

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1089

55th Legislature
1997 Regular Session

Passed by the House March 10, 1997
Yeas 95 Nays 0

**Speaker of the
House of Representatives**

Passed by the Senate April 7, 1997
Yeas 47 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1089** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1089

Passed Legislature - 1997 Regular Session

State of Washington

55th Legislature

1997 Regular Session

By House Committee on Children & Family Services (originally sponsored by Representatives Cooke, Tokuda, Radcliff, Backlund, Boldt, Mason and Cairnes)

Read first time 02/11/97.

1 AN ACT Relating to correcting nomenclature for the former aid to
2 families with dependent children program; amending RCW 6.26.060,
3 6.27.140, 10.101.010, 26.19.071, 26.19.075, 43.20B.310, 46.16.028,
4 46.20.021, 70.123.110, 74.04.770, 74.08.080, 74.08.335, 74.09.510,
5 74.09.522, 74.12.010, 74.12.030, 74.12.035, 74.12.036, 74.12.250,
6 74.12.260, 74.12.280, 74.12.361, 74.12.400, 74.12.410, 74.12.420,
7 74.12.425, 74.12.900, 74.25.010, 74.25.040, 74.25A.045, and 74.25A.050;
8 and reenacting and amending RCW 74.04.005.

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

10 **Sec. 1.** RCW 6.26.060 and 1988 c 231 s 20 are each amended to read
11 as follows:

12 (1) When application is made for a prejudgment writ of garnishment,
13 the court shall issue the writ in substantially the form prescribed in
14 RCW 6.27.070 and 6.27.100 directing that the garnishee withhold an
15 amount as prescribed in RCW 6.27.090, but, except as provided in
16 subsection (2) of this section, the court shall issue the writ only
17 after prior notice to the defendant, given in the manner prescribed in
18 subsections (4) and (5) of this section, with an opportunity for a
19 prior hearing at which the plaintiff shall establish the probable

1 validity of the plaintiff's claim and that there is probable cause to
2 believe that the alleged ground for garnishment exists.

3 (2) Subject to subsection (3) of this section, the court shall
4 issue the writ without prior notice to the defendant and without an
5 opportunity for a prior hearing only if:

6 (a) A ground alleged in the plaintiff's affidavit is: (i) A ground
7 appearing in RCW 6.26.010(2)(c) if the writ is to be directed to an
8 employer for the purpose of garnishing the defendant's earnings; or
9 (ii) a ground appearing in RCW 6.25.030 (5) through (7) or in RCW
10 6.25.040(1) of the attachment chapter; or (iii) if garnishment is
11 necessary to permit the court to acquire jurisdiction over the action,
12 the ground alleged is one appearing in RCW 6.25.030 (1) through (4) or
13 in RCW 6.26.010(2)(a) or (b); and

14 (b) The court finds on the basis of specific facts, after an ex
15 parte hearing, that there is probable cause to believe the allegations
16 of the plaintiff's affidavit.

17 (3) If a writ is issued under subsection (2) of this section
18 without prior notice to the defendant, after service of the writ on the
19 garnishee, the defendant shall be entitled to prompt notice of the
20 garnishment and a right to an early hearing, if requested, at which the
21 plaintiff shall establish the probable validity of the claim sued on
22 and that there is probable cause to believe that the alleged ground for
23 garnishment exists.

24 (4) When notice and a hearing are required under this section,
25 notice may be given by a show cause order stating the date, time, and
26 place of the hearing. Notice required under this section shall be
27 jurisdictional and, except as provided for published notice in
28 subsection (5) of this section, notice required under this section
29 shall be served in the same manner as a summons in a civil action and
30 shall be served together with (a) a copy of plaintiff's affidavit and
31 a copy of the writ if already issued, and (b) a copy of the following
32 "Notice of Right to a Hearing" in substantially the following form or,
33 if defendant is an individual, a copy of the claim form and the "Notice
34 of Garnishment and of Your Rights" prescribed by RCW 6.27.140, in which
35 the following notice is substituted for the first paragraph of said
36 Notice:

1 NOTICE OF RIGHT TO HEARING

2 A writ of garnishment has been or will be issued by a
3 Washington court and has been or will be served on the
4 garnishee defendant. It will require the garnishee defendant
5 to withhold payment of money that may be due to you and to
6 withhold other property of yours that the garnishee may hold or
7 control until a lawsuit in which you are a defendant has been
8 decided by the court. Service of this notice of your rights is
9 required by law.

10 YOU HAVE A RIGHT TO A PROMPT HEARING. If notice of a hearing
11 date and time is not served with this notice, you have the
12 right to request the hearing. At the hearing, the plaintiff
13 must give evidence that there is probable cause to believe that
14 the statements in the enclosed affidavit are true and also that
15 the claim stated in the lawsuit is probably valid, or else the
16 garnishment will be released.

17 (5) If service of notice on the defendant must be effected by
18 publication, only the following notice need be published under the
19 caption of the case:

20 To, Defendant:

21 A writ of prejudgment garnishment has been issued in the above
22 captioned case, directed to as Garnishee Defendant,
23 commanding the Garnishee to withhold amounts due you or to
24 withhold any of your property in the Garnishee's possession or
25 control for application to any judgment that may be entered for
26 plaintiff in the case.

27 YOU HAVE A RIGHT TO ASK FOR A HEARING. At the hearing, the
28 plaintiff must give evidence that there is probable cause to
29 believe that the ground for garnishment alleged in an affidavit
30 filed with the court exists and also that the claim stated in
31 the lawsuit is probably valid, or else the garnishment will be
32 released.

1 If the defendant is an individual, the following paragraph shall be
2 added to the published notice:

3 YOU MAY ALSO HAVE A RIGHT TO HAVE THE GARNISHMENT RELEASED if
4 amounts or property withheld are exempt under federal or state
5 statutes, for example, bank accounts in which benefits such as
6 (~~Aid to Families with Dependent Children (AFDC)~~) Temporary
7 Assistance for Needy Families, Supplemental Security Income
8 (SSI), Social Security, United States pension, Unemployment
9 Compensation, or Veterans' benefits have been deposited or
10 certain personal property described in section 6.15.010 of the
11 Revised Code of Washington.

12 **Sec. 2.** RCW 6.27.140 and 1987 c 442 s 1014 are each amended to
13 read as follows:

14 (1) The notice required by RCW 6.27.130(1) to be mailed to or
15 served on an individual judgment debtor shall be in the following form,
16 printed or typed in type no smaller than elite type:

17 NOTICE OF GARNISHMENT
18 AND OF YOUR RIGHTS

19 A Writ of Garnishment issued by a Washington court has been or
20 will be served on the garnishee named in the attached copy of
21 the writ. After receipt of the writ, the garnishee is required
22 to withhold payment of any money that was due to you and to
23 withhold any other property of yours that the garnishee held or
24 controlled. This notice of your rights is required by law.

25 YOU HAVE THE FOLLOWING EXEMPTION RIGHTS:

26 WAGES. If the garnishee is your employer who owes wages or
27 other personal earnings to you, your employer is required to
28 pay amounts to you that are exempt under state and federal
29 laws, as explained in the writ of garnishment. You should
30 receive a copy of your employer's answer, which will show how
31 the exempt amount was calculated. If the garnishment is for
32 child support, the exempt amount paid to you will be forty
33 percent of wages due you, but if you are supporting a spouse or
34 dependent child, you are entitled to claim an additional ten
35 percent as exempt.

1 BANK ACCOUNTS. If the garnishee is a bank or other institution
2 with which you have an account in which you have deposited
3 benefits such as (~~Aid to Families with Dependent Children~~
4 (~~AFDC~~)) Temporary Assistance for Needy Families, Supplemental
5 Security Income (SSI), Social Security, veterans' benefits,
6 unemployment compensation, or a United States pension, you may
7 claim the account as fully exempt if you have deposited only
8 such benefit funds in the account. It may be partially exempt
9 even though you have deposited money from other sources in the
10 same account. An exemption is also available under RCW
11 26.16.200, providing that funds in a community bank account
12 that can be identified as the earnings of a stepparent are
13 exempt from a garnishment on the child support obligation of
14 the parent.

15 OTHER EXEMPTIONS. If the garnishee holds other property of
16 yours, some or all of it may be exempt under RCW 6.15.010, a
17 Washington statute that exempts up to five hundred dollars of
18 property of your choice (including up to one hundred dollars in
19 cash or in a bank account) and certain property such as
20 household furnishings, tools of trade, and a motor vehicle (all
21 limited by differing dollar values).

22 HOW TO CLAIM EXEMPTIONS. Fill out the enclosed claim form and
23 mail or deliver it as described in instructions on the claim
24 form. If the plaintiff does not object to your claim, the
25 funds or other property that you have claimed as exempt must be
26 released not later than 10 days after the plaintiff receives
27 your claim form. If the plaintiff objects, the law requires a
28 hearing not later than 14 days after the plaintiff receives
29 your claim form, and notice of the objection and hearing date
30 will be mailed to you at the address that you put on the claim
31 form.

