

NEW SECTION. Sec. 2. A new section is added to chapter 42.17 RCW to read as follows:

Any lobbyist registered under RCW 42.17.150, any person who lobbies, and any lobbyist's employer making a contribution that exceeds five hundred dollars shall file a special report in the manner provided under RCW 42.17.105 if the contribution is made before a primary or general election and: (1) After the period covered by the last report required by RCW 42.17.080 and 42.17.090 to be filed before that primary; or (2) within twenty-one days preceding that general election.

Passed the Senate April 23, 1985.

Passed the House April 16, 1985.

Approved by the Governor May 20, 1985.

Filed in Office of Secretary of State May 20, 1985.

CHAPTER 360

[Engrossed Substitute Senate Bill No. 3261]

STATE BUILDING CODE

AN ACT Relating to building codes; amending RCW 19.27.020, 19.27.030, 19.27.050, 19.27.060, 19.27.070, 19.27.075, 19.27.120, 19.27.300, 19.27.420, 19.27.450, and 19.27.460; reenacting and amending RCW 19.27.040; adding new sections to chapter 19.27 RCW; creating a new section; and recodifying RCW 19.27.030, 19.27.075, 19.27.130, 19.27.200, 19.27.210, 19.27.220, 19.27.230, 19.27.240, 19.27.250, 19.27.260, 19.27.270, 19.27.280, 19.27.290, 19.27.300, 19.27.310, 19.27.320, 19.27.410, 19.27.420, 19.27.430, 19.27.440, 19.27.450, 19.27.460, and 19.27.905.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. A new section is added to chapter 19.27 RCW to read as follows:

As used in this chapter:

- (1) "City" means a city or town; and
- (2) "Multifamily residential building" means common wall residential buildings that consist of four or fewer units, that do not exceed two stories in height, that are less than five thousand square feet in area, and that have a one-hour fire-resistive occupancy separation between units.

NEW SECTION. Sec. 2. A new section is added to chapter 19.27 RCW to read as follows:

- (1) The state building code council shall:
 - (a) Maintain the codes to which reference is made in section 5 of this act in a status which is consistent with the state's interest as set forth in RCW 19.27.020. In maintaining these codes, the council shall regularly review updated versions of the codes referred to in section 5 of this act and other pertinent information and shall amend the codes as deemed appropriate by the council;

(b) Approve or deny all county or city amendments to any code referred to in section 5 of this act to the degree the amendments apply to single family or multifamily residential buildings;

(c) As required by the legislature, develop and adopt any codes relating to buildings; and

(d) Propose a budget for the operation of the state building code council to be submitted to the office of financial management pursuant to RCW 43.88.090.

(2) The state building code council may:

(a) Appoint technical advisory committees which may include members of the council;

(b) Employ permanent and temporary staff and contract for services; and

(c) Conduct research into matters relating to any code or codes referred to in section 5 of this act or any related matter.

All meetings of the state building code council shall be open to the public under the open public meetings act, chapter 42.30 RCW. All actions of the state building code council which adopt or amend any code of state-wide applicability shall be pursuant to the administrative procedure act, chapter 34.04 RCW.

All council decisions relating to the codes enumerated in section 5 of this act shall require approval by at least a majority of the members of the council.

All decisions to adopt or amend codes of state-wide application shall be made prior to December 1 of any year and shall not take effect before the end of the regular legislative session in the next year.

NEW SECTION. Sec. 3. (1) The state building code council shall contract with a private entity to conduct a study and analysis of the codes referred to in section 5 of this act and related regulations of state and local agencies to ascertain the amount and nature of any conflict and inconsistencies. The findings and proposed solutions resulting from this study and analysis shall be submitted to the state building code council no later than September 1, 1987. The state building code council shall consider these findings and proposed solutions when carrying out its responsibilities under section 2 of this act.

(2) The state building code council shall conduct a study of county and city enforcement of the requirements of the codes to which reference is made in section 5 of this act. In conducting the study, the council shall conduct public hearings at designated council meetings to seek input from interested individuals and organizations. The findings of the study shall be submitted in a report to the governor and the legislature no later than September 1, 1987.

(3) The study required under subsection (2) of this section shall include, but not be limited to, a review of the impact of discretionary building

permit requirements imposed by local code enforcement personnel. This review shall be designed to determine the extent, if any, to which such discretionary requirements are based upon (a) the requirements of the state building code or (b) city or county amendments to the state building code.

