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**SUBSTITUTE SENATE BILL 5073**

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**State of Washington                      61st Legislature                      2009 Regular Session**

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

READ FIRST TIME 03/25/09.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 (7) Every city and town shall transmit monthly one and seventy-five  
32 one-hundredths percent of all money, other than money received for  
33 parking infractions, retained under RCW ((~~3.46.1207~~)) 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           The director of labor and industries shall institute a cap on  
2 medical benefits of one hundred fifty thousand dollars per injury or  
3 death. Payment for medical services in excess of the cap shall be made  
4 available to any innocent victim under the same conditions as other  
5 medical services and if the medical services are:

6           (1) Necessary for a previously accepted condition;

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

9           (3) Not available from an alternative source.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

12 The following are subject to seizure and forfeiture:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 29 (i) Criminal indigent defense assistance and enhancement at the  
30 trial court level, including a criminal indigent defense pilot program;
- 31 (ii) Representation of parents in dependency and termination  
32 proceedings;
- 33 (iii) Civil legal representation of indigent persons; and
- 34 (iv) Contribution to district court judges' salaries and to  
35 eligible elected municipal court judges' salaries.

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

1 administrator for the courts for purposes of (a)(iv) of this  
2 subsection. For the 2007-09 fiscal biennium and subsequent fiscal  
3 biennia, an amount equal to fifty percent of revenues to the equal  
4 justice subaccount shall be appropriated from the equal justice  
5 subaccount to the administrator for the courts for the purposes of  
6 (a)(iv) of this subsection)) state general fund.

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

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

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

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

22 The health care authority, the office of financial management, and  
23 the department of social and health services shall together monitor the  
24 enrollee level in the basic health plan and the medicaid caseload of  
25 children ((~~funded from the health services account~~)). The office of  
26 financial management shall adjust the funding levels by interagency  
27 reimbursement of funds between the basic health plan and medicaid and  
28 adjust the funding levels between the health care authority and the  
29 medical assistance administration of the department of social and  
30 health services to maximize combined enrollment.

31 NEW SECTION. **Sec. 29.** RCW 43.72.900 (Health services account) and  
32 2005 c 518 s 930, 2003 c 259 s 1, 2002 c 371 s 909, 2002 c 2 s 2, &  
33 1993 c 492 s 469 are each repealed.



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

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

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

16           (3) The tobacco prevention and control account is created in the  
17 state treasury. The source of revenue for this account is moneys  
18 transferred to the account from the tobacco settlement account,  
19 investment earnings, donations to the account, and other revenues as  
20 directed by law. Expenditures from the account are subject to  
21 appropriation.

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

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

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

1 between accounts as deemed necessary to implement the provisions of the  
2 cash management improvement act, and this subsection. Refunds or  
3 allocations shall occur prior to the distributions of earnings set  
4 forth in subsection (4) of this section.

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

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

17 The following accounts and funds shall receive their proportionate  
18 share of earnings based upon each account's and fund's average daily  
19 balance for the period: The aeronautics account, the aircraft search  
20 and rescue account, the budget stabilization account, the capitol  
21 building construction account, the Cedar River channel construction and  
22 operation account, the Central Washington University capital projects  
23 account, the charitable, educational, penal and reformatory  
24 institutions account, the cleanup settlement account, the Columbia  
25 river basin water supply development account, the common school  
26 construction fund, the county arterial preservation account, the county  
27 criminal justice assistance account, the county sales and use tax  
28 equalization account, the data processing building construction  
29 account, the deferred compensation administrative account, the deferred  
30 compensation principal account, the department of licensing services  
31 account, the department of retirement systems expense account, the  
32 developmental disabilities community trust account, the drinking water  
33 assistance account, the drinking water assistance administrative  
34 account, the drinking water assistance repayment account, the Eastern  
35 Washington University capital projects account, the education  
36 construction fund, the education legacy trust account, the election  
37 account, the energy freedom account, the essential rail assistance  
38 account, The Evergreen State College capital projects account, the

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

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

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

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

35 (1) For bonds issued for the purposes of RCW 43.99H.020(16), on  
36 each date on which any interest or principal and interest payment is  
37 due, the board of regents or the board of trustees of Washington State

1 University shall cause the amount computed in RCW 43.99H.040(1) to be  
2 paid out of the appropriate building account or capital projects  
3 account to the state treasurer for deposit into the general fund of the  
4 state treasury.

5 (2) For bonds issued for the purposes of RCW 43.99H.020(15), on  
6 each date on which any interest or principal and interest payment is  
7 due, the state treasurer shall transfer the amount computed in RCW  
8 43.99H.040(2) from the capitol campus reserve account, hereby created  
9 in the state treasury, to the general fund of the state treasury. At  
10 the time of sale of the bonds issued for the purposes of RCW  
11 43.99H.020(15), and on or before June 30th of each succeeding year  
12 while such bonds remain outstanding, the state finance committee shall  
13 determine, based on current balances and estimated receipts and  
14 expenditures from the capitol campus reserve account, that portion of  
15 principal and interest on such RCW 43.99H.020(15) bonds which will, by  
16 virtue of payments from the capitol campus reserve account, be  
17 reimbursed from sources other than "general state revenues" as that  
18 term is defined in Article VIII, section 1 of the state Constitution.  
19 The amount so determined by the state finance committee, as from time  
20 to time adjusted in accordance with this subsection, shall not  
21 constitute indebtedness for purposes of the limitations set forth in  
22 RCW 39.42.060.

23 (3) For bonds issued for the purposes of RCW 43.99H.020(17), on  
24 each date on which any interest or principal and interest payment is  
25 due, the director of the department of labor and industries shall cause  
26 fifty percent of the amount computed in RCW 43.99H.040(3) to be  
27 transferred from the accident fund created in RCW 51.44.010 and fifty  
28 percent of the amount computed in RCW 43.99H.040(3) to be transferred  
29 from the medical aid fund created in RCW 51.44.020, to the general fund  
30 of the state treasury.

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

37 ~~(5) ((For bonds issued for the purposes of RCW 43.99H.020(20), on~~  
38 ~~each date on which any interest or principal and interest payment is~~

1 ~~due, the state treasurer shall transfer the amount computed in RCW~~  
2 ~~43.99H.040(5) from the public safety and education account created in~~  
3 ~~RCW 43.08.250 to the general fund of the state treasury.~~

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

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

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

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

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

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

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

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

8       ~~((5))~~ (4) Bonds issued under this section and RCW 43.99K.010 and  
9 43.99K.020 shall state that they are a general obligation of the state  
10 of Washington, shall pledge the full faith and credit of the state to  
11 the payment of the principal thereof and the interest thereon, and  
12 shall contain an unconditional promise to pay the principal and  
13 interest as the same shall become due.

14       ~~((6))~~ (5) The owner and holder of each of the bonds or the  
15 trustee for the owner and holder of any of the bonds may by mandamus or  
16 other appropriate proceeding require the transfer and payment of funds  
17 as directed in this section.

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

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

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

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

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

35       (1) The state shall not expend from the general fund ~~((and related~~

1 funds)) during any fiscal year state moneys in excess of the state  
2 expenditure limit established under this chapter.

3 (2) Except pursuant to a declaration of emergency under RCW  
4 43.135.035 or pursuant to an appropriation under RCW  
5 43.135.045(~~((4)(b))~~) (2), the state treasurer shall not issue or redeem  
6 any check, warrant, or voucher that will result in a state general fund  
7 (~~(or related fund)~~) expenditure for any fiscal year in excess of the  
8 state expenditure limit established under this chapter. A violation of  
9 this subsection constitutes a violation of RCW 43.88.290 and shall  
10 subject the state treasurer to the penalties provided in RCW 43.88.300.

