
HOUSE BILL 2645

State of Washington

64th Legislature

2016 Regular Session

By Representatives Hudgins, Robinson, and Ormsby; by request of Office of Financial Management

Read first time 01/18/16. Referred to Committee on Appropriations.

1 AN ACT Relating to eliminating accounts; amending RCW 19.146.205,
2 43.330.418, 70.95.165, 72.72.030, and 72.72.050; reenacting and
3 amending RCW 43.84.092; creating a new section; decodifying RCW
4 43.83.310; repealing RCW 38.40.220, 43.63A.315, 43.72.902, 43.83.310,
5 43.83.330, 43.83.320, 43.83.350, 43.330.094, 43.83.370, 43.167.040,
6 43.330.415, and 70.146.100; and providing an effective date.

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

8 **Sec. 1.** RCW 19.146.205 and 2015 c 229 s 11 are each amended to
9 read as follows:

10 (1) Application for a mortgage broker license under this chapter
11 must be made to the nationwide mortgage licensing system and registry
12 and in the form prescribed by the director. The application must
13 contain at least the following information:

14 (a) The name, address, date of birth, and social security number
15 of the applicant, and any other names, dates of birth, or social
16 security numbers previously used by the applicant, unless waived by
17 the director;

18 (b) If the applicant is a partnership, association, or limited
19 liability company the name, address, date of birth, and social
20 security number of each general partner, principal, or member of the
21 association, and any other names, dates of birth, or social security

1 numbers previously used by the members, unless waived by the
2 director;

3 (c) If the applicant is a corporation, the name, address, date of
4 birth, and social security number of each officer, director,
5 registered agent, and each principal stockholder, and any other
6 names, dates of birth, or social security numbers previously used by
7 the officers, directors, registered agents, and principal
8 stockholders unless waived by the director;

9 (d) The street address, county, and municipality where the
10 principal business office is to be located;

11 (e) The name, address, date of birth, and social security number
12 of the applicant's designated broker, and any other names, dates of
13 birth, or social security numbers previously used by the designated
14 broker and a complete set of the designated broker's fingerprints
15 taken by an authorized law enforcement officer; and

16 (f)(i) Such other information regarding the applicant's or
17 designated broker's background, financial responsibility, experience,
18 character, and general fitness as the director may require by rule.

19 (ii) The director may waive one or more requirements of this
20 section or permit an applicant to submit other information in lieu of
21 the required information.

22 (2) As a part of or in connection with an application for any
23 license under this section, or periodically upon license renewal, the
24 applicant must furnish information concerning his or her identity,
25 including fingerprints for submission to the Washington state patrol,
26 the federal bureau of investigation, the nationwide mortgage
27 licensing system and registry, or any governmental agency or entity
28 authorized to receive this information for a state and national
29 criminal history background check; personal history; experience;
30 business record; purposes; and other pertinent facts, as the director
31 may reasonably require. As part of or in connection with an
32 application for a license under this chapter, the director is
33 authorized to receive criminal history record information that
34 includes nonconviction data as defined in RCW 10.97.030. The
35 department may only disseminate nonconviction data obtained under
36 this section to criminal justice agencies. This section does not
37 apply to financial institutions regulated under chapters 31.12 and
38 31.13 RCW and Titles 30A, 32, and 33 RCW.

39 (3) In order to reduce the points of contact which the federal
40 bureau of investigation may have to maintain, the director may use

1 the nationwide mortgage licensing system and registry as a channeling
2 agent for requesting information from and distributing information to
3 the department of justice or any governmental agency.

4 (4) In order to reduce the points of contact which the director
5 may have to maintain, the director may use the nationwide mortgage
6 licensing system and registry as a channeling agent for requesting
7 and distributing information to and from any source so directed by
8 the director.

9 (5) At the time of filing an application for a license under this
10 chapter, each applicant must pay to the director through the
11 nationwide mortgage licensing system and registry the appropriate
12 application fee in an amount determined by rule of the director in
13 accordance with RCW 43.24.086 to cover, but not exceed, the cost of
14 processing and reviewing the application. The director must deposit
15 the moneys in the financial services regulation fund, unless the
16 consumer services account is created as a dedicated, nonappropriated
17 account, in which case the director must deposit the moneys in the
18 consumer services account.