32 THE LAW ALSO PROVIDES OTHER EXEMPTION RIGHTS. IF NECESSARY, AN
33 ATTORNEY CAN ASSIST YOU TO ASSERT THESE AND OTHER RIGHTS, BUT
34 YOU MUST ACT IMMEDIATELY TO AVOID LOSS OF RIGHTS BY DELAY.

35 (2) The claim form required by RCW 6.27.130(1) to be mailed to or
36 served on an individual judgment debtor shall be in the following form,
37 printed or typed in type no smaller than elite type:

1 [Caption to be filled in by judgment creditor
2 or plaintiff before mailing.]

3

4 Name of Court

5 No.

6 Plaintiff,

7 vs.

8 EXEMPTION CLAIM

9 Defendant,

10

11 Garnishee Defendant

12 INSTRUCTIONS:

- 13 1. Read this whole form after reading the enclosed notice. Then put
- 14 an X in the box or boxes that describe your exemption claim or
- 15 claims and write in the necessary information on the blank lines.
- 16 2. Make two copies of the completed form. Deliver the original form
- 17 by first class mail or in person to the clerk of the court, whose
- 18 address is shown at the bottom of the writ of garnishment. Deliver
- 19 one of the copies by first class mail or in person to the plaintiff
- 20 or plaintiff's attorney, whose name and address are shown at the
- 21 bottom of the writ. Keep the other copy. YOU SHOULD DO THIS AS
- 22 QUICKLY AS POSSIBLE, BUT NO LATER THAN 28 DAYS (4 WEEKS) AFTER THE
- 23 DATE ON THE WRIT.

24 I/We claim the following money or property as exempt:

25 IF BANK ACCOUNT IS GARNISHED:

26 [] The account contains payments from:

- 27 [] ((AFDC)) Temporary assistance for needy families, SSI, or
- 28 other public assistance. I receive \$. monthly.
- 29 [] Social Security. I receive \$. monthly.
- 30 [] Veterans' Benefits. I receive \$. monthly.
- 31 [] U.S. Government Pension. I receive \$. monthly.
- 32 [] Unemployment Compensation. I receive \$. monthly.
- 33 [] Child support. I receive \$. monthly.

1 [] Other. Explain
2

3 IF EXEMPTION IN BANK ACCOUNT IS CLAIMED, ANSWER ONE OR BOTH OF THE
4 FOLLOWING:

- 5 [] No money other than from above payments are in the account.
6 [] Moneys in addition to the above payments have been deposited
7 in the account. Explain
8
9

10 IF EARNINGS ARE GARNISHED FOR CHILD SUPPORT:

- 11 [] I claim maximum exemption.
12 [] I am supporting another child or other children.
13 [] I am supporting a husband or a wife.

14 IF PENSION OR RETIREMENT BENEFITS ARE GARNISHED:

15 [] Name and address of employer who is paying the benefits: .
16

17 OTHER PROPERTY:

18 [] Describe property
19
20 (If you claim other personal property as exempt, you must attach a
21 list of all other personal property that you own.)

22

23 Print: Your name If married,
24 name of husband/wife
25

26

27 Your signature Signature of husband
28 or wife
29

30

31

32 Address Address
33 (if different from yours)
34

1
2 Telephone number Telephone number
3
4 (if different from yours)

5 CAUTION: If the plaintiff objects to your claim, you will have to go
6 to court and give proof of your claim. For example, if you claim that
7 a bank account is exempt, you may have to show the judge your bank
8 statements and papers that show the source of the money you deposited
9 in the bank. Your claim may be granted more quickly if you attach
10 copies of such proof to your claim.

11 IF THE JUDGE DENIES YOUR EXEMPTION CLAIM, YOU WILL HAVE TO PAY THE
12 PLAINTIFF'S COSTS. IF THE JUDGE DECIDES THAT YOU DID NOT MAKE THE
13 CLAIM IN GOOD FAITH, HE OR SHE MAY DECIDE THAT YOU MUST PAY THE
14 PLAINTIFF'S ATTORNEY FEES.

15 **Sec. 3.** RCW 10.101.010 and 1989 c 409 s 2 are each amended to read
16 as follows:

17 The following definitions shall be applied in connection with this
18 chapter:

19 (1) "Indigent" means a person who, at any stage of a court
20 proceeding, is:

21 (a) Receiving one of the following types of public assistance:
22 (~~Aid to families with dependent children~~) Temporary assistance for
23 needy families, general assistance, poverty-related veterans' benefits,
24 food stamps, refugee resettlement benefits, medicaid, or supplemental
25 security income; or

26 (b) Involuntarily committed to a public mental health facility; or

27 (c) Receiving an annual income, after taxes, of one hundred twenty-
28 five percent or less of the current federally established poverty
29 level; or

30 (d) Unable to pay the anticipated cost of counsel for the matter
31 before the court because his or her available funds are insufficient to
32 pay any amount for the retention of counsel.

33 (2) "Indigent and able to contribute" means a person who, at any
34 stage of a court proceeding, is unable to pay the anticipated cost of
35 counsel for the matter before the court because his or her available
36 funds are less than the anticipated cost of counsel but sufficient for
37 the person to pay a portion of that cost.

1 (3) "Anticipated cost of counsel" means the cost of retaining
2 private counsel for representation on the matter before the court.

3 (4) "Available funds" means liquid assets and disposable net
4 monthly income calculated after provision is made for bail obligations.
5 For the purpose of determining available funds, the following
6 definitions shall apply:

7 (a) "Liquid assets" means cash, savings accounts, bank accounts,
8 stocks, bonds, certificates of deposit, equity in real estate, and
9 equity in motor vehicles. A motor vehicle necessary to maintain
10 employment and having a market value not greater than three thousand
11 dollars shall not be considered a liquid asset.

12 (b) "Income" means salary, wages, interest, dividends, and other
13 earnings which are reportable for federal income tax purposes, and cash
14 payments such as reimbursements received from pensions, annuities,
15 social security, and public assistance programs. It includes any
16 contribution received from any family member or other person who is
17 domiciled in the same residence as the defendant and who is helping to
18 defray the defendant's basic living costs.

19 (c) "Disposable net monthly income" means the income remaining each
20 month after deducting federal, state, or local income taxes, social
21 security taxes, contributory retirement, union dues, and basic living
22 costs.

23 (d) "Basic living costs" means the average monthly amount spent by
24 the defendant for reasonable payments toward living costs, such as
25 shelter, food, utilities, health care, transportation, clothing, loan
26 payments, support payments, and court-imposed obligations.

27 **Sec. 4.** RCW 26.19.071 and 1993 c 358 s 4 are each amended to read
28 as follows:

29 (1) **Consideration of all income.** All income and resources of each
30 parent's household shall be disclosed and considered by the court when
31 the court determines the child support obligation of each parent. Only
32 the income of the parents of the children whose support is at issue
33 shall be calculated for purposes of calculating the basic support
34 obligation. Income and resources of any other person shall not be
35 included in calculating the basic support obligation.

36 (2) **Verification of income.** Tax returns for the preceding two
37 years and current paystubs shall be provided to verify income and

1 deductions. Other sufficient verification shall be required for income
2 and deductions which do not appear on tax returns or paystubs.

3 (3) **Income sources included in gross monthly income.** Except as
4 specifically excluded in subsection (4) of this section, monthly gross
5 income shall include income from any source, including:

- 6 (a) Salaries;
- 7 (b) Wages;
- 8 (c) Commissions;
- 9 (d) Deferred compensation;
- 10 (e) Overtime;
- 11 (f) Contract-related benefits;
- 12 (g) Income from second jobs;
- 13 (h) Dividends;
- 14 (i) Interest;
- 15 (j) Trust income;
- 16 (k) Severance pay;
- 17 (l) Annuities;
- 18 (m) Capital gains;
- 19 (n) Pension retirement benefits;
- 20 (o) Workers' compensation;
- 21 (p) Unemployment benefits;
- 22 (q) Spousal maintenance actually received;
- 23 (r) Bonuses;
- 24 (s) Social security benefits; and
- 25 (t) Disability insurance benefits.

26 (4) **Income sources excluded from gross monthly income.** The
27 following income and resources shall be disclosed but shall not be
28 included in gross income:

- 29 (a) Income of a new spouse or income of other adults in the
30 household;
- 31 (b) Child support received from other relationships;
- 32 (c) Gifts and prizes;
- 33 (d) (~~Aid to families with dependent children~~) Temporary
34 assistance for needy families;
- 35 (e) Supplemental security income;
- 36 (f) General assistance; and
- 37 (g) Food stamps.