NEW SECTION. Sec. 4. (1) There is hereby created the building code council account in the state treasury. Moneys deposited into the account shall be used by the building code council, after appropriation, to perform the purposes of the council.

(2) All moneys collected under subsection (3) of this section shall be deposited into the building code council account. Every four years the state treasurer shall report to the legislature on the balances in the account so that the legislature may adjust the charges imposed under subsection (3) of this section.

(3) There is imposed a fee of one dollar and fifty cents on each building permit issued by a county or a city. Quarterly each county and city shall remit moneys collected under this section to the state treasury; however, no remittance is required until a minimum of fifty dollars has accumulated pursuant to this subsection.

NEW SECTION. Sec. 5. A new section is added to chapter 19.27 RCW to read as follows:

Except as otherwise provided in this chapter, there shall be in effect in all counties and cities the state building code which shall consist of the following codes which are hereby adopted by reference:

(1) Uniform Building Code and Uniform Building Code Standards, 1982 edition, published by the International Conference of Building Officials;

(2) Uniform Mechanical Code, 1982 edition, including Chapter 22, Fuel Gas Piping, Appendix B, published by the International Conference of Building Officials;

(3) The Uniform Fire Code and Uniform Fire Code Standards, 1982 edition, published by the International Conference of Building Officials and the Western Fire Chiefs Association: PROVIDED, That, notwithstanding any wording in this code, participants in religious ceremonies shall not be precluded from carrying hand-held candles;

(4) The Uniform Plumbing Code and Uniform Plumbing Code Standards, 1982 edition, published by the International Association of Plumbing and Mechanical Officials: PROVIDED, That chapters 11 and 12 of such code are not adopted; and

(5) The rules and regulations adopted by the council establishing standards for making buildings and facilities accessible to and usable by the physically handicapped or elderly persons as provided in RCW 70.92.100 through 70.92.160.

In case of conflict among the codes enumerated in subsections (1), (2), (3), and (4) of this section, the first named code shall govern over those following.

The council may issue opinions relating to the codes at the request of a local building official.

Sec. 6. Section 2, chapter 96, Laws of 1974 ex. sess. and RCW 19.27-.020 are each amended to read as follows:

The purpose of this chapter is to ~~((provide building codes throughout the state. This chapter is designed to effectuate the following purposes, objectives and standards:~~

~~((1) To)) promote the health, safety and welfare of the occupants or users of buildings and structures and the general public by the provision of building codes throughout the state. Accordingly, this chapter is designed to effectuate the following purposes, objectives, and standards:~~

~~((2)) (1) To require minimum performance standards and requirements for construction and construction materials, consistent with accepted standards of engineering, fire and life safety.~~

~~((3)) (2) To require standards and requirements in terms of performance and nationally accepted standards.~~

~~((4)) (3) To permit the use of modern technical methods, devices and improvements.~~

~~((5)) (4) To eliminate restrictive, obsolete, conflicting, duplicating and unnecessary regulations and requirements which could unnecessarily increase construction costs or retard the use of new materials and methods of installation or provide unwarranted preferential treatment to types or classes of materials or products or methods of construction.~~

~~((6)) (5) To provide for standards and specifications for making buildings and facilities accessible to and usable by physically ~~((handi-capped))~~ disabled persons.~~

~~((7)) (6) To consolidate within each authorized enforcement jurisdiction, the administration and enforcement of building codes.~~

**Sec. 7. Section 3, chapter 96, Laws of 1974 ex. sess. as last amended by section 1, chapter 101, Laws of 1984 and RCW 19.27.030 are each amended to read as follows:*

There shall be in effect in all counties and cities~~((, towns, and counties))~~ of the state ~~((a state building code which shall consist of the following codes which are hereby adopted by reference:~~

~~((1) Uniform Building Code and Uniform Building Code Standards, 1982 edition, published by the International Conference of Building Officials;~~

~~((2) Uniform Mechanical Code, 1982 edition, including Chapter 22, Fuel Gas Piping, Appendix B, published by the International Conference of Building Officials;~~

~~((3) The Uniform Fire Code and Uniform Fire Code Standards, 1982 edition, published by the International Conference of Building Officials and~~

~~the Western Fire Chiefs Association: PROVIDED, That, notwithstanding any wording in this code, participants in religious ceremonies shall not be precluded from carrying hand-held candles;~~