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

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

23 (5) A state expenditure limit committee is established for the  
24 purpose of determining and adjusting the state expenditure limit as  
25 provided in this chapter. The members of the state expenditure limit  
26 committee are the director of financial management, the attorney  
27 general or the attorney general's designee, and the chairs and ranking  
28 minority members of the senate committee on ways and means and the  
29 house of representatives committee on (~~(appropriations)~~) ways and  
30 means. All actions of the state expenditure limit committee taken  
31 pursuant to this chapter require an affirmative vote of at least four  
32 members.

33 (6) Each November, the state expenditure limit committee shall  
34 adjust the expenditure limit for the preceding fiscal year based on  
35 actual expenditures and known changes in the fiscal growth factor and  
36 then project an expenditure limit for the next two fiscal years. If,  
37 by November 30th, the state expenditure limit committee has not adopted  
38 the expenditure limit adjustment and projected expenditure limit as



1 provided in subsection (5) of this section, the attorney general or his  
2 or her designee shall adjust or project the expenditure limit, as  
3 necessary.

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

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

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

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

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

21 (2)(a) If the legislative action under subsection (1) of this  
22 section will result in expenditures in excess of the state expenditure  
23 limit, then the action of the legislature shall not take effect until  
24 approved by a vote of the people at a November general election. The  
25 state expenditure limit committee shall adjust the state expenditure  
26 limit by the amount of additional revenue approved by the voters under  
27 this section. This adjustment shall not exceed the amount of revenue  
28 generated by the legislative action during the first full fiscal year  
29 in which it is in effect. The state expenditure limit shall be  
30 adjusted downward upon expiration or repeal of the legislative action.

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

33 "Shall taxes be imposed on . . . . . in order to allow a  
34 spending increase above last year's authorized spending adjusted for  
35 personal income growth?"

36 (3)(a) The state expenditure limit may be exceeded upon declaration  
37 of an emergency for a period not to exceed twenty-four months by a law

1 approved by a two-thirds vote of each house of the legislature and  
2 signed by the governor. The law shall set forth the nature of the  
3 emergency, which is limited to natural disasters that require immediate  
4 government action to alleviate human suffering and provide humanitarian  
5 assistance. The state expenditure limit may be exceeded for no more  
6 than twenty-four months following the declaration of the emergency and  
7 only for the purposes contained in the emergency declaration.

8 (b) Additional taxes required for an emergency under this section  
9 may be imposed only until thirty days following the next general  
10 election, unless an extension is approved at that general election.  
11 The additional taxes shall expire upon expiration of the declaration of  
12 emergency. The legislature shall not impose additional taxes for  
13 emergency purposes under this subsection unless funds in the education  
14 construction fund have been exhausted.

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

18 (4) If the cost of any state program or function is shifted from  
19 the state general fund (~~(or a related fund)~~) to another source of  
20 funding, or if moneys are transferred from the state general fund (~~(or~~  
21 ~~a related fund)~~) to another fund or account, the state expenditure  
22 limit committee, acting pursuant to RCW 43.135.025(5), shall lower the  
23 state expenditure limit to reflect the shift. For the purposes of this  
24 section, a transfer of money from the state general fund (~~(or a related~~  
25 ~~fund)~~) to another fund or account includes any state legislative action  
26 taken that has the effect of reducing revenues from a particular  
27 source, where such revenues would otherwise be deposited into the state  
28 general fund (~~(or a related fund)~~), while increasing the revenues from  
29 that particular source to another state or local government account.  
30 This subsection does not apply to: (a) The dedication or use of  
31 lottery revenues under RCW 67.70.240(3) (~~(or property taxes under RCW~~  
32 ~~84.52.068)~~), in support of education or education expenditures; or (b)  
33 a transfer of moneys to, or an expenditure from, the budget  
34 stabilization account.

35 (5) If the cost of any state program or function and the ongoing  
36 revenue necessary to fund the program or function are shifted to the  
37 state general fund (~~(or a related fund)~~) on or after January 1, 2007,  
38 the state expenditure limit committee, acting pursuant to RCW

1 43.135.025(5), shall increase the state expenditure limit to reflect  
2 the shift unless the shifted revenue had previously been shifted from  
3 the general fund (~~(or a related fund)~~).

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

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

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

12 (2)) The education construction fund is hereby created in the  
13 state treasury.

14 ((a)) (1) Funds may be appropriated from the education  
15 construction fund exclusively for common school construction or higher  
16 education construction. During the 2007-2009 fiscal biennium, funds  
17 may also be used for higher education facilities preservation and  
18 maintenance.

19 ((b)) (2) Funds may be appropriated for any other purpose only if  
20 approved by a two-thirds vote of each house of the legislature and if  
21 approved by a vote of the people at the next general election. An  
22 appropriation approved by the people under this subsection shall result  
23 in an adjustment to the state expenditure limit only for the fiscal  
24 period for which the appropriation is made and shall not affect any  
25 subsequent fiscal period.

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

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

34 (1) Upon the arrest of a person or upon the filing of a complaint,  
35 citation, or information in a court of competent jurisdiction, based  
36 upon probable cause to believe that a person has violated RCW 46.61.502

1 or 46.61.504 or any similar municipal ordinance, if such person has a  
2 prior offense within seven years as defined in RCW 46.61.5055, and  
3 where the person has been provided written notice that any transfer,  
4 sale, or encumbrance of such person's interest in the vehicle over  
5 which that person was actually driving or had physical control when the  
6 violation occurred, is unlawful pending either acquittal, dismissal,  
7 sixty days after conviction, or other termination of the charge, such  
8 person shall be prohibited from encumbering, selling, or transferring  
9 his or her interest in such vehicle, except as otherwise provided in  
10 (a), (b), and (c) of this subsection, until either acquittal,  
11 dismissal, sixty days after conviction, or other termination of the  
12 charge. The prohibition against transfer of title shall not be stayed  
13 pending the determination of an appeal from the conviction.

14 (a) A vehicle encumbered by a bona fide security interest may be  
15 transferred to the secured party or to a person designated by the  
16 secured party;

17 (b) A leased or rented vehicle may be transferred to the lessor,  
18 rental agency, or to a person designated by the lessor or rental  
19 agency; and

20 (c) A vehicle may be transferred to a third party or a vehicle  
21 dealer who is a bona fide purchaser or may be subject to a bona fide  
22 security interest in the vehicle unless it is established that (i) in  
23 the case of a purchase by a third party or vehicle dealer, such party  
24 or dealer had actual notice that the vehicle was subject to the  
25 prohibition prior to the purchase, or (ii) in the case of a security  
26 interest, the holder of the security interest had actual notice that  
27 the vehicle was subject to the prohibition prior to the encumbrance of  
28 title.

29 (2) On conviction for a violation of either RCW 46.61.502 or  
30 46.61.504 or any similar municipal ordinance where the person convicted  
31 has a prior offense within seven years as defined in RCW 46.61.5055,  
32 the motor vehicle the person was driving or over which the person had  
33 actual physical control at the time of the offense, if the person has  
34 a financial interest in the vehicle, is subject to seizure and  
35 forfeiture pursuant to this section.

36 (3) A vehicle subject to forfeiture under this chapter may be  
37 seized by a law enforcement officer of this state upon process issued  
38 by a court of competent jurisdiction. Seizure of a vehicle may be made

1 without process if the vehicle subject to seizure has been the subject  
2 of a prior judgment in favor of the state in a forfeiture proceeding  
3 based upon this section.