38 Receipt of income and resources from (~~aid to families with~~
39 ~~dependent children~~) temporary assistance for needy families,

1 supplemental security income, general assistance, and food stamps shall
2 not be a reason to deviate from the standard calculation.

3 (5) **Determination of net income.** The following expenses shall be
4 disclosed and deducted from gross monthly income to calculate net
5 monthly income:

6 (a) Federal and state income taxes;

7 (b) Federal insurance contributions act deductions;

8 (c) Mandatory pension plan payments;

9 (d) Mandatory union or professional dues;

10 (e) State industrial insurance premiums;

11 (f) Court-ordered spousal maintenance to the extent actually paid;

12 (g) Up to two thousand dollars per year in voluntary pension
13 payments actually made if the contributions were made for the two tax
14 years preceding the earlier of the (i) tax year in which the parties
15 separated with intent to live separate and apart or (ii) tax year in
16 which the parties filed for dissolution; and

17 (h) Normal business expenses and self-employment taxes for self-
18 employed persons. Justification shall be required for any business
19 expense deduction about which there is disagreement.

20 Items deducted from gross income under this subsection shall not be
21 a reason to deviate from the standard calculation.

22 (6) **Imputation of income.** The court shall impute income to a
23 parent when the parent is voluntarily unemployed or voluntarily
24 underemployed. The court shall determine whether the parent is
25 voluntarily underemployed or voluntarily unemployed based upon that
26 parent's work history, education, health, and age, or any other
27 relevant factors. A court shall not impute income to a parent who is
28 gainfully employed on a full-time basis, unless the court finds that
29 the parent is voluntarily underemployed and finds that the parent is
30 purposely underemployed to reduce the parent's child support
31 obligation. Income shall not be imputed for an unemployable parent.
32 Income shall not be imputed to a parent to the extent the parent is
33 unemployed or significantly underemployed due to the parent's efforts
34 to comply with court-ordered reunification efforts under chapter 13.34
35 RCW or under a voluntary placement agreement with an agency supervising
36 the child. In the absence of information to the contrary, a parent's
37 imputed income shall be based on the median income of year-round full-
38 time workers as derived from the United States bureau of census,

1 current populations reports, or such replacement report as published by
2 the bureau of census.

3 **Sec. 5.** RCW 26.19.075 and 1993 c 358 s 5 are each amended to read
4 as follows:

5 (1) Reasons for deviation from the standard calculation include but
6 are not limited to the following:

7 (a) **Sources of income and tax planning.** The court may deviate from
8 the standard calculation after consideration of the following:

9 (i) Income of a new spouse if the parent who is married to the new
10 spouse is asking for a deviation based on any other reason. Income of
11 a new spouse is not, by itself, a sufficient reason for deviation;

12 (ii) Income of other adults in the household if the parent who is
13 living with the other adult is asking for a deviation based on any
14 other reason. Income of the other adults in the household is not, by
15 itself, a sufficient reason for deviation;

16 (iii) Child support actually received from other relationships;

17 (iv) Gifts;

18 (v) Prizes;

19 (vi) Possession of wealth, including but not limited to savings,
20 investments, real estate holdings and business interests, vehicles,
21 boats, pensions, bank accounts, insurance plans, or other assets;

22 (vii) Extraordinary income of a child; or

23 (viii) Tax planning considerations. A deviation for tax planning
24 may be granted only if the child would not receive a lesser economic
25 benefit due to the tax planning.

26 (b) **Nonrecurring income.** The court may deviate from the standard
27 calculation based on a finding that a particular source of income
28 included in the calculation of the basic support obligation is not a
29 recurring source of income. Depending on the circumstances,
30 nonrecurring income may include overtime, contract-related benefits,
31 bonuses, or income from second jobs. Deviations for nonrecurring
32 income shall be based on a review of the nonrecurring income received
33 in the previous two calendar years.

34 (c) **Debt and high expenses.** The court may deviate from the
35 standard calculation after consideration of the following expenses:

36 (i) Extraordinary debt not voluntarily incurred;

37 (ii) A significant disparity in the living costs of the parents due
38 to conditions beyond their control;

1 (iii) Special needs of disabled children;
2 (iv) Special medical, educational, or psychological needs of the
3 children; or

4 (v) Costs incurred or anticipated to be incurred by the parents in
5 compliance with court-ordered reunification efforts under chapter 13.34
6 RCW or under a voluntary placement agreement with an agency supervising
7 the child.

8 (d) **Residential schedule.** The court may deviate from the standard
9 calculation if the child spends a significant amount of time with the
10 parent who is obligated to make a support transfer payment. The court
11 may not deviate on that basis if the deviation will result in
12 insufficient funds in the household receiving the support to meet the
13 basic needs of the child or if the child is receiving (~~aid to families~~
14 ~~with dependent children~~) temporary assistance for needy families.
15 When determining the amount of the deviation, the court shall consider
16 evidence concerning the increased expenses to a parent making support
17 transfer payments resulting from the significant amount of time spent
18 with that parent and shall consider the decreased expenses, if any, to
19 the party receiving the support resulting from the significant amount
20 of time the child spends with the parent making the support transfer
21 payment.

22 (e) **Children from other relationships.** The court may deviate from
23 the standard calculation when either or both of the parents before the
24 court have children from other relationships to whom the parent owes a
25 duty of support.

26 (i) The child support schedule shall be applied to the mother,
27 father, and children of the family before the court to determine the
28 presumptive amount of support.

29 (ii) Children from other relationships shall not be counted in the
30 number of children for purposes of determining the basic support
31 obligation and the standard calculation.

32 (iii) When considering a deviation from the standard calculation
33 for children from other relationships, the court may consider only
34 other children to whom the parent owes a duty of support. The court
35 may consider court-ordered payments of child support for children from
36 other relationships only to the extent that the support is actually
37 paid.

38 (iv) When the court has determined that either or both parents have
39 children from other relationships, deviations under this section shall

1 be based on consideration of the total circumstances of both
2 households. All child support obligations paid, received, and owed for
3 all children shall be disclosed and considered.

4 (2) All income and resources of the parties before the court, new
5 spouses, and other adults in the households shall be disclosed and
6 considered as provided in this section. The presumptive amount of
7 support shall be determined according to the child support schedule.
8 Unless specific reasons for deviation are set forth in the written
9 findings of fact and are supported by the evidence, the court shall
10 order each parent to pay the amount of support determined by using the
11 standard calculation.

12 (3) The court shall enter findings that specify reasons for any
13 deviation or any denial of a party's request for any deviation from the
14 standard calculation made by the court. The court shall not consider
15 reasons for deviation until the court determines the standard
16 calculation for each parent.

17 (4) When reasons exist for deviation, the court shall exercise
18 discretion in considering the extent to which the factors would affect
19 the support obligation.

20 (5) Agreement of the parties is not by itself adequate reason for
21 any deviations from the standard calculation.

22 **Sec. 6.** RCW 43.20B.310 and 1983 1st ex.s. c 41 s 34 are each
23 amended to read as follows:

24 No payment may be collected by the department for residential care
25 if the collection will reduce the income as defined in RCW 74.04.005 of
26 the head of household and remaining dependents below one hundred
27 percent of the need standard for ~~((aid to families with dependent
28 children))~~ temporary assistance for needy families.

29 **Sec. 7.** RCW 46.16.028 and 1987 c 142 s 1 are each amended to read
30 as follows:

31 (1) For the purposes of vehicle license registration, a resident is
32 a person who manifests an intent to live or be located in this state on
33 more than a temporary or transient basis. Evidence of residency
34 includes but is not limited to:

35 (a) Becoming a registered voter in this state; or

36 (b) Receiving benefits under one of the Washington public
37 assistance programs; or

1 (c) Declaring that he or she is a resident for the purpose of
2 obtaining a state license or tuition fees at resident rates.

3 (2) The term "Washington public assistance programs" referred to in
4 subsection (1)(b) of this section includes only public assistance
5 programs for which more than fifty percent of the combined costs of
6 benefits and administration are paid from state funds. Programs which
7 are not included within the term "Washington public assistance
8 programs" pursuant to the above criteria include, but are not limited
9 to the food stamp program under the federal food stamp act of 1964;
10 programs under the child nutrition act of 1966, 42 U.S.C. Secs. 1771
11 through 1788; and (~~aid to families with dependent children, 42 U.S.C.~~
12 ~~Secs. 601 through 606~~) temporary assistance for needy families.

13 (3) A resident of the state shall register under chapters 46.12 and
14 46.16 RCW a vehicle to be operated on the highways of the state. New
15 Washington residents shall be allowed thirty days from the date they
16 become residents as defined in this section to procure Washington
17 registration for their vehicles. This thirty-day period shall not be
18 combined with any other period of reciprocity provided for in this
19 chapter or chapter 46.85 RCW.

