
HOUSE BILL 1902

State of Washington

61st Legislature

2009 Regular Session

By Representatives Dammeier, Walsh, Rodne, Warnick, Alexander, Schmick, Herrera, Orcutt, Smith, Johnson, Bailey, McCune, Kristiansen, Shea, Kretz, and Hinkle

Read first time 02/02/09. Referred to Committee on Ways & Means.

1 AN ACT Relating to consolidating accounts into the state general
2 fund; amending RCW 3.50.100, 3.62.020, 3.62.040, 7.68.030, 7.68.035,
3 7.68.085, 9A.82.110, 9.41.110, 9.68A.120, 10.82.090, 10.105.010,
4 28A.150.380, 28A.505.210, 28A.505.220, 35.20.220, 36.18.012, 36.18.025,
5 36.70A.130, 39.42.070, 41.05.068, 43.08.250, 43.17.150, 43.41.260,
6 43.79.480, 43.99H.060, 43.99K.030, 43.99L.040, 43.135.025, 46.61.5058,
7 66.24.210, 66.24.290, 67.70.240, 67.70.340, 69.50.505, 70.05.125,
8 70.47.015, 70.190.010, 70.190.100, 70.96A.350, 70.146.010, 70.146.020,
9 70.146.040, 70.146.075, 70.190.010, 72.09.111, 74.09.053, 77.12.201,
10 82.08.150, 82.24.026, 82.24.027, 82.24.028, 82.26.020, 82.64.020,
11 83.100.220, 84.52.067, and 90.71.370; reenacting and amending RCW
12 2.56.030, 36.18.020, 43.84.092, 43.135.045, 48.14.0201, 70.146.060,
13 72.09.480, 82.04.260, and 82.24.020; creating new sections; repealing
14 RCW 41.45.230, 41.45.233, 43.72.900, 69.50.520, 70.146.030, 70.146.080,
15 82.32.390, 83.100.230, and 84.52.068; providing an effective date; and
16 declaring an emergency.

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

18 NEW SECTION. **Sec. 1.** The purpose of this act is to consolidate
19 the various accounts known as "near general fund" into a single state

1 general fund, thereby enabling the legislature to take a more
2 comprehensive approach to state budget policy, facilitating the setting
3 of priorities for limited state resources, promoting a higher level of
4 scrutiny of all state programs funded from state tax sources, and
5 making the budget more transparent and understandable. The purpose of
6 this act is further to bring all expenditures from these accounts
7 within the state expenditure limit, so as to ensure that the limit
8 meets the intent of the legislature and the expectations of the people
9 of Washington.

10 NEW SECTION. **Sec. 2.** On July 1, 2009, the state treasurer shall
11 transfer to the state general fund all unexpended balances of the
12 public safety and education account, health services account, violence
13 reduction and drug enforcement account, student achievement fund,
14 education legacy trust account, pension funding stabilization account,
15 water quality account, and equal justice subaccount.

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

18 PUBLIC SAFETY AND EDUCATION ACCOUNT. The administrator for the
19 courts shall, under the supervision and direction of the chief justice:

20 (1) Examine the administrative methods and systems employed in the
21 offices of the judges, clerks, stenographers, and employees of the
22 courts and make recommendations, through the chief justice, for the
23 improvement of the same;

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

26 (3) Make recommendations to the chief justice relating to the
27 assignment of judges where courts are in need of assistance and carry
28 out the direction of the chief justice as to the assignments of judges
29 to counties and districts where the courts are in need of assistance;

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

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

1 (6) Collect statistical and other data and make reports relating to
2 the expenditure of public moneys, state and local, for the maintenance
3 and operation of the judicial system and the offices connected
4 therewith;

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

10 (8) Act as secretary of the judicial conference referred to in RCW
11 2.56.060;

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

16 (10) Administer programs and standards for the training and
17 education of judicial personnel;

18 (11) Examine the need for new superior court and district court
19 judge positions under an objective workload analysis. The results of
20 the objective workload analysis shall be reviewed by the board for
21 judicial administration which shall make recommendations to the
22 legislature. It is the intent of the legislature that an objective
23 workload analysis become the basis for creating additional district and
24 superior court positions, and recommendations should address that
25 objective;

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

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

30 (14) Within available funds, develop a curriculum for a general
31 understanding of child development, placement, and treatment resources,
32 as well as specific legal skills and knowledge of relevant statutes
33 including chapters 13.32A, 13.34, and 13.40 RCW, cases, court rules,
34 interviewing skills, and special needs of the abused or neglected
35 child. This curriculum shall be completed and made available to all
36 juvenile court judges, court personnel, and service providers and be
37 updated yearly to reflect changes in statutes, court rules, or case
38 law;

1 (15) Develop, in consultation with the entities set forth in RCW
2 2.56.150(3), a comprehensive statewide curriculum for persons who act
3 as guardians ad litem under Title 13 or 26 RCW. The curriculum shall
4 be made available July 1, 2008, and include specialty sections on child
5 development, child sexual abuse, child physical abuse, child neglect,
6 domestic violence, clinical and forensic investigative and interviewing
7 techniques, family reconciliation and mediation services, and relevant
8 statutory and legal requirements. The curriculum shall be made
9 available to all superior court judges, court personnel, and all
10 persons who act as guardians ad litem;

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

17 (17) Develop, in consultation with the criminal justice training
18 commission and the commissions established under chapters 43.113,
19 43.115, and 43.117 RCW, a curriculum for a general understanding of
20 ethnic and cultural diversity and its implications for working with
21 youth of color and their families. The curriculum shall be available
22 to all superior court judges and court commissioners assigned to
23 juvenile court, and other court personnel. Ethnic and cultural
24 diversity training shall be provided annually so as to incorporate
25 cultural sensitivity and awareness into the daily operation of juvenile
26 courts statewide;

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

31 (19) Develop a Washington family law handbook in accordance with
32 RCW 2.56.180;

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

36 (21) Administer the family and juvenile court improvement grant
37 program;

1 (22)(a) Administer and distribute amounts appropriated (~~from the~~
2 ~~equal justice subaccount under RCW 43.08.250(2)~~) for district court
3 judges' and qualifying elected municipal court judges' salary
4 contributions. The administrator for the courts shall develop a
5 distribution formula for these amounts that does not differentiate
6 between district and elected municipal court judges.

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

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

10 (ii) The city has established by ordinance that a full-time judge
11 is compensated at a rate equivalent to at least ninety-five percent,
12 but not more than one hundred percent, of a district court judge salary
13 or for a part-time judge on a pro rata basis the same equivalent; and

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

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

20 **Sec. 4.** RCW 3.50.100 and 2004 c 15 s 3 are each amended to read as
21 follows:

22 PUBLIC SAFETY AND EDUCATION ACCOUNT. (1) Costs in civil and
23 criminal actions may be imposed as provided in district court. All
24 fees, costs, fines, forfeitures and other money imposed by any
25 municipal court for the violation of any municipal or town ordinances
26 shall be collected by the court clerk and, together with any other
27 noninterest revenues received by the clerk, shall be deposited with the
28 city or town treasurer as a part of the general fund of the city or
29 town, or deposited in such other fund of the city or town, or deposited
30 in such other funds as may be designated by the laws of the state of
31 Washington.

32 (2) Except as provided in RCW 10.99.080, the city treasurer shall
33 remit monthly thirty-two percent of the noninterest money received
34 under this section, other than for parking infractions, and certain
35 costs to the state treasurer. "Certain costs" as used in this
36 subsection, means those costs awarded to prevailing parties in civil
37 actions under RCW 4.84.010 or 36.18.040, or those costs awarded against

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

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

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

15 (5) Interest retained by the court on penalties, fines, bail
16 forfeitures, fees, and costs shall be split twenty-five percent to the
17 state treasurer for deposit in the (~~public safety and education~~
18 ~~account as provided in RCW 43.08.250~~) state general fund, twenty-five
19 percent to the state treasurer for deposit in the judicial information
20 system account as provided in RCW 2.68.020, twenty-five percent to the
21 city general fund, and twenty-five percent to the city general fund to
22 fund local courts.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 PUBLIC SAFETY AND EDUCATION ACCOUNT. It shall be the duty of the
35 director to establish and administer a program of benefits to innocent
36 victims of criminal acts within the terms and limitations of this
37 chapter. In so doing, the director shall, in accordance with chapter

1 34.05 RCW, adopt rules and regulations necessary to the administration
2 of this chapter, and the provisions contained in chapter 51.04 RCW,
3 including but not limited to RCW 51.04.020, 51.04.030, 51.04.040,
4 51.04.050 and 51.04.100 as now or hereafter amended, shall apply where
5 appropriate in keeping with the intent of this chapter. The director
6 may apply for and, subject to appropriation, expend federal funds under
7 Public Law 98-473 and any other federal program providing financial
8 assistance to state crime victim compensation programs. The federal
9 funds shall be deposited in the (~~public safety and education account~~
10 ~~in the~~) state general fund and may be expended only for purposes
11 authorized by applicable federal law.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 (7) Every city and town shall transmit monthly one and seventy-five
32 one-hundredths percent of all money, other than money received for
33 parking infractions, retained under RCW ((~~3.46.1207~~)) 3.50.100((~~7~~)) and
34 35.20.220 to the county treasurer for deposit as provided in subsection
35 (4) of this section.

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

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

7 (1) Necessary for a previously accepted condition;

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

10 (3) Not available from an alternative source.

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

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

35 For the purposes of this section, an individual will not be
36 required to use his or her assets other than funds recovered as a
37 result of a civil action or criminal restitution, for medical expenses

1 or pain and suffering, in order to qualify for an alternative source of
2 payment.

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

8 **Sec. 10.** RCW 9A.82.110 and 2001 c 222 s 15 are each amended to
9 read as follows:

10 PUBLIC SAFETY AND EDUCATION ACCOUNT. (1) ~~((Any payments or~~
11 ~~forfeiture to the state general fund ordered under RCW 9A.82.100 (4) or~~
12 ~~(5) shall be deposited in the public safety and education account.~~

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

18 ~~((3))~~ (2) It is the intent of the legislature that the money
19 deposited in the ~~((public safety and education account))~~ general fund
20 pursuant to this chapter be appropriated to promote crime victims'
21 compensation.

22 ~~((4))~~ (3)(a) The county legislative authority may establish an
23 antiprofitereing revolving fund to be administered by the county
24 prosecuting attorney under the conditions and for the purposes provided
25 by this subsection. Disbursements from the fund shall be on
26 authorization of the county prosecuting attorney. No appropriation is
27 required for disbursements.

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

1 sustained shall be deposited in the ((~~public safety and education~~
2 ~~account in the~~)) state general fund.

3 (c) The county legislative authority may prescribe a maximum level
4 of moneys in the antiprofitteering revolving fund. Moneys exceeding the
5 prescribed maximum shall be transferred to the county current expense
6 fund.

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

11 (e) If a county has not established an antiprofitteering revolving
12 fund, any payments or forfeitures ordered to the county under this
13 chapter shall be deposited to the county current expense fund.

14 **Sec. 11.** RCW 9.41.110 and 1994 sp.s. c 7 s 416 are each amended to
15 read as follows:

16 PUBLIC SAFETY AND EDUCATION ACCOUNT. (1) No dealer may sell or
17 otherwise transfer, or expose for sale or transfer, or have in his or
18 her possession with intent to sell, or otherwise transfer, any pistol
19 without being licensed as provided in this section.

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

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

28 (4) The duly constituted licensing authorities of any city, town,
29 or political subdivision of this state shall grant licenses in forms
30 prescribed by the director of licensing effective for not more than one
31 year from the date of issue permitting the licensee to sell firearms
32 within this state subject to the following conditions, for breach of
33 any of which the license shall be forfeited and the licensee subject to
34 punishment as provided in RCW 9.41.010 through 9.41.810. A licensing
35 authority shall forward a copy of each license granted to the
36 department of licensing. The department of licensing shall notify the

1 department of revenue of the name and address of each dealer licensed
2 under this section.

3 (5)(a) A licensing authority shall, within thirty days after the
4 filing of an application of any person for a dealer's license,
5 determine whether to grant the license. However, if the applicant does
6 not have a valid permanent Washington driver's license or Washington
7 state identification card, or has not been a resident of the state for
8 the previous consecutive ninety days, the licensing authority shall
9 have up to sixty days to determine whether to issue a license. No
10 person shall qualify for a license under this section without first
11 receiving a federal firearms license and undergoing fingerprinting and
12 a background check. In addition, no person ineligible to possess a
13 firearm under RCW 9.41.040 or ineligible for a concealed pistol license
14 under RCW 9.41.070 shall qualify for a dealer's license.

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

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

27 (b) A dealer may conduct business temporarily at a location other
28 than the building designated in the license, if the temporary location
29 is within Washington state and is the location of a gun show sponsored
30 by a national, state, or local organization, or an affiliate of any
31 such organization, devoted to the collection, competitive use, or other
32 sporting use of firearms in the community. Nothing in this subsection
33 (6)(b) authorizes a dealer to conduct business in or from a motorized
34 or towed vehicle.

35 In conducting business temporarily at a location other than the
36 building designated in the license, the dealer shall comply with all
37 other requirements imposed on dealers by RCW 9.41.090, 9.41.100, and
38 9.41.110. The license of a dealer who fails to comply with the

1 requirements of RCW 9.41.080 and 9.41.090 and subsection (8) of this
2 section while conducting business at a temporary location shall be
3 revoked, and the dealer shall be permanently ineligible for a dealer's
4 license.

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

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

13 (b) A dealer who sells or delivers any firearm in violation of RCW
14 9.41.080 is guilty of a class C felony. In addition to any other
15 penalty provided for by law, the dealer is subject to mandatory
16 permanent revocation of his or her dealer's license and permanent
17 ineligibility for a dealer's license.

18 (c) The license fee for pistols shall be one hundred twenty-five
19 dollars. The license fee for firearms other than pistols shall be one
20 hundred twenty-five dollars. The license fee for ammunition shall be
21 one hundred twenty-five dollars. Any dealer who obtains any license
22 under subsection (1), (2), or (3) of this section may also obtain the
23 remaining licenses without payment of any fee. The fees received under
24 this section shall be deposited in the ((~~account under RCW 69.50.520~~))
25 state general fund.

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

35 (b) One copy shall within six hours be sent by certified mail to
36 the chief of police of the municipality or the sheriff of the county of
37 which the purchaser is a resident; the duplicate the dealer shall

1 within seven days send to the director of licensing; the triplicate the
2 dealer shall retain for six years.

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

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

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

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

16 PUBLIC SAFETY AND EDUCATION ACCOUNT. The following are subject to
17 seizure and forfeiture:

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

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

27 (a) No conveyance used by any person as a common carrier in the
28 transaction of business as a common carrier is subject to forfeiture
29 under this section unless it appears that the owner or other person in
30 charge of the conveyance is a consenting party or privy to a violation
31 of this chapter;

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

36 (c) A forfeiture of property encumbered by a bona fide security

1 interest is subject to the interest of the secured party if the secured
2 party neither had knowledge of nor consented to the act or omission;
3 and

4 (d) When the owner of a conveyance has been arrested under this
5 chapter the conveyance may not be subject to forfeiture unless it is
6 seized or process is issued for its seizure within ten days of the
7 owner's arrest.

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

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

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

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

22 (c) A law enforcement officer has probable cause to believe that
23 the property is directly or indirectly dangerous to health or safety;
24 or

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

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

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

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

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

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

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

35 (b) Sell that which is not required to be destroyed by law and
36 which is not harmful to the public. The proceeds and all moneys
37 forfeited under this chapter shall be used for payment of all proper
38 expenses of the investigation leading to the seizure, including any

1 money delivered to the subject of the investigation by the law
2 enforcement agency, and of the proceedings for forfeiture and sale,
3 including expenses of seizure, maintenance of custody, advertising,
4 actual costs of the prosecuting or city attorney, and court costs.
5 Fifty percent of the money remaining after payment of these expenses
6 shall be deposited in the (~~public safety and education account~~
7 ~~established under RCW 43.08.250~~) state general fund and fifty percent
8 shall be deposited in the general fund of the state, county, or city of
9 the seizing law enforcement agency; or

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

13 **Sec. 13.** RCW 10.82.090 and 2004 c 121 s 1 are each amended to read
14 as follows:

15 PUBLIC SAFETY AND EDUCATION ACCOUNT. (1) Except as provided in
16 subsection (2) of this section, financial obligations imposed in a
17 judgment shall bear interest from the date of the judgment until
18 payment, at the rate applicable to civil judgments. All nonrestitution
19 interest retained by the court shall be split twenty-five percent to
20 the state treasurer for deposit in the (~~public safety and education~~
21 ~~account as provided in RCW 43.08.250~~) state general fund, twenty-five
22 percent to the state treasurer for deposit in the judicial information
23 system account as provided in RCW 2.68.020, twenty-five percent to the
24 county current expense fund, and twenty-five percent to the county
25 current expense fund to fund local courts.