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

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

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

1 within forty-five days after the person seeking removal has notified  
2 the seizing law enforcement agency of the person's claim of ownership  
3 or right to possession. The court to which the matter is to be removed  
4 shall be the district court when the aggregate value of the vehicle is  
5 within the jurisdictional limit set forth in RCW 3.66.020. A hearing  
6 before the seizing agency and any appeal therefrom shall be under Title  
7 34 RCW. In a court hearing between two or more claimants to the  
8 vehicle involved, the prevailing party shall be entitled to a judgment  
9 for costs and reasonable attorneys' fees. The burden of producing  
10 evidence shall be upon the person claiming to be the legal owner or the  
11 person claiming to have the lawful right to possession of the vehicle.  
12 The seizing law enforcement agency shall promptly return the vehicle to  
13 the claimant upon a determination by the administrative law judge or  
14 court that the claimant is the present legal owner under Title 46 RCW  
15 or is lawfully entitled to possession of the vehicle.

16 (7) When a vehicle is forfeited under this chapter the seizing law  
17 enforcement agency may sell the vehicle, retain it for official use, or  
18 upon application by a law enforcement agency of this state release the  
19 vehicle to that agency for the exclusive use of enforcing this title;  
20 provided, however, that the agency shall first satisfy any bona fide  
21 security interest to which the vehicle is subject under subsection  
22 (1)(a) or (c) of this section.

23 (8) When a vehicle is forfeited, the seizing agency shall keep a  
24 record indicating the identity of the prior owner, if known, a  
25 description of the vehicle, the disposition of the vehicle, the value  
26 of the vehicle at the time of seizure, and the amount of proceeds  
27 realized from disposition of the vehicle.

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

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

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

37 (12) By January 31st of each year, each seizing agency shall remit  
38 to the state treasurer an amount equal to ten percent of the net

1 proceeds of vehicles forfeited during the preceding calendar year.  
2 Money remitted shall be deposited in the (~~public safety and education~~  
3 ~~account~~) state general fund.

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

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

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

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

24 (2) The monetary penalty for a violation of (a) RCW 46.55.105(2) is  
25 two hundred fifty dollars for each offense; (b) RCW 46.61.210(1) is  
26 five hundred dollars for each offense. No penalty assessed under this  
27 subsection (2) may be reduced.

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

34 (4) There shall be a penalty of twenty-five dollars for failure to  
35 respond to a notice of traffic infraction except where the infraction  
36 relates to parking as defined by local law, ordinance, regulation, or  
37 resolution or failure to pay a monetary penalty imposed pursuant to

1 this chapter. A local legislative body may set a monetary penalty not  
2 to exceed twenty-five dollars for failure to respond to a notice of  
3 traffic infraction relating to parking as defined by local law,  
4 ordinance, regulation, or resolution. The local court, whether a  
5 municipal, police, or district court, shall impose the monetary penalty  
6 set by the local legislative body.

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

12 (6) Whenever a monetary penalty, fee, cost, assessment, or other  
13 monetary obligation is imposed by a court under this chapter it is  
14 immediately payable. If the court determines, in its discretion, that  
15 a person is not able to pay a monetary obligation in full, and not more  
16 than one year has passed since the later of July 1, 2005, or the date  
17 the monetary obligation initially became due and payable, the court  
18 shall enter into a payment plan with the person, unless the person has  
19 previously been granted a payment plan with respect to the same  
20 monetary obligation, or unless the person is in noncompliance of any  
21 existing or prior payment plan, in which case the court may, at its  
22 discretion, implement a payment plan. If the court has notified the  
23 department that the person has failed to pay or comply and the person  
24 has subsequently entered into a payment plan and made an initial  
25 payment, the court shall notify the department that the infraction has  
26 been adjudicated, and the department shall rescind any suspension of  
27 the person's driver's license or driver's privilege based on failure to  
28 respond to that infraction. "Payment plan," as used in this section,  
29 means a plan that requires reasonable payments based on the financial  
30 ability of the person to pay. The person may voluntarily pay an amount  
31 at any time in addition to the payments required under the payment  
32 plan.

33 (a) If a payment required to be made under the payment plan is  
34 delinquent or the person fails to complete a community restitution  
35 program on or before the time established under the payment plan,  
36 unless the court determines good cause therefor and adjusts the payment  
37 plan or the community restitution plan accordingly, the court shall  
38 notify the department of the person's failure to meet the conditions of



1 the plan, and the department shall suspend the person's driver's  
2 license or driving privilege until all monetary obligations, including  
3 those imposed under subsections (3) and (4) of this section, have been  
4 paid, and court authorized community restitution has been completed, or  
5 until the department has been notified that the court has entered into  
6 a new time payment or community restitution agreement with the person.

7 (b) If a person has not entered into a payment plan with the court  
8 and has not paid the monetary obligation in full on or before the time  
9 established for payment, the court shall notify the department of the  
10 delinquency. The department shall suspend the person's driver's  
11 license or driving privilege until all monetary obligations have been  
12 paid, including those imposed under subsections (3) and (4) of this  
13 section, or until the person has entered into a payment plan under this  
14 section.

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

20 (d) Nothing in this section precludes a court from contracting with  
21 outside entities to administer its payment plan system. When outside  
22 entities are used for the administration of a payment plan, the court  
23 may assess the person a reasonable fee for such administrative  
24 services, which fee may be calculated on a periodic, percentage, or  
25 other basis.

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

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

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

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

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

8 (8)(a) In addition to any other penalties imposed under this  
9 section and not subject to the limitation of subsection (1) of this  
10 section, a person found to have committed a traffic infraction other  
11 than of RCW 46.61.527 shall be assessed an additional penalty of twenty  
12 dollars. The court may not reduce, waive, or suspend the additional  
13 penalty unless the court finds the offender to be indigent. If a court  
14 authorized community restitution program for offenders is available in  
15 the jurisdiction, the court shall allow offenders to offset all or a  
16 part of the penalty due under this subsection (8) by participation in  
17 the court authorized community restitution program.

18 (b) Eight dollars and fifty cents of the additional penalty under  
19 (a) of this subsection shall be remitted to the state treasurer. The  
20 remaining revenue from the additional penalty must be remitted under  
21 chapters 2.08, 3.46, 3.50, 3.62, 10.82, and 35.20 RCW. Money remitted  
22 under this subsection to the state treasurer must be deposited (~~as~~  
23 ~~provided in RCW 43.08.250~~) in the state general fund. The balance of  
24 the revenue received by the county or city treasurer under this  
25 subsection must be deposited into the county or city current expense  
26 fund. Moneys retained by the city or county under this subsection  
27 shall constitute reimbursement for any liabilities under RCW  
28 43.135.060.

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

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

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

3           (1) In addition to any other penalties imposed for conviction of a  
4 violation of this title that is a misdemeanor, gross misdemeanor, or  
5 felony, the court shall impose an additional penalty of fifty dollars.  
6 The court may not reduce, waive, or suspend the additional penalty  
7 unless the court finds the offender to be indigent. If a community  
8 restitution program for offenders is available in the jurisdiction, the  
9 court shall allow offenders to offset all or a part of the penalty due  
10 under this section by participation in the community restitution  
11 program.

12           (2) Revenue from the additional penalty must be remitted under  
13 chapters 2.08, 3.46, 3.50, 3.62, 10.82, and 35.20 RCW. Money remitted  
14 under this section to the state treasurer must be deposited (~~as~~  
15 ~~provided in RCW 43.08.250~~) in the state general fund. The balance of  
16 the revenue received by the county or city treasurer under this section  
17 must be deposited into the county or city current expense fund. Moneys  
18 retained by the city or county under this subsection shall constitute  
19 reimbursement for any liabilities under RCW 43.135.060.