~~(4) The Uniform Plumbing Code and Uniform Plumbing Code Standards, 1982 edition, published by the International Association of Plumbing and Mechanical Officials: PROVIDED, That chapters 11 and 12 of such code are not adopted;~~

~~(5) The rules and regulations adopted by the council establishing standards for making buildings and facilities accessible to and usable by the physically handicapped or elderly persons as provided for in RCW 70.92.100 through 70.92.160; and~~

~~(6)) the thermal performance and design standards for dwellings as set forth in RCW 19.27A.--- through 19.27A.--- (RCW 19.27.210 through 19.27.290 as recodified). This ((subsection)) section shall be of no further force and effect when RCW 19.27A.--- through 19.27A.--- (RCW 19.27.200 through 19.27.290 as recodified) expire as provided in RCW 19.27A.--- (RCW 19.27.300 as recodified).~~

~~((In case of conflict among the codes enumerated in subsections (1), (2), (3), and (4) of this section, the first named code shall govern over those following:))~~

*Sec. 7 was vetoed, see message at end of chapter.

Sec. 8. Section 4, chapter 96, Laws of 1974 ex. sess. as amended by section 12, chapter 14, Laws of 1977 ex. sess. and RCW 19.27.040 are each reenacted and amended to read as follows:

~~((On and after January 1, 1975:))~~ The governing body of each ((city, town or)) county or city is authorized to amend the state building code as it applies within ((its)) the jurisdiction ((in all such respects as shall be not less than)) of the county or city. The minimum performance standards of the codes and the objectives enumerated in RCW 19.27.020((, including the authority to adopt any subsequent revisions to the codes in RCW 19.27.030(1), (2), (3), (4), (5), and (6), as now or hereafter amended: PROVIDED, That)) shall not be diminished by any county or city amendments. Amendments to RCW ((19.27.030(6), so adopted)) 19.27A.— (RCW 19.27.030 as recodified) shall not result in structures that ((do not)) exceed the overall structural heat loss characteristics that would have resulted from conforming to RCW ((19.27.030(6), as now or hereafter amended)) 19.27A.—(RCW 19.27.030 as recodified).

Nothing in this ((section)) chapter shall authorize any modifications of the requirements of ((chapter 35, Laws of 1967, or)) chapter 70.92 RCW.

Sec. 9. Section 5, chapter 96, Laws of 1974 ex. sess. and RCW 19.27.050 are each amended to read as follows:

The state building code ((provided for in)) required by this chapter shall be ((administered and)) enforced by the ((respective governmental authorities)) counties and cities. Any ((governmental subdivision)) county

~~or city not having a ((local)) building department ((may)) shall contract with another ((governmental subdivision)) county, city, or inspection agency approved by the ((local governmental body)) county or city for ((administration and)) enforcement of the state building code within its jurisdictional boundaries ((in accordance with chapter 39.34 RCW)).~~

Sec. 10. Section 6, chapter 96, Laws of 1974 ex. sess. as last amended by section 5, chapter 12, Laws of 1981 2nd ex. sess. and RCW 19.27.060 are each amended to read as follows:

~~(1) ((Except as permitted or provided otherwise under the provisions of RCW 19.27.040 and subsections (3), (4), (5), and (6) of this section, the state building code supersedes all county, city or town building regulations containing))~~ The governing bodies of counties and cities may amend the codes enumerated in section 5 of this 1985 act as they apply within their respective jurisdictions, but the amendments shall not result in a code that is less than the minimum performance standards and objectives contained in the state building code. No amendment to a code enumerated in section 5 of this 1985 act that affects single family or multifamily residential buildings shall be effective unless the amendment is approved by the building code council under section 2(1)(b) of this 1985 act. Any county or city amendment to a code enumerated in section 5 of this 1985 act which is approved under section 2(1)(b) of this 1985 act shall continue to be effective after any action is taken under section 2(1)(a) of this 1985 act without necessity of reapproval under section 2(1)(b) of this 1985 act unless the amendment is declared null and void by the council at the time any action is taken under section 2(1)(a) of this 1985 act because such action in any way altered the impact of the amendment.