26 (2) The court may, on motion by the offender, following the
27 offender's release from total confinement, reduce or waive the interest
28 on legal financial obligations levied as a result of a criminal
29 conviction. The court may reduce or waive the interest only as an
30 incentive for the offender to meet his or her legal financial
31 obligations. The court may not waive the interest on the restitution
32 portion of the legal financial obligation and may only reduce the
33 interest on the restitution portion of the legal financial obligation
34 if the principal of the restitution has been paid in full. The
35 offender must show that he or she has personally made a good faith
36 effort to pay, that the interest accrual is causing a significant
37 hardship, and that he or she will be unable to pay the principal and

1 interest in full and that reduction or waiver of the interest will
2 likely enable the offender to pay the full principal and any remaining
3 interest thereon. For purposes of this section, "good faith effort"
4 means that the offender has either (a) paid the principal amount in
5 full; or (b) made twenty-four consecutive monthly payments, excluding
6 any payments mandatorily deducted by the department of corrections, on
7 his or her legal financial obligations under his or her payment
8 agreement with the court. The court may grant the motion, establish a
9 payment schedule, and retain jurisdiction over the offender for
10 purposes of reviewing and revising the reduction or waiver of interest.
11 This section applies to persons convicted as adults or in juvenile
12 court.

13 **Sec. 14.** RCW 10.105.010 and 1993 c 288 s 2 are each amended to
14 read as follows:

15 PUBLIC SAFETY AND EDUCATION ACCOUNT. (1) The following are subject
16 to seizure and forfeiture and no property right exists in them: All
17 personal property, including, but not limited to, any item, object,
18 tool, substance, device, weapon, machine, vehicle of any kind, money,
19 security, or negotiable instrument, which has been or was actually
20 employed as an instrumentality in the commission of, or in aiding or
21 abetting in the commission of any felony, or which was furnished or was
22 intended to be furnished by any person in the commission of, as a
23 result of, or as compensation for the commission of, any felony, or
24 which was acquired in whole or in part with proceeds traceable to the
25 commission of a felony. No property may be forfeited under this
26 section until after there has been a superior court conviction of the
27 owner of the property for the felony in connection with which the
28 property was employed, furnished, or acquired.

29 A forfeiture of property encumbered by a bona fide security
30 interest is subject to the interest of the secured party if at the time
31 the security interest was created, the secured party neither had
32 knowledge of nor consented to the commission of the felony.

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

1 (a) The seizure is incident to an arrest or a search under a search
2 warrant;

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

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

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

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

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

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

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

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

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

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

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

1 (a) The net proceeds of forfeited property is the value of the
2 forfeitable interest in the property after deducting the cost of
3 satisfying any bona fide security interest to which the property is
4 subject at the time of seizure; and in the case of sold property, after
5 deducting the cost of sale, including reasonable fees or commissions
6 paid to independent selling agents.

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

17 (c) Retained property and net proceeds not required to be paid to
18 the state treasurer, or otherwise required to be spent under this
19 section, shall be retained by the seizing law enforcement agency
20 exclusively for the expansion and improvement of law enforcement
21 activity. Money retained under this section may not be used to
22 supplant preexisting funding sources.

23 **Sec. 15.** RCW 28A.150.380 and 2001 c 3 s 10 are each amended to
24 read as follows:

25 STUDENT ACHIEVEMENT FUND. (1) The state legislature shall, at each
26 regular session in an odd-numbered year, appropriate from the state
27 general fund for the current use of the common schools such amounts as
28 needed for state support to the common schools during the ensuing
29 biennium as provided in this chapter, RCW 28A.160.150 through
30 28A.160.210, 28A.300.170, and 28A.500.010.

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

1 **Sec. 16.** RCW 28A.505.210 and 2005 c 497 s 105 are each amended to
2 read as follows:

3 STUDENT ACHIEVEMENT FUND. School districts shall have the
4 authority to decide the best use of (~~student achievement~~) funds
5 distributed for the student achievement program under RCW 28A.505.220
6 to assist students in meeting and exceeding the new, higher academic
7 standards in each district consistent with the provisions of chapter 3,
8 Laws of 2001.

9 (1) (~~Student achievement~~) Funds shall be allocated for the
10 following uses:

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

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

16 (c) To provide extended learning opportunities to improve student
17 academic achievement in grades K-12, including, but not limited to,
18 extended school year, extended school day, before-and-after-school
19 programs, special tutoring programs, weekend school programs, summer
20 school, and all-day kindergarten;

21 (d) To provide additional professional development for educators,
22 including additional paid time for curriculum and lesson redesign and
23 alignment, training to ensure that instruction is aligned with state
24 standards and student needs, reimbursement for higher education costs
25 related to enhancing teaching skills and knowledge, and mentoring
26 programs to match teachers with skilled, master teachers. The funding
27 shall not be used for salary increases or additional compensation for
28 existing teaching duties, but may be used for extended year and
29 extended day teaching contracts;

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

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

36 (2) Annually on or before May 1st, the school district board of
37 directors shall meet at the time and place designated for the purpose
38 of a public hearing on the proposed use of these funds to improve

1 student achievement for the coming year. Any person may appear or by
2 written submission have the opportunity to comment on the proposed plan
3 for the use of these funds. No later than August 31st, as a part of
4 the process under RCW 28A.505.060, each school district shall adopt a
5 plan for the use of these funds for the upcoming school year.
6 Annually, each school district shall provide to the citizens of their
7 district a public accounting of the funds made available to the
8 district during the previous school year under chapter 3, Laws of 2001,
9 how the funds were used, and the progress the district has made in
10 increasing student achievement, as measured by required state
11 assessments and other assessments deemed appropriate by the district.
12 Copies of this report shall be provided to the superintendent of public
13 instruction.

14 **Sec. 17.** RCW 28A.505.220 and 2008 c 170 s 401 are each amended to
15 read as follows:

16 STUDENT ACHIEVEMENT FUND. (1) Total distributions for the student
17 achievement program from the ((~~student achievement~~)) general fund to
18 each school district shall be based upon the average number of full-
19 time equivalent students in the school district during the previous
20 school year as reported to the office of the superintendent of public
21 instruction by August 31st of the previous school year. The
22 superintendent of public instruction shall ensure that moneys generated
23 by skill center students are returned to skill centers.

24 (2) The allocation rate per full-time equivalent student shall be
25 three hundred dollars in the 2005-06 school year, three hundred
26 seventy-five dollars in the 2006-07 school year, and four hundred fifty
27 dollars in the 2007-08 school year. For each subsequent school year,
28 the amount allocated per full-time equivalent student shall be adjusted
29 for inflation as defined in RCW 43.135.025(8). These allocations per
30 full-time equivalent student ((~~from the student achievement fund~~))
31 shall be supported from the ((~~following sources~~):

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

34 ~~(b) Distributions from the education legacy trust account created~~
35 ~~in RCW 83.100.230.~~

36 ~~(3) Any funds deposited in the student achievement fund under RCW~~
37 ~~43.135.045 shall be allocated to school districts on a one-time basis~~

1 using a rate per full-time equivalent student. These funds are
2 provided in addition to any amounts allocated in subsection (2) of this
3 section)) general fund.

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

7 **Sec. 18.** RCW 35.20.220 and 2004 c 15 s 9 are each amended to read
8 as follows:

9 PUBLIC SAFETY AND EDUCATION ACCOUNT. (1) The chief clerk, under
10 the supervision and direction of the court administrator of the
11 municipal court, shall have the custody and care of the books, papers
12 and records of ((said)) the court((+he)). The chief clerk or a deputy
13 shall be present ((by himself or deputy)) during the session of
14 ((said)) the court((+)) and ((shall have)) has the power to swear all
15 witnesses and jurors, ((and)) administer oaths and affidavits, and take
16 acknowledgments. ((He)) The chief clerk shall keep the records of
17 ((said)) the court((+)) and shall issue all process under his or her
18 hand and the seal of ((said)) the court((+and)). The chief clerk
19 shall do and perform all things and have the same powers pertaining to
20 ((his)) the office as the clerks of the superior courts have in their
21 office. He or she shall receive all fines, penalties, and fees of
22 every kind((+)) and keep a full, accurate, and detailed account of the
23 same((+and)). The chief clerk shall on each day pay into the city
24 treasury all money received for ((said)) the city during the day
25 previous, with a detailed account of the same, and taking the
26 treasurer's receipt therefor.

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

1 counsel. Money remitted under this subsection to the state treasurer
2 shall be deposited (~~(as provided in RCW 43.08.250)~~) in the state
3 general fund.

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

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

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

18 **Sec. 19.** RCW 36.18.012 and 2006 c 192 s 1 are each amended to read
19 as follows:

20 PUBLIC SAFETY AND EDUCATION ACCOUNT. (1) Revenue collected under
21 this section is subject to division with the state (~~(for deposit in the~~
22 ~~public safety and education account under RCW 36.18.025)~~).

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

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

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

35 (5) Any party filing a counterclaim, cross-claim, or third-party
36 claim in an unlawful detainer action under chapter 59.18 or 59.20 RCW

1 shall pay the equivalent to the total filing fee of an unlawful
2 detainer action pursuant to RCW 36.18.020, including the fee for an
3 unlawful detainer answer pursuant to subsection (4) of this section.

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

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

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

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

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

22 **Sec. 20.** RCW 36.18.020 and 2005 c 457 s 19 and 2005 c 374 s 5 are
23 each reenacted and amended to read as follows:

24 PUBLIC SAFETY AND EDUCATION ACCOUNT. (1) Revenue collected under
25 this section is subject to division with the state (~~public safety and~~
26 ~~education account~~) under RCW 36.18.025 and with the county or regional
27 law library fund under RCW 27.24.070.

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

30 (a) In addition to any other fee required by law, the party filing
31 the first or initial paper in any civil action, including, but not
32 limited to an action for restitution, adoption, or change of name, and
33 any party filing a counterclaim, cross-claim, or third-party claim in
34 any such civil action, shall pay, at the time the paper is filed, a fee
35 of two hundred dollars except, in an unlawful detainer action under
36 chapter 59.18 or 59.20 RCW for which the plaintiff shall pay a case
37 initiating filing fee of forty-five dollars, or in proceedings filed

1 under RCW 28A.225.030 alleging a violation of the compulsory attendance
2 laws where the petitioner shall not pay a filing fee. The forty-five
3 dollar filing fee under this subsection for an unlawful detainer action
4 shall not include an order to show cause or any other order or judgment
5 except a default order or default judgment in an unlawful detainer
6 action.

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

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

13 (d) For filing of a petition for unlawful harassment under RCW
14 10.14.040 a filing fee of fifty-three dollars.

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

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

20 (g) For filing any petition to contest a will admitted to probate
21 or a petition to admit a will which has been rejected, or a petition
22 objecting to a written agreement or memorandum as provided in RCW
23 11.96A.220, there shall be paid a fee of two hundred dollars.

24 (h) Upon conviction or plea of guilty, upon failure to prosecute an
25 appeal from a court of limited jurisdiction as provided by law, or upon
26 affirmance of a conviction by a court of limited jurisdiction, a
27 defendant in a criminal case shall be liable for a fee of two hundred
28 dollars.

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

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

1 **Sec. 21.** RCW 36.18.025 and 2001 c 146 s 3 are each amended to read
2 as follows:

3 PUBLIC SAFETY AND EDUCATION ACCOUNT. Forty-six percent of the
4 money received from filing fees paid pursuant to RCW 36.18.020, except
5 those collected for the filing of warrants for unpaid taxes or
6 overpayments by state agencies as outlined in RCW 36.18.012(10), shall
7 be transmitted by the county treasurer each month to the state
8 treasurer for deposit in the (~~public safety and education account~~
9 ~~established under RCW 43.08.250~~) state general fund.

10 **Sec. 22.** RCW 36.70A.130 and 2006 c 285 s 2 are each amended to
11 read as follows:

12 WATER QUALITY ACCOUNT. (1)(a) Each comprehensive land use plan and
13 development regulations shall be subject to continuing review and
14 evaluation by the county or city that adopted them. Except as
15 otherwise provided, a county or city shall take legislative action to
16 review and, if needed, revise its comprehensive land use plan and
17 development regulations to ensure the plan and regulations comply with
18 the requirements of this chapter according to the time periods
19 specified in subsection (4) of this section.

20 (b) Except as otherwise provided, a county or city not planning
21 under RCW 36.70A.040 shall take action to review and, if needed, revise
22 its policies and development regulations regarding critical areas and
23 natural resource lands adopted according to this chapter to ensure
24 these policies and regulations comply with the requirements of this
25 chapter according to the time periods specified in subsection (4) of
26 this section. Legislative action means the adoption of a resolution or
27 ordinance following notice and a public hearing indicating at a
28 minimum, a finding that a review and evaluation has occurred and
29 identifying the revisions made, or that a revision was not needed and
30 the reasons therefor.

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

1 (d) Any amendment of or revision to a comprehensive land use plan
2 shall conform to this chapter. Any amendment of or revision to
3 development regulations shall be consistent with and implement the
4 comprehensive plan.

5 (2)(a) Each county and city shall establish and broadly disseminate
6 to the public a public participation program consistent with RCW
7 36.70A.035 and 36.70A.140 that identifies procedures and schedules
8 whereby updates, proposed amendments, or revisions of the comprehensive
9 plan are considered by the governing body of the county or city no more
10 frequently than once every year. "Updates" means to review and revise,
11 if needed, according to subsection (1) of this section, and the time
12 periods specified in subsection (4) of this section or in accordance
13 with the provisions of subsections (5) and (8) of this section.
14 Amendments may be considered more frequently than once per year under
15 the following circumstances:

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

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

20 (iii) The amendment of the capital facilities element of a
21 comprehensive plan that occurs concurrently with the adoption or
22 amendment of a county or city budget;

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

27 (v) The adoption of comprehensive plan amendments necessary to
28 enact a planned action under RCW 43.21C.031(2), provided that
29 amendments are considered in accordance with the public participation
30 program established by the county or city under this subsection (2)(a)
31 and all persons who have requested notice of a comprehensive plan
32 update are given notice of the amendments and an opportunity to
33 comment.

34 (b) Except as otherwise provided in (a) of this subsection, all
35 proposals shall be considered by the governing body concurrently so the
36 cumulative effect of the various proposals can be ascertained.
37 However, after appropriate public participation a county or city may
38 adopt amendments or revisions to its comprehensive plan that conform

1 with this chapter whenever an emergency exists or to resolve an appeal
2 of a comprehensive plan filed with a growth management hearings board
3 or with the court.

4 (3)(a) Each county that designates urban growth areas under RCW
5 36.70A.110 shall review, at least every ten years, its designated urban
6 growth area or areas, and the densities permitted within both the
7 incorporated and unincorporated portions of each urban growth area. In
8 conjunction with this review by the county, each city located within an
9 urban growth area shall review the densities permitted within its
10 boundaries, and the extent to which the urban growth occurring within
11 the county has located within each city and the unincorporated portions
12 of the urban growth areas.

13 (b) The county comprehensive plan designating urban growth areas,
14 and the densities permitted in the urban growth areas by the
15 comprehensive plans of the county and each city located within the
16 urban growth areas, shall be revised to accommodate the urban growth
17 projected to occur in the county for the succeeding twenty-year period.
18 The review required by this subsection may be combined with the review
19 and evaluation required by RCW 36.70A.215.

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

27 (a) On or before December 1, 2004, and every seven years
28 thereafter, for Clallam, Clark, Jefferson, King, Kitsap, Pierce,
29 Snohomish, Thurston, and Whatcom counties and the cities within those
30 counties;

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

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

37 (d) On or before December 1, 2007, and every seven years
38 thereafter, for Adams, Asotin, Columbia, Ferry, Franklin, Garfield,

1 Grays Harbor, Klickitat, Lincoln, Okanogan, Pacific, Pend Oreille,
2 Stevens, Wahkiakum, Walla Walla, and Whitman counties and the cities
3 within those counties.

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

10 (b) A county that is subject to a schedule established by the
11 department under subsection (4)(b) through (d) of this section and
12 meets the following criteria may comply with the requirements of this
13 section at any time within the thirty-six months following the date
14 established in the applicable schedule: The county has a population of
15 less than fifty thousand and has had its population increase by no more
16 than seventeen percent in the ten years preceding the date established
17 in the applicable schedule as of that date.