20           **Sec. 41.** RCW 48.14.0201 and 2005 c 405 s 1, 2005 c 223 s 6, and  
21 2005 c 7 s 1 are each reenacted and amended to read as follows:

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

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

32           (3) Taxpayers shall prepay their tax obligations under this  
33 section. The minimum amount of the prepayments shall be percentages of  
34 the taxpayer's tax obligation for the preceding calendar year  
35 recomputed using the rate in effect for the current year. For the  
36 prepayment of taxes due during the first calendar year, the minimum  
37 amount of the prepayments shall be percentages of the taxpayer's tax

1 obligation that would have been due had the tax been in effect during  
2 the previous calendar year. The tax prepayments shall be paid to the  
3 state treasurer through the commissioner's office by the due dates and  
4 in the following amounts:

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

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

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

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

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

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

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

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

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

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

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

32 (c) Amounts received by any health care service contractor, as  
33 defined in RCW 48.44.010, as prepayments for health care services  
34 included within the definition of practice of dentistry under RCW  
35 18.32.020.

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

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

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

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

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

37 (10) On or before June 1st of each year, the commissioner shall  
38 notify each taxpayer required to make prepayments in that year of the

1 amount of each prepayment and shall provide remittance forms to be used  
2 by the taxpayer. However, a taxpayer's responsibility to make  
3 prepayments is not affected by failure of the commissioner to send, or  
4 the taxpayer to receive, the notice or forms.

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

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

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

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

34 (c) Any licensed retailer authorized to purchase wine from a  
35 certificate of approval holder with a direct shipment endorsement or a  
36 domestic winery shall make monthly reports to the liquor control board

1 on wine purchased during the preceding calendar month in the manner and  
2 upon such forms as may be prescribed by the board.

3 (2) An additional tax is imposed equal to the rate specified in RCW  
4 82.02.030 multiplied by the tax payable under subsection (1) of this  
5 section. All revenues collected during any month from this additional  
6 tax shall be transferred to the state general fund by the twenty-fifth  
7 day of the following month.

8 (3) An additional tax is imposed on wines subject to tax under  
9 subsection (1) of this section, at the rate of one-fourth of one cent  
10 per liter for wine sold after June 30, 1987. After June 30, 1996, such  
11 additional tax does not apply to cider. An additional tax of five one-  
12 hundredths of one cent per liter is imposed on cider sold after June  
13 30, 1996. All revenues collected under this subsection (3) shall be  
14 disbursed quarterly to the Washington wine commission for use in  
15 carrying out the purposes of chapter 15.88 RCW.

16 (4) An additional tax is imposed on all wine subject to tax under  
17 subsection (1) of this section. The additional tax is equal to twenty-  
18 three and forty-four one-hundredths cents per liter on fortified wine  
19 as defined in RCW 66.04.010 when bottled or packaged by the  
20 manufacturer, one cent per liter on all other wine except cider, and  
21 eighteen one-hundredths of one cent per liter on cider. All revenues  
22 collected during any month from this additional tax shall be deposited  
23 in the (~~violence reduction and drug enforcement account under RCW~~  
24 ~~69.50.520~~) state general fund by the twenty-fifth day of the following  
25 month.

26 (5)(a) An additional tax is imposed on all cider subject to tax  
27 under subsection (1) of this section. The additional tax is equal to  
28 two and four one-hundredths cents per liter of cider sold after June  
29 30, 1996, and before July 1, 1997, and is equal to four and seven one-  
30 hundredths cents per liter of cider sold after June 30, 1997.

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

34 (6) For the purposes of this section, "cider" means table wine that  
35 contains not less than one-half of one percent of alcohol by volume and  
36 not more than seven percent of alcohol by volume and is made from the  
37 normal alcoholic fermentation of the juice of sound, ripe apples or

1 pears. "Cider" includes, but is not limited to, flavored, sparkling,  
2 or carbonated cider and cider made from condensed apple or pear must.

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

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

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

17 (a) Every such brewery or beer distributor shall report all sales  
18 to the board monthly, pursuant to the regulations, and shall pay to the  
19 board as an added tax for the privilege of manufacturing and selling  
20 the beer and strong beer within the state a tax of one dollar and  
21 thirty cents per barrel of thirty-one gallons on sales to licensees  
22 within the state and on sales to licensees within the state of bottled  
23 and canned beer, including strong beer, shall pay a tax computed in  
24 gallons at the rate of one dollar and thirty cents per barrel of  
25 thirty-one gallons.

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

31 (c) The moneys collected under this subsection shall be distributed  
32 as follows: (i) Three-tenths of a percent shall be distributed to  
33 border areas under RCW 66.08.195; and (ii) of the remaining moneys:  
34 (A) Twenty percent shall be distributed to counties in the same manner  
35 as under RCW 66.08.200; and (B) eighty percent shall be distributed to  
36 incorporated cities and towns in the same manner as under RCW  
37 66.08.210.



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

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

13 (3)(a) An additional tax is imposed on all beer and strong beer  
14 subject to tax under subsection (1) of this section. The additional  
15 tax is equal to ninety-six cents per barrel of thirty-one gallons  
16 through June 30, 1995, two dollars and thirty-nine cents per barrel of  
17 thirty-one gallons for the period July 1, 1995, through June 30, 1997,  
18 and four dollars and seventy-eight cents per barrel of thirty-one  
19 gallons thereafter.

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

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

29 (4) An additional tax is imposed on all beer and strong beer that  
30 is subject to tax under subsection (1) of this section that is in the  
31 first sixty thousand barrels of beer and strong beer by breweries that  
32 are entitled to a reduced rate of tax under 26 U.S.C. Sec. 5051, as  
33 existing on July 1, 1993, or such subsequent date as may be provided by  
34 the board by rule consistent with the purposes of the exemption under  
35 subsection (3)(b) of this section. The additional tax is equal to one  
36 dollar and forty-eight and two-tenths cents per barrel of thirty-one  
37 gallons. By the twenty-fifth day of the following month, three percent

1 of the revenues collected from this additional tax shall be distributed  
2 to border areas under RCW 66.08.195 and the remaining moneys shall be  
3 transferred to the state general fund.

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

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

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

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

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

16 (2) For purposes of making deposits into the reserve account  
17 created by RCW 67.70.250 and into the lottery administrative account  
18 created by RCW 67.70.260;

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

33 (4) For distribution to a county for the purpose of paying the  
34 principal and interest payments on bonds issued by the county to  
35 construct a baseball stadium, as defined in RCW 82.14.0485, including  
36 reasonably necessary preconstruction costs. Three million dollars  
37 shall be distributed under this subsection during calendar year 1996.

1 During subsequent years, such distributions shall equal the prior  
2 year's distributions increased by four percent. Distributions under  
3 this subsection shall cease when the bonds issued for the construction  
4 of the baseball stadium are retired, but not more than twenty years  
5 after the tax under RCW 82.14.0485 is first imposed;

6 (5) For distribution to the stadium and exhibition center account,  
7 created in RCW 43.99N.060. Subject to the conditions of RCW  
8 43.99N.070, six million dollars shall be distributed under this  
9 subsection during the calendar year 1998. During subsequent years,  
10 such distribution shall equal the prior year's distributions increased  
11 by four percent. No distribution may be made under this subsection  
12 after December 31, 1999, unless the conditions for issuance of the  
13 bonds under RCW 43.99N.020(2) are met. Distributions under this  
14 subsection shall cease when the bonds are retired, but not later than  
15 December 31, 2020;

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

18 (7) For the payment of agent compensation.

19 The office of financial management shall require the allotment of  
20 all expenses paid from the account and shall report to the ways and  
21 means committees of the senate and house of representatives any changes  
22 in the allotments.

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

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

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

15 (3)(a) The commission shall transfer, from revenue derived from the  
16 shared game lottery, to the problem gambling account created in RCW  
17 43.20A.892, an amount equal to the percentage specified in (b) of this  
18 subsection of net receipts. For purposes of this subsection, "net  
19 receipts" means the difference between (i) revenue received from the  
20 sale of lottery tickets or shares and revenue received from the sale of  
21 shared game lottery tickets or shares; and (ii) the sum of payments  
22 made to winners.

