33 year.

34 (b) For purposes of calculating the amount of funds the new city
35 should receive under this subsection, the department of revenue shall:

36 (i) Estimate the per capita amount of revenues from the tax
37 authorized under RCW 82.14.030(1) that the new city would have received
38 had the city received revenues from the tax the entire calendar year;

1 (ii) Calculate the amount provided under subsection (3) of this
2 section based on the per capita revenues determined under (b)(i) of
3 this subsection;

4 (iii) Prorate the amount determined under (b)(ii) of this
5 subsection by the number of months the tax authorized under RCW
6 82.14.030(1) is imposed.

7 (c) A new city imposing the tax under RCW 82.14.030(2) at the
8 maximum rate and receiving a distribution calculated under (b) of this
9 subsection shall receive another distribution from the municipal sales
10 and use tax equalization account. This distribution shall be equal to
11 the calculation made under (b)(ii) of this subsection, prorated by the
12 number of months the city imposes the tax authorized under RCW
13 82.14.030(2) at the full rate.

14 (d) The department of revenue shall advise the state treasurer of
15 the amounts calculated under (b) and (c) of this subsection and the
16 state treasurer shall distribute these amounts to the new city from the
17 municipal sales and use tax equalization account subject to the
18 limitations imposed in subsection (6) of this section.

19 (e) Revenues estimated under this subsection shall not affect the
20 calculation of the state-wide weighted average per capita level of
21 revenues for all cities made under subsection (1) of this section.

22 (6) If inadequate revenues exist in the municipal sales and use tax
23 equalization account to make the distributions under subsection (3),
24 (4), or (5) of this section, then the distributions under subsections
25 (3), (4), and (5) of this section shall be reduced ratably among the
26 qualifying cities. At such time during the year as additional funds
27 accrue to the municipal sales and use tax equalization account,
28 additional distributions shall be made under subsections (3), (4), and
29 (5) of this section to the cities.

30 (7) If the level of revenues in the municipal sales and use tax
31 equalization account exceeds the amount necessary to make the
32 distributions under subsections (2) through (5) of this section, then
33 the additional revenues shall be apportioned among the several cities
34 within the state ratably on the basis of population as last determined
35 by the (~~office of financial management: PROVIDED, That~~) economic,
36 revenue, and caseload forecast council. However, no such distribution
37 shall be made to those cities receiving a distribution under subsection
38 (2) of this section.

1 **Sec. 56.** RCW 82.14.310 and 1995 c 398 s 11 are each amended to
2 read as follows:

3 (1) The county criminal justice assistance account is created in
4 the state treasury.

5 (2) The moneys deposited in the county criminal justice assistance
6 account for distribution under this section, less any moneys
7 appropriated for purposes under RCW 82.44.110, shall be distributed at
8 such times as distributions are made under RCW 82.44.150 and on the
9 relative basis of each county's funding factor as determined under this
10 subsection.

11 (a) A county's funding factor is the sum of:

12 (i) The population of the county, divided by one thousand, and
13 multiplied by two-tenths;

14 (ii) The crime rate of the county, multiplied by three-tenths; and

15 (iii) The annual number of criminal cases filed in the county
16 superior court, for each one thousand in population, multiplied by
17 five-tenths.

18 (b) Under this section and RCW 82.14.320 and 82.14.330:

19 (i) The population of the county or city shall be as last
20 determined by the (~~office of financial management~~) economic, revenue,
21 and caseload forecast council;

22 (ii) The crime rate of the county or city is the annual occurrence
23 of specified criminal offenses, as calculated in the most recent annual
24 report on crime in Washington state as published by the Washington
25 association of sheriffs and police chiefs, for each one thousand in
26 population;

27 (iii) The annual number of criminal cases filed in the county
28 superior court shall be determined by the most recent annual report of
29 the courts of Washington, as published by the office of the
30 administrator for the courts;

31 (iv) Distributions and eligibility for distributions in the 1989-91
32 biennium shall be based on 1988 figures for both the crime rate as
33 described under (ii) of this subsection and the annual number of
34 criminal cases that are filed as described under (iii) of this
35 subsection. Future distributions shall be based on the most recent
36 figures for both the crime rate as described under (ii) of this
37 subsection and the annual number of criminal cases that are filed as
38 described under (iii) of this subsection.