20 **Sec. 8.** RCW 46.20.021 and 1996 c 307 s 5 are each amended to read
21 as follows:

22 (1) No person, except as expressly exempted by this chapter, may
23 drive any motor vehicle upon a highway in this state unless the person
24 has a valid driver's license issued to Washington residents under the
25 provisions of this chapter. A violation of this subsection is a
26 misdemeanor and is a lesser included offense within the offenses
27 described in RCW 46.20.342(1) or 46.20.420. However, if a person in
28 violation of this section provides the citing officer with an expired
29 driver's license or other valid identifying documentation under RCW
30 46.20.035 at the time of the stop and is not in violation of RCW
31 46.20.342(1) or 46.20.420, the violation of this section is an
32 infraction and is subject to a penalty of two hundred fifty dollars.
33 If the person appears in person before the court or submits by mail
34 written proof that he or she obtained a valid license after being
35 cited, the court shall reduce the penalty to fifty dollars.

36 (2) For the purposes of obtaining a valid driver's license, a
37 resident is a person who manifests an intent to live or be located in

1 this state on more than a temporary or transient basis. Evidence of
2 residency includes but is not limited to:

3 (a) Becoming a registered voter in this state; or

4 (b) Receiving benefits under one of the Washington public
5 assistance programs; or

6 (c) Declaring that he or she is a resident for the purpose of
7 obtaining a state license or tuition fees at resident rates.

8 (3) The term "Washington public assistance programs" referred to in
9 subsection (2)(b) of this section includes only public assistance
10 programs for which more than fifty percent of the combined costs of
11 benefits and administration are paid from state funds. Programs which
12 are not included within the term "Washington public assistance
13 programs" pursuant to the above criteria include, but are not limited
14 to the food stamp program under the federal food stamp act of 1964;
15 programs under the child nutrition act of 1966, 42 U.S.C. Secs. 1771
16 through 1788; and (~~aid to families with dependent children, 42 U.S.C.~~
17 ~~Secs. 601 through 606~~) temporary assistance for needy families.

18 (4) No person shall receive a driver's license unless and until he
19 or she surrenders to the department all valid driver's licenses in his
20 or her possession issued to him or her by any other jurisdiction. The
21 department shall establish a procedure to invalidate the surrendered
22 photograph license and return it to the person. The invalidated
23 license, along with the valid temporary Washington driver's license
24 provided for in RCW 46.20.055(3), shall be accepted as proper
25 identification. The department shall notify the issuing department
26 that the licensee is now licensed in a new jurisdiction. No person
27 shall be permitted to have more than one valid driver's license at any
28 time.

29 (5) New Washington residents are allowed thirty days from the date
30 they become residents as defined in this section to procure a valid
31 Washington driver's license.

32 (6) Any person licensed as a driver under this chapter may exercise
33 the privilege thereby granted upon all streets and highways in this
34 state and shall not be required to obtain any other license to exercise
35 such privilege by any county, municipal or local board, or body having
36 authority to adopt local police regulations.

37 **Sec. 9.** RCW 70.123.110 and 1979 ex.s. c 245 s 11 are each amended
38 to read as follows:

1 General assistance or (~~aid to families with dependent children~~)
2 temporary assistance for needy families payments shall be made to
3 otherwise eligible individuals who are residing in a secure shelter, a
4 housing network or other shelter facility which provides shelter
5 services to persons who are victims of domestic violence. Provisions
6 shall be made by the department for the confidentiality of the shelter
7 addresses where victims are residing.

8 **Sec. 10.** RCW 74.04.005 and 1992 c 165 s 1 and 1992 c 136 s 1 are
9 each reenacted and amended to read as follows:

10 For the purposes of this title, unless the context indicates
11 otherwise, the following definitions shall apply:

12 (1) "Public assistance" or "assistance"«Public aid to persons in
13 need thereof for any cause, including services, medical care,
14 assistance grants, disbursing orders, work relief, general assistance
15 and federal-aid assistance.

16 (2) "Department"«The department of social and health services.

17 (3) "County or local office"«The administrative office for one or
18 more counties or designated service areas.

19 (4) "Director" or "secretary" means the secretary of social and
20 health services.

21 (5) "Federal-aid assistance"«The specific categories of assistance
22 for which provision is made in any federal law existing or hereafter
23 passed by which payments are made from the federal government to the
24 state in aid or in respect to payment by the state for public
25 assistance rendered to any category of needy persons for which
26 provision for federal funds or aid may from time to time be made, or a
27 federally administered needs-based program.

28 (6)(a) "General assistance"«Aid to persons in need who:

29 (i) Are not eligible to receive federal-aid assistance, other than
30 food stamps and medical assistance; however, an individual who refuses
31 or fails to cooperate in obtaining federal-aid assistance, without good
32 cause, is not eligible for general assistance;

33 (ii) Meet one of the following conditions:

34 (A) Pregnant: PROVIDED, That need is based on the current income
35 and resource requirements of the federal (~~aid to families with
36 dependent children~~) temporary assistance for needy families program:
37 PROVIDED FURTHER, That during any period in which an aid for dependent
38 children employable program is not in operation, only those pregnant

1 women who are categorically eligible for medicaid are eligible for
2 general assistance; or

3 (B) Subject to chapter 165, Laws of 1992, incapacitated from
4 gainful employment by reason of bodily or mental infirmity that will
5 likely continue for a minimum of ninety days as determined by the
6 department.

7 (C) Persons who are unemployable due to alcohol or drug addiction
8 are not eligible for general assistance. Persons receiving general
9 assistance on July 26, 1987, or becoming eligible for such assistance
10 thereafter, due to an alcohol or drug-related incapacity, shall be
11 referred to appropriate assessment, treatment, shelter, or supplemental
12 security income referral services as authorized under chapter 74.50
13 RCW. Referrals shall be made at the time of application or at the time
14 of eligibility review. Alcoholic and drug addicted clients who are
15 receiving general assistance on July 26, 1987, may remain on general
16 assistance if they otherwise retain their eligibility until they are
17 assessed for services under chapter 74.50 RCW. Subsection
18 (6)(a)(ii)(B) of this section shall not be construed to prohibit the
19 department from granting general assistance benefits to alcoholics and
20 drug addicts who are incapacitated due to other physical or mental
21 conditions that meet the eligibility criteria for the general
22 assistance program;

23 (iii) Are citizens or aliens lawfully admitted for permanent
24 residence or otherwise residing in the United States under color of
25 law; and

26 (iv) Have furnished the department their social security account
27 number. If the social security account number cannot be furnished
28 because it has not been issued or is not known, an application for a
29 number shall be made prior to authorization of assistance, and the
30 social security number shall be provided to the department upon
31 receipt.

32 (b) Notwithstanding the provisions of subsection (6)(a)(i), (ii),
33 and (c) of this section, general assistance shall be provided to the
34 following recipients of federal-aid assistance:

35 (i) Recipients of supplemental security income whose need, as
36 defined in this section, is not met by such supplemental security
37 income grant because of separation from a spouse; or

38 (ii) To the extent authorized by the legislature in the biennial
39 appropriations act, to recipients of ~~((aid to families with dependent~~

1 children)) temporary assistance for needy families whose needs are not
2 being met because of a temporary reduction in monthly income below the
3 entitled benefit payment level caused by loss or reduction of wages or
4 unemployment compensation benefits or some other unforeseen
5 circumstances. The amount of general assistance authorized shall not
6 exceed the difference between the entitled benefit payment level and
7 the amount of income actually received.

8 (c) General assistance shall be provided only to persons who are
9 not members of assistance units receiving federal aid assistance,
10 except as provided in subsection (6)(a)(ii)(A) and (b) of this section,
11 and will accept available services which can reasonably be expected to
12 enable the person to work or reduce the need for assistance unless
13 there is good cause to refuse. Failure to accept such services shall
14 result in termination until the person agrees to cooperate in accepting
15 such services and subject to the following maximum periods of
16 ineligibility after reapplication:

- 17 (i) First failure: One week;
18 (ii) Second failure within six months: One month;
19 (iii) Third and subsequent failure within one year: Two months.

20 (d) Persons found eligible for general assistance based on
21 incapacity from gainful employment may, if otherwise eligible, receive
22 general assistance pending application for federal supplemental
23 security income benefits. Any general assistance that is subsequently
24 duplicated by the person's receipt of supplemental security income for
25 the same period shall be considered a debt due the state and shall by
26 operation of law be subject to recovery through all available legal
27 remedies.

28 (e) The department shall adopt by rule medical criteria for general
29 assistance eligibility to ensure that eligibility decisions are
30 consistent with statutory requirements and are based on clear,
31 objective medical information.

32 (f) The process implementing the medical criteria shall involve
33 consideration of opinions of the treating or consulting physicians or
34 health care professionals regarding incapacity, and any eligibility
35 decision which rejects uncontroverted medical opinion must set forth
36 clear and convincing reasons for doing so.