23 (b) In fiscal year 2006, the percentage to be transferred to the  
24 problem gambling account is one-tenth of one percent. In fiscal year  
25 2007 and subsequent fiscal years, the percentage to be transferred to  
26 the problem gambling account is thirteen one-hundredths of one percent.

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

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

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

34 (a) All controlled substances which have been manufactured,  
35 distributed, dispensed, acquired, or possessed in violation of this  
36 chapter or chapter 69.41 or 69.52 RCW, and all hazardous chemicals, as

1 defined in RCW 64.44.010, used or intended to be used in the  
2 manufacture of controlled substances;

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

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

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

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

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

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

24 (iv) A forfeiture of a conveyance encumbered by a bona fide  
25 security interest is subject to the interest of the secured party if  
26 the secured party neither had knowledge of nor consented to the act or  
27 omission; and

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

33 (e) All books, records, and research products and materials,  
34 including formulas, microfilm, tapes, and data which are used, or  
35 intended for use, in violation of this chapter or chapter 69.41 or  
36 69.52 RCW;

37 (f) All drug paraphernalia;

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

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

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

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

36 (iii) The possession of marijuana shall not result in the  
37 forfeiture of real property unless the marijuana is possessed for  
38 commercial purposes, the amount possessed is five or more plants or one

1 pound or more of marijuana, and a substantial nexus exists between the  
2 possession of marijuana and the real property. In such a case, the  
3 intent of the offender shall be determined by the preponderance of the  
4 evidence, including the offender's prior criminal history, the amount  
5 of marijuana possessed by the offender, the sophistication of the  
6 activity or equipment used by the offender, and other evidence which  
7 demonstrates the offender's intent to engage in commercial activity;

8 (iv) The unlawful sale of marijuana or a legend drug shall not  
9 result in the forfeiture of real property unless the sale was forty  
10 grams or more in the case of marijuana or one hundred dollars or more  
11 in the case of a legend drug, and a substantial nexus exists between  
12 the unlawful sale and the real property; and

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

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

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

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

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

37 (d) The board inspector or law enforcement officer has probable

1 cause to believe that the property was used or is intended to be used  
2 in violation of this chapter.

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

27 (4) If no person notifies the seizing law enforcement agency in  
28 writing of the person's claim of ownership or right to possession of  
29 items specified in subsection (1)(d), (g), or (h) of this section  
30 within forty-five days of the seizure in the case of personal property  
31 and ninety days in the case of real property, the item seized shall be  
32 deemed forfeited. The community property interest in real property of  
33 a person whose spouse or domestic partner committed a violation giving  
34 rise to seizure of the real property may not be forfeited if the person  
35 did not participate in the violation.

36 (5) If any person notifies the seizing law enforcement agency in  
37 writing of the person's claim of ownership or right to possession of  
38 items specified in subsection (1)(b), (c), (d), (e), (f), (g), or (h)



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

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

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

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

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

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

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

11 (d) Forward it to the drug enforcement administration for  
12 disposition.

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

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

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

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

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

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

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

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

16 (11) Controlled substances listed in Schedule I, II, III, IV, and  
17 V that are possessed, transferred, sold, or offered for sale in  
18 violation of this chapter are contraband and shall be seized and  
19 summarily forfeited to the state. Controlled substances listed in  
20 Schedule I, II, III, IV, and V, which are seized or come into the  
21 possession of the board, the owners of which are unknown, are  
22 contraband and shall be summarily forfeited to the board.

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

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

34 (14) Upon the entry of an order of forfeiture of real property, the  
35 court shall forward a copy of the order to the assessor of the county  
36 in which the property is located. Orders for the forfeiture of real  
37 property shall be entered by the superior court, subject to court

1 rules. Such an order shall be filed by the seizing agency in the  
2 county auditor's records in the county in which the real property is  
3 located.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 NEW SECTION. **Sec. 47.** RCW 69.50.520 (Violence reduction and drug  
17 enforcement account) and 2005 c 518 s 937, 2005 c 514 s 1107, 2005 c  
18 514 s 202, 2004 c 276 s 912, 2003 1st sp.s. c 25 s 930, & 2002 c 371 s  
19 920 are each repealed.

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

22 (1) The county public health account is created in the state  
23 treasury. Funds deposited in the county public health account shall be  
24 distributed by the state treasurer to each local public health  
25 jurisdiction based upon amounts certified to it by the department of  
26 community, trade, and economic development in consultation with the  
27 Washington state association of counties. The account shall include  
28 funds distributed under RCW (~~82.44.110 and~~) 82.14.200(8) and such  
29 funds as are appropriated to the account from the (~~health services~~  
30 ~~account under RCW 43.72.900~~) state general fund, the public health  
31 services account under RCW 43.72.902, and such other funds as the  
32 legislature may appropriate to it.

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

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

12 (c) The county treasurer shall certify the actual 1995 city  
13 contribution to the department. Funds in excess of the base shall be  
14 distributed proportionately among the health jurisdictions based on  
15 incorporated population figures as last determined by the office of  
16 financial management.

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

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

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

25 ~~(2) ((It is the intent of the legislature that the basic health  
26 plan enrollment be expanded expeditiously, consistent with funds  
27 available in the health services account, with the goal of two hundred  
28 thousand adult subsidized basic health plan enrollees and one hundred  
29 thirty thousand children covered through expanded medical assistance  
30 services by June 30, 1997, with the priority of providing needed health  
31 services to children in conjunction with other public programs.~~

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

35 ~~((4))~~ (3) No later than July 1, 1996, the administrator shall  
36 implement procedures whereby hospitals licensed under chapters 70.41  
37 and 71.12 RCW, health carrier, rural health care facilities regulated

1 under chapter 70.175 RCW, and community and migrant health centers  
2 funded under RCW 41.05.220, may expeditiously assist patients and their  
3 families in applying for basic health plan or medical assistance  
4 coverage, and in submitting such applications directly to the health  
5 care authority or the department of social and health services. The  
6 health care authority and the department of social and health services  
7 shall make every effort to simplify and expedite the application and  
8 enrollment process.

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

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

35 (1) The criminal justice treatment account is created in the state  
36 treasury. Moneys in the account may be expended solely for: (a)  
37 Substance abuse treatment and treatment support services for offenders

1 with an addiction or a substance abuse problem that, if not treated,  
2 would result in addiction, against whom charges are filed by a  
3 prosecuting attorney in Washington state; (b) the provision of drug and  
4 alcohol treatment services and treatment support services for  
5 nonviolent offenders within a drug court program; and (c) during the  
6 2007-2009 biennium, operation of the integrated crisis response and  
7 intensive case management pilots contracted with the department of  
8 social and health services division of alcohol and substance abuse.  
9 Moneys in the account may be spent only after appropriation.

10 (2) For purposes of this section:

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

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

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

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

23 (4)(a) For the fiscal biennium beginning July 1, 2003, the state  
24 treasurer shall transfer eight million nine hundred fifty thousand  
25 dollars from the general fund into the criminal justice treatment  
26 account, divided into eight equal quarterly payments. For the fiscal  
27 year beginning July 1, 2005, and each subsequent fiscal year, the state  
28 treasurer shall transfer eight million two hundred fifty thousand  
29 dollars from the general fund to the criminal justice treatment  
30 account, divided into four equal quarterly payments. For the fiscal  
31 year beginning July 1, 2006, and each subsequent fiscal year, the  
32 amount transferred shall be increased on an annual basis by the  
33 implicit price deflator as published by the federal bureau of labor  
34 statistics.