1 (3) Moneys distributed under this section shall be expended
2 exclusively for criminal justice purposes and shall not be used to
3 replace or supplant existing funding. Criminal justice purposes are
4 defined as activities that substantially assist the criminal justice
5 system, which may include circumstances where ancillary benefit to the
6 civil justice system occurs, and which includes domestic violence
7 services such as those provided by domestic violence programs,
8 community advocates, and legal advocates, as defined in RCW 70.123.020.
9 Existing funding for purposes of this subsection is defined as calendar
10 year 1989 actual operating expenditures for criminal justice purposes.
11 Calendar year 1989 actual operating expenditures for criminal justice
12 purposes exclude the following: Expenditures for extraordinary events
13 not likely to reoccur, changes in contract provisions for criminal
14 justice services, beyond the control of the local jurisdiction
15 receiving the services, and major nonrecurring capital expenditures.

16 **Sec. 57.** RCW 82.14.320 and 1995 c 398 s 12 and 1995 c 312 s 84 are
17 each reenacted and amended to read as follows:

18 (1) The municipal criminal justice assistance account is created in
19 the state treasury.

20 (2) No city may receive a distribution under this section from the
21 municipal criminal justice assistance account unless:

22 (a) The city has a crime rate in excess of one hundred twenty-five
23 percent of the state-wide average as calculated in the most recent
24 annual report on crime in Washington state as published by the
25 Washington association of sheriffs and police chiefs;

26 (b) The city has levied the tax authorized in RCW 82.14.030(2) at
27 the maximum rate or the tax authorized in RCW 82.46.010(3) at the
28 maximum rate; and

29 (c) The city has a per capita yield from the tax imposed under RCW
30 82.14.030(1) at the maximum rate of less than one hundred fifty percent
31 of the state-wide average per capita yield for all cities from such
32 local sales and use tax.

33 (3) The moneys deposited in the municipal criminal justice
34 assistance account for distribution under this section, less any moneys
35 appropriated for purposes under RCW 82.44.110, shall be distributed at
36 such times as distributions are made under RCW 82.44.150. The
37 distributions shall be made as follows:

1 (a) Unless reduced by this subsection, thirty percent of the moneys
2 shall be distributed ratably based on population as last determined by
3 the (~~office of financial management~~) economic, revenue, and caseload
4 forecast council to those cities eligible under subsection (2) of this
5 section that have a crime rate determined under subsection (2)(a) of
6 this section which is greater than one hundred seventy-five percent of
7 the state-wide average crime rate. No city may receive more than fifty
8 percent of any moneys distributed under this subsection (a) but, if a
9 city distribution is reduced as a result of exceeding the fifty percent
10 limitation, the amount not distributed shall be distributed under (b)
11 of this subsection.

12 (b) The remainder of the moneys, including any moneys not
13 distributed in subsection (2)(a) of this section, shall be distributed
14 to all cities eligible under subsection (2) of this section ratably
15 based on population as last determined by the (~~office of financial~~
16 ~~management~~) economic, revenue, and caseload forecast council.

17 (4) No city may receive more than thirty percent of all moneys
18 distributed under subsection (3) of this section.

19 (5) Notwithstanding other provisions of this section, the
20 distributions to any city that substantially decriminalizes or repeals
21 its criminal code after July 1, 1990, and that does not reimburse the
22 county for costs associated with criminal cases under RCW 3.50.800 or
23 3.50.805(2), shall be made to the county in which the city is located.

24 (6) Moneys distributed under this section shall be expended
25 exclusively for criminal justice purposes and shall not be used to
26 replace or supplant existing funding. Criminal justice purposes are
27 defined as activities that substantially assist the criminal justice
28 system, which may include circumstances where ancillary benefit to the
29 civil justice system occurs, and which includes domestic violence
30 services such as those provided by domestic violence programs,
31 community advocates, and legal advocates, as defined in RCW 70.123.020,
32 and publications and public educational efforts designed to provide
33 information and assistance to parents in dealing with runaway or at-
34 risk youth. Existing funding for purposes of this subsection is
35 defined as calendar year 1989 actual operating expenditures for
36 criminal justice purposes. Calendar year 1989 actual operating
37 expenditures for criminal justice purposes exclude the following:
38 Expenditures for extraordinary events not likely to reoccur, changes in
39 contract provisions for criminal justice services, beyond the control

1 of the local jurisdiction receiving the services, and major
2 nonrecurring capital expenditures.