37 (g) Recipients of general assistance based upon a finding of
38 incapacity from gainful employment who remain otherwise eligible shall
39 not have their benefits terminated absent a clear showing of material

1 improvement in their medical or mental condition or specific error in
2 the prior determination that found the recipient eligible by reason of
3 incapacitation. Recipients of general assistance based upon pregnancy
4 who relinquish their child for adoption, remain otherwise eligible, and
5 are not eligible to receive benefits under the federal (~~aid to~~
6 ~~families with dependent children~~) temporary assistance for needy
7 families program shall not have their benefits terminated until the end
8 of the month in which the period of six weeks following the birth of
9 the recipient's child falls. Recipients of the federal (~~aid to~~
10 ~~families with dependent children~~) temporary assistance for needy
11 families program who lose their eligibility solely because of the birth
12 and relinquishment of the qualifying child may receive general
13 assistance through the end of the month in which the period of six
14 weeks following the birth of the child falls.

15 (7) "Applicant"«Any person who has made a request, or on behalf of
16 whom a request has been made, to any county or local office for
17 assistance.

18 (8) "Recipient"«Any person receiving assistance and in addition
19 those dependents whose needs are included in the recipient's
20 assistance.

21 (9) "Standards of assistance"«The level of income required by an
22 applicant or recipient to maintain a level of living specified by the
23 department.

24 (10) "Resource"«Any asset, tangible or intangible, owned by or
25 available to the applicant at the time of application, which can be
26 applied toward meeting the applicant's need, either directly or by
27 conversion into money or its equivalent: PROVIDED, That an applicant
28 may retain the following described resources and not be ineligible for
29 public assistance because of such resources.

30 (a) A home, which is defined as real property owned and used by an
31 applicant or recipient as a place of residence, together with a
32 reasonable amount of property surrounding and contiguous thereto, which
33 is used by and useful to the applicant. Whenever a recipient shall
34 cease to use such property for residential purposes, either for himself
35 or herself or his or her dependents, the property shall be considered
36 as a resource which can be made available to meet need, and if the
37 recipient or his or her dependents absent themselves from the home for
38 a period of ninety consecutive days such absence, unless due to
39 hospitalization or health reasons or a natural disaster, shall raise a

1 rebuttable presumption of abandonment: PROVIDED, That if in the
2 opinion of three physicians the recipient will be unable to return to
3 the home during his or her lifetime, and the home is not occupied by a
4 spouse or dependent children or disabled sons or daughters, such
5 property shall be considered as a resource which can be made available
6 to meet need.

7 (b) Household furnishings and personal effects and other personal
8 property having great sentimental value to the applicant or recipient,
9 as limited by the department consistent with limitations on resources
10 and exemptions for federal aid assistance.

11 (c) A motor vehicle, other than a motor home, used and useful
12 having an equity value not to exceed one thousand five hundred dollars.

13 (d) All other resources, including any excess of values exempted,
14 not to exceed one thousand dollars or other limit as set by the
15 department, to be consistent with limitations on resources and
16 exemptions necessary for federal aid assistance.

17 (e) Applicants for or recipients of general assistance shall have
18 their eligibility based on resource limitations consistent with the
19 (~~aid to families with dependent children~~) temporary assistance for
20 needy families program rules adopted by the department.

21 (f) If an applicant for or recipient of public assistance possesses
22 property and belongings in excess of the ceiling value, such value
23 shall be used in determining the need of the applicant or recipient,
24 except that: (i) The department may exempt resources or income when
25 the income and resources are determined necessary to the applicant's or
26 recipient's restoration to independence, to decrease the need for
27 public assistance, or to aid in rehabilitating the applicant or
28 recipient or a dependent of the applicant or recipient; and (ii) the
29 department may provide grant assistance for a period not to exceed nine
30 months from the date the agreement is signed pursuant to this section
31 to persons who are otherwise ineligible because of excess real property
32 owned by such persons when they are making a good faith effort to
33 dispose of that property: PROVIDED, That:

34 (A) The applicant or recipient signs an agreement to repay the
35 lesser of the amount of aid received or the net proceeds of such sale;

36 (B) If the owner of the excess property ceases to make good faith
37 efforts to sell the property, the entire amount of assistance may
38 become an overpayment and a debt due the state and may be recovered
39 pursuant to RCW 43.20B.630;

1 (C) Applicants and recipients are advised of their right to a fair
2 hearing and afforded the opportunity to challenge a decision that good
3 faith efforts to sell have ceased, prior to assessment of an
4 overpayment under this section; and

5 (D) At the time assistance is authorized, the department files a
6 lien without a sum certain on the specific property.

7 (11) "Income"«(a) All appreciable gains in real or personal
8 property (cash or kind) or other assets, which are received by or
9 become available for use and enjoyment by an applicant or recipient
10 during the month of application or after applying for or receiving
11 public assistance. The department may by rule and regulation exempt
12 income received by an applicant for or recipient of public assistance
13 which can be used by him or her to decrease his or her need for public
14 assistance or to aid in rehabilitating him or her or his or her
15 dependents, but such exemption shall not, unless otherwise provided in
16 this title, exceed the exemptions of resources granted under this
17 chapter to an applicant for public assistance. In determining the
18 amount of assistance to which an applicant or recipient of (~~aid to~~
19 ~~families with dependent children~~) temporary assistance for needy
20 families is entitled, the department is hereby authorized to disregard
21 as a resource or income the earned income exemptions consistent with
22 federal requirements. The department may permit the above exemption of
23 earnings of a child to be retained by such child to cover the cost of
24 special future identifiable needs even though the total exceeds the
25 exemptions or resources granted to applicants and recipients of public
26 assistance, but consistent with federal requirements. In formulating
27 rules and regulations pursuant to this chapter, the department shall
28 define income and resources and the availability thereof, consistent
29 with federal requirements. All resources and income not specifically
30 exempted, and any income or other economic benefit derived from the use
31 of, or appreciation in value of, exempt resources, shall be considered
32 in determining the need of an applicant or recipient of public
33 assistance.

34 (b) If, under applicable federal requirements, the state has the
35 option of considering property in the form of lump sum compensatory
36 awards or related settlements received by an applicant or recipient as
37 income or as a resource, the department shall consider such property to
38 be a resource.

1 (12) "Need"«The difference between the applicant's or recipient's
2 standards of assistance for himself or herself and the dependent
3 members of his or her family, as measured by the standards of the
4 department, and value of all nonexempt resources and nonexempt income
5 received by or available to the applicant or recipient and the
6 dependent members of his or her family.

7 (13) For purposes of determining eligibility for public assistance
8 and participation levels in the cost of medical care, the department
9 shall exempt restitution payments made to people of Japanese and Aleut
10 ancestry pursuant to the Civil Liberties Act of 1988 and the Aleutian
11 and Pribilof Island Restitution Act passed by congress, P.L. 100-383,
12 including all income and resources derived therefrom.

13 (14) In the construction of words and phrases used in this title,
14 the singular number shall include the plural, the masculine gender
15 shall include both the feminine and neuter genders and the present
16 tense shall include the past and future tenses, unless the context
17 thereof shall clearly indicate to the contrary.

18 **Sec. 11.** RCW 74.04.770 and 1983 1st ex.s. c 41 s 38 are each
19 amended to read as follows:

20 The department shall establish consolidated standards of need each
21 fiscal year which may vary by geographical areas, program, and family
22 size, for (~~aid to families with dependent children~~) temporary
23 assistance for needy families, refugee assistance, supplemental
24 security income, and general assistance. Standards for (~~aid to~~
25 ~~families with dependent children~~) temporary assistance for needy
26 families, refugee assistance, and general assistance shall be based on
27 studies of actual living costs and generally recognized inflation
28 indices and shall include reasonable allowances for shelter, fuel,
29 food, transportation, clothing, household maintenance and operations,
30 personal maintenance, and necessary incidentals. The standard of need
31 may take into account the economies of joint living arrangements, but
32 unless explicitly required by federal statute, there shall not be
33 proration of any portion of assistance grants unless the amount of the
34 grant standard is equal to the standard of need.

35 The department is authorized to establish rateable reductions and
36 grant maximums consistent with federal law.

37 Payment level will be equal to need or a lesser amount if rateable
38 reductions or grant maximums are imposed. In no case shall a recipient

1 of supplemental security income receive a state supplement less than
2 the minimum required by federal law.

3 The department may establish a separate standard for shelter
4 provided at no cost.

5 **Sec. 12.** RCW 74.08.080 and 1989 c 175 s 145 are each amended to
6 read as follows:

7 (1)(a) A public assistance applicant or recipient who is aggrieved
8 by a decision of the department or an authorized agency of the
9 department has the right to an adjudicative proceeding. A current or
10 former recipient who is aggrieved by a department claim that he or she
11 owes a debt for an overpayment of assistance or food stamps, or both,
12 has the right to an adjudicative proceeding.