35 ~~(b) ((For the fiscal biennium beginning July 1, 2003, and each~~  
36 ~~biennium thereafter, the state treasurer shall transfer two million~~  
37 ~~nine hundred eighty four thousand dollars from the general fund into~~  
38 ~~the violence reduction and drug enforcement account, divided into eight~~



1 ~~quarterly payments. The amounts transferred pursuant to this~~  
2 ~~subsection (4)(b) shall be used solely for providing drug and alcohol~~  
3 ~~treatment services to offenders confined in a state correctional~~  
4 ~~facility who are assessed with an addiction or a substance abuse~~  
5 ~~problem that if not treated would result in addiction.~~

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

10 (5) Moneys appropriated to the division of alcohol and substance  
11 abuse from the criminal justice treatment account shall be distributed  
12 as specified in this subsection. The department shall serve as the  
13 fiscal agent for purposes of distribution. Until July 1, 2004, the  
14 department may not use moneys appropriated from the criminal justice  
15 treatment account for administrative expenses and shall distribute all  
16 amounts appropriated under subsection (4)((e)) (b) of this section in  
17 accordance with this subsection. Beginning in July 1, 2004, the  
18 department may retain up to three percent of the amount appropriated  
19 under subsection (4)((e)) (b) of this section for its administrative  
20 costs.

21 (a) Seventy percent of amounts appropriated to the division from  
22 the account shall be distributed to counties pursuant to the  
23 distribution formula adopted under this section. The division of  
24 alcohol and substance abuse, in consultation with the department of  
25 corrections, the sentencing guidelines commission, the Washington state  
26 association of counties, the Washington state association of drug court  
27 professionals, the superior court judges' association, the Washington  
28 association of prosecuting attorneys, representatives of the criminal  
29 defense bar, representatives of substance abuse treatment providers,  
30 and any other person deemed by the division to be necessary, shall  
31 establish a fair and reasonable methodology for distribution to  
32 counties of moneys in the criminal justice treatment account. County  
33 or regional plans submitted for the expenditure of formula funds must  
34 be approved by the panel established in (b) of this subsection.

35 (b) Thirty percent of the amounts appropriated to the division from  
36 the account shall be distributed as grants for purposes of treating  
37 offenders against whom charges are filed by a county prosecuting  
38 attorney. The division shall appoint a panel of representatives from

1 the Washington association of prosecuting attorneys, the Washington  
2 association of sheriffs and police chiefs, the superior court judges'  
3 association, the Washington state association of counties, the  
4 Washington defender's association or the Washington association of  
5 criminal defense lawyers, the department of corrections, the Washington  
6 state association of drug court professionals, substance abuse  
7 treatment providers, and the division. The panel shall review county  
8 or regional plans for funding under (a) of this subsection and grants  
9 approved under this subsection. The panel shall attempt to ensure that  
10 treatment as funded by the grants is available to offenders statewide.

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

26 (7) Counties are encouraged to consider regional agreements and  
27 submit regional plans for the efficient delivery of treatment under  
28 this section.

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

32 (9) Counties must meet the criteria established in RCW  
33 2.28.170(3)(b).

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

36 The long-range health and environmental goals for the state of  
37 Washington require the protection of the state's surface and

1 underground waters for the health, safety, use, enjoyment, and economic  
2 benefit of its people. It is the purpose of this chapter to provide  
3 financial assistance to the state and to local governments for the  
4 planning, design, acquisition, construction, and improvement of water  
5 pollution control facilities and related activities in the achievement  
6 of state and federal water pollution control requirements for the  
7 protection of the state's waters.

8 It is the intent of the legislature that distribution of moneys for  
9 water pollution control facilities under this chapter be made on an  
10 equitable basis taking into consideration legal mandates, local effort,  
11 ratepayer impacts, and past distributions of state and federal moneys  
12 for water pollution control facilities.

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

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

22 Unless the context clearly requires otherwise, the definitions in  
23 this section apply throughout this chapter.

24 (1) (~~"Account" means the water quality account in the state~~  
25 ~~treasury.~~

26 ~~+2~~) "Department" means the department of ecology.

27 ~~((+3))~~ (2) "Eligible cost" means the cost of that portion of a  
28 water pollution control facility that can be financed under this  
29 chapter excluding any portion of a facility's cost attributable to  
30 capacity that is in excess of that reasonably required to address one  
31 hundred ten percent of the applicant's needs for water pollution  
32 control existing at the time application is submitted for assistance  
33 under this chapter.

34 ~~((+4))~~ (3) "Water pollution control facility" or "facilities"  
35 means any facilities or systems for the control, collection, storage,  
36 treatment, disposal, or recycling of wastewater, including but not  
37 limited to sanitary sewage, storm water, residential, commercial,

1 industrial, and agricultural wastes, which are causing water quality  
2 degradation due to concentrations of conventional, nonconventional, or  
3 toxic pollutants. Water pollution control facilities include all  
4 equipment, utilities, structures, real property, and interests in and  
5 improvements on real property necessary for or incidental to such  
6 purpose. Water pollution control facilities also include such  
7 facilities, equipment, and collection systems as are necessary to  
8 protect federally designated sole source aquifers.

9 ((+5)) (4) "Water pollution control activities" means actions  
10 taken by a public body for the following purposes: (a) To prevent or  
11 mitigate pollution of underground water; (b) to control nonpoint  
12 sources of water pollution; (c) to restore the water quality of fresh  
13 water lakes; and (d) to maintain or improve water quality through the  
14 use of water pollution control facilities or other means. During the  
15 1995-1997 fiscal biennium, "water pollution control activities"  
16 includes activities by state agencies to protect public drinking water  
17 supplies and sources.

18 ((+6)) (5) "Public body" means the state of Washington or any  
19 agency, county, city or town, conservation district, other political  
20 subdivision, municipal corporation, quasi-municipal corporation, and  
21 those Indian tribes now or hereafter recognized as such by the federal  
22 government.

23 ((+7)) (6) "Water pollution" means such contamination, or other  
24 alteration of the physical, chemical, or biological properties of any  
25 waters of the state, including change in temperature, taste, color,  
26 turbidity, or odor of the waters, or such discharge of any liquid,  
27 gaseous, solid, radioactive, or other substance into any waters of the  
28 state as will or is likely to create a nuisance or render such waters  
29 harmful, detrimental, or injurious to the public health, safety, or  
30 welfare, or to domestic, commercial, industrial, agricultural,  
31 recreational, or other legitimate beneficial uses, or to livestock,  
32 wild animals, birds, fish, or other aquatic life.

33 ((+8)) (7) "Nonpoint source water pollution" means pollution that  
34 enters any waters of the state from any dispersed water-based or land-  
35 use activities, including, but not limited to, atmospheric deposition,  
36 surface water runoff from agricultural lands, urban areas, and forest  
37 lands, subsurface or underground sources, and discharges from boats or  
38 other marine vessels.

1       ~~((9))~~ (8) "Sole source aquifer" means the sole or principal  
2 source of public drinking water for an area designated by the  
3 administrator of the environmental protection agency pursuant to Public  
4 Law 93-523, Sec. 1424(b).

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

7       ~~((1) The water quality account is hereby created in the state  
8 treasury. Moneys in the account may be used only in a manner  
9 consistent with this chapter. Moneys deposited in the account shall be  
10 administered by the department of ecology and shall be subject to  
11 legislative appropriation. Moneys placed in the account shall include  
12 tax receipts as provided in RCW 82.24.027, 82.24.026(2)(d), and  
13 82.32.390, principal and interest from the repayment of any loans  
14 granted pursuant to this chapter, and any other moneys appropriated to  
15 the account by the legislature.~~

16       ~~(2))~~ The department may ~~((use or permit the use of any moneys in  
17 the account to))~~ make grants or loans to public bodies, including  
18 grants to public bodies as cost-sharing moneys in any case where  
19 federal, local, or other funds are made available on a cost-sharing  
20 basis, for water pollution control facilities and activities, or for  
21 purposes of assisting a public body to obtain an ownership interest in  
22 water pollution control facilities and/or to defray a part of the  
23 payments made by a public body to a service provider under a service  
24 agreement entered into pursuant to RCW 70.150.060, within the purposes  
25 of this chapter and for related administrative expenses. ~~((For the  
26 period July 1, 2007, to June 30, 2009, moneys in the account may be  
27 used to process applications received by the department that seek to  
28 make changes to or transfer existing water rights and for other water  
29 resources and water quality activities, for water conveyance projects,  
30 shoreline technical assistance[, ] Puget Sound education and  
31 outreach[, ] and for grants and technical assistance to public bodies  
32 for watershed planning under chapter 90.82 RCW.))~~ No more than three  
33 percent of the moneys ~~((deposited in the account))~~ may be used by the  
34 department to pay for the administration of the grant and loan program  
35 authorized by this chapter.

