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**SUBSTITUTE SENATE BILL 6224**

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**State of Washington**                      **60th Legislature**                      **2008 Regular Session**

**By Senate Ways & Means** (originally sponsored by Senator Keiser)

READ FIRST TIME 02/12/08.

1            AN ACT Relating to modifying the interest accrual methodology for  
2 vendor overpayments; and amending RCW 43.20B.695.

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

4            **Sec. 1.** RCW 43.20B.695 and 1987 c 283 s 2 are each amended to read  
5 as follows:

6            (1) Except as provided in subsection (4) of this section, vendors  
7 shall pay interest on overpayments at the rate of one percent per month  
8 or portion thereof. Where partial repayment of an overpayment is made,  
9 interest accrues on the remaining balance. Interest will not accrue  
10 when the overpayment occurred due to department error.

11            (2) If the overpayment is discovered by the vendor prior to  
12 discovery and notice by the department, the interest shall begin  
13 accruing ninety days after the vendor notifies the department of such  
14 overpayment.

15            (3) If the overpayment is discovered by the department prior to  
16 discovery and notice by the vendor, the interest shall begin accruing  
17 (~~as follows, whichever occurs first:~~

18            ~~(a))~~ thirty days after the date of notice by the department to the  
19 vendor( ~~or~~

1       ~~(b) Ninety days after the date of overpayment to the vendor).~~

2       (4) This section does not apply to:

3       (a) Interagency or intergovernmental transactions;

4       (b) Contracts for public works, goods and services procured for the  
5 exclusive use of the department, equipment, or travel; and

6       (c) Contracts entered into before September 1, 1979, for contracts  
7 with medical assistance funding, and August 23, 1983, for all other  
8 contracts.

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