13 (b) An applicant or recipient has no right to an adjudicative
14 proceeding when the sole basis for the department's decision is a state
15 or federal law that requires an assistance adjustment for a class of
16 recipients.

17 (2) The adjudicative proceeding is governed by the Administrative
18 Procedure Act, chapter 34.05 RCW, and this subsection.

19 (a) The applicant or recipient must file the application for an
20 adjudicative proceeding with the secretary within ninety days after
21 receiving notice of the aggrieving decision.

22 (b) The hearing shall be conducted at the local community services
23 office or other location in Washington convenient to the appellant.

24 (c) The appellant or his or her representative has the right to
25 inspect his or her department file and, upon request, to receive copies
26 of department documents relevant to the proceedings free of charge.

27 (d) The appellant has the right to a copy of the tape recording of
28 the hearing free of charge.

29 (e) The department is limited to recovering an overpayment arising
30 from assistance being continued pending the adjudicative proceeding to
31 the amount recoverable up to the sixtieth day after the secretary's
32 receipt of the application for an adjudicative proceeding.

33 (f) If the final adjudicative order is made in favor of the
34 appellant, assistance shall be paid from the date of denial of the
35 application for assistance or thirty days following the date of
36 application for ~~((aid to families with dependent children))~~ temporary
37 assistance for needy families or forty-five days after date of
38 application for all other programs, whichever is sooner; or in the case

1 of a recipient, from the effective date of the local community services
2 office decision.

3 (g) This subsection applies only to an adjudicative proceeding in
4 which the appellant is an applicant for or recipient of medical
5 assistance or the limited casualty program for the medically needy and
6 the issue is his or her eligibility or ineligibility due to the
7 assignment or transfer of a resource. The burden is on the department
8 to prove by a preponderance of the evidence that the person knowingly
9 and willingly assigned or transferred the resource at less than market
10 value for the purpose of qualifying or continuing to qualify for
11 medical assistance or the limited casualty program for the medically
12 needy. If the prevailing party in the adjudicative proceeding is the
13 applicant or recipient, he or she is entitled to reasonable attorney's
14 fees.

15 (3)(a) When a person files a petition for judicial review as
16 provided in RCW 34.05.514 of an adjudicative order entered in a public
17 assistance program, no filing fee shall be collected from the person
18 and no bond shall be required on any appeal. In the event that the
19 superior court, the court of appeals, or the supreme court renders a
20 decision in favor of the appellant, said appellant shall be entitled to
21 reasonable attorney's fees and costs. If a decision of the court is
22 made in favor of the appellant, assistance shall be paid from date of
23 the denial of the application for assistance or thirty days after the
24 application for ~~((aid to families with dependent children))~~ temporary
25 assistance for needy families or forty-five days following the date of
26 application, whichever is sooner; or in the case of a recipient, from
27 the effective date of the local community services office decision.

28 **Sec. 13.** RCW 74.08.335 and 1980 c 79 s 2 are each amended to read
29 as follows:

30 ~~((Aid to families with dependent children))~~ Temporary assistance
31 for needy families and general assistance shall not be granted to any
32 person who has made an assignment or transfer of property for the
33 purpose of rendering himself or herself eligible for the assistance.
34 There is a rebuttable presumption that a person who has transferred or
35 transfers any real or personal property or any interest in property
36 within two years of the date of application for the assistance without
37 receiving adequate monetary consideration therefor, did so for the
38 purpose of rendering himself or herself eligible for the assistance.

1 Any person who transfers property for the purpose of rendering himself
2 or herself eligible for assistance, or any person who after becoming a
3 recipient transfers any property or any interest in property without
4 the consent of the secretary, shall be ineligible for assistance for a
5 period of time during which the reasonable value of the property so
6 transferred would have been adequate to meet the person's needs under
7 normal conditions of living: PROVIDED, That the secretary is hereby
8 authorized to allow exceptions in cases where undue hardship would
9 result from a denial of assistance.

10 **Sec. 14.** RCW 74.09.510 and 1991 sp.s. c 8 s 8 are each amended to
11 read as follows:

12 Medical assistance may be provided in accordance with eligibility
13 requirements established by the department of social and health
14 services, as defined in the social security Title XIX state plan for
15 mandatory categorically needy persons and: (1) Individuals who would
16 be eligible for cash assistance except for their institutional status;
17 (2) individuals who are under twenty-one years of age, who would be
18 eligible for ~~((aid to families with dependent children))~~ medicaid, but
19 do not qualify as dependent children and who are in (a) foster care,
20 (b) subsidized adoption, (c) a nursing facility or an intermediate care
21 facility for the mentally retarded, or (d) inpatient psychiatric
22 facilities; (3) the aged, blind, and disabled who: (a) Receive only a
23 state supplement, or (b) would not be eligible for cash assistance if
24 they were not institutionalized; (4) individuals who would be eligible
25 for but choose not to receive cash assistance; (5) individuals who are
26 enrolled in managed health care systems, who have otherwise lost
27 eligibility for medical assistance, but who have not completed a
28 current six-month enrollment in a managed health care system, and who
29 are eligible for federal financial participation under Title XIX of the
30 social security act; (6) children and pregnant women allowed by federal
31 statute for whom funding is appropriated; and (7) other individuals
32 eligible for medical services under RCW 74.09.035 and 74.09.700 for
33 whom federal financial participation is available under Title XIX of
34 the social security act.

35 **Sec. 15.** RCW 74.09.522 and 1989 c 260 s 2 are each amended to read
36 as follows:

1 (1) For the purposes of this section, "managed health care system"
2 means any health care organization, including health care providers,
3 insurers, health care service contractors, health maintenance
4 organizations, health insuring organizations, or any combination
5 thereof, that provides directly or by contract health care services
6 covered under RCW 74.09.520 and rendered by licensed providers, on a
7 prepaid capitated case management basis and that meets the requirements
8 of section 1903(m)(1)(A) of Title XIX of the federal social security
9 act.

10 (2) No later than July 1, 1991, the department of social and health
11 services shall enter into agreements with managed health care systems
12 to provide health care services to recipients of (~~aid to families with~~
13 ~~dependent children~~) temporary assistance for needy families under the
14 following conditions:

15 (a) Agreements shall be made for at least thirty thousand
16 recipients state-wide;

17 (b) Agreements in at least one county shall include enrollment of
18 all recipients of (~~aid to families with dependent children~~) temporary
19 assistance for needy families;

20 (c) To the extent that this provision is consistent with section
21 1903(m) of Title XIX of the federal social security act, recipients
22 shall have a choice of systems in which to enroll and shall have the
23 right to terminate their enrollment in a system: PROVIDED, That the
24 department may limit recipient termination of enrollment without cause
25 to the first month of a period of enrollment, which period shall not
26 exceed six months: AND PROVIDED FURTHER, That the department shall not
27 restrict a recipient's right to terminate enrollment in a system for
28 cause;

29 (d) To the extent that this provision is consistent with section
30 1903(m) of Title XIX of the federal social security act, participating
31 managed health care systems shall not enroll a disproportionate number
32 of medical assistance recipients within the total numbers of persons
33 served by the managed health care systems, except that this subsection
34 (d) shall not apply to entities described in subparagraph (B) of
35 section 1903(m) of Title XIX of the federal social security act;

36 (e) Prior to negotiating with any managed health care system, the
37 department shall estimate, on an actuarially sound basis, the expected
38 cost of providing the health care services expressed in terms of upper
39 and lower limits, and recognizing variations in the cost of providing

1 the services through the various systems and in different project
2 areas. In negotiating with managed health care systems the department
3 shall adopt a uniform procedure to negotiate and enter into contractual
4 arrangements, including standards regarding the quality of services to
5 be provided; and financial integrity of the responding system;

6 (f) The department shall seek waivers from federal requirements as
7 necessary to implement this chapter;

8 (g) The department shall, wherever possible, enter into prepaid
9 capitation contracts that include inpatient care. However, if this is
10 not possible or feasible, the department may enter into prepaid
11 capitation contracts that do not include inpatient care;

12 (h) The department shall define those circumstances under which a
13 managed health care system is responsible for out-of-system services
14 and assure that recipients shall not be charged for such services; and

15 (i) Nothing in this section prevents the department from entering
16 into similar agreements for other groups of people eligible to receive
17 services under chapter 74.09 RCW.

18 (3) The department shall seek to obtain a large number of contracts
19 with providers of health services to medicaid recipients. The
20 department shall ensure that publicly supported community health
21 centers and providers in rural areas, who show serious intent and
22 apparent capability to participate in the project as managed health
23 care systems are seriously considered as providers in the project. The
24 department shall coordinate these projects with the plans developed
25 under chapter 70.47 RCW.

26 (4) The department shall work jointly with the state of Oregon and
27 other states in this geographical region in order to develop
28 recommendations to be presented to the appropriate federal agencies and
29 the United States congress for improving health care of the poor, while
30 controlling related costs.