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

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

30 (6) A county or city subject to the time periods in subsection
31 (4)(a) of this section that, pursuant to an ordinance adopted by the
32 county or city establishing a schedule for periodic review of its
33 comprehensive plan and development regulations, has conducted a review
34 and evaluation of its comprehensive plan and development regulations
35 and, on or after January 1, 2001, has taken action in response to that
36 review and evaluation shall be deemed to have conducted the first
37 review required by subsection (4)(a) of this section. Subsequent

1 review and evaluation by the county or city of its comprehensive plan
2 and development regulations shall be conducted in accordance with the
3 time periods established under subsection (4)(a) of this section.

4 (7) The requirements imposed on counties and cities under this
5 section shall be considered "requirements of this chapter" under the
6 terms of RCW 36.70A.040(1). Only those counties and cities: (a)
7 Complying with the schedules in this section; (b) demonstrating
8 substantial progress towards compliance with the schedules in this
9 section for development regulations that protect critical areas; or (c)
10 complying with the extension provisions of subsection (5)(b) or (c) of
11 this section may receive grants, loans, pledges, or financial
12 guarantees from ~~((those accounts))~~ the account established in RCW
13 43.155.050 ~~((and 70.146.030))~~. A county or city that is fewer than
14 twelve months out of compliance with the schedules in this section for
15 development regulations that protect critical areas is making
16 substantial progress towards compliance. Only those counties and
17 cities in compliance with the schedules in this section may receive
18 preference for grants or loans subject to the provisions of RCW
19 43.17.250.

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

22 (a) Counties and cities required to satisfy the requirements of
23 this section according to the schedule established by subsection (4)(b)
24 through (d) of this section may comply with the requirements of this
25 section for development regulations that protect critical areas one
26 year after the dates established in subsection (4)(b) through (d) of
27 this section;

28 (b) Counties and cities complying with the requirements of this
29 section one year after the dates established in subsection (4)(b)
30 through (d) of this section for development regulations that protect
31 critical areas shall be deemed in compliance with the requirements of
32 this section; and

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

1 (9) Notwithstanding subsection (8) of this section and the
2 substantial progress provisions of subsections (7) and (10) of this
3 section, only those counties and cities complying with the schedule in
4 subsection (4) of this section, or the extension provisions of
5 subsection (5)(b) or (c) of this section, may receive preferences for
6 grants, loans, pledges, or financial guarantees from ~~((those accounts))~~
7 the account established in RCW 43.155.050 ~~((and 70.146.030))~~.

8 (10) Until December 1, 2005, and notwithstanding subsection (7) of
9 this section, a county or city subject to the time periods in
10 subsection (4)(a) of this section demonstrating substantial progress
11 towards compliance with the schedules in this section for its
12 comprehensive land use plan and development regulations may receive
13 grants, loans, pledges, or financial guarantees from ~~((those accounts))~~
14 the account established in RCW 43.155.050 ~~((and 70.146.030))~~. A county
15 or city that is fewer than twelve months out of compliance with the
16 schedules in this section for its comprehensive land use plan and
17 development regulations is deemed to be making substantial progress
18 towards compliance.

19 **Sec. 23.** RCW 39.42.070 and 2007 c 215 s 2 are each amended to read
20 as follows:

21 STUDENT ACHIEVEMENT FUND. (1) On or after the effective date of
22 this act, the treasurer shall compute general state revenues for the
23 three fiscal years immediately preceding such date and shall determine
24 the arithmetic mean thereof. As soon as is practicable after the close
25 of each fiscal year thereafter, he or she shall do likewise. In
26 determining the amount of general state revenues, the treasurer shall
27 include all state money received in the treasury from each and every
28 source whatsoever except: (a) Fees and revenues derived from the
29 ownership or operation of any undertaking, facility or project; (b)
30 moneys received as gifts, grants, donations, aid or assistance or
31 otherwise from the United States or any department, bureau or
32 corporation thereof, or any person, firm or corporation, public or
33 private, when the terms and conditions of such gift, grant, donation,
34 aid or assistance require the application and disbursement of such
35 moneys otherwise than for the general purposes of the state of
36 Washington; (c) moneys to be paid into and received from retirement
37 system funds, and performance bonds and deposits; (d) moneys to be paid

1 into and received from trust funds including but not limited to moneys
2 received from taxes levied for specific purposes and the several
3 permanent funds of the state and the moneys derived therefrom but
4 excluding bond redemption funds; (e) proceeds received from the sale of
5 bonds or other evidences of indebtedness. Upon computing general state
6 revenues, the treasurer shall make and file in the office of the
7 secretary of state, a certificate containing the results of such
8 computations. Copies of said certificate shall be sent to each elected
9 official of the state and each member of the legislature. The
10 treasurer shall, at the same time, advise each elected official and
11 each member of the legislature of the current available debt capacity
12 of the state, and may make estimated projections for one or more years
13 concerning debt capacity.

14 (2) For purposes of this chapter, general state revenues shall also
15 include revenues that are deposited in the general fund under RCW
16 82.45.180(2), lottery revenues as provided in RCW 67.70.240(3), and
17 revenues paid into the general fund under RCW 84.52.067(~~(, and revenues~~
18 ~~deposited into the student achievement fund and distributed to school~~
19 ~~districts as provided in RCW 84.52.068))~~).

20 **Sec. 24.** RCW 41.05.068 and 2005 c 195 s 2 are each amended to read
21 as follows:

22 HEALTH SERVICES ACCOUNT. The authority may participate as an
23 employer-sponsored program established in section 1860D-22 of the
24 medicare prescription drug, improvement, and modernization act of 2003,
25 P.L. 108-173 et seq., to receive federal employer subsidy funds for
26 continuing to provide retired employee health coverage, including a
27 pharmacy benefit. The administrator, in consultation with the office
28 of financial management, shall evaluate participation in the employer
29 incentive program, including but not limited to any necessary program
30 changes to meet the eligibility requirements that employer-sponsored
31 retiree health coverage provide prescription drug coverage at least
32 equal to the actuarial value of standard prescription drug coverage
33 under medicare part D. Any employer subsidy moneys received from
34 participation in the federal employer incentive program shall be
35 deposited in the (~~health services account established in RCW~~
36 ~~43.72.900~~) state general fund.

1 NEW SECTION. **Sec. 25.** PENSION FUNDING STABILIZATION ACCOUNT. The
2 following acts or parts of acts are each repealed:

3 (1) RCW 41.45.230 (Pension funding stabilization account--Creation)
4 and 2008 c 329 s 910 & 2006 c 56 s 1; and

5 (2) RCW 41.45.233 (Pension funding stabilization account--State
6 investment board) and 2006 c 56 s 2.

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

9 PUBLIC SAFETY AND EDUCATION ACCOUNT, EQUAL JUSTICE SUBACCOUNT. (1)
10 The money received by the state treasurer from fees, fines,
11 forfeitures, penalties, reimbursements or assessments by any court
12 organized under Title 3 or 35 RCW, or chapter 2.08 RCW, shall be
13 deposited in the (~~public safety and education account which is hereby~~
14 ~~created in the state treasury. The legislature shall appropriate the~~
15 ~~funds in the account to promote traffic safety education, highway~~
16 ~~safety, criminal justice training, crime victims' compensation,~~
17 ~~judicial education, the judicial information system, civil~~
18 ~~representation of indigent persons under RCW 2.53.030, winter~~
19 ~~recreation parking, drug court operations, and state game programs.~~
20 ~~Through the fiscal biennium ending June 30, 2009, the legislature may~~
21 ~~appropriate moneys from the public safety and education account for~~
22 ~~purposes of appellate indigent defense and other operations of the~~
23 ~~office of public defense, the criminal litigation unit of the attorney~~
24 ~~general's office, the treatment alternatives to street crimes program,~~
25 ~~crime victims advocacy programs, justice information network~~
26 ~~telecommunication planning, treatment for supplemental security income~~
27 ~~clients, sexual assault treatment, operations of the administrative~~
28 ~~office of the courts, security in the common schools, alternative~~
29 ~~school start up grants, programs for disruptive students, criminal~~
30 ~~justice data collection, Washington state patrol criminal justice~~
31 ~~activities, drug court operations, unified family courts, local court~~
32 ~~backlog assistance, financial assistance to local jurisdictions for~~
33 ~~extraordinary costs incurred in the adjudication of criminal cases,~~
34 ~~domestic violence treatment and related services, the department of~~
35 ~~corrections' costs in implementing chapter 196, Laws of 1999,~~
36 ~~reimbursement of local governments for costs associated with~~
37 ~~implementing criminal and civil justice legislation, the replacement of~~

1 the department of corrections' offender-based tracking system, secure
2 and semi-secure crisis residential centers, HOPE beds, the family
3 policy council and community public health and safety networks, the
4 street youth program, public notification about registered sex
5 offenders, and narcotics or methamphetamine-related enforcement,
6 education, training, and drug and alcohol treatment services. During
7 the 2007-2009 fiscal biennium, the legislature may transfer from the
8 public safety and education account to the state general fund such
9 amounts as to reflect the excess fund balance of the fund)) state
10 general fund.

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

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

18 ~~(ii) Representation of parents in dependency and termination~~
19 ~~proceedings;~~

20 ~~(iii) Civil legal representation of indigent persons; and~~

21 ~~(iv) Contribution to district court judges' salaries and to~~
22 ~~eligible elected municipal court judges' salaries.~~

23 ~~(b) For the 2005-07 fiscal biennium, an amount equal to twenty-five~~
24 ~~percent of revenues to the equal justice subaccount, less one million~~
25 ~~dollars, shall be appropriated from the equal justice subaccount to the~~
26 ~~administrator for the courts for purposes of (a)(iv) of this~~
27 ~~subsection. For the 2007-09 fiscal biennium and subsequent fiscal~~
28 ~~biennia, an amount equal to fifty percent of revenues to the equal~~
29 ~~justice subaccount shall be appropriated from the equal justice~~
30 ~~subaccount to the administrator for the courts for the purposes of~~
31 ~~(a)(iv) of this subsection)) state general fund.~~

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

34 PUBLIC SAFETY AND EDUCATION ACCOUNT. (1) Each state agency is
35 authorized to receive property or money made available by the attorney
36 general of the United States under section 881(e) of Title 21 of the
37 United States Code and, except as required to the contrary under

1 subsection (2) of this section, to use the property or spend the money
2 for such purposes as are permitted under both federal law and the state
3 law specifying the powers and duties of the agency.

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

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

10 HEALTH SERVICES ACCOUNT. The health care authority, the office of
11 financial management, and the department of social and health services
12 shall together monitor the enrollee level in the basic health plan and
13 the medicaid caseload of children (~~funded from the health services~~
14 ~~account~~). The office of financial management shall adjust the funding
15 levels by interagency reimbursement of funds between the basic health
16 plan and medicaid and adjust the funding levels between the health care
17 authority and the medical assistance administration of the department
18 of social and health services to maximize combined enrollment.

19 NEW SECTION. **Sec. 29.** HEALTH SERVICES ACCOUNT. RCW 43.72.900
20 (Health services account) and 2005 c 518 s 930, 2003 c 259 s 1, 2002 c
21 371 s 909, 2002 c 2 s 2, & 1993 c 492 s 469 are each repealed.

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

24 HEALTH SERVICES ACCOUNT. (1) Moneys received by the state of
25 Washington in accordance with the settlement of the state's legal
26 action against tobacco product manufacturers, exclusive of costs and
27 attorneys' fees, shall be deposited in the tobacco settlement account
28 created in this section except as these moneys are sold or assigned
29 under chapter 43.340 RCW.

30 (2) The tobacco settlement account is created in the state
31 treasury. Moneys in the tobacco settlement account may only be
32 transferred to the (~~health services account for the purposes set forth~~
33 ~~in RCW 43.72.900~~) state general fund for the support of health
34 services, and to the tobacco prevention and control account for
35 purposes set forth in this section. The legislature shall transfer

1 amounts received as strategic contribution payments as defined in RCW
2 43.350.010 to the life sciences discovery fund created in RCW
3 43.350.070.

4 (3) The tobacco prevention and control account is created in the
5 state treasury. The source of revenue for this account is moneys
6 transferred to the account from the tobacco settlement account,
7 investment earnings, donations to the account, and other revenues as
8 directed by law. Expenditures from the account are subject to
9 appropriation.

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

12 EDUCATION LEGACY TRUST ACCOUNT, HEALTH SERVICES ACCOUNT, PENSION
13 FUNDING STABILIZATION ACCOUNT. (1) All earnings of investments of
14 surplus balances in the state treasury shall be deposited to the
15 treasury income account, which account is hereby established in the
16 state treasury.

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

32 (3) Except for the provisions of RCW 43.84.160, the treasury income
33 account may be utilized for the payment of purchased banking services
34 on behalf of treasury funds including, but not limited to, depository,
35 safekeeping, and disbursement functions for the state treasury and
36 affected state agencies. The treasury income account is subject in all

1 respects to chapter 43.88 RCW, but no appropriation is required for
2 payments to financial institutions. Payments shall occur prior to
3 distribution of earnings set forth in subsection (4) of this section.

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

8 The following accounts and funds shall receive their proportionate
9 share of earnings based upon each account's and fund's average daily
10 balance for the period: The aeronautics account, the aircraft search
11 and rescue account, the budget stabilization account, the capitol
12 building 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 cleanup settlement account, the Columbia
16 river basin water supply development account, the common school
17 construction fund, the county arterial preservation account, the county
18 criminal justice assistance account, the county sales and use tax
19 equalization account, the data processing building construction
20 account, the deferred compensation administrative account, the deferred
21 compensation principal account, the department of licensing services
22 account, the department of retirement systems expense account, the
23 developmental disabilities community trust account, the drinking water
24 assistance account, the drinking water assistance administrative
25 account, the drinking water assistance repayment account, the Eastern
26 Washington University capital projects account, the education
27 construction fund, (~~the education legacy trust account,~~) the election
28 account, the energy freedom account, the essential rail assistance
29 account, The Evergreen State College capital projects account, the
30 federal forest revolving account, the ferry bond retirement fund, the
31 freight congestion relief account, the freight mobility investment
32 account, the freight mobility multimodal account, the grade crossing
33 protective fund, (~~the health services account,~~) the public health
34 services account, the health system capacity account, the personal
35 health services account, the high capacity transportation account, the
36 state higher education construction account, the higher education
37 construction account, the highway bond retirement fund, the highway
38 infrastructure account, the highway safety account, the high occupancy

1 toll lanes operations account, the industrial insurance premium refund
2 account, the judges' retirement account, the judicial retirement
3 administrative account, the judicial retirement principal account, the
4 local leasehold excise tax account, the local real estate excise tax
5 account, the local sales and use tax account, the medical aid account,
6 the mobile home park relocation fund, the motor vehicle fund, the
7 motorcycle safety education account, the multimodal transportation
8 account, the municipal criminal justice assistance account, the
9 municipal sales and use tax equalization account, the natural resources
10 deposit account, the oyster reserve land account, (~~the pension funding~~
11 ~~stabilization account,~~) the perpetual surveillance and maintenance
12 account, the public employees' retirement system plan 1 account, the
13 public employees' retirement system combined plan 2 and plan 3 account,
14 the public facilities construction loan revolving account beginning
15 July 1, 2004, the public health supplemental account, the public
16 transportation systems account, the public works assistance account,
17 the Puget Sound capital construction account, the Puget Sound ferry
18 operations account, the Puyallup tribal settlement account, the real
19 estate appraiser commission account, the recreational vehicle account,
20 the regional mobility grant program account, the resource management
21 cost account, the rural arterial trust account, the rural Washington
22 loan fund, the safety and education account, the site closure account,
23 the small city pavement and sidewalk account, the special category C
24 account, the special wildlife account, the state employees' insurance
25 account, the state employees' insurance reserve account, the state
26 investment board expense account, the state investment board commingled
27 trust fund accounts, the state patrol highway account, the supplemental
28 pension account, the Tacoma Narrows toll bridge account, the teachers'
29 retirement system plan 1 account, the teachers' retirement system
30 combined plan 2 and plan 3 account, the tobacco prevention and control
31 account, the tobacco settlement account, the transportation 2003
32 account (nickel account), the transportation equipment fund, the
33 transportation fund, the transportation improvement account, the
34 transportation improvement board bond retirement account, the
35 transportation infrastructure account, the transportation partnership
36 account, the traumatic brain injury account, the tuition recovery trust
37 fund, the University of Washington bond retirement fund, the University
38 of Washington building account, the urban arterial trust account, the

1 volunteer firefighters' and reserve officers' relief and pension
2 principal fund, the volunteer firefighters' and reserve officers'
3 administrative fund, the Washington fruit express account, the
4 Washington judicial retirement system account, the Washington law
5 enforcement officers' and firefighters' system plan 1 retirement
6 account, the Washington law enforcement officers' and firefighters'
7 system plan 2 retirement account, the Washington public safety
8 employees' plan 2 retirement account, the Washington school employees'
9 retirement system combined plan 2 and 3 account, the Washington state
10 health insurance pool account, the Washington state patrol retirement
11 account, the Washington State University building account, the
12 Washington State University bond retirement fund, the water pollution
13 control revolving fund, and the Western Washington University capital
14 projects account. Earnings derived from investing balances of the
15 agricultural permanent fund, the normal school permanent fund, the
16 permanent common school fund, the scientific permanent fund, and the
17 state university permanent fund shall be allocated to their respective
18 beneficiary accounts. All earnings to be distributed under this
19 subsection (4)(a) shall first be reduced by the allocation to the state
20 treasurer's service fund pursuant to RCW 43.08.190.

