
SUBSTITUTE SENATE BILL 5802

State of Washington

56th Legislature

1999 Regular Session

By Senate Committee on Labor & Workforce Development (originally sponsored by Senators Fairley, Hochstatter, Honeyford, Spanel and Franklin)

Read first time 02/26/1999.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 (e) The employment security department number; and

21 (f) The state excise tax registration number.

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

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

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

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

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

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

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

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

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

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

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

7 (3) The administrator shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 deliver a copy of the rules to all persons, firms, partnerships,
2 corporations, or other entities licensed under this chapter.

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

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

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

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

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

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

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

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

35 (4) Whenever the installation of any telecommunications cabling and
36 associated hardware is not in accordance with this chapter, or is in
37 such a condition as to be dangerous to life or property, the person,

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

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

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

37 (2) Any person, firm, partnership, corporation, or other entity
38 desiring a decision of the board under this section shall, in writing,

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

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

1 allowed a minimum of twenty days to review a proposed decision and
2 shall issue its decision no later than the next regularly scheduled
3 board meeting.

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

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

36 NEW SECTION. **Sec. 13.** Nothing contained in this chapter may be
37 construed to relieve from, or lessen the responsibility or liability

1 of, any person for injury or damage to person or property caused by, or
2 resulting from, any defect of any nature in any telecommunications work
3 performed by the person, or in any telecommunications equipment owned,
4 controlled, installed, operated, or used by him or her. The state of
5 Washington, its officers, agents, or employees may not incur, or be
6 held as assuming any liability by reason of, or in consequence of, any
7 permission, certificate of inspection, inspection, act performed, or
8 approval authorized, issued, or given under this chapter.

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

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

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

33 (3)(a) Proof of financial responsibility authorized in this section
34 may be given by providing, in the amount required by subsection (1) of
35 this section, an assigned account acceptable to the department. The
36 assigned account shall be held by the department to satisfy any
37 execution on a judgment issued against the contractor for damage to

1 property or injury or death to any person occurring in the contractor's
2 contracting operation, according to the provisions of the assigned
3 account agreement. The department shall have no liability for payment
4 in excess of the amount of the assigned account.

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

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

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

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

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

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

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

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

1 allocations shall occur prior to the distributions of earnings set
2 forth in subsection (4) of this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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