~~(2) Except as permitted or provided otherwise under ((the provisions of RCW 19.27.040 and subsections (3), (4), (5), and (6) of)) this section, the state building code shall be applicable to all buildings and structures including those owned by the state or by any ((other)) governmental subdivision or unit of local government.~~

~~(3) The governing body of each county or city((, town or county)) may limit the application of any ((rule or regulation or)) portion of the state building code to ((include or)) exclude specified classes or types of buildings or structures(;) according to use((, occupancy, or such other distinctions as may make differentiation or separate classification or regulation necessary, proper, or desirable))~~ other than single family or multifamily residential buildings: PROVIDED, That in no event shall fruits or vegetables of the tree or vine stored in buildings or warehouses(;) constitute combustible stock for the purposes of application of the uniform fire code.

~~(4) The provisions of this chapter shall not apply to any building four or more stories high with ((an F)) a B occupancy as defined by the uniform~~

building code, (~~chapter 6, 1973~~) 1982 edition, and with a city fire insurance (~~classification~~) rating of 1, 2, or 3 as defined by a recognized fire rating bureau or organization.

(5) (~~The~~) No provision(s) of the uniform fire code concerning (access) roadways (for fire department apparatus applying to dwellings which are classified as group R, division 3 occupancies or group M occupancies in the 1976 edition of the uniform building code,) shall be (applied at the discretion of the governing body of each city, town or county) part of the state building code: PROVIDED, That this subsection shall not limit the authority of a county or city to adopt street, road, or access standards.

(6) The provisions of the state building code are preempted by any physical standards adopted by the state jail commission under RCW 70.48-.050 when the code provisions relating to the installation or use of sprinklers in the cells conflict with the standards and the secure and humane operation of jails.

Sec. 11. Section 7, chapter 96, Laws of 1974 ex. sess. as last amended by section 55, chapter 287, Laws of 1984 and RCW 19.27.070 are each amended to read as follows:

There is hereby established a state building code (~~advisory~~) council to be appointed by the governor.

(1) The state building code (~~advisory~~) council shall consist of (~~the director of the department of labor and industries, or his designee, and the insurance commissioner, or his designee, and thirteen additional~~) fifteen members (~~who shall be broadly representative of the general public, local government, and of the industries and professions concerned with building design and construction. The council may include state officials as ex officio, nonvoting members~~), two of whom shall be county elected legislative body members or elected executives and two of whom shall be city elected legislative body members or mayors. One of the members shall be a local government building code enforcement official and one of the members shall be a local government fire service official. Of the remaining nine members, one member shall represent general construction, specializing in commercial and industrial building construction; one member shall represent general construction, specializing in residential and multifamily building construction; one member shall represent the architectural design profession; one member shall represent the structural engineering profession; one member shall represent the mechanical engineering profession; one member shall represent the construction building trades; one member shall represent manufacturers, installers, or suppliers of building materials and components; one member shall be a person with a physical disability and shall represent the disability community; and one member shall represent the general public. At least six of these fifteen members shall reside east of the crest of the Cascade mountains. The council shall include an employee of the office of the insurance

commissioner and an employee of the electrical division of the department of labor and industries, as ex officio, nonvoting members with all other privileges and rights of membership. Terms of office shall be for three years. The board shall report annually to the governor and the legislature on the operation and administration of this chapter. The report shall include a summary of all council decisions relating to updates or amendments to the codes. The council shall elect a member to serve as chair of the council for one-year terms of office. Any member who is appointed by virtue of being an elected official or holding public employment shall be removed from the council if he or she ceases being such an elected official or holding such public employment. Before making any appointments to the building code council, the governor shall seek nominations from recognized organizations which represent the entities or interests listed in this subsection. Members serving on the council on the effective date of this 1985 act may complete their terms of office. Any vacancy shall be filled by alternating appointments from governmental and nongovernmental entities or interests until the council is constituted as required by this subsection.

(2) Members shall not be compensated (~~in accordance with RCW 43.03.240 and~~) but shall receive reimbursement for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(3) The department of community development shall provide administrative and clerical assistance to the building code council.

***Sec. 12. Section 3, chapter 76, Laws of 1979 ex. sess. and RCW 19-27.075 are each amended to read as follows:**

The state building code ((advisory)) council shall have authority to promulgate rules, pursuant to chapter 34.04 RCW, for the purpose of adopting a state-wide thermal efficiency and lighting code to the extent necessary to comply with Title 10, Code of Federal Regulations, section 420.35. Such code shall take into account regional climatic conditions, shall take effect prior to June 30, 1980, and shall be presented to the senate and house committees on energy and utilities at the time it is proposed as a draft rule.