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

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

26 PUBLIC SAFETY AND EDUCATION ACCOUNT. (1) For bonds issued for the
27 purposes of RCW 43.99H.020(16), on each date on which any interest or
28 principal and interest payment is due, the board of regents or the
29 board of trustees of Washington State University shall cause the amount
30 computed in RCW 43.99H.040(1) to be paid out of the appropriate
31 building account or capital projects account to the state treasurer for
32 deposit into the general fund of the state treasury.

33 (2) For bonds issued for the purposes of RCW 43.99H.020(15), on
34 each date on which any interest or principal and interest payment is
35 due, the state treasurer shall transfer the amount computed in RCW
36 43.99H.040(2) from the capitol campus reserve account, hereby created
37 in the state treasury, to the general fund of the state treasury. At

1 the time of sale of the bonds issued for the purposes of RCW
2 43.99H.020(15), and on or before June 30th of each succeeding year
3 while such bonds remain outstanding, the state finance committee shall
4 determine, based on current balances and estimated receipts and
5 expenditures from the capitol campus reserve account, that portion of
6 principal and interest on such RCW 43.99H.020(15) bonds which will, by
7 virtue of payments from the capitol campus reserve account, be
8 reimbursed from sources other than "general state revenues" as that
9 term is defined in Article VIII, section 1 of the state Constitution.
10 The amount so determined by the state finance committee, as from time
11 to time adjusted in accordance with this subsection, shall not
12 constitute indebtedness for purposes of the limitations set forth in
13 RCW 39.42.060.

14 (3) For bonds issued for the purposes of RCW 43.99H.020(17), on
15 each date on which any interest or principal and interest payment is
16 due, the director of the department of labor and industries shall cause
17 fifty percent of the amount computed in RCW 43.99H.040(3) to be
18 transferred from the accident fund created in RCW 51.44.010 and fifty
19 percent of the amount computed in RCW 43.99H.040(3) to be transferred
20 from the medical aid fund created in RCW 51.44.020, to the general fund
21 of the state treasury.

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

28 ~~(5) ((For bonds issued for the purposes of RCW 43.99H.020(20), on~~
29 ~~each date on which any interest or principal and interest payment is~~
30 ~~due, the state treasurer shall transfer the amount computed in RCW~~
31 ~~43.99H.040(5) from the public safety and education account created in~~
32 ~~RCW 43.08.250 to the general fund of the state treasury.~~

33 (+6)) For bonds issued for the purposes of RCW 43.99H.020(4), on
34 each date on which any interest or principal and interest payment is
35 due, the state treasurer shall transfer from property taxes in the
36 state general fund levied for the support of the common schools under
37 RCW 84.52.065 to the general fund of the state treasury for
38 unrestricted use the amount computed in RCW 43.99H.040(6).

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

3 PUBLIC SAFETY AND EDUCATION ACCOUNT. (1)(a) The debt-limit general
4 fund bond retirement account shall be used for the payment of the
5 principal of and interest on the bonds authorized in RCW 43.99K.020
6 (1), (2), and (3).

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

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

13 (2) The state finance committee shall, on or before June 30th of
14 each year, certify to the state treasurer the amount needed in the
15 ensuing twelve months to meet the bond retirement and interest
16 requirements. On each date on which any interest or principal and
17 interest payment is due, the state treasurer shall withdraw from any
18 general state revenues received in the state treasury and deposit in
19 the debt-limit general fund bond retirement account, debt-limit
20 reimbursable bond retirement account, nondebt-limit reimbursable bond
21 retirement account, as necessary, an amount equal to the amount
22 certified by the state finance committee to be due on the payment date.

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

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

36 ~~((+5))~~ (4) Bonds issued under this section and RCW 43.99K.010 and
37 43.99K.020 shall state that they are a general obligation of the state
38 of Washington, shall pledge the full faith and credit of the state to

1 the payment of the principal thereof and the interest thereon, and
2 shall contain an unconditional promise to pay the principal and
3 interest as the same shall become due.

4 ~~((+6+))~~ (5) The owner and holder of each of the bonds or the
5 trustee for the owner and holder of any of the bonds may by mandamus or
6 other appropriate proceeding require the transfer and payment of funds
7 as directed in this section.

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

10 PUBLIC SAFETY AND EDUCATION ACCOUNT. (1) The debt-limit
11 reimbursable bond retirement account shall be used for the payment of
12 the principal of and interest on the bonds authorized in RCW
13 43.99L.020(2).

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

18 (3) On each date on which any interest or principal and interest
19 payment is due on bonds issued for the purpose of RCW 43.99L.020(2),
20 the state treasurer shall transfer from the ~~((public safety and
21 education account))~~ state general fund to the debt-limit reimbursable
22 bond retirement account the amount computed in subsection (2) of this
23 section for the bonds issued for the purpose of RCW 43.99L.020(2).

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

26 EXPENDITURE LIMIT. (1) The state shall not expend from the general
27 fund ~~((and related funds))~~ during any fiscal year state moneys in
28 excess of the state expenditure limit established under this chapter.

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

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

4 (4) For purposes of computing the state expenditure limit for the
5 fiscal year beginning July 1, ((2007)) 2009, the phrase "the previous
6 fiscal year's state expenditure limit" means the total state
7 expenditures from the state general fund ((and related funds)), the
8 public safety and education account, the health services account, the
9 violence reduction and drug enforcement account, the student
10 achievement fund, the education legacy trust account, the pension
11 funding stabilization account, the water quality account, and the equal
12 justice subaccount, not including federal funds, for the fiscal year
13 beginning July 1, ((2006)) 2008, plus the fiscal growth factor.

14 (5) A state expenditure limit committee is established for the
15 purpose of determining and adjusting the state expenditure limit as
16 provided in this chapter. The members of the state expenditure limit
17 committee are the director of financial management, the attorney
18 general or the attorney general's designee, and the chairs and ranking
19 minority members of the senate committee on ways and means and the
20 house of representatives committee on ((appropriations)) ways and
21 means. All actions of the state expenditure limit committee taken
22 pursuant to this chapter require an affirmative vote of at least four
23 members.

24 (6) Each November, the state expenditure limit committee shall
25 adjust the expenditure limit for the preceding fiscal year based on
26 actual expenditures and known changes in the fiscal growth factor and
27 then project an expenditure limit for the next two fiscal years. If,
28 by November 30th, the state expenditure limit committee has not adopted
29 the expenditure limit adjustment and projected expenditure limit as
30 provided in subsection (5) of this section, the attorney general or his
31 or her designee shall adjust or project the expenditure limit, as
32 necessary.

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

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

36 ((9) "Related fund" means the health services account, violence
37 reduction and drug enforcement account, public safety and education
38 account, water quality account, or student achievement fund.))

1 **Sec. 36.** RCW 43.135.045 and 2007 c 520 s 6035 and 2007 c 484 s 5
2 are each reenacted and amended to read as follows:

3 STUDENT ACHIEVEMENT FUND. (~~((1) The student achievement fund is~~
4 ~~hereby created in the state treasury.~~

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

7 ~~((a))~~) (1) Funds may be appropriated from the education
8 construction fund exclusively for common school construction or higher
9 education construction. During the 2007-2009 fiscal biennium, funds
10 may also be used for higher education facilities preservation and
11 maintenance.

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

19 (3) Funds (~~(from the student achievement fund)~~) for the student
20 achievement program in RCW 28A.505.210 and 28A.505.220 shall be
21 appropriated to the superintendent of public instruction strictly for
22 distribution to school districts to meet the provisions set out in the
23 student achievement act. Allocations shall be made on an equal per
24 full-time equivalent student basis to each school district.

25 **Sec. 37.** RCW 46.61.5058 and 1998 c 207 s 2 are each amended to
26 read as follows:

27 PUBLIC SAFETY AND EDUCATION ACCOUNT. (1) Upon the arrest of a
28 person or upon the filing of a complaint, citation, or information in
29 a court of competent jurisdiction, based upon probable cause to believe
30 that a person has violated RCW 46.61.502 or 46.61.504 or any similar
31 municipal ordinance, if such person has a prior offense within seven
32 years as defined in RCW 46.61.5055, and where the person has been
33 provided written notice that any transfer, sale, or encumbrance of such
34 person's interest in the vehicle over which that person was actually
35 driving or had physical control when the violation occurred, is
36 unlawful pending either acquittal, dismissal, sixty days after
37 conviction, or other termination of the charge, such person shall be

1 prohibited from encumbering, selling, or transferring his or her
2 interest in such vehicle, except as otherwise provided in (a), (b), and
3 (c) of this subsection, until either acquittal, dismissal, sixty days
4 after conviction, or other termination of the charge. The prohibition
5 against transfer of title shall not be stayed pending the determination
6 of an appeal from the conviction.

7 (a) A vehicle encumbered by a bona fide security interest may be
8 transferred to the secured party or to a person designated by the
9 secured party;

10 (b) A leased or rented vehicle may be transferred to the lessor,
11 rental agency, or to a person designated by the lessor or rental
12 agency; and

13 (c) A vehicle may be transferred to a third party or a vehicle
14 dealer who is a bona fide purchaser or may be subject to a bona fide
15 security interest in the vehicle unless it is established that (i) in
16 the case of a purchase by a third party or vehicle dealer, such party
17 or dealer had actual notice that the vehicle was subject to the
18 prohibition prior to the purchase, or (ii) in the case of a security
19 interest, the holder of the security interest had actual notice that
20 the vehicle was subject to the prohibition prior to the encumbrance of
21 title.

22 (2) On conviction for a violation of either RCW 46.61.502 or
23 46.61.504 or any similar municipal ordinance where the person convicted
24 has a prior offense within seven years as defined in RCW 46.61.5055,
25 the motor vehicle the person was driving or over which the person had
26 actual physical control at the time of the offense, if the person has
27 a financial interest in the vehicle, is subject to seizure and
28 forfeiture pursuant to this section.

29 (3) A vehicle subject to forfeiture under this chapter may be
30 seized by a law enforcement officer of this state upon process issued
31 by a court of competent jurisdiction. Seizure of a vehicle may be made
32 without process if the vehicle subject to seizure has been the subject
33 of a prior judgment in favor of the state in a forfeiture proceeding
34 based upon this section.

35 (4) Seizure under subsection (3) of this section automatically
36 commences proceedings for forfeiture. The law enforcement agency under
37 whose authority the seizure was made shall cause notice of the seizure
38 and intended forfeiture of the seized vehicle to be served within

1 fifteen days after the seizure on the owner of the vehicle seized, on
2 the person in charge of the vehicle, and on any person having a known
3 right or interest in the vehicle, including a community property
4 interest. The notice of seizure may be served by any method authorized
5 by law or court rule, including but not limited to service by certified
6 mail with return receipt requested. Service by mail is complete upon
7 mailing within the fifteen-day period after the seizure. Notice of
8 seizure in the case of property subject to a security interest that has
9 been perfected on a certificate of title shall be made by service upon
10 the secured party or the secured party's assignee at the address shown
11 on the financing statement or the certificate of title.

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

16 (6) If a person notifies the seizing law enforcement agency in
17 writing of the person's claim of ownership or right to possession of
18 the seized vehicle within forty-five days of the seizure, the law
19 enforcement agency shall give the person or persons a reasonable
20 opportunity to be heard as to the claim or right. The hearing shall be
21 before the chief law enforcement officer of the seizing agency or the
22 chief law enforcement officer's designee, except where the seizing
23 agency is a state agency as defined in RCW 34.12.020, the hearing shall
24 be before the chief law enforcement officer of the seizing agency or an
25 administrative law judge appointed under chapter 34.12 RCW, except that
26 any person asserting a claim or right may remove the matter to a court
27 of competent jurisdiction. Removal may only be accomplished according
28 to the rules of civil procedure. The person seeking removal of the
29 matter must serve process against the state, county, political
30 subdivision, or municipality that operates the seizing agency, and any
31 other party of interest, in accordance with RCW 4.28.080 or 4.92.020,
32 within forty-five days after the person seeking removal has notified
33 the seizing law enforcement agency of the person's claim of ownership
34 or right to possession. The court to which the matter is to be removed
35 shall be the district court when the aggregate value of the vehicle is
36 within the jurisdictional limit set forth in RCW 3.66.020. A hearing
37 before the seizing agency and any appeal therefrom shall be under Title
38 34 RCW. In a court hearing between two or more claimants to the

1 vehicle involved, the prevailing party shall be entitled to a judgment
2 for costs and reasonable attorneys' fees. The burden of producing
3 evidence shall be upon the person claiming to be the legal owner or the
4 person claiming to have the lawful right to possession of the vehicle.
5 The seizing law enforcement agency shall promptly return the vehicle to
6 the claimant upon a determination by the administrative law judge or
7 court that the claimant is the present legal owner under Title 46 RCW
8 or is lawfully entitled to possession of the vehicle.

9 (7) When a vehicle is forfeited under this chapter the seizing law
10 enforcement agency may sell the vehicle, retain it for official use, or
11 upon application by a law enforcement agency of this state release the
12 vehicle to that agency for the exclusive use of enforcing this title;
13 provided, however, that the agency shall first satisfy any bona fide
14 security interest to which the vehicle is subject under subsection
15 (1)(a) or (c) of this section.

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

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

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

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

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

35 (13) The net proceeds of a forfeited vehicle is the value of the
36 forfeitable interest in the vehicle after deducting the cost of
37 satisfying a bona fide security interest to which the vehicle is

1 subject at the time of seizure; and in the case of a sold vehicle,
2 after deducting the cost of sale, including reasonable fees or
3 commissions paid to independent selling agents.

4 (14) The value of a sold forfeited vehicle is the sale price. The
5 value of a retained forfeited vehicle is the fair market value of the
6 vehicle at the time of seizure, determined when possible by reference
7 to an applicable commonly used index, such as the index used by the
8 department of licensing. A seizing agency may, but need not, use an
9 independent qualified appraiser to determine the value of retained
10 vehicles. If an appraiser is used, the value of the vehicle appraised
11 is net of the cost of the appraisal.

12 **Sec. 38.** RCW 48.14.0201 and 2005 c 405 s 1, 2005 c 223 s 6, and
13 2005 c 7 s 1 are each reenacted and amended to read as follows:

14 HEALTH SERVICES ACCOUNT. (1) As used in this section, "taxpayer"
15 means a health maintenance organization as defined in RCW 48.46.020, a
16 health care service contractor as defined in RCW 48.44.010, or a self-
17 funded multiple employer welfare arrangement as defined in RCW
18 48.125.010.

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

25 (3) Taxpayers shall prepay their tax obligations under this
26 section. The minimum amount of the prepayments shall be percentages of
27 the taxpayer's tax obligation for the preceding calendar year
28 recomputed using the rate in effect for the current year. For the
29 prepayment of taxes due during the first calendar year, the minimum
30 amount of the prepayments shall be percentages of the taxpayer's tax
31 obligation that would have been due had the tax been in effect during
32 the previous calendar year. The tax prepayments shall be paid to the
33 state treasurer through the commissioner's office by the due dates and
34 in the following amounts:

- 35 (a) On or before June 15, forty-five percent;
- 36 (b) On or before September 15, twenty-five percent;
- 37 (c) On or before December 15, twenty-five percent.

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

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

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

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

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

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

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

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

25 (c) Amounts received by any health care service contractor, as
26 defined in RCW 48.44.010, as prepayments for health care services
27 included within the definition of practice of dentistry under RCW
28 18.32.020.

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

31 (7) Beginning January 1, 2000, the state does hereby preempt the
32 field of imposing excise or privilege taxes upon taxpayers and no
33 county, city, town, or other municipal subdivision shall have the right
34 to impose any such taxes upon such taxpayers. This subsection shall be
35 limited to premiums and payments for health benefit plans offered by
36 health care service contractors under chapter 48.44 RCW, health
37 maintenance organizations under chapter 48.46 RCW, and self-funded
38 multiple employer welfare arrangements as defined in RCW 48.125.010.

