

the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 6. Sections 1 through 4 of this act shall constitute a new chapter in Title 41 RCW.

Passed the Senate April 15, 1985.

Passed the House April 10, 1985.

Approved by the Governor May 7, 1985.

Filed in Office of Secretary of State May 7, 1985.

## CHAPTER 224

### [Engrossed Senate Bill No. 3415] ADJUSTABLE INTEREST RATES

AN ACT Relating to authorization of adjustable interest rates not exceeding the higher of twelve percent per annum or four percentage points above the equivalent coupon issue yield; amending RCW 19.52.020; providing an effective date; and declaring an emergency.

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

Sec. 1. Section 2, chapter 80, Laws of 1899 as last amended by section 1, chapter 78, Laws of 1981 and RCW 19.52.020 are each amended to read as follows:

(1) Any rate of interest ((not exceeding)) shall be legal so long as the rate of interest does not exceed the higher of: (a) Twelve percent per annum; or (b) four percentage points above the equivalent coupon issue yield (as published by the Federal Reserve Bank of San Francisco) of the average bill rate for twenty-six week treasury bills as determined at the first bill market auction conducted during the ((preceding)) calendar month(;; agreed to in writing by the parties to the contract, shall be legal, and)) immediately preceding the later of (i) the establishment of the interest rate by written agreement of the parties to the contract, or (ii) any adjustment in the interest rate in the case of a written agreement permitting an adjustment in the interest rate. No person shall directly or indirectly take or receive in money, goods, or things in action, or in any other way, any greater interest for the loan or forbearance of any money, goods, or things in action((: PROVIDED, That)).

(2)(a) In any loan of money in which the funds advanced do not exceed the sum of five hundred dollars, a setup charge may be charged and collected by the lender, and such setup charge shall not be considered interest hereunder((: PROVIDED FURTHER, That such)).

(b) The setup charge ((does)) shall not exceed four percent of the amount of funds advanced, or fifteen dollars, whichever is the lesser, except that on loans of under one hundred dollars a minimum not exceeding four dollars may be so charged.

(3) Any loan made pursuant to a commitment to lend at an interest rate permitted at the time the commitment is made shall not be usurious. Credit extended pursuant to an open-end credit agreement upon which interest is computed on the basis of a balance or balances outstanding during a billing cycle shall not be usurious if on any one day during the billing cycle the rate at which interest is charged for the billing cycle is not usurious (~~on any day during the billing cycle~~).

**NEW SECTION.** Sec. 2. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1985.

Passed the Senate April 16, 1985.

Passed the House April 8, 1985.

Approved by the Governor May 7, 1985.

Filed in Office of Secretary of State May 7, 1985.

## CHAPTER 225

[Senate Bill No. 4110]

### SUPERINTENDENT OF PUBLIC INSTRUCTION—ADMINISTRATIVE HEARINGS—OFFICE OF ADMINISTRATIVE HEARINGS TO CONDUCT

AN ACT Relating to administrative hearings by the office of the superintendent of public instruction; adding a new section to chapter 28A.03 RCW; and declaring an emergency.

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

**NEW SECTION.** Sec. 1. A new section is added to chapter 28A.03 RCW to read as follows:

Whenever a statute or rule provides for a formal administrative hearing before the superintendent of public instruction under chapter 34.04 RCW, the superintendent of public instruction may contract with the office of administrative hearings to conduct the hearing under chapter 34.12 RCW and may delegate to a designee of the superintendent of public instruction the authority to render the final decision.

**NEW SECTION.** Sec. 2. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate March 20, 1985.

Passed the House April 15, 1985.

Approved by the Governor May 7, 1985.

Filed in Office of Secretary of State May 7, 1985.