31 **Sec. 16.** RCW 74.12.010 and 1992 c 136 s 2 are each amended to read
32 as follows:

33 For the purposes of the administration of (~~aid to families with~~
34 ~~dependent children assistance~~) temporary assistance for needy
35 families, the term "dependent child" means any child in need under the
36 age of eighteen years who has been deprived of parental support or care
37 by reason of the death, continued absence from the home, or physical or
38 mental incapacity of the parent, and who is living with a relative as

1 specified under federal (~~aid to families with dependent children~~)
2 temporary assistance for needy families program requirements, in a
3 place of residence maintained by one or more of such relatives as his
4 or their homes. The term a "dependent child" shall, notwithstanding
5 the foregoing, also include a child who would meet such requirements
6 except for his removal from the home of a relative specified above as
7 a result of a judicial determination that continuation therein would be
8 contrary to the welfare of such child, for whose placement and care the
9 state department of social and health services or the county office is
10 responsible, and who has been placed in a licensed or approved child
11 care institution or foster home as a result of such determination and
12 who: (1) Was receiving an aid to families with dependent children
13 grant for the month in which court proceedings leading to such
14 determination were initiated; or (2) would have received aid to
15 families with dependent children for such month if application had been
16 made therefor; or (3) in the case of a child who had been living with
17 a specified relative within six months prior to the month in which such
18 proceedings were initiated, would have received aid to families with
19 dependent children for such month if in such month he had been living
20 with such a relative and application had been made therefor, as
21 authorized by the Social Security Act: PROVIDED, That to the extent
22 authorized by the legislature in the biennial appropriations act and to
23 the extent that matching funds are available from the federal
24 government, (~~aid to families with dependent children~~) temporary
25 assistance for needy families assistance shall be available to any
26 child in need who has been deprived of parental support or care by
27 reason of the unemployment of a parent or stepparent liable under this
28 chapter for support of the child.

29 "~~(Aid to families with dependent children)~~ Temporary assistance
30 for needy families" means money payments, services, and remedial care
31 with respect to a dependent child or dependent children and the needy
32 parent or relative with whom the child lives and may include another
33 parent or stepparent of the dependent child if living with the parent
34 and if the child is a dependent child by reason of the physical or
35 mental incapacity or unemployment of a parent or stepparent liable
36 under this chapter for the support of such child.

37 **Sec. 17.** RCW 74.12.030 and 1971 ex.s. c 169 s 6 are each amended
38 to read as follows:

1 In addition to meeting the eligibility requirements of RCW
2 74.08.025, as now or hereafter amended, an applicant for (~~aid to~~
3 ~~families with dependent children~~) temporary assistance for needy
4 families must be a needy child who is a resident of the state of
5 Washington.

6 **Sec. 18.** RCW 74.12.035 and 1985 c 335 s 1 are each amended to read
7 as follows:

8 (1) A family or assistance unit is not eligible for aid for any
9 month if for that month the total income of the family or assistance
10 unit, without application of income disregards, exceeds one hundred
11 eighty-five percent of the state standard of need for a family of the
12 same composition: PROVIDED, That for the purposes of determining the
13 total income of the family or assistance unit, the earned income of a
14 dependent child who is a full-time student for whom (~~aid to families~~
15 ~~with dependent children~~) temporary assistance for needy families is
16 being provided shall be disregarded for six months per calendar year.

17 (2) Participation in a strike does not constitute good cause to
18 leave or to refuse to seek or accept employment. Assistance is not
19 payable to a family for any month in which any caretaker relative with
20 whom the child is living is, on the last day of the month,
21 participating in a strike. An individual's need shall not be included
22 in determining the amount of aid payable for any month to a family or
23 assistance unit if, on the last day of the month, the individual is
24 participating in a strike.

25 (3) Children over eighteen years of age and under nineteen years of
26 age who are full-time students reasonably expected to complete a
27 program of secondary school, or the equivalent level of vocational or
28 technical training, before reaching nineteen years of age are eligible
29 to receive (~~aid to families with dependent children~~) temporary
30 assistance for needy families: PROVIDED HOWEVER, That if such students
31 do not successfully complete such program before reaching nineteen
32 years of age, the assistance rendered under this subsection during such
33 period shall not be a debt due the state.

34 **Sec. 19.** RCW 74.12.036 and 1994 c 299 s 11 are each amended to
35 read as follows:

36 The department shall amend the state plan to eliminate the one
37 hundred hour work rule for recipients of (~~aid to families with~~

1 dependent—children employable)) temporary assistance for needy
2 families.

3 **Sec. 20.** RCW 74.12.250 and 1963 c 228 s 21 are each amended to
4 read as follows:

5 If the department, after investigation, finds that any recipient of
6 funds under ((an aid to families with dependent children)) a temporary
7 assistance for needy families grant is not utilizing the grant
8 adequately for the needs of the child or children or is otherwise
9 dissipating such grant, or is unable to manage adequately the funds
10 paid on behalf of said child and that to continue said payments to him
11 or her would be contrary to the welfare of the child, the department
12 may make such payments to another individual who is interested in or
13 concerned with the welfare of such child and relative: PROVIDED, That
14 the department shall provide such counseling and other services as are
15 available and necessary to develop greater ability on the part of the
16 relative to manage funds in such manner as to protect the welfare of
17 the family. Periodic review of each case shall be made by the
18 department to determine if said relative is able to resume management
19 of the assistance grant. If after a reasonable period of time the
20 payments to the relative cannot be resumed, the department may request
21 the attorney general to file a petition in the superior court for the
22 appointment of a guardian for the child or children. Such petition
23 shall set forth the facts warranting such appointment. Notice of the
24 hearing on such petition shall be served upon the recipient and the
25 department not less than ten days before the date set for such hearing.
26 Such petition may be filed with the clerk of superior court and all
27 process issued and served without payment of costs. If upon the
28 hearing of such petition the court is satisfied that it is for the best
29 interest of the child or children, and all parties concerned, that a
30 guardian be appointed, he or she shall order the appointment, and may
31 require the guardian to render to the court a detailed itemized account
32 of expenditures of such assistance payments at such time as the court
33 may deem advisable.

34 It is the intention of this section that the guardianship herein
35 provided for shall be a special and limited guardianship solely for the
36 purpose of safeguarding the assistance grants made to dependent
37 children. Such guardianship shall terminate upon the termination of

1 such assistance grant, or sooner on order of the court, upon good cause
2 shown.

3 **Sec. 21.** RCW 74.12.260 and 1979 c 141 s 351 are each amended to
4 read as follows:

5 (~~Aid to families with dependent children~~) Temporary assistance
6 for needy families grants shall be made to persons specified in RCW
7 74.12.010 as amended or such others as the federal department of
8 health, education and welfare shall recognize for the sole purposes of
9 giving benefits to the children whose needs are included in the grant
10 paid to such persons. The recipient of each (~~aid to families with~~
11 ~~dependent children's~~) temporary assistance for needy families grant
12 shall be and hereby is required to present reasonable proof to the
13 department of social and health services as often as may be required by
14 the department that all funds received in the form of (~~an aid to~~
15 ~~families with dependent children~~) a temporary assistance for needy
16 families grant for the children represented in the grant are being
17 spent for the benefit of the children.

18 **Sec. 22.** RCW 74.12.280 and 1983 c 3 s 191 are each amended to read
19 as follows:

20 The department is hereby authorized to (~~promulgate~~) adopt rules
21 (~~and regulations which~~) that will provide for coordination between
22 the services provided pursuant to chapter 74.13 RCW and the services
23 provided under the (~~aid to families with dependent children~~)
24 temporary assistance for needy families program in order to provide
25 welfare and related services which will best promote the welfare of
26 such children and their families and conform with the provisions of
27 Public Law 87-543 (HR 10606).

28 **Sec. 23.** RCW 74.12.361 and 1994 c 299 s 35 are each amended to
29 read as follows:

30 The department shall actively develop mechanisms for the income
31 assistance program, the medical assistance program, and the community
32 services administration to facilitate the enrollment in the federal
33 supplemental security income program of disabled persons currently part
34 of assistance units receiving (~~aid to families with dependent~~
35 ~~children~~) temporary assistance for needy families benefits.

1 **Sec. 24.** RCW 74.12.400 and 1994 c 299 s 2 are each amended to read
2 as follows:

3 The department shall train financial services and social work staff
4 who provide direct service to recipients of ~~((aid to families with
5 dependent children))~~ temporary assistance for needy families to:

6 (1) Effectively communicate the transitional nature of ~~((aid to
7 families with dependent children))~~ temporary assistance for needy
8 families and the expectation that recipients will enter employment;

9 (2) Actively refer clients to the job opportunities and basic
10 skills program;

11 (3) Provide social services needed to overcome obstacles to
12 employability; and

13 (4) Provide family planning information and assistance, including
14 alternatives to abortion, which shall be conducted in consultation with
15 the department of health.