1 The preemption authorized by this subsection shall not impair the
2 ability of a county, city, town, or other municipal subdivision to
3 impose excise or privilege taxes upon the health care services directly
4 delivered by the employees of a health maintenance organization under
5 chapter 48.46 RCW.

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

16 (b) If there has not been a final determination of the legality of
17 these taxes, then beginning on the earlier of (i) the date the fourth
18 multiple employer welfare arrangement has been certified by the
19 insurance commissioner, or (ii) April 1, 2006, the arrangement shall
20 deposit the taxes imposed by this section into an interest bearing
21 escrow account maintained by the arrangement. Upon a final
22 determination that the taxes are not preempted by the employee
23 retirement income security act of 1974, as amended, 29 U.S.C. Sec. 1001
24 et seq., all funds in the interest bearing escrow account shall be
25 transferred to the state treasurer.

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

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

35 **Sec. 39.** RCW 66.24.210 and 2008 c 94 s 8 are each amended to read
36 as follows:

37 VIOLENCE REDUCTION AND DRUG ENFORCEMENT ACCOUNT, HEALTH SERVICES

1 ACCOUNT. (1) There is hereby imposed upon all wines except cider sold
2 to wine distributors and the Washington state liquor control board,
3 within the state a tax at the rate of twenty and one-fourth cents per
4 liter. Any domestic winery or certificate of approval holder acting as
5 a distributor of its own production shall pay taxes imposed by this
6 section. There is hereby imposed on all cider sold to wine
7 distributors and the Washington state liquor control board within the
8 state a tax at the rate of three and fifty-nine one-hundredths cents
9 per liter. However, wine sold or shipped in bulk from one winery to
10 another winery shall not be subject to such tax.

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

13 (b) Except as provided in subsection (7) of this section, every
14 person purchasing wine under the provisions of this section shall on or
15 before the twentieth day of each month report to the board all
16 purchases during the preceding calendar month in such manner and upon
17 such forms as may be prescribed by the board, and with such report
18 shall pay the tax due from the purchases covered by such report unless
19 the same has previously been paid. Any such purchaser of wine whose
20 applicable tax payment is not postmarked by the twentieth day following
21 the month of purchase will be assessed a penalty at the rate of two
22 percent a month or fraction thereof. The board may require that every
23 such person shall execute to and file with the board a bond to be
24 approved by the board, in such amount as the board may fix, securing
25 the payment of the tax. If any such person fails to pay the tax when
26 due, the board may forthwith suspend or cancel the license until all
27 taxes are paid.

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

33 (2) An additional tax is imposed equal to the rate specified in RCW
34 82.02.030 multiplied by the tax payable under subsection (1) of this
35 section. All revenues collected during any month from this additional
36 tax shall be transferred to the state general fund by the twenty-fifth
37 day of the following month.

1 (3) An additional tax is imposed on wines subject to tax under
2 subsection (1) of this section, at the rate of one-fourth of one cent
3 per liter for wine sold after June 30, 1987. After June 30, 1996, such
4 additional tax does not apply to cider. An additional tax of five one-
5 hundredths of one cent per liter is imposed on cider sold after June
6 30, 1996. All revenues collected under this subsection (3) shall be
7 disbursed quarterly to the Washington wine commission for use in
8 carrying out the purposes of chapter 15.88 RCW.

9 (4) An additional tax is imposed on all wine subject to tax under
10 subsection (1) of this section. The additional tax is equal to twenty-
11 three and forty-four one-hundredths cents per liter on fortified wine
12 as defined in RCW 66.04.010 when bottled or packaged by the
13 manufacturer, one cent per liter on all other wine except cider, and
14 eighteen one-hundredths of one cent per liter on cider. All revenues
15 collected during any month from this additional tax shall be deposited
16 in the (~~violence reduction and drug enforcement account under RCW~~
17 ~~69.50.520~~) state general fund by the twenty-fifth day of the following
18 month.

19 (5)(a) An additional tax is imposed on all cider subject to tax
20 under subsection (1) of this section. The additional tax is equal to
21 two and four one-hundredths cents per liter of cider sold after June
22 30, 1996, and before July 1, 1997, and is equal to four and seven one-
23 hundredths cents per liter of cider sold after June 30, 1997.

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

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

33 (7) For the purposes of this section, out-of-state wineries shall
34 pay taxes under this section on wine sold and shipped directly to
35 Washington state residents in a manner consistent with the requirements
36 of a wine distributor under subsections (1) through (4) of this
37 section, except wineries shall be responsible for the tax and not the
38 resident purchaser.

1 **Sec. 40.** RCW 66.24.290 and 2006 c 302 s 7 are each amended to read
2 as follows:

3 VIOLENCE REDUCTION AND DRUG ENFORCEMENT ACCOUNT, HEALTH SERVICES
4 ACCOUNT. (1) Any microbrewer or domestic brewery or beer distributor
5 licensed under this title may sell and deliver beer and strong beer to
6 holders of authorized licenses direct, but to no other person, other
7 than the board. Any certificate of approval holder authorized to act
8 as a distributor under RCW 66.24.270 shall pay the taxes imposed by
9 this section.

10 (a) Every such brewery or beer distributor shall report all sales
11 to the board monthly, pursuant to the regulations, and shall pay to the
12 board as an added tax for the privilege of manufacturing and selling
13 the beer and strong beer within the state a tax of one dollar and
14 thirty cents per barrel of thirty-one gallons on sales to licensees
15 within the state and on sales to licensees within the state of bottled
16 and canned beer, including strong beer, shall pay a tax computed in
17 gallons at the rate of one dollar and thirty cents per barrel of
18 thirty-one gallons.

19 (b) Any brewery or beer distributor whose applicable tax payment is
20 not postmarked by the twentieth day following the month of sale will be
21 assessed a penalty at the rate of two percent per month or fraction
22 thereof. Beer and strong beer shall be sold by breweries and
23 distributors in sealed barrels or packages.

24 (c) The moneys collected under this subsection shall be distributed
25 as follows: (i) Three-tenths of a percent shall be distributed to
26 border areas under RCW 66.08.195; and (ii) of the remaining moneys:
27 (A) Twenty percent shall be distributed to counties in the same manner
28 as under RCW 66.08.200; and (B) eighty percent shall be distributed to
29 incorporated cities and towns in the same manner as under RCW
30 66.08.210.

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

36 (2) An additional tax is imposed on all beer and strong beer
37 subject to tax under subsection (1) of this section. The additional
38 tax is equal to two dollars per barrel of thirty-one gallons. All

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

5 (3)(a) An additional tax is imposed on all beer and strong beer
6 subject to tax under subsection (1) of this section. The additional
7 tax is equal to ninety-six cents per barrel of thirty-one gallons
8 through June 30, 1995, two dollars and thirty-nine cents per barrel of
9 thirty-one gallons for the period July 1, 1995, through June 30, 1997,
10 and four dollars and seventy-eight cents per barrel of thirty-one
11 gallons thereafter.

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

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

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

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

35 (6) The board may require filing with the board of a bond to be
36 approved by it, in such amount as the board may fix, securing the
37 payment of the tax. If any licensee fails to pay the tax when due, the

1 board may forthwith suspend or cancel his or her license until all
2 taxes are paid.

3 **Sec. 41.** RCW 67.70.240 and 2001 c 3 s 4 are each amended to read
4 as follows:

5 STUDENT ACHIEVEMENT FUND. The moneys in the state lottery account
6 shall be used only:

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

9 (2) For purposes of making deposits into the reserve account
10 created by RCW 67.70.250 and into the lottery administrative account
11 created by RCW 67.70.260;

12 (3) For purposes of making deposits into the education construction
13 fund (~~((and student achievement fund))~~) created in RCW 43.135.045. (~~For~~
14 ~~the transition period from July 1, 2001, until and including June 30,~~
15 ~~2002, fifty percent of the moneys not otherwise obligated under this~~
16 ~~section shall be placed in the student achievement fund and fifty~~
17 ~~percent of these moneys shall be placed in the education construction~~
18 ~~fund. On and after July 1, 2002, until June 30, 2004, seventy five~~
19 ~~percent of these moneys shall be placed in the student achievement fund~~
20 ~~and twenty five percent shall be placed in the education construction~~
21 ~~fund.)) On and after July 1, 2004, all deposits not otherwise~~
22 ~~obligated under this section shall be placed in the education~~
23 ~~construction fund. Moneys in the state lottery account deposited in~~
24 ~~the education construction fund ((and the student achievement fund))~~
25 are included in "general state revenues" under RCW 39.42.070;

26 (4) For distribution to a county for the purpose of paying the
27 principal and interest payments on bonds issued by the county to
28 construct a baseball stadium, as defined in RCW 82.14.0485, including
29 reasonably necessary preconstruction costs. Three million dollars
30 shall be distributed under this subsection during calendar year 1996.
31 During subsequent years, such distributions shall equal the prior
32 year's distributions increased by four percent. Distributions under
33 this subsection shall cease when the bonds issued for the construction
34 of the baseball stadium are retired, but not more than twenty years
35 after the tax under RCW 82.14.0485 is first imposed;

36 (5) For distribution to the stadium and exhibition center account,
37 created in RCW 43.99N.060. Subject to the conditions of RCW

1 43.99N.070, six million dollars shall be distributed under this
2 subsection during the calendar year 1998. During subsequent years,
3 such distribution shall equal the prior year's distributions increased
4 by four percent. No distribution may be made under this subsection
5 after December 31, 1999, unless the conditions for issuance of the
6 bonds under RCW 43.99N.020(2) are met. Distributions under this
7 subsection shall cease when the bonds are retired, but not later than
8 December 31, 2020;

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

11 (7) For the payment of agent compensation.

12 The office of financial management shall require the allotment of
13 all expenses paid from the account and shall report to the ways and
14 means committees of the senate and house of representatives any changes
15 in the allotments.

16 **Sec. 42.** RCW 67.70.340 and 2005 c 369 s 4 are each amended to read
17 as follows:

18 STUDENT ACHIEVEMENT FUND. (1) The legislature recognizes that
19 creating a shared game lottery could result in less revenue being
20 raised by the existing state lottery ticket sales. The legislature
21 further recognizes that the ~~((two funds))~~ fund most impacted by this
22 potential event ~~((are the student achievement fund and))~~ is the
23 education construction account. Therefore, it is the intent of the
24 legislature to use some of the proceeds from the shared game lottery to
25 make up the difference that the potential state lottery revenue loss
26 would have on ~~((the student achievement fund and))~~ the education
27 construction account. The legislature further intends to use some of
28 the proceeds from the shared game lottery to fund programs and services
29 related to problem and pathological gambling.

30 (2) The ~~((student achievement fund and the))~~ education construction
31 account ~~((are))~~ is expected to ~~((collectively))~~ receive one hundred two
32 million dollars annually from state lottery games other than the shared
33 game lottery. For fiscal year 2003 and thereafter, if the amount of
34 lottery revenues earmarked for the ~~((student achievement fund and the))~~
35 education construction account is less than one hundred two million
36 dollars, the commission, after making the transfer required under
37 subsection (3) of this section, must transfer sufficient moneys from

1 revenues derived from the shared game lottery into the (~~student~~
2 ~~achievement fund and the~~) education construction account to bring the
3 total revenue up to one hundred two million dollars. (~~The funds~~
4 ~~transferred from the shared game lottery account under this subsection~~
5 ~~must be divided between the student achievement fund and the education~~
6 ~~construction account in a manner consistent with RCW 67.70.240(3).~~)

7 (3)(a) The commission shall transfer, from revenue derived from the
8 shared game lottery, to the problem gambling account created in RCW
9 43.20A.892, an amount equal to the percentage specified in (b) of this
10 subsection of net receipts. For purposes of this subsection, "net
11 receipts" means the difference between (i) revenue received from the
12 sale of lottery tickets or shares and revenue received from the sale of
13 shared game lottery tickets or shares; and (ii) the sum of payments
14 made to winners.

15 (b) In fiscal year 2006, the percentage to be transferred to the
16 problem gambling account is one-tenth of one percent. In fiscal year
17 2007 and subsequent fiscal years, the percentage to be transferred to
18 the problem gambling account is thirteen one-hundredths of one percent.

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

22 **Sec. 43.** RCW 69.50.505 and 2008 c 6 s 631 are each amended to read
23 as follows:

24 VIOLENCE REDUCTION AND DRUG ENFORCEMENT ACCOUNT. (1) The following
25 are subject to seizure and forfeiture and no property right exists in
26 them:

27 (a) All controlled substances which have been manufactured,
28 distributed, dispensed, acquired, or possessed in violation of this
29 chapter or chapter 69.41 or 69.52 RCW, and all hazardous chemicals, as
30 defined in RCW 64.44.010, used or intended to be used in the
31 manufacture of controlled substances;

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

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

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

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

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

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

16 (iv) A forfeiture of a conveyance encumbered by a bona fide
17 security interest is subject to the interest of the secured party if
18 the secured party neither had knowledge of nor consented to the act or
19 omission; and

20 (v) When the owner of a conveyance has been arrested under this
21 chapter or chapter 69.41 or 69.52 RCW the conveyance in which the
22 person is arrested may not be subject to forfeiture unless it is seized
23 or process is issued for its seizure within ten days of the owner's
24 arrest;

25 (e) All books, records, and research products and materials,
26 including formulas, microfilm, tapes, and data which are used, or
27 intended for use, in violation of this chapter or chapter 69.41 or
28 69.52 RCW;

29 (f) All drug paraphernalia;

30 (g) All moneys, negotiable instruments, securities, or other
31 tangible or intangible property of value furnished or intended to be
32 furnished by any person in exchange for a controlled substance in
33 violation of this chapter or chapter 69.41 or 69.52 RCW, all tangible
34 or intangible personal property, proceeds, or assets acquired in whole
35 or in part with proceeds traceable to an exchange or series of
36 exchanges in violation of this chapter or chapter 69.41 or 69.52 RCW,
37 and all moneys, negotiable instruments, and securities used or intended
38 to be used to facilitate any violation of this chapter or chapter 69.41

1 or 69.52 RCW. A forfeiture of money, negotiable instruments,
2 securities, or other tangible or intangible property encumbered by a
3 bona fide security interest is subject to the interest of the secured
4 party if, at the time the security interest was created, the secured
5 party neither had knowledge of nor consented to the act or omission.
6 No personal property may be forfeited under this subsection (1)(g), to
7 the extent of the interest of an owner, by reason of any act or
8 omission which that owner establishes was committed or omitted without
9 the owner's knowledge or consent; and

10 (h) All real property, including any right, title, and interest in
11 the whole of any lot or tract of land, and any appurtenances or
12 improvements which are being used with the knowledge of the owner for
13 the manufacturing, compounding, processing, delivery, importing, or
14 exporting of any controlled substance, or which have been acquired in
15 whole or in part with proceeds traceable to an exchange or series of
16 exchanges in violation of this chapter or chapter 69.41 or 69.52 RCW,
17 if such activity is not less than a class C felony and a substantial
18 nexus exists between the commercial production or sale of the
19 controlled substance and the real property. However:

20 (i) No property may be forfeited pursuant to this subsection
21 (1)(h), to the extent of the interest of an owner, by reason of any act
22 or omission committed or omitted without the owner's knowledge or
23 consent;

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

27 (iii) The possession of marijuana shall not result in the
28 forfeiture of real property unless the marijuana is possessed for
29 commercial purposes, the amount possessed is five or more plants or one
30 pound or more of marijuana, and a substantial nexus exists between the
31 possession of marijuana and the real property. In such a case, the
32 intent of the offender shall be determined by the preponderance of the
33 evidence, including the offender's prior criminal history, the amount
34 of marijuana possessed by the offender, the sophistication of the
35 activity or equipment used by the offender, and other evidence which
36 demonstrates the offender's intent to engage in commercial activity;

37 (iv) The unlawful sale of marijuana or a legend drug shall not
38 result in the forfeiture of real property unless the sale was forty

1 grams or more in the case of marijuana or one hundred dollars or more
2 in the case of a legend drug, and a substantial nexus exists between
3 the unlawful sale and the real property; and

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

8 (2) Real or personal property subject to forfeiture under this
9 chapter may be seized by any board inspector or law enforcement officer
10 of this state upon process issued by any superior court having
11 jurisdiction over the property. Seizure of real property shall include
12 the filing of a lis pendens by the seizing agency. Real property
13 seized under this section shall not be transferred or otherwise
14 conveyed until ninety days after seizure or until a judgment of
15 forfeiture is entered, whichever is later: PROVIDED, That real
16 property seized under this section may be transferred or conveyed to
17 any person or entity who acquires title by foreclosure or deed in lieu
18 of foreclosure of a security interest. Seizure of personal property
19 without process may be made if:

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

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

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

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

31 (3) In the event of seizure pursuant to subsection (2) of this
32 section, proceedings for forfeiture shall be deemed commenced by the
33 seizure. The law enforcement agency under whose authority the seizure
34 was made shall cause notice to be served within fifteen days following
35 the seizure on the owner of the property seized and the person in
36 charge thereof and any person having any known right or interest
37 therein, including any community property interest, of the seizure and
38 intended forfeiture of the seized property. Service of notice of

1 seizure of real property shall be made according to the rules of civil
2 procedure. However, the state may not obtain a default judgment with
3 respect to real property against a party who is served by substituted
4 service absent an affidavit stating that a good faith effort has been
5 made to ascertain if the defaulted party is incarcerated within the
6 state, and that there is no present basis to believe that the party is
7 incarcerated within the state. Notice of seizure in the case of
8 property subject to a security interest that has been perfected by
9 filing a financing statement in accordance with chapter 62A.9A RCW, or
10 a certificate of title, shall be made by service upon the secured party
11 or the secured party's assignee at the address shown on the financing
12 statement or the certificate of title. The notice of seizure in other
13 cases may be served by any method authorized by law or court rule
14 including but not limited to service by certified mail with return
15 receipt requested. Service by mail shall be deemed complete upon
16 mailing within the fifteen day period following the seizure.