36       ~~((3) Beginning with the biennium ending June 30, 1997, the  
37 department shall present a biennial progress report on the use of~~

1 moneys from the account to the chairs of the senate committee on ways  
2 and means and the house of representatives committee on appropriations.  
3 The first report is due June 30, 1996, and the report for each  
4 succeeding biennium is due December 31st of the odd numbered year. The  
5 report shall consist of a list of each recipient, project description,  
6 and amount of the grant, loan, or both.))

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

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

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

14 ((During the period from July 1, 1987, until June 30, 1995, the  
15 following limitations shall apply to the department's total  
16 distribution of funds appropriated from the water quality account:

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

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

23 (3) Not more than ten percent for water pollution control  
24 activities that protect freshwater lakes and rivers including but not  
25 limited to Lake Chelan and the Yakima and Columbia rivers;

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

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

32 (6) Two and one half percent of the total amounts of moneys under  
33 subsections (1) through (5) of this section from February 21, 1986,  
34 until December 31, 1995, shall be appropriated biennially to the state  
35 conservation commission for the purposes of this chapter. Not less

1 ~~than ten percent of the moneys received by the state conservation~~  
2 ~~commission under the provisions of this section shall be expended on~~  
3 ~~research activities.~~

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

6 Funds provided for facilities and activities under this chapter may  
7 be used for payments to a service provider under a service agreement  
8 pursuant to RCW 70.150.060. If funds are to be used for such payments,  
9 the department may make periodic disbursements to a public body or may  
10 make a single lump sum disbursement. Disbursements of funds with  
11 respect to a facility owned or operated by a service provider shall be  
12 equivalent in value to disbursements that would otherwise be made if  
13 that facility were owned or operated by a public body. Payments under  
14 this chapter for waste disposal and management facilities made to  
15 public bodies entering into service agreements pursuant to RCW  
16 70.150.060 shall not exceed amounts paid to public bodies not entering  
17 into service agreements.

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

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

23 (2) Extended grant payments shall be in equal annual payments, the  
24 total of which does not exceed, on a net present value basis, fifty  
25 percent of the total eligible cost of the project incurred at the time  
26 of design and construction. The duration of such extended grant  
27 payments shall be for a period not to exceed twenty years. The total  
28 of federal and state grant moneys received for the eligible costs of  
29 the project shall not exceed fifty percent of the eligible costs.

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

34 NEW SECTION. **Sec. 57.** RCW 70.146.080 (Determination of tax  
35 receipts in water quality account--Transfer of sufficient moneys from

1 general revenues) and 2007 c 522 s 956, 2005 c 518 s 941, 2003 1st  
2 sp.s. c 25 s 935, 1994 sp.s. c 6 s 902, 1993 sp.s. c 24 s 924, 1991  
3 sp.s. c 16 s 923, & 1986 c 3 s 11 are each repealed.

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

6 Unless the context clearly requires otherwise, the definitions in  
7 this section apply throughout this chapter.

8 (1) "Administrative costs" means the costs associated with  
9 procurement; payroll processing; personnel functions; management;  
10 maintenance and operation of space and property; data processing and  
11 computer services; accounting; budgeting; auditing; indirect costs; and  
12 organizational planning, consultation, coordination, and training.

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

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

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

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

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

26 (7) "Participating state agencies" means the office of the  
27 superintendent of public instruction, the department of social and  
28 health services, the department of health, the employment security  
29 department, the department of community, trade, and economic  
30 development, and such other departments as may be specifically  
31 designated by the governor.

32 (8) "Family policy council" or "council" means the superintendent  
33 of public instruction, the secretary of social and health services, the  
34 secretary of health, the commissioner of the employment security  
35 department, and the director of the department of community, trade, and  
36 economic development or their designees, one legislator from each



1 caucus of the senate and house of representatives, and one  
2 representative of the governor.

3 (9) "Fiduciary interest" means (a) the right to compensation from  
4 a health, educational, social service, or justice system organization  
5 that receives public funds, or (b) budgetary or policy-making authority  
6 for an organization listed in (a) of this subsection. A person who  
7 acts solely in an advisory capacity and receives no compensation from  
8 a health, educational, social service, or justice system organization,  
9 and who has no budgetary or policy-making authority is deemed to have  
10 no fiduciary interest in the organization.

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

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

23 (12) "Policy development" has the same meaning as provided in RCW  
24 43.70.010.

25 (13) "Protective factors" means those factors determined by the  
26 department of health to be empirically associated with behaviors that  
27 contribute to socially acceptable and healthy nonviolent behaviors.  
28 Protective factors include promulgation, identification, and acceptance  
29 of community norms regarding appropriate behaviors in the area of  
30 delinquency, early sexual activity, alcohol and substance abuse,  
31 educational opportunities, employment opportunities, and absence of  
32 crime.

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

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

1 The family policy council shall:

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

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

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

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

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

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

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

34 (8)(a) The council shall monitor the implementation of programs  
35 contracted by participating state agencies by reviewing periodic  
36 reports on the extent to which services were delivered to intended  
37 populations, the quality of services, and the extent to which service

1 outcomes were achieved at the conclusion of service interventions.  
2 This monitoring shall include provision for periodic feedback to  
3 community networks;

4 (b) The legislature intends that this monitoring be used by the  
5 Washington state institute for public policy, together with public  
6 health data on at-risk behaviors and risk and protective factors, to  
7 produce an external evaluation of the effectiveness of the networks and  
8 their programs. For this reason, and to conserve public funds, the  
9 council shall not conduct or contract for the conduct of control group  
10 studies, quasi-experimental design studies, or other analysis efforts  
11 to attempt to determine the impact of network programs on at-risk  
12 behaviors or risk and protective factors; and

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

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

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

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

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

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

34 (iii) Twenty percent to the department to contribute to the cost of  
35 incarceration; and

36 (iv) Twenty percent for payment of legal financial obligations for

1 all inmates who have legal financial obligations owing in any  
2 Washington state superior court.

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

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

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

8 (iii) Fifteen percent to the department to contribute to the cost  
9 of incarceration;

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

13 (v) Fifteen percent for any child support owed under a support  
14 order.

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

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

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

20 (iii) Twenty percent to the department to contribute to the cost of  
21 incarceration; and

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

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

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

29 (ii) Fifteen percent for any child support owed under a support  
30 order.

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

33 (i) Five percent to the department to contribute to the cost of  
34 incarceration; and

35 (ii) Fifteen percent for any child support owed under a support  
36 order.

37 (2) Any person sentenced to life imprisonment without possibility

1 of release or parole under chapter 10.95 RCW or sentenced to death  
2 shall be exempt from the requirement under subsection (1)(a)(ii),  
3 (b)(ii), or (c)(ii).

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

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

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

10 (iii) When the secretary determines that an emergency exists for  
11 the inmate.