16 **Sec. 25.** RCW 74.12.410 and 1994 c 299 s 3 are each amended to read
17 as follows:

18 At time of application or reassessment under this chapter the
19 department shall offer or contract for family planning information and
20 assistance, including alternatives to abortion, and any other available
21 locally based teen pregnancy prevention programs, to prospective and
22 current recipients of ~~((aid to families with dependent children))~~
23 temporary assistance for needy families.

24 **Sec. 26.** RCW 74.12.420 and 1994 c 299 s 9 are each amended to read
25 as follows:

26 The legislature recognizes that long-term recipients of ~~((aid to
27 families with dependent children))~~ temporary assistance for needy
28 families may require a period of several years to attain economic self-
29 sufficiency. To provide incentives for long-term recipients to leave
30 public assistance and accept paid employment, the legislature finds
31 that less punitive and onerous sanctions than those required by the
32 federal government are appropriate. The legislature finds that a ten
33 percent reduction in grants for long-term recipients that may be
34 replaced through earned income is a more positive approach than
35 sanctions required by the federal government for long-term recipients
36 who fail to comply with requirements of the job opportunities and basic
37 skills program. A long-term recipient shall not be subject to two

1 simultaneous sanctions for failure to comply with the participation
2 requirements of the job opportunities and basic skills program and for
3 exceeding the length of stay provisions of this section.

4 (1) After forty-eight monthly benefit payments in a sixty-month
5 period, and after each additional twelve monthly benefit payments, the
6 (~~aid to families with dependent children~~) temporary assistance for
7 needy families monthly benefit payment shall be reduced by ten percent
8 of the payment standard, except that after forty-eight monthly payments
9 in a sixty-month period, full monthly benefit payments may be made if:

10 (a) The person is incapacitated or is needed in the home to care
11 for a member of the household who is incapacitated;

12 (b) The person is needed in the home to care for a child who is
13 under three years of age;

14 (c) There are no adults in the assistance unit;

15 (d) The person is cooperating in the development and implementation
16 of an employability plan while receiving (~~aid to families with~~
17 ~~dependent children~~) temporary assistance for needy families and no
18 present full-time, part-time, or unpaid work experience job is offered;
19 or

20 (e) During a month in which a grant reduction would be imposed
21 under this section, the person is participating in an unpaid work
22 experience program.

23 (2) For purposes of determining the amount of the food stamp
24 benefit for recipients subject to benefit reductions provided for in
25 subsection (1) of this section, countable income from the (~~aid to~~
26 ~~families with dependent children~~) temporary assistance for needy
27 families program shall be set at the payment standard.

28 (3) For purposes of determining monthly benefit payments for two-
29 parent (~~aid to families with dependent children~~) temporary assistance
30 for needy families households, the length of stay criterion will be
31 applied to the parent with the longer history of public assistance
32 receipt.

33 **Sec. 27.** RCW 74.12.425 and 1994 c 299 s 10 are each amended to
34 read as follows:

35 For purposes of determining the amount of monthly benefit payment
36 to recipients of (~~aid to families with dependent children~~) temporary
37 assistance for needy families who are subject to benefit reductions due

1 to length of stay, all countable nonexempt earned income shall be
2 subtracted from an amount equal to the payment standard.

3 **Sec. 28.** RCW 74.12.900 and 1994 c 299 s 12 are each amended to
4 read as follows:

5 The revisions to the (~~aid to families with dependent children~~)
6 temporary assistance for needy families program and job opportunities
7 and basic skills training program shall be implemented by the
8 department of social and health services on a state-wide basis.

9 **Sec. 29.** RCW 74.25.010 and 1994 c 299 s 6 are each amended to read
10 as follows:

11 The legislature establishes as state policy the goal of economic
12 self-sufficiency for employable recipients of public assistance,
13 through employment, training, and education. In furtherance of this
14 policy, the legislature intends to comply with the requirements of the
15 federal social security act, as amended, by creating a job
16 opportunities and basic skills training program for applicants and
17 recipients of (~~aid to families with dependent children~~) temporary
18 assistance for needy families. The purpose of this program is to
19 provide recipients of (~~aid to families with dependent children~~)
20 temporary assistance for needy families the opportunity to obtain
21 appropriate education, training, skills, and supportive services,
22 including child care, consistent with their needs, that will help them
23 enter or reenter gainful employment, thereby avoiding long-term welfare
24 dependence and achieving economic self-sufficiency. The program shall
25 be operated by the department of social and health services in
26 conformance with federal law and consistent with the following
27 legislative findings:

28 (1) The legislature finds that the well-being of children depends
29 not only on meeting their material needs, but also on the ability of
30 parents to become economically self-sufficient. The job opportunities
31 and basic skills training program is specifically directed at
32 increasing the labor force participation and household earnings of
33 (~~aid to families with dependent children~~) temporary assistance for
34 needy families recipients, through the removal of barriers preventing
35 them from achieving self-sufficiency. These barriers include, but are
36 not limited to, the lack of recent work experience, supportive services
37 such as affordable and reliable child care, adequate transportation,

1 appropriate counseling, and necessary job-related tools, equipment,
2 books, clothing, and supplies, the absence of basic literacy skills,
3 the lack of educational attainment sufficient to meet labor market
4 demands for career employees, and the nonavailability of useful labor
5 market assessments.

6 (2) The legislature also recognizes that (~~aid to families with~~
7 ~~dependent children~~) temporary assistance for needy families recipients
8 must be acknowledged as active participants in self-sufficiency
9 planning under the program. The legislature finds that the department
10 of social and health services should communicate concepts of the
11 importance of work and how performance and effort directly affect
12 future career and educational opportunities and economic well-being, as
13 well as personal empowerment, self-motivation, and self-esteem to
14 program participants. The legislature further recognizes that informed
15 choice is consistent with individual responsibility, and that parents
16 should be given a range of options for available child care while
17 participating in the program.

18 (3) The legislature finds that current work experience is one of
19 the most important factors influencing an individual's ability to work
20 toward financial stability and an adequate standard of living in the
21 long term, and that work experience should be the most important
22 component of the program.

23 (4) The legislature finds that education, including, but not
24 limited to, literacy, high school equivalency, vocational, secondary,
25 and postsecondary, is one of the most important tools an individual
26 needs to achieve full independence, and that this should be an
27 important component of the program.

28 (5) The legislature further finds that the objectives of this
29 program are to assure that (~~aid to families with dependent children~~)
30 temporary assistance for needy families recipients gain experience in
31 the labor force and thereby enhance their long-term ability to achieve
32 financial stability and an adequate standard of living at wages that
33 will meet family needs.

34 **Sec. 30.** RCW 74.25.040 and 1994 c 299 s 8 are each amended to read
35 as follows:

36 Recipients of (~~aid to families with dependent children~~) temporary
37 assistance for needy families who are not participating in an education
38 or work training program may volunteer to work in a licensed child care

1 facility, or other willing volunteer work site. Licensed child care
2 facilities participating in this effort shall provide care for the
3 recipient's children and provide for the development of positive child
4 care skills.

5 **Sec. 31.** RCW 74.25A.045 and 1994 c 299 s 23 are each amended to
6 read as follows:

7 A local employment partnership council shall be established in each
8 pilot project area to assist the department of social and health
9 services in the administration of this chapter and to allow local
10 flexibility in dealing with the particular needs of each pilot project
11 area. Each council shall be primarily responsible for recruiting and
12 encouraging participation of employment providers in the project site.
13 Each council shall be composed of nine members who shall be appointed
14 by the county legislative authority of the county in which the pilot
15 project operates. Councilmembers shall be residents of or employers in
16 the pilot project area in which they are appointed and shall serve
17 three-year terms. The council shall have two members who are current
18 or former recipients of the aid to families with dependent children or
19 temporary assistance for needy families programs or food stamp program,
20 two members who represent labor, and five members who represent the
21 local business community. In addition, one person representing the
22 local community service office of the department of social and health
23 services, one person representing a community action agency or other
24 nonprofit service provider, and one person from a local city or county
25 government shall serve as nonvoting members.

26 **Sec. 32.** RCW 74.25A.050 and 1994 c 299 s 24 are each amended to
27 read as follows:

28 Participants shall be considered recipients of (~~aid to families~~
29 ~~with dependent children~~) temporary assistance for needy families and
30 remain eligible for medicaid benefits even if the participant does not
31 receive a residual grant. Work supplementation participants shall be
32 eligible for (1) the thirty-dollar plus one-third of earned income
33 exclusion from income, (2) the work related expense disregard, and (3)
34 any applicable child care expense disregard deemed available to

1 recipient of aid in computing his or her grant under this chapter,
2 unless prohibited by federal law.

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