17 (4) If no person notifies the seizing law enforcement agency in
18 writing of the person's claim of ownership or right to possession of
19 items specified in subsection (1)(d), (g), or (h) of this section
20 within forty-five days of the seizure in the case of personal property
21 and ninety days in the case of real property, the item seized shall be
22 deemed forfeited. The community property interest in real property of
23 a person whose spouse or domestic partner committed a violation giving
24 rise to seizure of the real property may not be forfeited if the person
25 did not participate in the violation.

26 (5) If any person notifies the seizing law enforcement agency in
27 writing of the person's claim of ownership or right to possession of
28 items specified in subsection (1)(b), (c), (d), (e), (f), (g), or (h)
29 of this section within forty-five days of the seizure in the case of
30 personal property and ninety days in the case of real property, the
31 person or persons shall be afforded a reasonable opportunity to be
32 heard as to the claim or right. The hearing shall be before the chief
33 law enforcement officer of the seizing agency or the chief law
34 enforcement officer's designee, except where the seizing agency is a
35 state agency as defined in RCW 34.12.020(4), the hearing shall be
36 before the chief law enforcement officer of the seizing agency or an
37 administrative law judge appointed under chapter 34.12 RCW, except that
38 any person asserting a claim or right may remove the matter to a court

1 of competent jurisdiction. Removal of any matter involving personal
2 property may only be accomplished according to the rules of civil
3 procedure. The person seeking removal of the matter must serve process
4 against the state, county, political subdivision, or municipality that
5 operates the seizing agency, and any other party of interest, in
6 accordance with RCW 4.28.080 or 4.92.020, within forty-five days after
7 the person seeking removal has notified the seizing law enforcement
8 agency of the person's claim of ownership or right to possession. The
9 court to which the matter is to be removed shall be the district court
10 when the aggregate value of personal property is within the
11 jurisdictional limit set forth in RCW 3.66.020. A hearing before the
12 seizing agency and any appeal therefrom shall be under Title 34 RCW.
13 In all cases, the burden of proof is upon the law enforcement agency to
14 establish, by a preponderance of the evidence, that the property is
15 subject to forfeiture.

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

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

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

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

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

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

1 (d) Forward it to the drug enforcement administration for
2 disposition.

3 (8)(a) When property is forfeited, the seizing agency shall keep a
4 record indicating the identity of the prior owner, if known, a
5 description of the property, the disposition of the property, the value
6 of the property at the time of seizure, and the amount of proceeds
7 realized from disposition of the property.

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

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

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

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

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

29 (c) The value of sold forfeited property is the sale price. The
30 value of retained forfeited property is the fair market value of the
31 property at the time of seizure, determined when possible by reference
32 to an applicable commonly used index, such as the index used by the
33 department of licensing for valuation of motor vehicles. A seizing
34 agency may use, but need not use, an independent qualified appraiser to
35 determine the value of retained property. If an appraiser is used, the
36 value of the property appraised is net of the cost of the appraisal.
37 The value of destroyed property and retained firearms or illegal
38 property is zero.

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

6 (11) Controlled substances listed in Schedule I, II, III, IV, and
7 V that are possessed, transferred, sold, or offered for sale in
8 violation of this chapter are contraband and shall be seized and
9 summarily forfeited to the state. Controlled substances listed in
10 Schedule I, II, III, IV, and V, which are seized or come into the
11 possession of the board, the owners of which are unknown, are
12 contraband and shall be summarily forfeited to the board.

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

18 (13) The failure, upon demand by a board inspector or law
19 enforcement officer, of the person in occupancy or in control of land
20 or premises upon which the species of plants are growing or being
21 stored to produce an appropriate registration or proof that he or she
22 is the holder thereof constitutes authority for the seizure and
23 forfeiture of the plants.

24 (14) Upon the entry of an order of forfeiture of real property, the
25 court shall forward a copy of the order to the assessor of the county
26 in which the property is located. Orders for the forfeiture of real
27 property shall be entered by the superior court, subject to court
28 rules. Such an order shall be filed by the seizing agency in the
29 county auditor's records in the county in which the real property is
30 located.

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

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

37 (b) The landlord has applied any funds remaining in the tenant's

1 deposit, to which the landlord has a right under chapter 59.18 RCW, to
2 cover the damage directly caused by a law enforcement officer prior to
3 asserting a claim under the provisions of this section;

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

9 (ii) Only if the governmental entity denies or fails to respond to
10 the landlord's claim within sixty days of the date of filing, may the
11 landlord collect damages under this subsection by filing within thirty
12 days of denial or the expiration of the sixty-day period, whichever
13 occurs first, a claim with the seizing law enforcement agency. The
14 seizing law enforcement agency must notify the landlord of the status
15 of the claim by the end of the thirty-day period. Nothing in this
16 section requires the claim to be paid by the end of the sixty-day or
17 thirty-day period.

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

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

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

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

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

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

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

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

37 (17) Subsections (15) and (16) of this section do not limit any
38 other rights a landlord may have against a tenant to collect for

1 damages. However, if a law enforcement agency satisfies a landlord's
2 claim under subsection (15) of this section, the rights the landlord
3 has against the tenant for damages directly caused by a law enforcement
4 officer under the terms of the landlord and tenant's contract are
5 subrogated to the law enforcement agency.

6 NEW SECTION. **Sec. 44.** VIOLENCE REDUCTION AND DRUG ENFORCEMENT
7 ACCOUNT. RCW 69.50.520 (Violence reduction and drug enforcement
8 account) and 2005 c 518 s 937, 2005 c 514 s 1107, 2005 c 514 s 202,
9 2004 c 276 s 912, 2003 1st sp.s. c 25 s 930, & 2002 c 371 s 920 are
10 each repealed.

11 **Sec. 45.** RCW 70.05.125 and 1998 c 266 s 1 are each amended to read
12 as follows:

13 HEALTH SERVICES ACCOUNT. (1) The county public health account is
14 created in the state treasury. Funds deposited in the county public
15 health account shall be distributed by the state treasurer to each
16 local public health jurisdiction based upon amounts certified to it by
17 the department of community, trade, and economic development in
18 consultation with the Washington state association of counties. The
19 account shall include funds distributed under RCW (~~82.44.110~~ and)
20 82.14.200(8) and such funds as are appropriated to the account from the
21 (~~health services account under RCW 43.72.900~~) state general fund, the
22 public health services account under RCW 43.72.902, and such other
23 funds as the legislature may appropriate to it.

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

28 (b) Only if funds are available and in an amount no greater than
29 available funds under RCW 82.14.200(8), the department of community,
30 trade, and economic development shall adjust the amount certified under
31 (a) of this subsection to compensate for any annexation of an area with
32 fifty thousand residents or more to any city as a result of a petition
33 during calendar year 1996 or 1997, or for any city that became newly
34 incorporated as a result of an election during calendar year 1994 or
35 1995. The amount to be adjusted shall be equal to the amount which

1 otherwise would have been lost to the health jurisdiction due to the
2 annexation or incorporation as calculated using the jurisdiction's 1995
3 funding formula.

4 (c) The county treasurer shall certify the actual 1995 city
5 contribution to the department. Funds in excess of the base shall be
6 distributed proportionately among the health jurisdictions based on
7 incorporated population figures as last determined by the office of
8 financial management.

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

11 **Sec. 46.** RCW 70.47.015 and 2008 c 217 s 99 are each amended to
12 read as follows:

13 HEALTH SERVICES ACCOUNT. (1) The legislature finds that the basic
14 health plan has been an effective program in providing health coverage
15 for uninsured residents. Further, since 1993, substantial amounts of
16 public funds have been allocated for subsidized basic health plan
17 enrollment.

18 ~~((It is the intent of the legislature that the basic health
19 plan enrollment be expanded expeditiously, consistent with funds
20 available in the health services account, with the goal of two hundred
21 thousand adult subsidized basic health plan enrollees and one hundred
22 thirty thousand children covered through expanded medical assistance
23 services by June 30, 1997, with the priority of providing needed health
24 services to children in conjunction with other public programs.~~

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

28 ~~((4))~~ (3) No later than July 1, 1996, the administrator shall
29 implement procedures whereby hospitals licensed under chapters 70.41
30 and 71.12 RCW, health carrier, rural health care facilities regulated
31 under chapter 70.175 RCW, and community and migrant health centers
32 funded under RCW 41.05.220, may expeditiously assist patients and their
33 families in applying for basic health plan or medical assistance
34 coverage, and in submitting such applications directly to the health
35 care authority or the department of social and health services. The
36 health care authority and the department of social and health services

1 shall make every effort to simplify and expedite the application and
2 enrollment process.

3 ~~((+5))~~ (4) No later than July 1, 1996, the administrator shall
4 implement procedures whereby disability insurance producers, licensed
5 under chapter 48.17 RCW, may expeditiously assist patients and their
6 families in applying for basic health plan or medical assistance
7 coverage, and in submitting such applications directly to the health
8 care authority or the department of social and health services.
9 Insurance producers may receive a commission for each individual sale
10 of the basic health plan to anyone not signed up within the previous
11 five years and a commission for each group sale of the basic health
12 plan, if funding for this purpose is provided in a specific
13 appropriation to the health care authority. No commission shall be
14 provided upon a renewal. Commissions shall be determined based on the
15 estimated annual cost of the basic health plan, however, commissions
16 shall not result in a reduction in the premium amount paid to health
17 carriers. For purposes of this section "health carrier" is as defined
18 in RCW 48.43.005. The administrator may establish: (a) Minimum
19 educational requirements that must be completed by the insurance
20 producers; (b) an appointment process for insurance producers marketing
21 the basic health plan; or (c) standards for revocation of the
22 appointment of an insurance producer to submit applications for cause,
23 including untrustworthy or incompetent conduct or harm to the public.
24 The health care authority and the department of social and health
25 services shall make every effort to simplify and expedite the
26 application and enrollment process.

27 **Sec. 47.** RCW 70.190.010 and 1996 c 132 s 2 are each amended to
28 read as follows:

29 VIOLENCE REDUCTION AND DRUG ENFORCEMENT ACCOUNT. Unless the
30 context clearly requires otherwise, the definitions in this section
31 apply throughout this chapter.

32 (1) "Administrative costs" means the costs associated with
33 procurement; payroll processing; personnel functions; management;
34 maintenance and operation of space and property; data processing and
35 computer services; accounting; budgeting; auditing; indirect costs; and
36 organizational planning, consultation, coordination, and training.

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

- 1 (3) "At-risk" children are children who engage in or are victims of
2 at-risk behaviors.
- 3 (4) "At-risk behaviors" means violent delinquent acts, teen
4 substance abuse, teen pregnancy and male parentage, teen suicide
5 attempts, dropping out of school, child abuse or neglect, and domestic
6 violence.
- 7 (5) "Community public health and safety networks" or "networks"
8 means the organizations authorized under RCW 70.190.060.
- 9 (6) "Comprehensive plan" means a two-year plan that examines
10 available resources and unmet needs for a county or multicounty area,
11 barriers that limit the effective use of resources, and a plan to
12 address these issues that is broadly supported by local residents.
- 13 (7) "Participating state agencies" means the office of the
14 superintendent of public instruction, the department of social and
15 health services, the department of health, the employment security
16 department, the department of community, trade, and economic
17 development, and such other departments as may be specifically
18 designated by the governor.
- 19 (8) "Family policy council" or "council" means the superintendent
20 of public instruction, the secretary of social and health services, the
21 secretary of health, the commissioner of the employment security
22 department, and the director of the department of community, trade, and
23 economic development or their designees, one legislator from each
24 caucus of the senate and house of representatives, and one
25 representative of the governor.
- 26 (9) "Fiduciary interest" means (a) the right to compensation from
27 a health, educational, social service, or justice system organization
28 that receives public funds, or (b) budgetary or policy-making authority
29 for an organization listed in (a) of this subsection. A person who
30 acts solely in an advisory capacity and receives no compensation from
31 a health, educational, social service, or justice system organization,
32 and who has no budgetary or policy-making authority is deemed to have
33 no fiduciary interest in the organization.
- 34 (10) "Outcome" or "outcome based" means defined and measurable
35 outcomes used to evaluate progress in reducing the rate of at-risk
36 children and youth through reducing risk factors and increasing
37 protective factors.

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

9 (12) "Policy development" has the same meaning as provided in RCW
10 43.70.010.

11 (13) "Protective factors" means those factors determined by the
12 department of health to be empirically associated with behaviors that
13 contribute to socially acceptable and healthy nonviolent behaviors.
14 Protective factors include promulgation, identification, and acceptance
15 of community norms regarding appropriate behaviors in the area of
16 delinquency, early sexual activity, alcohol and substance abuse,
17 educational opportunities, employment opportunities, and absence of
18 crime.

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

22 **Sec. 48.** RCW 70.190.100 and 1998 c 245 s 123 are each amended to
23 read as follows:

24 VIOLENCE REDUCTION AND DRUG ENFORCEMENT ACCOUNT. The family policy
25 council shall:

26 (1) Establish network boundaries no later than July 1, 1994. There
27 is a presumption that no county may be divided between two or more
28 community networks and no network shall have fewer than forty thousand
29 population. When approving multicounty networks, considering dividing
30 a county between networks, or creating a network with a population of
31 less than forty thousand, the council must consider: (a) Common
32 economic, geographic, and social interests; (b) historical and existing
33 shared governance; and (c) the size and location of population centers.
34 Individuals and groups within any area shall be given ample opportunity
35 to propose network boundaries in a manner designed to assure full
36 consideration of their expressed wishes;

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

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

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

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

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

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

22 (8)(a) The council shall monitor the implementation of programs
23 contracted by participating state agencies by reviewing periodic
24 reports on the extent to which services were delivered to intended
25 populations, the quality of services, and the extent to which service
26 outcomes were achieved at the conclusion of service interventions.
27 This monitoring shall include provision for periodic feedback to
28 community networks;

29 (b) The legislature intends that this monitoring be used by the
30 Washington state institute for public policy, together with public
31 health data on at-risk behaviors and risk and protective factors, to
32 produce an external evaluation of the effectiveness of the networks and
33 their programs. For this reason, and to conserve public funds, the
34 council shall not conduct or contract for the conduct of control group
35 studies, quasi-experimental design studies, or other analysis efforts
36 to attempt to determine the impact of network programs on at-risk
37 behaviors or risk and protective factors; and

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

4 **Sec. 49.** RCW 70.96A.350 and 2008 c 329 s 918 are each amended to
5 read as follows:

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

19 (2) For purposes of this section:

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

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

29 (3) Revenues to the criminal justice treatment account consist of:

30 (a) Funds transferred to the account pursuant to this section; and (b)
31 any other revenues appropriated to or deposited in the account.

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

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

7 (b) For the fiscal biennium beginning July 1, 2003, and each
8 biennium thereafter until June 30, 2009, the state treasurer shall
9 transfer two million nine hundred eighty-four thousand dollars from the
10 general fund into the violence reduction and drug enforcement account,
11 divided into eight quarterly payments. The amounts transferred
12 pursuant to this subsection (4)(b) shall be used solely for providing
13 drug and alcohol treatment services to offenders confined in a state
14 correctional facility who are assessed with an addiction or a substance
15 abuse problem that if not treated would result in addiction.