19 (6)(a) Except as provided in (b) of this subsection, each
20 applicant for a mortgage broker's license must file and maintain a
21 surety bond, in an amount which the director deems adequate to
22 protect the public interest, executed by the applicant as obligor and
23 by a surety company authorized to do a surety business in this state
24 as surety. The bonding requirement as established by the director
25 must take the form of a range of bond amounts which vary according to
26 the annual loan origination volume of the licensee. The bond must run
27 to the state of Washington as obligee, and must run first to the
28 benefit of the borrower and then to the benefit of the state and any
29 person or persons who suffer loss by reason of the applicant's or its
30 loan originator's violation of any provision of this chapter or rules
31 adopted under this chapter. The bond must be conditioned that the
32 obligor as licensee will faithfully conform to and abide by this
33 chapter and all rules adopted under this chapter, and must reimburse
34 all persons who suffer loss by reason of a violation of this chapter
35 or rules adopted under this chapter. Borrowers must be given priority
36 over the state and other persons. The state and other third parties
37 must be allowed to receive distribution pursuant to a valid claim
38 against the remainder of the bond. In the case of claims made by any
39 person or entity who is not a borrower, no final judgment may be
40 entered prior to one hundred eighty days following the date the claim

1 is filed. The bond must be continuous and may be canceled by the
2 surety upon the surety giving written notice to the director of its
3 intent to cancel the bond. The cancellation must be effective thirty
4 days after the notice is received by the director. Whether or not the
5 bond is renewed, continued, reinstated, reissued, or otherwise
6 extended, replaced, or modified, including increases or decreases in
7 the penal sum, it is considered one continuous obligation, and the
8 surety upon the bond is not liable in an aggregate or cumulative
9 amount exceeding the penal sum set forth on the face of the bond. In
10 no event is the penal sum, or any portion thereof, at two or more
11 points in time be added together in determining the surety's
12 liability. The bond is not ~~((be [is not]))~~ liable for any penalties
13 imposed on the licensee~~((r))~~ including, but not limited to, any
14 increased damages or attorneys' fees, or both, awarded under RCW
15 19.86.090. The applicant may obtain the bond directly from the surety
16 or through a group bonding arrangement involving a professional
17 organization comprised of mortgage brokers if the arrangement
18 provides at least as much coverage as is required under this
19 subsection.

20 (b) If the director determines that the bond required in (a) of
21 this subsection is not reasonably available, the director must waive
22 the requirements for such a bond. ~~((The mortgage recovery fund
23 account is created in the custody of the state treasurer. The
24 director is authorized to charge fees to fund the account. All fees
25 charged under this section, except those retained by the director for
26 administration of the account, must be deposited into the mortgage
27 recovery fund account. Expenditures from the account may be used only
28 for the same purposes as the surety bond as described in (a) of this
29 subsection. Only the director or the director's designee may
30 authorize expenditures from the account. The account is subject to
31 allotment procedures under chapter 43.88 RCW, but an appropriation is
32 not required for expenditures. A person entitled to receive payment
33 from the mortgage recovery account may only receive reimbursement
34 after a court of competent jurisdiction has determined the actual
35 damages caused by the licensee. The director may determine by rule
36 the procedure for recovery; the amount each mortgage broker must pay
37 through the nationwide mortgage licensing system and registry for
38 deposit in the mortgage recovery account; and the amount necessary to
39 administer the account.))~~

1 **Sec. 2.** RCW 43.330.418 and 2011 1st sp.s. c 43 s 609 are each
2 amended to read as follows:

3 (1) The governor may take all appropriate steps to seek federal
4 funding in order to maximize investment in broadband deployment and
5 adoption in the state of Washington. Such steps may include the
6 designation of a broadband deployment and adoption coordinator;
7 review and prioritization of grant applications by public and private
8 entities as directed by the national telecommunications and
9 information administration, the rural utility services, and the
10 federal communications commission; disbursement of block grant
11 funding; and direction to state agencies to provide staffing as
12 necessary to carry out this section. The authority for overseeing
13 broadband adoption and deployment efforts on behalf of the state is
14 vested in the department.

15 (2) The department may apply for federal funds and other grants
16 or donations, (~~may deposit such funds in the Washington community~~
17 ~~technology opportunity account created in RCW 43.330.415,~~) may
18 oversee implementation of federally funded or mandated broadband
19 programs for the state, and may adopt rules to administer the
20 programs. These programs may include but are not limited to the
21 following:

22 (a) Engaging in periodic statewide surveys of residents,
23 businesses, and nonprofit organizations concerning their use and
24 adoption of high-speed internet, computer, and related information
25 technology for the purpose of identifying barriers to adoption;

26 (b) Working with communities to identify barriers to the adoption
27 of broadband service and related information technology services by
28 individuals, nonprofit organizations, and businesses;

29 (c) Identifying broadband demand opportunities in communities by
30 working cooperatively with local organizations, government agencies,
31 and businesses;