3 **Sec. 58.** RCW 82.14.330 and 1995 c 398 s 13 are each amended to
4 read as follows:

5 (1) The moneys deposited in the municipal criminal justice
6 assistance account for distribution under this section, less any moneys
7 appropriated for purposes under RCW 82.44.110, shall be distributed to
8 the cities of the state as follows:

9 (a) Twenty percent appropriated for distribution shall be
10 distributed to cities with a three-year average violent crime rate for
11 each one thousand in population in excess of one hundred fifty percent
12 of the state-wide three-year average violent crime rate for each one
13 thousand in population. The three-year average violent crime rate
14 shall be calculated using the violent crime rates for each of the
15 preceding three years from the annual reports on crime in Washington
16 state as published by the Washington association of sheriffs and police
17 chiefs. Moneys shall be distributed under this subsection (1)(a)
18 ratably based on population as last determined by the (~~office of~~
19 ~~financial management~~) economic, revenue, and caseload forecast
20 council, but no city may receive more than one dollar per capita.
21 Moneys remaining undistributed under this subsection at the end of each
22 calendar year shall be distributed to the criminal justice training
23 commission to reimburse participating city law enforcement agencies
24 with ten or fewer full-time commissioned patrol officers the cost of
25 temporary replacement of each officer who is enrolled in basic law
26 enforcement training, as provided in RCW 43.101.200.

27 (b) Sixteen percent shall be distributed to cities ratably based on
28 population as last determined by the (~~office of financial management~~)
29 economic, revenue, and caseload forecast council, but no city may
30 receive less than one thousand dollars.

31 The moneys deposited in the municipal criminal justice assistance
32 account for distribution under this subsection shall be distributed at
33 such times as distributions are made under RCW 82.44.150.

34 Moneys distributed under this subsection shall be expended
35 exclusively for criminal justice purposes and shall not be used to
36 replace or supplant existing funding. Criminal justice purposes are
37 defined as activities that substantially assist the criminal justice
38 system, which may include circumstances where ancillary benefit to the

1 civil justice system occurs, and which includes domestic violence
2 services such as those provided by domestic violence programs,
3 community advocates, and legal advocates, as defined in RCW 70.123.020.
4 Existing funding for purposes of this subsection is defined as calendar
5 year 1989 actual operating expenditures for criminal justice purposes.
6 Calendar year 1989 actual operating expenditures for criminal justice
7 purposes exclude the following: Expenditures for extraordinary events
8 not likely to reoccur, changes in contract provisions for criminal
9 justice services, beyond the control of the local jurisdiction
10 receiving the services, and major nonrecurring capital expenditures.

11 (2) In addition to the distributions under subsection (1) of this
12 section:

13 (a) Fourteen percent shall be distributed to cities that have
14 initiated innovative law enforcement strategies, including alternative
15 sentencing and crime prevention programs. No city may receive more
16 than one dollar per capita under this subsection (2)(a).

17 (b) Twenty percent shall be distributed to cities that have
18 initiated programs to help at-risk children or child abuse victim
19 response programs. No city may receive more than fifty cents per
20 capita under this subsection (2)(b).

21 (c) Twenty percent shall be distributed to cities that have
22 initiated programs designed to reduce the level of domestic violence
23 within their jurisdictions or to provide counseling for domestic
24 violence victims. No city may receive more than fifty cents per capita
25 under this subsection (2)(c).

26 (d) Ten percent shall be distributed to cities that contract with
27 another governmental agency for a majority of the city's law
28 enforcement services.

29 Moneys distributed under this subsection shall be distributed to
30 those cities that submit funding requests under this subsection to the
31 department of community, trade, and economic development based on
32 criteria developed under RCW 82.14.335. Allocation of funds shall be
33 in proportion to the population of qualified jurisdictions, but the
34 distribution to a city shall not exceed the amount of funds requested.
35 Cities shall submit requests for program funding to the department of
36 community, trade, and economic development by November 1 of each year
37 for funding the following year. The department shall certify to the
38 state treasurer the cities eligible for funding under this subsection
39 and the amount of each allocation.

1 The moneys deposited in the municipal criminal justice assistance
2 account for distribution under this subsection, less any moneys
3 appropriated for purposes under RCW 82.44.110, shall be distributed at
4 the times as distributions are made under RCW 82.44.150. Moneys
5 remaining undistributed under this subsection at the end of each
6 calendar year shall be distributed to the criminal justice training
7 commission to reimburse participating city law enforcement agencies
8 with ten or fewer full-time commissioned patrol officers the cost of
9 temporary replacement of each officer who is enrolled in basic law
10 enforcement training, as provided in RCW 43.101.200.