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

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

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

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

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

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

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

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

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

6 **Sec. 50.** RCW 70.146.010 and 1986 c 3 s 1 are each amended to read
7 as follows:

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

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

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

30 **Sec. 51.** RCW 70.146.020 and 1995 2nd sp.s. c 18 s 920 are each
31 amended to read as follows:

32 WATER QUALITY ACCOUNT. Unless the context clearly requires
33 otherwise, the definitions in this section apply throughout this
34 chapter.

35 (1) (~~("Account" means the water quality account in the state
36 treasury.~~)

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

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

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

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

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

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

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

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

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

17 **Sec. 52.** RCW 70.146.040 and 1986 c 3 s 6 are each amended to read
18 as follows:

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

23 **Sec. 53.** RCW 70.146.060 and 1987 c 527 s 1 and 1987 c 436 s 7 are
24 each reenacted and amended to read as follows:

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

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

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

35 (3) ~~Not more than ten percent for water pollution control~~

1 ~~activities that protect freshwater lakes and rivers including but not~~
2 ~~limited to Lake Chelan and the Yakima and Columbia rivers;~~

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

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

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

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

18 Funds provided for facilities and activities under this chapter may
19 be used for payments to a service provider under a service agreement
20 pursuant to RCW 70.150.060. If funds are to be used for such payments,
21 the department may make periodic disbursements to a public body or may
22 make a single lump sum disbursement. Disbursements of funds with
23 respect to a facility owned or operated by a service provider shall be
24 equivalent in value to disbursements that would otherwise be made if
25 that facility were owned or operated by a public body. Payments under
26 this chapter for waste disposal and management facilities made to
27 public bodies entering into service agreements pursuant to RCW
28 70.150.060 shall not exceed amounts paid to public bodies not entering
29 into service agreements.

30 **Sec. 54.** RCW 70.146.075 and 1987 c 516 s 1 are each amended to
31 read as follows:

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

36 (2) Extended grant payments shall be in equal annual payments, the
37 total of which does not exceed, on a net present value basis, fifty

1 percent of the total eligible cost of the project incurred at the time
2 of design and construction. The duration of such extended grant
3 payments shall be for a period not to exceed twenty years. The total
4 of federal and state grant moneys received for the eligible costs of
5 the project shall not exceed fifty percent of the eligible costs.

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

10 NEW SECTION. **Sec. 55.** WATER QUALITY ACCOUNT. The following acts
11 or parts of acts are each repealed:

12 (1) RCW 70.146.030 (Water quality account--Progress report) and
13 2007 c 522 s 955; and

14 (2) RCW 70.146.080 (Determination of tax receipts in water quality
15 account--Transfer of sufficient moneys from general revenues) and 2007
16 c 522 s 956, 2005 c 518 s 941, 2003 1st sp.s. c 25 s 935, 1994 sp.s. c
17 6 s 902, 1993 sp.s. c 24 s 924, 1991 sp.s. c 16 s 923, & 1986 c 3 s 11.

18 **Sec. 56.** RCW 70.190.010 and 1996 c 132 s 2 are each amended to
19 read as follows:

20 VIOLENCE REDUCTION AND DRUG ENFORCEMENT ACCOUNT. Unless the
21 context clearly requires otherwise, the definitions in this section
22 apply throughout this chapter.

23 (1) "Administrative costs" means the costs associated with
24 procurement; payroll processing; personnel functions; management;
25 maintenance and operation of space and property; data processing and
26 computer services; accounting; budgeting; auditing; indirect costs; and
27 organizational planning, consultation, coordination, and training.

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

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

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

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

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

5 (7) "Participating state agencies" means the office of the
6 superintendent of public instruction, the department of social and
7 health services, the department of health, the employment security
8 department, the department of community, trade, and economic
9 development, and such other departments as may be specifically
10 designated by the governor.

11 (8) "Family policy council" or "council" means the superintendent
12 of public instruction, the secretary of social and health services, the
13 secretary of health, the commissioner of the employment security
14 department, and the director of the department of community, trade, and
15 economic development or their designees, one legislator from each
16 caucus of the senate and house of representatives, and one
17 representative of the governor.

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

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

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

1 (12) "Policy development" has the same meaning as provided in RCW
2 43.70.010.

3 (13) "Protective factors" means those factors determined by the
4 department of health to be empirically associated with behaviors that
5 contribute to socially acceptable and healthy nonviolent behaviors.
6 Protective factors include promulgation, identification, and acceptance
7 of community norms regarding appropriate behaviors in the area of
8 delinquency, early sexual activity, alcohol and substance abuse,
9 educational opportunities, employment opportunities, and absence of
10 crime.

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

14 **Sec. 57.** RCW 72.09.111 and 2007 c 483 s 605 are each amended to
15 read as follows:

16 PUBLIC SAFETY AND EDUCATION ACCOUNT. (1) The secretary shall
17 deduct taxes and legal financial obligations from the gross wages,
18 gratuities, or workers' compensation benefits payable directly to the
19 inmate under chapter 51.32 RCW, of each inmate working in correctional
20 industries work programs, or otherwise receiving such wages,
21 gratuities, or benefits. The secretary shall also deduct child support
22 payments from the gratuities of each inmate working in class II through
23 class IV correctional industries work programs. The secretary shall
24 develop a formula for the distribution of offender wages, gratuities,
25 and benefits. The formula shall not reduce the inmate account below
26 the indigency level, as defined in RCW 72.09.015.

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

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

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

32 (iii) Twenty percent to the department to contribute to the cost of
33 incarceration; and

34 (iv) Twenty percent for payment of legal financial obligations for
35 all inmates who have legal financial obligations owing in any
36 Washington state superior court.

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

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

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

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

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

11 (v) Fifteen percent for any child support owed under a support
12 order.

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

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

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

18 (iii) Twenty percent to the department to contribute to the cost of
19 incarceration; and

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

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

25 (i) Five percent for the purpose of crime victims' compensation;
26 and

27 (ii) Fifteen percent for any child support owed under a support
28 order.

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

31 (i) Five percent to the department to contribute to the cost of
32 incarceration; and

33 (ii) Fifteen percent for any child support owed under a support
34 order.

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

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

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

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

7 (iii) When the secretary determines that an emergency exists for
8 the inmate.

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

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

17 (4)(a) Subject to availability of funds for the correctional
18 industries program, the expansion of inmate employment in class I and
19 class II correctional industries shall be implemented according to the
20 following schedule:

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

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

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

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

37 (v) Not later than June 30, 2009, the secretary shall achieve a net

1 increase of at least one thousand two hundred in the number of inmates
2 employed in class I or class II correctional industries work programs
3 above the number so employed on June 30, 2003;

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

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

10 (5) In the event that the offender worker's wages, gratuity, or
11 workers' compensation benefit is subject to garnishment for support
12 enforcement, the crime victims' compensation, savings, and cost of
13 incarceration deductions shall be calculated on the net wages after
14 taxes, legal financial obligations, and garnishment.

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

20 (7) The department shall develop the necessary administrative
21 structure to recover inmates' wages and keep records of the amount
22 inmates pay for the costs of incarceration and amenities. All funds
23 deducted from inmate wages under subsection (1) of this section for the
24 purpose of contributions to the cost of incarceration shall be
25 deposited in a dedicated fund with the department and shall be used
26 only for the purpose of enhancing and maintaining correctional
27 industries work programs.

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

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

35 **Sec. 58.** RCW 72.09.480 and 2007 c 483 s 404, 2007 c 365 s 1, and
36 2007 c 91 s 1 are each reenacted and amended to read as follows:

1 PUBLIC SAFETY AND EDUCATION ACCOUNT. (1) Unless the context
2 clearly requires otherwise, the definitions in this section apply to
3 this section.

4 (a) "Cost of incarceration" means the cost of providing an inmate
5 with shelter, food, clothing, transportation, supervision, and other
6 services and supplies as may be necessary for the maintenance and
7 support of the inmate while in the custody of the department, based on
8 the average per inmate costs established by the department and the
9 office of financial management.

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

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

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

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

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

24 (c) Twenty percent for payment of legal financial obligations for
25 all inmates who have legal financial obligations owing in any
26 Washington state superior court;

27 (d) Twenty percent for any child support owed under a support
28 order; and

29 (e) Twenty percent to the department to contribute to the cost of
30 incarceration.

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

36 (4) When an inmate who is subject to a child support order receives
37 funds from an inheritance, the deduction required under subsection

1 (2)(e) of this section shall only apply after the child support
2 obligation has been paid in full.

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

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

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

17 (7) The deductions required under subsection (2) of this section
18 shall not apply to any money received by the department, on behalf of
19 an inmate, from family or other outside sources for the payment of
20 postage expenses. Money received under this subsection may only be
21 used for the payment of postage expenses and may not be transferred to
22 any other account or purpose. Money that remains unused in the
23 inmate's postage fund at the time of release shall be subject to the
24 deductions outlined in subsection (2) of this section.

25 (8) When an inmate sentenced to life imprisonment without
26 possibility of release or sentenced to death under chapter 10.95 RCW
27 receives funds, deductions are required under subsection (2) of this
28 section, with the exception of a personal inmate savings account under
29 subsection (2)(b) of this section.

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

34 (10) The interest earned on an inmate savings account created as a
35 result of the plan in section 4, chapter 325, Laws of 1999 shall be
36 exempt from the mandatory deductions under this section and RCW
37 72.09.111.

1 (11) Nothing in this section shall limit the authority of the
2 department of social and health services division of child support, the
3 county clerk, or a restitution recipient from taking collection action
4 against an inmate's moneys, assets, or property pursuant to chapter
5 9.94A, 26.23, 74.20, or 74.20A RCW including, but not limited to, the
6 collection of moneys received by the inmate from settlements or awards
7 resulting from legal action.

8 **Sec. 59.** RCW 74.09.053 and 2006 c 264 s 2 are each amended to read
9 as follows:

10 HEALTH SERVICES ACCOUNT. (1) The department of social and health
11 services, in coordination with the health care authority, shall by
12 November 15th of each year report to the legislature:

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

31 (b) The following aggregated information: (i) The number of
32 employees who are recipients or with dependents as recipients by
33 private and governmental employers; (ii) the number of employees who
34 are recipients or with dependents as recipients by employer size for
35 employers with fifty or fewer employees, fifty-one to one hundred
36 employees, one hundred one to one thousand employees, one thousand one

1 to five thousand employees and more than five thousand employees; and
2 (iii) the number of employees who are recipients or with dependents as
3 recipients by industry type.

4 ((~~+(2)~~)) (2) For each aggregated classification, the report will
5 include the number of hours worked, the number of department of social
6 and health services covered lives, and the total cost to the state for
7 these recipients. This information shall be for each quarter of the
8 preceding year.

9 **Sec. 60.** RCW 77.12.201 and 1987 c 506 s 29 are each amended to
10 read as follows:

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

23 **Sec. 61.** RCW 82.04.260 and 2008 c 296 s 1, 2008 c 217 s 100, and
24 2008 c 81 s 4 are each reenacted and amended to read as follows:

25 HEALTH SERVICES ACCOUNT. (1) Upon every person engaging within
26 this state in the business of manufacturing:

27 (a) Wheat into flour, barley into pearl barley, soybeans into
28 soybean oil, canola into canola oil, canola meal, or canola byproducts,
29 or sunflower seeds into sunflower oil; as to such persons the amount of
30 tax with respect to such business shall be equal to the value of the
31 flour, pearl barley, oil, canola meal, or canola byproduct
32 manufactured, multiplied by the rate of 0.138 percent;

33 (b) Beginning July 1, 2012, seafood products that remain in a raw,
34 raw frozen, or raw salted state at the completion of the manufacturing
35 by that person; or selling manufactured seafood products that remain in
36 a raw, raw frozen, or raw salted state at the completion of the

1 manufacturing, to purchasers who transport in the ordinary course of
2 business the goods out of this state; as to such persons the amount of
3 tax with respect to such business shall be equal to the value of the
4 products manufactured or the gross proceeds derived from such sales,
5 multiplied by the rate of 0.138 percent. Sellers must keep and
6 preserve records for the period required by RCW 82.32.070 establishing
7 that the goods were transported by the purchaser in the ordinary course
8 of business out of this state;

9 (c) Beginning July 1, 2012, dairy products that as of September 20,
10 2001, are identified in 21 C.F.R., chapter 1, parts 131, 133, and 135,
11 including byproducts from the manufacturing of the dairy products such
12 as whey and casein; or selling the same to purchasers who transport in
13 the ordinary course of business the goods out of state; as to such
14 persons the tax imposed shall be equal to the value of the products
15 manufactured or the gross proceeds derived from such sales multiplied
16 by the rate of 0.138 percent. Sellers must keep and preserve records
17 for the period required by RCW 82.32.070 establishing that the goods
18 were transported by the purchaser in the ordinary course of business
19 out of this state;

20 (d) Beginning July 1, 2012, fruits or vegetables by canning,
21 preserving, freezing, processing, or dehydrating fresh fruits or
22 vegetables, or selling at wholesale fruits or vegetables manufactured
23 by the seller by canning, preserving, freezing, processing, or
24 dehydrating fresh fruits or vegetables and sold to purchasers who
25 transport in the ordinary course of business the goods out of this
26 state; as to such persons the amount of tax with respect to such
27 business shall be equal to the value of the products manufactured or
28 the gross proceeds derived from such sales multiplied by the rate of
29 0.138 percent. Sellers must keep and preserve records for the period
30 required by RCW 82.32.070 establishing that the goods were transported
31 by the purchaser in the ordinary course of business out of this state;

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

37 (f) Alcohol fuel or wood biomass fuel, as those terms are defined

1 in RCW 82.29A.135; as to such persons the amount of tax with respect to
2 the business shall be equal to the value of alcohol fuel or wood
3 biomass fuel manufactured, multiplied by the rate of 0.138 percent.

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

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

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

18 (5) Upon every person engaging within this state in the business of
19 acting as a travel agent or tour operator; as to such persons the
20 amount of the tax with respect to such activities shall be equal to the
21 gross income derived from such activities multiplied by the rate of
22 0.275 percent.

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

30 (7) Upon every person engaging within this state in the business of
31 stevedoring and associated activities pertinent to the movement of
32 goods and commodities in waterborne interstate or foreign commerce; as
33 to such persons the amount of tax with respect to such business shall
34 be equal to the gross proceeds derived from such activities multiplied
35 by the rate of 0.275 percent. Persons subject to taxation under this
36 subsection shall be exempt from payment of taxes imposed by chapter
37 82.16 RCW for that portion of their business subject to taxation under
38 this subsection. Stevedoring and associated activities pertinent to

1 the conduct of goods and commodities in waterborne interstate or
2 foreign commerce are defined as all activities of a labor, service or
3 transportation nature whereby cargo may be loaded or unloaded to or
4 from vessels or barges, passing over, onto or under a wharf, pier, or
5 similar structure; cargo may be moved to a warehouse or similar holding
6 or storage yard or area to await further movement in import or export
7 or may move to a consolidation freight station and be stuffed,
8 unstuffed, containerized, separated or otherwise segregated or
9 aggregated for delivery or loaded on any mode of transportation for
10 delivery to its consignee. Specific activities included in this
11 definition are: Wharfage, handling, loading, unloading, moving of
12 cargo to a convenient place of delivery to the consignee or a
13 convenient place for further movement to export mode; documentation
14 services in connection with the receipt, delivery, checking, care,
15 custody and control of cargo required in the transfer of cargo;
16 imported automobile handling prior to delivery to consignee; terminal
17 stevedoring and incidental vessel services, including but not limited
18 to plugging and unplugging refrigerator service to containers,
19 trailers, and other refrigerated cargo receptacles, and securing ship
20 hatch covers.

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

26 If the gross income of the taxpayer is attributable to activities
27 both within and without this state, the gross income attributable to
28 this state shall be determined in accordance with the methods of
29 apportionment required under RCW 82.04.460.

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

35 (10) Upon every person engaging within this state in business as a
36 hospital, as defined in chapter 70.41 RCW, that is operated as a
37 nonprofit corporation or by the state or any of its political
38 subdivisions, as to such persons, the amount of tax with respect to

1 such activities shall be equal to the gross income of the business
2 multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5
3 percent thereafter. The moneys collected under this subsection shall
4 be deposited in the (~~health services account created under RCW~~
5 ~~43.72.900~~) general fund.