32 (d) Creating, implementing, and administering programs to improve
33 computer ownership, technology literacy, digital media literacy, and
34 high-speed internet access for populations not currently served or
35 underserved in the state. This may include programs to provide low-
36 income families, community-based nonprofit organizations, nonprofit
37 entities, and public entities that work in partnership with nonprofit
38 entities to provide increased access to computers and broadband, with
39 reduced cost internet access;

1 (e) Administering the community technology opportunity program
2 under RCW 43.330.412 (~~and 43.330.415~~);

3 (f) Creating additional programs to spur the development of high-
4 speed internet resources in the state;

5 (g) Establishing technology literacy and digital inclusion
6 programs and establishing low-cost hardware, software, and internet
7 purchasing programs that may include allowing participation by
8 community technology programs in state purchasing programs; and

9 (h) Developing technology loan programs targeting small
10 businesses or businesses located in unserved and underserved areas.

11 **Sec. 3.** RCW 43.84.092 and 2015 3rd sp.s. c 44 s 107 and 2015 3rd
12 sp.s. c 12 s 3 are each reenacted and amended to read as follows:

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

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

32 (3) Except for the provisions of RCW 43.84.160, the treasury
33 income account may be utilized for the payment of purchased banking
34 services on behalf of treasury funds including, but not limited to,
35 depository, safekeeping, and disbursement functions for the state
36 treasury and affected state agencies. The treasury income account is
37 subject in all respects to chapter 43.88 RCW, but no appropriation is
38 required for payments to financial institutions. Payments shall occur

1 prior to distribution of earnings set forth in subsection (4) of this
2 section.

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

7 (a) The following accounts and funds shall receive their
8 proportionate share of earnings based upon each account's and fund's
9 average daily balance for the period: The aeronautics account, the
10 aircraft search and rescue account, the Alaskan Way viaduct
11 replacement project account, the brownfield redevelopment trust fund
12 account, the budget stabilization account, the capital vessel
13 replacement account, the capitol building construction account, the
14 Cedar River channel construction and operation account, the Central
15 Washington University capital projects account, the charitable,
16 educational, penal and reformatory institutions account, the cleanup
17 settlement account, the Columbia river basin water supply development
18 account, the Columbia river basin taxable bond water supply
19 development account, the Columbia river basin water supply revenue
20 recovery account, the common school construction fund, the community
21 forest trust account, the connecting Washington account, the county
22 arterial preservation account, the county criminal justice assistance
23 account, the deferred compensation administrative account, the
24 deferred compensation principal account, the department of licensing
25 services account, the department of retirement systems expense
26 account, the developmental disabilities community trust account, the
27 diesel idle reduction account, the drinking water assistance account,
28 the drinking water assistance administrative account, the drinking
29 water assistance repayment account, the Eastern Washington University
30 capital projects account, the Interstate 405 express toll lanes
31 operations account, the education construction fund, the education
32 legacy trust account, the election account, the electric vehicle
33 charging infrastructure account, the energy freedom account, the
34 energy recovery act account, the essential rail assistance account,
35 The Evergreen State College capital projects account, the federal
36 forest revolving account, the ferry bond retirement fund, the freight
37 mobility investment account, the freight mobility multimodal account,
38 the grade crossing protective fund, (~~the public health services~~
39 ~~account,~~) the high capacity transportation account, the state higher
40 education construction account, (~~the higher education construction~~

1 ~~account,~~) the highway bond retirement fund, the highway
2 infrastructure account, the highway safety fund, the high occupancy
3 toll lanes operations account, the hospital safety net assessment
4 fund, the industrial insurance premium refund account, the judges'
5 retirement account, the judicial retirement administrative account,
6 the judicial retirement principal account, the local leasehold excise
7 tax account, the local real estate excise tax account, the local
8 sales and use tax account, the marine resources stewardship trust
9 account, the medical aid account, the mobile home park relocation
10 fund, the motor vehicle fund, the motorcycle safety education
11 account, the multimodal transportation account, the multiuse roadway
12 safety account, the municipal criminal justice assistance account,
13 the natural resources deposit account, the oyster reserve land
14 account, the pension funding stabilization account, the perpetual
15 surveillance and maintenance account, the public employees'
16 retirement system plan 1 account, the public employees' retirement
17 system combined plan 2 and plan 3 account, the public facilities
18 construction loan revolving account beginning July 1, 2004, the
19 public health supplemental account, the public works assistance
20 account, the Puget Sound capital construction account, the Puget
21 Sound ferry operations account, the Puget Sound taxpayer
22 accountability account, the real estate appraiser commission account,
23 the recreational vehicle account, the regional mobility grant program
24 account, the resource management cost account, the rural arterial
25 trust account, the rural mobility grant program account, the rural
26 Washington loan fund, the site closure account, the skilled nursing
27 facility safety net trust fund, the small city pavement and sidewalk
28 account, the special category C account, the special wildlife
29 account, the state employees' insurance account, the state employees'
30 insurance reserve account, the state investment board expense
31 account, the state investment board commingled trust fund accounts,
32 the state patrol highway account, the state route number 520 civil
33 penalties account, the state route number 520 corridor account, the
34 state wildlife account, the supplemental pension account, the Tacoma
35 Narrows toll bridge account, the teachers' retirement system plan 1
36 account, the teachers' retirement system combined plan 2 and plan 3
37 account, the tobacco prevention and control account, the tobacco
38 settlement account, the toll facility bond retirement account, the
39 transportation 2003 account (nickel account), the transportation
40 equipment fund, the transportation fund, the transportation future