*Sec. 12 was vetoed, see message at end of chapter.

Sec. 13. Section 1, chapter 11, Laws of 1975-'76 2nd ex. sess. and RCW 19.27.120 are each amended to read as follows:

(1) Repairs, alterations, and additions necessary for the preservation, restoration, rehabilitation, strengthening, or continued use of a building or structure may be made without conformance to all of the requirements of the codes adopted under (~~RCW 19.27.030~~) section 5 of this 1985 act, when authorized by the appropriate building official under the rules adopted under subsection (2) of this section, provided:

~~((+))~~ (a) The building or structure: (i) Has been designated by official action of a legislative body as having special historical or architectural significance, or (ii) is an unreinforced masonry building or structure on the

state or the national register of historic places, or is potentially eligible for placement on such registers; and

~~((2))~~ (b) The restored building or structure will be less hazardous, based on life and fire risk, than the existing building.

(2) The state building code council shall adopt rules, where appropriate, to provide alternative methods to those otherwise required under this chapter for repairs, alterations, and additions necessary for preservation, restoration, rehabilitation, strengthening, or continued use of buildings and structures identified under subsection (1) of this section.

**Sec. 14. Section 14, chapter 14, Laws of 1977 ex. sess. and RCW 19.27.300 are each amended to read as follows:*

RCW 19.27A.--- through 19.27A.--- (RCW 19.27.200 through 19.27.290 as recodified), as now or hereafter amended, shall expire at such time as the thermal performance standards are incorporated in the uniform building code and related standards as published by the international conference of building officials, and adopted by the legislature of the state of Washington.

**Sec. 14 was vetoed, see message at end of chapter.*

Sec. 15. Section 2, chapter 134, Laws of 1983 and RCW 19.27.420 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 19.27A.--- through 19.27A.--- (RCW 19.27.420 through 19.27.460 as recodified).

(1) "Portable oil-fueled heater" means any nonflue-connected, self-contained, self-supporting, oil-fueled, heating appliance equipped with an integral reservoir, designed to be carried from one location to another.

(2) "Oil" means any liquid fuel with a flash point of greater than one hundred degrees Fahrenheit, including but not limited to kerosene.

(3) "Listed" means any portable oil-fueled heater which has been evaluated in accordance with the Underwriters Laboratories, Inc. standard for portable oil-fueled heaters or an equivalent standard and with respect to reasonably foreseeable hazards to life and property by a nationally recognized testing or inspection agency, such as Underwriters Laboratories, Inc., and which has been authorized as being reasonably safe for its specific purpose and shown in a list published by such agency and/or bears the mark, name, and/or symbol of such agency as indication that it has been so authorized. Such evaluation shall include but not be limited to evaluation of the requirements hereinafter set forth.

(4) "Approved" means any listed portable oil-fueled heater which is deemed approved if it satisfies the requirements set forth herein or adopted under RCW 19.27A.--- through 19.27A.--- (RCW 19.27.420 through 19.27.460 as recodified) and if the supplier certifies to the authority having jurisdiction over the sale and use of the heater that it is listed and in compliance with RCW 19.27A.--- through 19.27A.--- (RCW 19.27.420 through 19.27.460 as recodified).

(5) "Structure" means any building or completed construction of any kind included in state building code groups M, R-1, R-3, B-4 and B-2 occupancies, except sleeping rooms and bathrooms: PROVIDED, HOWEVER, That in B-2 occupancies, approved portable oil-fueled heaters shall only be used under permit of the fire chief.

(6) "Supplier" means any party offering to sell to retailers or to the general public approved portable oil-fueled heaters.

Sec. 16. Section 5, chapter 134, Laws of 1983 and RCW 19.27.450 are each amended to read as follows:

The state fire marshal is the only authority having jurisdiction over the approval of portable oil-fueled heaters. The sale and use of portable oil-fueled heaters is governed exclusively by RCW 19.27A.— through 19.27A.— (RCW 19.27.420 through 19.27.460 as recodified): PROVIDED, That cities and counties may adopt local standards as provided in RCW 19.27A.— (RCW 19.27.040 as recodified).

Sec. 17. Section 6, chapter 134, Laws of 1983 and RCW 19.27.460 are each amended to read as follows:

The penalty for failure to comply with RCW 19.27A.— through 19.27A.— (RCW 19.27.420 through 19.27.460 as recodified) is a misdemeanor.