11 If a city is found by the state auditor to have expended funds
12 received under this subsection in a manner that does not comply with
13 the criteria under which the moneys were received, the city shall be
14 ineligible to receive future distributions under this subsection until
15 the use of the moneys are justified to the satisfaction of the director
16 or are repaid to the state general fund. The director may allow
17 noncomplying use of moneys received under this subsection upon a
18 showing of hardship or other emergent need.

19 (3) Notwithstanding other provisions of this section, the
20 distributions to any city that substantially decriminalizes or repeals
21 its criminal code after July 1, 1990, and that does not reimburse the
22 county for costs associated with criminal cases under RCW 3.50.800 or
23 3.50.805(2), shall be made to the county in which the city is located.

24 **Sec. 59.** RCW 82.14.340 and 1995 c 309 s 1 are each amended to read
25 as follows:

26 The legislative authority of any county may fix and impose a sales
27 and use tax in accordance with the terms of this chapter, provided that
28 such sales and use tax is subject to repeal by referendum, using the
29 procedures provided in RCW 82.14.036. The referendum procedure
30 provided in RCW 82.14.036 is the exclusive method for subjecting any
31 county sales and use tax ordinance or resolution to a referendum vote.

32 The tax authorized in this section shall be in addition to any
33 other taxes authorized by law and shall be collected from those persons
34 who are taxable by the state pursuant to chapters 82.08 and 82.12 RCW
35 upon the occurrence of any taxable event within such county. The rate
36 of tax shall equal one-tenth of one percent of the selling price (in
37 the case of a sales tax) or value of the article used (in the case of
38 a use tax).

1 When distributing moneys collected under this section, the state
2 treasurer shall distribute ten percent of the moneys to the county in
3 which the tax was collected. The remainder of the moneys collected
4 under this section shall be distributed to the county and the cities
5 within the county ratably based on population as last determined by the
6 (~~office of financial management~~) economic, revenue, and caseload
7 forecast council. In making the distribution based on population, the
8 county shall receive that proportion that the unincorporated population
9 of the county bears to the total population of the county and each city
10 shall receive that proportion that the city incorporated population
11 bears to the total county population.

12 Moneys received from any tax imposed under this section shall be
13 expended exclusively for criminal justice purposes and shall not be
14 used to replace or supplant existing funding. Criminal justice
15 purposes are defined as activities that substantially assist the
16 criminal justice system, which may include circumstances where
17 ancillary benefit to the civil justice system occurs, and which
18 includes domestic violence services such as those provided by domestic
19 violence programs, community advocates, and legal advocates, as defined
20 in RCW 70.123.020. Existing funding for purposes of this subsection is
21 defined as calendar year 1989 actual operating expenditures for
22 criminal justice purposes. Calendar year 1989 actual operating
23 expenditures for criminal justice purposes exclude the following:
24 Expenditures for extraordinary events not likely to reoccur, changes in
25 contract provisions for criminal justice services, beyond the control
26 of the local jurisdiction receiving the services, and major
27 nonrecurring capital expenditures.

28 In the expenditure of funds for criminal justice purposes as
29 provided in this section, cities and counties, or any combination
30 thereof, are expressly authorized to participate in agreements,
31 pursuant to chapter 39.34 RCW, to jointly expend funds for criminal
32 justice purposes of mutual benefit. Such criminal justice purposes of
33 mutual benefit include, but are not limited to, the construction,
34 improvement, and expansion of jails, court facilities, and juvenile
35 justice facilities.

36 **Sec. 60.** RCW 82.44.150 and 1995 2nd sp.s. c 14 s 538 are each
37 amended to read as follows:

1 (1) The director of licensing shall, on the twenty-fifth day of
2 February, May, August, and November of each year, advise the state
3 treasurer of the total amount of motor vehicle excise taxes imposed by
4 RCW 82.44.020 (1) and (2) remitted to the department during the
5 preceding calendar quarter ending on the last day of March, June,
6 September, and December, respectively, except for those payable under
7 RCW 82.44.030, from motor vehicle owners residing within each
8 municipality which has levied a tax under RCW 35.58.273, which amount
9 of excise taxes shall be determined by the director as follows:

10 The total amount of motor vehicle excise taxes remitted to the
11 department, except those payable under RCW 82.44.020(3) and 82.44.030,
12 from each county shall be multiplied by a fraction, the numerator of
13 which is the population of the municipality residing in such county,
14 and the denominator of which is the total population of the county in
15 which such municipality or portion thereof is located. The product of
16 this computation shall be the amount of excise taxes from motor vehicle
17 owners residing within such municipality or portion thereof. Where the
18 municipality levying a tax under RCW 35.58.273 is located in more than
19 one county, the above computation shall be made by county, and the
20 combined products shall provide the total amount of motor vehicle
21 excise taxes from motor vehicle owners residing in the municipality as
22 a whole. Population figures required for these computations shall be
23 supplied to the director by the (~~office of financial management~~)
24 economic, revenue, and caseload forecast council, who shall adjust the
25 fraction annually.

26 (2) On the first day of the months of January, April, July, and
27 October of each year, the state treasurer based upon information
28 provided by the department shall, from motor vehicle excise taxes
29 deposited in the general fund, under RCW 82.44.110(1)(g), make the
30 following deposits:

31 (a) To the high capacity transportation account created in RCW
32 47.78.010, a sum equal to four and five-tenths percent of the special
33 excise tax levied under RCW 35.58.273 by those municipalities
34 authorized to levy a special excise tax within each county that has a
35 population of one hundred seventy-five thousand or more and has an
36 interstate highway within its borders; except that in a case of a
37 municipality located in a county that has a population of one hundred
38 seventy-five thousand or more that does not have an interstate highway

1 located within its borders, that sum shall be deposited in the
2 passenger ferry account;

3 (b) To the central Puget Sound public transportation account
4 created in RCW 82.44.180, for revenues distributed after December 31,
5 1992, within a county with a population of one million or more and a
6 county with a population of from two hundred thousand to less than one
7 million bordering a county with a population of one million or more, a
8 sum equal to the difference between (i) the special excise tax levied
9 and collected under RCW 35.58.273 by those municipalities authorized to
10 levy and collect a special excise tax subject to the requirements of
11 subsections (3) and (4) of this section and (ii) the special excise tax
12 that the municipality would otherwise have been eligible to levy and
13 collect at a tax rate of .815 percent and been able to match with
14 locally generated tax revenues, other than the excise tax imposed under
15 RCW 35.58.273, budgeted for any public transportation purpose. Before
16 this deposit, the sum shall be reduced by an amount equal to the amount
17 distributed under (a) of this subsection for each of the municipalities
18 within the counties to which this subsection (2)(b) applies; however,
19 any transfer under this subsection (2)(b) must be greater than zero;

20 (c) To the public transportation systems account created in RCW
21 82.44.180, for revenues distributed after December 31, 1992, within
22 counties not described in (b) of this subsection, a sum equal to the
23 difference between (i) the special excise tax levied and collected
24 under RCW 35.58.273 by those municipalities authorized to levy and
25 collect a special excise tax subject to the requirements of subsections
26 (3) and (4) of this section and (ii) the special excise tax that the
27 municipality would otherwise have been eligible to levy and collect at
28 a tax rate of .815 percent and been able to match with locally
29 generated tax revenues, other than the excise tax imposed under RCW
30 35.58.273, budgeted for any public transportation purpose. Before this
31 deposit, the sum shall be reduced by an amount equal to the amount
32 distributed under (a) of this subsection for each of the municipalities
33 within the counties to which this subsection (2)(c) applies; however,
34 any transfer under this subsection (2)(c) must be greater than zero;
35 and

36 (d) To the general fund, for revenues distributed after June 30,
37 1993, and to the transportation fund, for revenues distributed after
38 June 30, 1995, a sum equal to the difference between (i) the special
39 excise tax levied and collected under RCW 35.58.273 by those

1 municipalities authorized to levy and collect a special excise tax
2 subject to the requirements of subsections (3) and (4) of this section
3 and (ii) the special excise tax that the municipality would otherwise
4 have been eligible to levy and collect at a tax rate of .815 percent
5 notwithstanding the requirements set forth in subsections (3) through
6 (6) of this section, reduced by an amount equal to distributions made
7 under (a), (b), and (c) of this subsection and RCW 82.14.046.