1 funding program account, the transportation improvement account, the
2 transportation improvement board bond retirement account, the
3 transportation infrastructure account, the transportation partnership
4 account, the traumatic brain injury account, the tuition recovery
5 trust fund, the University of Washington bond retirement fund, the
6 University of Washington building account, the volunteer
7 firefighters' and reserve officers' relief and pension principal
8 fund, the volunteer firefighters' and reserve officers'
9 administrative fund, the Washington judicial retirement system
10 account, the Washington law enforcement officers' and firefighters'
11 system plan 1 retirement account, the Washington law enforcement
12 officers' and firefighters' system plan 2 retirement account, the
13 Washington public safety employees' plan 2 retirement account, the
14 Washington school employees' retirement system combined plan 2 and 3
15 account, the Washington state health insurance pool account, the
16 Washington state patrol retirement account, the Washington State
17 University building account, the Washington State University bond
18 retirement fund, the water pollution control revolving administration
19 account, the water pollution control revolving fund, the Western
20 Washington University capital projects account, the Yakima integrated
21 plan implementation account, the Yakima integrated plan
22 implementation revenue recovery account, and the Yakima integrated
23 plan implementation taxable bond account. Earnings derived from
24 investing balances of the agricultural permanent fund, the normal
25 school permanent fund, the permanent common school fund, the
26 scientific permanent fund, the state university permanent fund, and
27 the state reclamation revolving account shall be allocated to their
28 respective beneficiary accounts.

29 (b) Any state agency that has independent authority over accounts
30 or funds not statutorily required to be held in the state treasury
31 that deposits funds into a fund or account in the state treasury
32 pursuant to an agreement with the office of the state treasurer shall
33 receive its proportionate share of earnings based upon each account's
34 or fund's average daily balance for the period.

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

38 **Sec. 4.** RCW 70.95.165 and 2015 1st sp.s. c 4 s 49 are each
39 amended to read as follows:

1 (1) Each county or city siting a solid waste disposal facility
2 shall review each potential site for conformance with the standards
3 as set by the department for:

- 4 (a) Geology;
- 5 (b) Groundwater;
- 6 (c) Soil;
- 7 (d) Flooding;
- 8 (e) Surface water;
- 9 (f) Slope;
- 10 (g) Cover material;
- 11 (h) Capacity;
- 12 (i) Climatic factors;
- 13 (j) Land use;
- 14 (k) Toxic air emissions; and

15 (1) Other factors as determined by the department.

16 (2) The standards in subsection (1) of this section shall be
17 designed to use the best available technology to protect the
18 environment and human health, and shall be revised periodically to
19 reflect new technology and information.

20 (3) Each county shall establish a local solid waste advisory
21 committee to assist in the development of programs and policies
22 concerning solid waste handling and disposal and to review and
23 comment upon proposed rules, policies, or ordinances prior to their
24 adoption. Such committees shall consist of a minimum of nine members
25 and shall represent a balance of interests including, but not limited
26 to, citizens, public interest groups, business, the waste management
27 industry, and local elected public officials. The members shall be
28 appointed by the county legislative authority. (~~A county or city
29 shall not apply for funds from the state and local improvements
30 revolving account, Waste Disposal Facilities, 1980, under RCW
31 43.83.350, for the preparation, update, or major amendment of a
32 comprehensive solid waste management plan unless the plan or revision
33 has been prepared with the active assistance and participation of a
34 local solid waste advisory committee.~~)

35 **Sec. 5.** RCW 72.72.030 and 1991 sp.s. c 13 s 10 are each amended
36 to read as follows:

37 (1) (~~There is hereby created, in the state treasury, an
38 institutional impact account.~~) The secretary of social and health
39 services may reimburse political subdivisions for criminal justice

1 costs incurred directly as a result of crimes committed by offenders
2 residing in an institution as defined (~~herein~~) in RCW 72.72.020
3 under the jurisdiction of the secretary of social and health
4 services. (~~Such reimbursement shall be made to the extent funds are~~
5 ~~available from the institutional impact account.~~) Reimbursements
6 shall be limited to law enforcement, prosecutorial, judicial, and
7 jail facilities costs which are documented to be strictly related to
8 the criminal activities of the offender.