****NEW SECTION. Sec. 18. RCW 19.27.200, 19.27.210, 19.27.220, 19.27.230, 19.27.240, 19.27.250, 19.27.260, 19.27.270, 19.27.280, 19.27.290, 19.27.300, 19.27.310, and 19.27.905 are each recodified as part of a new chapter in Title 19 RCW to be designated chapter 19.27A RCW.***

*Sec. 18 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 19. RCW 19.27.030, 19.27.075, 19.27.130, 19.27.320, 19.27.410, 19.27.420, 19.27.430, 19.27.440, 19.27.450, and 19.27.460 are each recodified as part of a new chapter in Title 19 RCW to be designated as chapter 19.27A RCW.

Passed the Senate April 28, 1985.

Passed the House April 27, 1985.

Approved by the Governor May 20, 1985, with the exception of certain items which are vetoed.

Filed in Office of Secretary of State May 20, 1985.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith without my approval as to four sections Engrossed Substitute Senate Bill No. 3261, entitled:

"AN ACT Relating to building codes;"

This Act would establish the State Building Code Council. The Council would be responsible for the administration of the State Building Code. Counties, cities and towns would have the responsibility for its strict enforcement.

Substitute House Bill No. 1114, which I have signed, would also amend the State Building Code to provide a process and guidelines for the establishment and maintenance of up to date energy building codes.

I agree with the purpose of both bills. However, there are four double amendments that must be corrected.

Section 7 of Engrossed Substitute Senate Bill No. 3261 would conflict with the language of Section 1 of Substitute House Bill No. 1114. Therefore, I have vetoed Section 7 of Engrossed Substitute Senate Bill No. 3261 to avoid any possible confusion among the users of the State Energy Code.

Section 12 of Engrossed Substitute Senate Bill No. 3261 would make a minor amendment to a section of the State Building Code and makes reference to an obsolete federal code. Section 2 of Substitute House Bill No. 1114 extensively amends the same section of the State Building Code. Therefore, I have vetoed Section 12 of Engrossed Substitute Senate Bill No. 3261 as no longer being required.

Section 14 of Engrossed Substitute Senate Bill No. 3261 amends an obsolete provision of the State Building Code that would be repealed by Section 5 of Substitute House Bill No. 1114. Therefore, I have vetoed Section 14 of Engrossed Substitute Senate Bill No. 3261 to avoid any possible confusion.

Section 18 of Engrossed Substitute Senate Bill No. 3261 recodifies several obsolete sections of the State Building Code. Section 5 of Substitute House Bill No. 1114 repeals the same sections. Therefore, I have vetoed Section 18 of Engrossed Substitute Senate Bill No. 3261 as the recodification will not be necessary.

With the exceptions of Section 7, 12, 14, and 18, which are vetoed, Engrossed Substitute Senate Bill No. 3261 is approved."

CHAPTER 361

[Engrossed Substitute Senate Bill No. 3390]

NURSING HOMES—AUDITING AND COST REIMBURSEMENT

AN ACT Relating to nursing home auditing and cost reimbursement; amending RCW 74.46.180, 74.46.680, 74.46.690, 74.46.040, 74.46.050, 74.46.060, 74.46.080, 74.46.090, 74.46.100, 74.46.105, 74.46.130, 74.46.160, 74.46.475, 74.46.820, 74.46.460, 74.46.020, 74.46.530, and 74.46.430; creating a new section; repealing RCW 74.46.520; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 18, chapter 177, Laws of 1980 as last amended by section 147, chapter 7, Laws of 1985 and RCW 74.46.180 are each amended to read as follows:

(1) The state shall make payment of any underpayments within thirty days after the date the preliminary or final settlement report is submitted to the contractor.

(2) A contractor found to have received either overpayments or erroneous payments under a preliminary or final settlement shall refund such payments to the state within thirty days after the date the preliminary or final settlement report is submitted to the contractor, subject to the provisions of subsections (3), (4), and (7) of this section.

(3) Within the cost centers of nursing services and food, all savings resulting from the respective allowable costs being lower than the respective reimbursement rate paid to the contractor during the report period shall be refunded. In computing a preliminary or final settlement, savings in a cost center may be shifted to cover a deficit in another cost center up to the amount of any savings: PROVIDED, That not more than twenty percent of