8 (3) On the first day of the months of January, April, July, and
9 October of each year, the state treasurer, based upon information
10 provided by the department, shall remit motor vehicle excise tax
11 revenues imposed and collected under RCW 35.58.273 as follows:

12 (a) The amount required to be remitted by the state treasurer to
13 the treasurer of any municipality levying the tax shall not exceed in
14 any calendar year the amount of locally-generated tax revenues,
15 excluding (i) the excise tax imposed under RCW 35.58.273 for the
16 purposes of this section, which shall have been budgeted by the
17 municipality to be collected in such calendar year for any public
18 transportation purposes including but not limited to operating costs,
19 capital costs, and debt service on general obligation or revenue bonds
20 issued for these purposes; and (ii) the sales and use tax equalization
21 distributions provided under RCW 82.14.046; and

22 (b) In no event may the amount remitted in a single calendar
23 quarter exceed the amount collected on behalf of the municipality under
24 RCW 35.58.273 during the calendar quarter next preceding the
25 immediately preceding quarter, excluding the sales and use tax
26 equalization distributions provided under RCW 82.14.046.

27 (4) At the close of each calendar year accounting period, but not
28 later than April 1, each municipality that has received motor vehicle
29 excise taxes under subsection (3) of this section shall transmit to the
30 director of licensing and the state auditor a written report showing by
31 source the previous year's budgeted tax revenues for public
32 transportation purposes as compared to actual collections. Any
33 municipality that has not submitted the report by April 1 shall cease
34 to be eligible to receive motor vehicle excise taxes under subsection
35 (3) of this section until the report is received by the director of
36 licensing. If a municipality has received more or less money under
37 subsection (3) of this section for the period covered by the report
38 than it is entitled to receive by reason of its locally-generated
39 collected tax revenues, the director of licensing shall, during the

1 next ensuing quarter that the municipality is eligible to receive motor
2 vehicle excise tax funds, increase or decrease the amount to be
3 remitted in an amount equal to the difference between the locally-
4 generated budgeted tax revenues and the locally-generated collected tax
5 revenues. In no event may the amount remitted for a calendar year
6 exceed the amount collected on behalf of the municipality under RCW
7 35.58.273 during that same calendar year excluding the sales and use
8 tax equalization distributions provided under RCW 82.14.046. At the
9 time of the next fiscal audit of each municipality, the state auditor
10 shall verify the accuracy of the report submitted and notify the
11 director of licensing of any discrepancies.

12 (5) The motor vehicle excise taxes imposed under RCW 35.58.273 and
13 required to be remitted under this section and RCW 82.14.046 shall be
14 remitted without legislative appropriation.

15 (6) Any municipality levying and collecting a tax under RCW
16 35.58.273 which does not have an operating, public transit system or a
17 contract for public transportation services in effect within one year
18 from the initial effective date of the tax shall return to the state
19 treasurer all motor vehicle excise taxes received under subsection (3)
20 of this section.

21 **Sec. 61.** RCW 82.44.155 and 1993 c 492 s 254 are each amended to
22 read as follows:

23 When distributions are made under RCW 82.44.150, the state
24 treasurer shall apportion and distribute the motor vehicle excise taxes
25 deposited into the general fund under RCW 82.44.110(1)(d) to the cities
26 and towns ratably on the basis of population as last determined by the
27 (~~office of financial management~~) economic, revenue, and caseload
28 forecast council. When so apportioned, the amount payable to each such
29 city and town shall be transmitted to the city treasurer thereof, and
30 shall be used by the city or town for the purposes of police and fire
31 protection in the city or town, and not otherwise. If it is adjudged
32 that revenue derived from the excise taxes imposed by RCW 82.44.020 (1)
33 and (2) cannot lawfully be apportioned or distributed to cities or
34 towns, all moneys directed by this section to be apportioned and
35 distributed to cities and towns shall be credited and transferred to
36 the state general fund.

1 **Sec. 62.** RCW 82.80.080 and 1990 c 42 s 213 are each amended to
2 read as follows:

3 The state treasurer shall distribute revenues, less authorized
4 deductions, generated by the local option taxes authorized in RCW
5 82.80.010 and 82.80.020, levied by counties to the levying counties,
6 and cities contained in those counties, based on the relative per
7 capita population. County population for purposes of this section is
8 equal to one and one-half of the unincorporated population of the
9 county. In calculating the distributions, the state treasurer shall
10 use the population estimates prepared by the (~~state office of~~
11 ~~financial management~~) economic, revenue, and caseload forecast council
12 and shall further calculate the distribution based on information
13 supplied by the departments of licensing and revenue, as appropriate.

14 NEW SECTION. **Sec. 63.** This act shall take effect July 1, 1996.

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