6 (11)(a) Beginning October 1, 2005, upon every person engaging
7 within this state in the business of manufacturing commercial
8 airplanes, or components of such airplanes, or making sales, at retail
9 or wholesale, of commercial airplanes or components of such airplanes,
10 manufactured by the seller, as to such persons the amount of tax with
11 respect to such business shall, in the case of manufacturers, be equal
12 to the value of the product manufactured and the gross proceeds of
13 sales of the product manufactured, or in the case of processors for
14 hire, be equal to the gross income of the business, multiplied by the
15 rate of:

16 (i) 0.4235 percent from October 1, 2005, through the later of June
17 30, 2007; and

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

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

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

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

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

36 (12)(a) Until July 1, 2024, upon every person engaging within this
37 state in the business of extracting timber or extracting for hire
38 timber; as to such persons the amount of tax with respect to the

1 business shall, in the case of extractors, be equal to the value of
2 products, including byproducts, extracted, or in the case of extractors
3 for hire, be equal to the gross income of the business, multiplied by
4 the rate of 0.4235 percent from July 1, 2006, through June 30, 2007,
5 and 0.2904 percent from July 1, 2007, through June 30, 2024.

6 (b) Until July 1, 2024, upon every person engaging within this
7 state in the business of manufacturing or processing for hire: (i)
8 Timber into timber products or wood products; or (ii) timber products
9 into other timber products or wood products; as to such persons the
10 amount of the tax with respect to the business shall, in the case of
11 manufacturers, be equal to the value of products, including byproducts,
12 manufactured, or in the case of processors for hire, be equal to the
13 gross income of the business, multiplied by the rate of 0.4235 percent
14 from July 1, 2006, through June 30, 2007, and 0.2904 percent from July
15 1, 2007, through June 30, 2024.

16 (c) Until July 1, 2024, upon every person engaging within this
17 state in the business of selling at wholesale: (i) Timber extracted by
18 that person; (ii) timber products manufactured by that person from
19 timber or other timber products; or (iii) wood products manufactured by
20 that person from timber or timber products; as to such persons the
21 amount of the tax with respect to the business shall be equal to the
22 gross proceeds of sales of the timber, timber products, or wood
23 products multiplied by the rate of 0.4235 percent from July 1, 2006,
24 through June 30, 2007, and 0.2904 percent from July 1, 2007, through
25 June 30, 2024.

26 (d) Until July 1, 2024, upon every person engaging within this
27 state in the business of selling standing timber; as to such persons
28 the amount of the tax with respect to the business shall be equal to
29 the gross income of the business multiplied by the rate of 0.2904
30 percent. For purposes of this subsection (12)(d), "selling standing
31 timber" means the sale of timber apart from the land, where the buyer
32 is required to sever the timber within thirty months from the date of
33 the original contract, regardless of the method of payment for the
34 timber and whether title to the timber transfers before, upon, or after
35 severance.

36 (e) For purposes of this subsection, the following definitions
37 apply:

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

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

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

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

25 (v) "Timber products" means:

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

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

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

33 (vi) "Wood products" means paper and paper products; dimensional
34 lumber; engineered wood products such as particleboard, oriented strand
35 board, medium density fiberboard, and plywood; wood doors; wood
36 windows; and biocomposite surface products.

37 (13) Upon every person engaging within this state in inspecting,
38 testing, labeling, and storing canned salmon owned by another person,

1 as to such persons, the amount of tax with respect to such activities
2 shall be equal to the gross income derived from such activities
3 multiplied by the rate of 0.484 percent.

4 **Sec. 62.** RCW 82.08.150 and 2005 c 514 s 201 are each amended to
5 read as follows:

6 VIOLENCE REDUCTION AND DRUG ENFORCEMENT ACCOUNT, HEALTH SERVICES
7 ACCOUNT. (1) There is levied and shall be collected a tax upon each
8 retail sale of spirits in the original package at the rate of fifteen
9 percent of the selling price. The tax imposed in this subsection shall
10 apply to all such sales including sales by the Washington state liquor
11 stores and agencies, but excluding sales to spirits, beer, and wine
12 restaurant licensees.

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

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

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

26 (5) An additional tax is imposed upon each retail sale of spirits
27 in the original package at the rate of seven cents per liter. The
28 additional tax imposed in this subsection shall apply to all such sales
29 including sales by Washington state liquor stores and agencies, and
30 including sales to spirits, beer, and wine restaurant licensees. All
31 revenues collected during any month from this additional tax shall be
32 deposited in the (~~violence reduction and drug enforcement account~~
33 ~~under RCW 69.50.520~~) state general fund by the twenty-fifth day of the
34 following month.

35 (6)(a) An additional tax is imposed upon retail sale of spirits in
36 the original package at the rate of one and seven-tenths percent of the
37 selling price through June 30, 1995, two and six-tenths percent of the

1 selling price for the period July 1, 1995, through June 30, 1997, and
2 three and four-tenths of the selling price thereafter. This additional
3 tax applies to all such sales including sales by Washington state
4 liquor stores and agencies, but excluding sales to spirits, beer, and
5 wine restaurant licensees.

6 (b) An additional tax is imposed upon retail sale of spirits in the
7 original package at the rate of one and one-tenth percent of the
8 selling price through June 30, 1995, one and seven-tenths percent of
9 the selling price for the period July 1, 1995, through June 30, 1997,
10 and two and three-tenths of the selling price thereafter. This
11 additional tax applies to all such sales to spirits, beer, and wine
12 restaurant licensees.

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

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

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

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

32 ~~(i) 97.5 percent~~) into the general fund(~~(:~~

33 ~~(ii) 2.3 percent into the health services account created under RCW~~
34 ~~43.72.900; and~~

35 ~~(iii) 0.2 percent into the violence reduction and drug enforcement~~
36 ~~account created under RCW 69.50.520~~)).

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

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

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

11 **Sec. 63.** RCW 82.24.020 and 2008 c 226 s 3 and 2008 c 86 s 301 are
12 each reenacted and amended to read as follows:

13 VIOLENCE REDUCTION AND DRUG ENFORCEMENT ACCOUNT, HEALTH SERVICES
14 ACCOUNT. (1) There is levied and there shall be collected as provided
15 in this chapter, a tax upon the sale, use, consumption, handling,
16 possession, or distribution of all cigarettes, in an amount equal to
17 one and fifteen one-hundredths cents per cigarette.

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

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

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

35 (5) For purposes of this chapter, "possession" shall mean both (a)
36 physical possession by the purchaser and, (b) when cigarettes are being
37 transported to or held for the purchaser or his or her designee by a

1 person other than the purchaser, constructive possession by the
2 purchaser or his or her designee, which constructive possession shall
3 be deemed to occur at the location of the cigarettes being so
4 transported or held.

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

15 (7) If the state enters into a cigarette tax contract or agreement
16 with a federally recognized Indian tribe under chapter 43.06 RCW, the
17 terms of the contract or agreement shall take precedence over any
18 conflicting provisions of this chapter while the contract or agreement
19 is in effect.

20 **Sec. 64.** RCW 82.24.026 and 2008 c 86 s 302 are each amended to
21 read as follows:

22 HEALTH SERVICES ACCOUNT, VIOLENCE REDUCTION AND DRUG ENFORCEMENT
23 ACCOUNT, WATER QUALITY ACCOUNT, EDUCATION LEGACY TRUST ACCOUNT. (1) In
24 addition to the tax imposed upon the sale, use, consumption, handling,
25 possession, or distribution of cigarettes set forth in RCW 82.24.020,
26 there is imposed a tax in an amount equal to three cents per cigarette.

27 (2) The revenue collected under this section shall be deposited
28 (~~as follows:~~

29 ~~(a) 21.7 percent shall be deposited into the health services~~
30 ~~account.~~

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

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

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

36 ~~(e) The remainder shall be deposited into the education legacy~~
37 ~~trust account)) into the state general fund.~~

1 **Sec. 65.** RCW 82.24.027 and 2008 c 86 s 303 are each amended to
2 read as follows:

3 WATER QUALITY ACCOUNT. (1) There is hereby levied and there shall
4 be collected by the department of revenue from the persons mentioned in
5 and in the manner provided by this chapter, an additional tax upon the
6 sale, use, consumption, handling, possession, or distribution of
7 cigarettes in an amount equal to four-tenths of a cent per cigarette.

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

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

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

13 **Sec. 66.** RCW 82.24.028 and 2008 c 86 s 304 are each amended to
14 read as follows:

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

22 **Sec. 67.** RCW 82.26.020 and 2005 c 180 s 3 are each amended to read
23 as follows:

24 HEALTH SERVICES ACCOUNT, WATER QUALITY ACCOUNT. (1) There is
25 levied and there shall be collected a tax upon the sale, handling, or
26 distribution of all tobacco products in this state at the following
27 rate:

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

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

32 (2) Taxes under this section shall be imposed at the time the
33 distributor (a) brings, or causes to be brought, into this state from
34 without the state tobacco products for sale, (b) makes, manufactures,
35 fabricates, or stores tobacco products in this state for sale in this
36 state, (c) ships or transports tobacco products to retailers in this

1 state, to be sold by those retailers, or (d) handles for sale any
2 tobacco products that are within this state but upon which tax has not
3 been imposed.

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

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

7 ~~(b) Fifty percent in the health services account created under RCW~~
8 ~~43.72.900; and~~

9 ~~(c) Thirteen percent in the water quality account under RCW~~
10 ~~70.146.030 for the period beginning July 1, 2005, through June 30,~~
11 ~~2021, and in the general fund for the period beginning July 1, 2021))~~
12 into the state general fund.

13 NEW SECTION. **Sec. 68.** WATER QUALITY ACCOUNT. RCW 82.32.390
14 (Certain revenues to be deposited in water quality account) and 1986 c
15 3 s 15 are each repealed.

16 **Sec. 69.** RCW 82.64.020 and 1994 sp.s. c 7 s 906 are each amended
17 to read as follows:

18 VIOLENCE REDUCTION AND DRUG ENFORCEMENT ACCOUNT. (1) A tax is
19 imposed on each sale at wholesale of syrup in this state. The rate of
20 the tax shall be equal to one dollar per gallon. Fractional amounts
21 shall be taxed proportionally.

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

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

28 (4) Chapter 82.32 RCW applies to the taxes imposed in this chapter.
29 The tax due dates, reporting periods, and return requirements
30 applicable to chapter 82.04 RCW apply equally to the taxes imposed in
31 this chapter.

32 **Sec. 70.** RCW 83.100.220 and 2005 c 516 s 16 are each amended to
33 read as follows:

34 EDUCATION LEGACY TRUST ACCOUNT. All receipts from taxes,

1 penalties, interest, and fees collected under this chapter must be
2 deposited into the (~~education legacy trust account~~) state general
3 fund.

4 NEW SECTION. **Sec. 71.** EDUCATION LEGACY TRUST ACCOUNT. RCW
5 83.100.230 (Education legacy trust account) and 2008 c 329 s 924 & 2005
6 c 514 s 1101 are each repealed.

7 **Sec. 72.** RCW 84.52.067 and 2001 c 3 s 7 are each amended to read
8 as follows:

9 STUDENT ACHIEVEMENT FUND. All property taxes levied by the state
10 for the support of common schools shall be paid into the general fund
11 of the state treasury as provided in RCW 84.56.280(~~, except for the~~
12 ~~amounts collected under RCW 84.52.068 which shall be directly deposited~~
13 ~~into the student achievement fund and distributed to school districts~~
14 ~~as provided in RCW 84.52.068~~)).

15 **Sec. 73.** RCW 90.71.370 and 2008 c 329 s 927 are each amended to
16 read as follows:

17 WATER QUALITY ACCOUNT. (1) By December 1, 2008, and by September
18 1st of each even-numbered year beginning in 2010, the council shall
19 provide to the governor and the appropriate fiscal committees of the
20 senate and house of representatives its recommendations for the funding
21 necessary to implement the action agenda in the succeeding biennium.
22 The recommendations shall:

- 23 (a) Identify the funding needed by action agenda element;
24 (b) Address funding responsibilities among local, state, and
25 federal governments, as well as nongovernmental funding; and
26 (c) Address funding needed to support the work of the partnership,
27 the panel, the ecosystem work group, and entities assisting in
28 coordinating local efforts to implement the plan.

29 (2) In the 2008 report required under subsection (1) of this
30 section, the council shall include recommendations for projected
31 funding needed through 2020 to implement the action agenda; funding
32 needs for science panel staff; identify methods to secure stable and
33 sufficient funding to meet these needs; and include proposals for new
34 sources of funding to be dedicated to Puget Sound protection and

1 recovery. In preparing the science panel staffing proposal, the
2 council shall consult with the panel.

3 (3) By November 1st of each odd-numbered year beginning in 2009,
4 the council shall produce a state of the Sound report that includes, at
5 a minimum:

6 (a) An assessment of progress by state and nonstate entities in
7 implementing the action agenda, including accomplishments in the use of
8 state funds for action agenda implementation;

9 (b) A description of actions by implementing entities that are
10 inconsistent with the action agenda and steps taken to remedy the
11 inconsistency;

12 (c) The comments by the panel on progress in implementing the plan,
13 as well as findings arising from the assessment and monitoring program;

14 (d) A review of citizen concerns provided to the partnership and
15 the disposition of those concerns;

16 (e) A review of the expenditures of funds to state agencies for the
17 implementation of programs affecting the protection and recovery of
18 Puget Sound, and an assessment of whether the use of the funds is
19 consistent with the action agenda; and

20 (f) An identification of all funds provided to the partnership, and
21 recommendations as to how future state expenditures for all entities,
22 including the partnership, could better match the priorities of the
23 action agenda.

24 (4)(a) The council shall review state programs that fund facilities
25 and activities that may contribute to action agenda implementation. By
26 November 1, 2009, the council shall provide initial recommendations
27 regarding program changes to the governor and appropriate fiscal and
28 policy committees of the senate and house of representatives. By
29 November 1, 2010, the council shall provide final recommendations
30 regarding program changes, including proposed legislation to implement
31 the recommendation, to the governor and appropriate fiscal and policy
32 committees of the senate and house of representatives.

33 (b) The review in this subsection shall be conducted with the
34 active assistance and collaboration of the agencies administering these
35 programs, and in consultation with local governments and other entities
36 receiving funding from these programs:

37 (i) (~~The water quality account, chapter 70.146 RCW;~~

1 ~~(ii)~~) The water pollution control revolving fund, chapter 90.50A
2 RCW;

3 ~~((iii))~~ (ii) The public works assistance account, chapter 43.155
4 RCW;

5 ~~((iv))~~ (iii) The aquatic lands enhancement account, RCW
6 79.105.150;

7 ~~((v))~~ (iv) The state toxics control account and local toxics
8 control account and clean-up program, chapter 70.105D RCW;

9 ~~((vi))~~ (v) The acquisition of habitat conservation and outdoor
10 recreation land, chapter 79A.15 RCW;

11 ~~((vii))~~ (vi) The salmon recovery funding board, RCW 77.85.110
12 through 77.85.150;

13 ~~((viii))~~ (vii) The community economic revitalization board,
14 chapter 43.160 RCW;

15 ~~((ix))~~ (viii) Other state financial assistance to water quality-
16 related projects and activities; and

17 ~~((x))~~ (ix) Water quality financial assistance from federal
18 programs administered through state programs or provided directly to
19 local governments in the Puget Sound basin.

20 (c) The council's review shall include but not be limited to:

21 (i) Determining the level of funding and types of projects and
22 activities funded through the programs that contribute to
23 implementation of the action agenda;

24 (ii) Evaluating the procedures and criteria in each program for
25 determining which projects and activities to fund, and their
26 relationship to the goals and priorities of the action agenda;

27 (iii) Assessing methods for ensuring that the goals and priorities
28 of the action agenda are given priority when program funding decisions
29 are made regarding water quality-related projects and activities in the
30 Puget Sound basin and habitat-related projects and activities in the
31 Puget Sound basin;

32 (iv) Modifying funding criteria so that projects, programs, and
33 activities that are inconsistent with the action agenda are ineligible
34 for funding;

35 (v) Assessing ways to incorporate a strategic funding approach for
36 the action agenda within the outcome-focused performance measures
37 required by RCW 43.41.270 in administering natural resource-related and
38 environmentally based grant and loan programs.

1 NEW SECTION. **Sec. 74.** STUDENT ACHIEVEMENT FUND. RCW 84.52.068
2 (State levy--Distribution to school districts) and 2005 c 514 s 1104,
3 2003 1st sp.s. c 19 s 1, & 2001 c 3 s 5 are each repealed.

4 NEW SECTION. **Sec. 75.** Captions used in this act are not any part
5 of the law.

6 NEW SECTION. **Sec. 76.** This act is necessary for the immediate
7 preservation of the public peace, health, or safety, or support of the
8 state government and its existing public institutions, and takes effect
9 July 1, 2009.

--- END ---