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

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

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

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

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

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

36 (iv) Not later than June 30, 2008, the secretary shall achieve a  
37 net increase of at least nine hundred in the number of inmates employed

1 in class I or class II correctional industries work programs above the  
2 number so employed on June 30, 2003;

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

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

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

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

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

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

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

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

1           **Sec. 61.** RCW 72.09.480 and 2007 c 483 s 404, 2007 c 365 s 1, and  
2 2007 c 91 s 1 are each reenacted and amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

37           (4) When an inmate who is subject to a child support order receives

1 funds from an inheritance, the deduction required under subsection  
2 (2)(e) of this section shall only apply after the child support  
3 obligation has been paid in full.

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

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

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

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

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

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

35 (10) The interest earned on an inmate savings account created as a  
36 result of the plan in section 4, chapter 325, Laws of 1999 shall be  
37 exempt from the mandatory deductions under this section and RCW  
38 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. 62.** RCW 74.09.053 and 2006 c 264 s 2 are each amended to read  
9 as follows:

10 (1) The department of social and health services, in coordination  
11 with the health care authority, shall by November 15th of each year  
12 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. 63.** RCW 77.12.201 and 1987 c 506 s 29 are each amended to  
10 read as follows:

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

23 **Sec. 64.** 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 (1) Upon every person engaging within this state in the business of  
26 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.~~)

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

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

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

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

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

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

34 (6)(a) An additional tax is imposed upon retail sale of spirits in  
35 the original package at the rate of one and seven-tenths percent of the  
36 selling price through June 30, 1995, two and six-tenths percent of the  
37 selling price for the period July 1, 1995, through June 30, 1997, and

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

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

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

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

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

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

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

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

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

36 (8) The tax imposed in RCW 82.08.020 shall not apply to sales of  
37 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. 66.** 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 (1) There is levied and there shall be collected as provided in  
14 this chapter, a tax upon the sale, use, consumption, handling,  
15 possession, or distribution of all cigarettes, in an amount equal to  
16 one and fifteen one-hundredths cents per cigarette.

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

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

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

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

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

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

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

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

21 (1) In addition to the tax imposed upon the sale, use, consumption,  
22 handling, possession, or distribution of cigarettes set forth in RCW  
23 82.24.020, there is imposed a tax in an amount equal to three cents per  
24 cigarette.

25 (2) The revenue collected under this section shall be deposited as  
26 follows:

27 (a) ~~((21.7 percent shall be deposited into the health services~~  
28 ~~account.~~

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

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

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

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

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

3       (1) There is hereby levied and there shall be collected by the  
4 department of revenue from the persons mentioned in and in the manner  
5 provided by this chapter, an additional tax upon the sale, use,  
6 consumption, handling, possession, or distribution of cigarettes in an  
7 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. 69.** RCW 82.24.028 and 2008 c 86 s 304 are each amended to  
14 read as follows:

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

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

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

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

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

31       (2) Taxes under this section shall be imposed at the time the  
32 distributor (a) brings, or causes to be brought, into this state from  
33 without the state tobacco products for sale, (b) makes, manufactures,  
34 fabricates, or stores tobacco products in this state for sale in this  
35 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. 71.** RCW 82.32.390 (Certain revenues to be  
14 deposited in water quality account) and 1986 c 3 s 15 are each  
15 repealed.

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

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

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

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

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

31 **Sec. 73.** RCW 84.52.067 and 2001 c 3 s 7 are each amended to read  
32 as follows:

33 All property taxes levied by the state for the support of common  
34 schools shall be paid into the general fund of the state treasury as  
35 provided in RCW 84.56.280(~~, except for the amounts collected under RCW~~

1 ~~84.52.068 which shall be directly deposited into the student~~  
2 ~~achievement fund and distributed to school districts as provided in RCW~~  
3 ~~84.52.068)).~~

4 **Sec. 74.** RCW 90.71.370 and 2008 c 329 s 927 are each amended to  
5 read as follows:

6 (1) By December 1, 2008, and by September 1st of each even-numbered  
7 year beginning in 2010, the council shall provide to the governor and  
8 the appropriate fiscal committees of the senate and house of  
9 representatives its recommendations for the funding necessary to  
10 implement the action agenda in the succeeding biennium. The  
11 recommendations shall:

12 (a) Identify the funding needed by action agenda element;

13 (b) Address funding responsibilities among local, state, and  
14 federal governments, as well as nongovernmental funding; and

15 (c) Address funding needed to support the work of the partnership,  
16 the panel, the ecosystem work group, and entities assisting in  
17 coordinating local efforts to implement the plan.

18 (2) In the 2008 report required under subsection (1) of this  
19 section, the council shall include recommendations for projected  
20 funding needed through 2020 to implement the action agenda; funding  
21 needs for science panel staff; identify methods to secure stable and  
22 sufficient funding to meet these needs; and include proposals for new  
23 sources of funding to be dedicated to Puget Sound protection and  
24 recovery. In preparing the science panel staffing proposal, the  
25 council shall consult with the panel.

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

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

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

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

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

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

7 (f) An identification of all funds provided to the partnership, and  
8 recommendations as to how future state expenditures for all entities,  
9 including the partnership, could better match the priorities of the  
10 action agenda.

11 (4)(a) The council shall review state programs that fund facilities  
12 and activities that may contribute to action agenda implementation. By  
13 November 1, 2009, the council shall provide initial recommendations  
14 regarding program changes to the governor and appropriate fiscal and  
15 policy committees of the senate and house of representatives. By  
16 November 1, 2010, the council shall provide final recommendations  
17 regarding program changes, including proposed legislation to implement  
18 the recommendation, to the governor and appropriate fiscal and policy  
19 committees of the senate and house of representatives.

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

24 (i) (~~The water quality account~~) Water pollution control  
25 facilities financing, chapter 70.146 RCW;

26 (ii) The water pollution control revolving fund, chapter 90.50A  
27 RCW;

28 (iii) The public works assistance account, chapter 43.155 RCW;

29 (iv) The aquatic lands enhancement account, RCW 79.105.150;

30 (v) The state toxics control account and local toxics control  
31 account and clean-up program, chapter 70.105D RCW;

32 (vi) The acquisition of habitat conservation and outdoor recreation  
33 land, chapter 79A.15 RCW;

34 (vii) The salmon recovery funding board, RCW 77.85.110 through  
35 77.85.150;

36 (viii) The community economic revitalization board, chapter 43.160  
37 RCW;



1 (ix) Other state financial assistance to water quality-related  
2 projects and activities; and

3 (x) Water quality financial assistance from federal programs  
4 administered through state programs or provided directly to local  
5 governments in the Puget Sound basin.

6 (c) The council's review shall include but not be limited to:

7 (i) Determining the level of funding and types of projects and  
8 activities funded through the programs that contribute to  
9 implementation of the action agenda;

10 (ii) Evaluating the procedures and criteria in each program for  
11 determining which projects and activities to fund, and their  
12 relationship to the goals and priorities of the action agenda;

13 (iii) Assessing methods for ensuring that the goals and priorities  
14 of the action agenda are given priority when program funding decisions  
15 are made regarding water quality-related projects and activities in the  
16 Puget Sound basin and habitat-related projects and activities in the  
17 Puget Sound basin;

18 (iv) Modifying funding criteria so that projects, programs, and  
19 activities that are inconsistent with the action agenda are ineligible  
20 for funding;

21 (v) Assessing ways to incorporate a strategic funding approach for  
22 the action agenda within the outcome-focused performance measures  
23 required by RCW 43.41.270 in administering natural resource-related and  
24 environmentally based grant and loan programs.

25 NEW SECTION. **Sec. 75.** RCW 84.52.068 (State levy--Distribution to  
26 school districts) and 2005 c 514 s 1104, 2003 1st sp.s. c 19 s 1, &  
27 2001 c 3 s 5 are each repealed.

28 NEW SECTION. **Sec. 76.** This act is necessary for the immediate  
29 preservation of the public peace, health, or safety, or support of the  
30 state government and its existing public institutions, and takes effect  
31 July 1, 2009.

--- END ---