9 (2) The secretary of corrections may reimburse political
10 subdivisions for criminal justice costs incurred directly as a result
11 of crimes committed by offenders residing in an institution as
12 defined (~~herein~~) in RCW 72.72.020 under the jurisdiction of the
13 secretary of corrections. Such reimbursement shall be made to the
14 extent funds are available (~~from the institutional impact account~~)
15 from appropriations. Reimbursements shall be limited to law
16 enforcement, prosecutorial, judicial, and jail facilities costs which
17 are documented to be strictly related to the criminal activities of
18 the offender.

19 **Sec. 6.** RCW 72.72.050 and 1983 c 279 s 4 are each amended to
20 read as follows:

21 The state shall reimburse cities and counties for their expenses
22 incurred directly as a result of their providing personnel and
23 material pursuant to a contingency plan adopted under RCW 72.02.150.
24 (~~Reimbursement to cities and counties shall be expended solely from~~
25 ~~the institutional impact account within funds available in that~~
26 ~~account.~~) If the costs of reimbursements to cities and counties
27 exceed available funds, the secretary of corrections shall request
28 the legislature to appropriate sufficient funds to enable the
29 secretary of corrections to make full reimbursement.

30 NEW SECTION. **Sec. 7.** The following acts or parts of acts are
31 each repealed:

32 (1) RCW 38.40.220 (Military department active state service
33 account) and 2008 c 44 s 1;

34 (2) RCW 43.63A.315 (Independent youth housing account) and 2007 c
35 316 s 7;

36 (3) RCW 43.72.902 (Public health services account) and 2001 2nd
37 sp.s. c 7 s 916, 2000 2nd sp.s. c 1 s 913, 1995 c 43 s 12, & 1993 c
38 492 s 470;

1 (4) RCW 43.83.310 (Higher education construction account) and
2 2015 1st sp.s. c 4 s 26, 1991 sp.s. c 13 s 8, 1985 c 57 s 13, & 1979
3 ex.s. c 253 s 4;

4 (5) RCW 43.83.330 (State and local improvements revolving account
5 —Definitions) and 2015 1st sp.s. c 4 s 34, 1991 sp.s. c 13 s 43, 1985
6 c 57 s 44, & 1972 ex.s. c 127 s 3;

7 (6) RCW 43.83.320 (Higher education reimbursable short-term bond
8 account) and 2015 1st sp.s. c 4 s 41, 2012 c 198 s 4, 1989 1st ex.s.
9 c 14 s 13, 1988 c 36 s 22, 1986 c 103 s 1, & 1985 ex.s. c 4 s 2;

10 (7) RCW 43.83.350 (State and local improvements revolving
11 account, Waste Disposal Facilities, 1980—Definitions) and 2015 1st
12 sp.s. c 4 s 40, 1991 sp.s. c 13 s 44, 1985 c 57 s 56, & 1980 c 159 s
13 3;

14 (8) RCW 43.330.094 (Tourism development and promotion account—
15 Promotion of tourism industry) and 2011 c 5 s 913, 2009 c 565 s 6,
16 2007 c 228 s 202, 2003 c 153 s 4, & 1997 c 220 s 223;

17 (9) RCW 43.83.370 (Fisheries capital projects account) and 2015
18 1st sp.s. c 4 s 37 & 1975-'76 2nd ex.s. c 132 s 4;

19 (10) RCW 43.167.040 (Community preservation and development
20 authority account) and 2007 c 501 s 7;

21 (11) RCW 43.330.415 (Washington community technology opportunity
22 account) and 2011 1st sp.s. c 43 s 608, 2009 c 509 s 8, & 2008 c 262
23 s 8; and

24 (12) RCW 70.146.100 (Water quality capital account—Expenditures)
25 and 2010 1st sp.s. c 37 s 948 & 2007 c 233 s 1.

26 NEW SECTION. **Sec. 8.** RCW 43.83.310 is decodified.

27 NEW SECTION. **Sec. 9.** Any residual balance of funds remaining in
28 any account eliminated in this act on the effective date of this
29 section shall be transferred to the state general fund.

30 NEW SECTION. **Sec. 10.** This act takes effect June 30, 2016.

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