

Any purchase by a municipality of the second, third or fourth class of supplies, material, equipment or services for garbage collection and disposal, except for public work or improvement and except for purchases authorized under RCW 35.23.352 (9) and (10), where the cost thereof exceeds ~~((two thousand dollars))~~ the limits established in RCW 35.23.352 (6) and (8) shall be made upon call for bids in accordance with the procedure prescribed for any public work or improvement in the first paragraph of RCW 35.23.352 as now or hereafter amended. Notwithstanding any provision of law to the contrary, any municipality of the second, third or fourth class may call for bids for garbage collection and disposal for a period of five years or less but in no case for more than five years. The contract shall be awarded to the lowest responsible bidder. Nothing in this section is intended to repeal, amend or change RCW 35.13.280 as now or hereafter amended.

NEW SECTION. Sec. 4. A new section is added to chapter 43.09 RCW to read as follows:

The state auditor, through the division of municipal corporations, shall prescribe a standard form with which the accounts and records of costs shall be maintained as required under RCW 39.04.070.

Passed the House March 19, 1987.

Passed the Senate April 8, 1987.

Approved by the Governor April 21, 1987.

Filed in Office of Secretary of State April 21, 1987.

CHAPTER 121

[House Bill No. 377]

DEFERRED COMPENSATION ACCOUNTS MODIFIED

AN ACT Relating to the deferred compensation revolving fund; and amending RCW 41.04.260.

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

Sec. 1. Section 1, chapter 274, Laws of 1975 1st ex. sess. as last amended by section 23, chapter 57, Laws of 1985 and RCW 41.04.260 are each amended to read as follows:

(1) There is hereby created a committee for deferred compensation to be composed of five members appointed by the governor, one of whom shall be a representative of an employee association or union certified as an exclusive representative of at least one bargaining unit of classified employees, one who shall be a representative of either a credit union, savings and loan association, mutual savings bank or bank, one who possesses expertise in the area of insurance or investment of public funds, one who shall be the state attorney general or his designee, and one additional member selected by the governor. The committee shall serve without compensation but shall receive

travel expenses as provided for in RCW 43.03.050 and 43.03.060 as now existing or hereafter amended.

(2) The deferred compensation (~~((revolving fund))~~) principal account is hereby created in the state treasury. (~~((All expenses of the committee including staffing and administrative expenses shall be paid out of the deferred compensation revolving fund.))~~) Any deficiency in the deferred compensation administrative account caused by an excess of administrative expenses disbursed from that account over earnings of investments of balances credited to that account shall be transferred to that account from the deferred compensation principal account.

The amount of compensation deferred by employees under agreements entered into under the authority contained in RCW 41.04.250 shall be paid into the (~~((revolving fund))~~) deferred compensation principal account and shall be sufficient to cover costs of administration and staffing in addition to such other amounts as determined by this committee. The (~~((revolving fund))~~) deferred compensation principal account shall be used to carry out the purposes of RCW 41.04.250. All eligible state employees shall be given the opportunity to participate in agreements entered into by the committee under RCW 41.04.250. State agencies shall cooperate with the committee in providing employees with the opportunity to participate. Any county, municipality, or other subdivision of the state may elect to participate in any agreements entered into by the committee under RCW 41.04.250, including the making of payments therefrom to the employees participating in a deferred compensation plan upon their separation from state or other qualifying service. Accordingly, the (~~((revolving fund))~~) deferred compensation principal account shall be considered to be a public pension or retirement fund within the meaning of Article XXIX, section 1 of the state Constitution, for the purpose of determining eligible investments and deposits of the moneys therein. All moneys in the (~~((revolving fund))~~) deferred compensation principal account, all property and rights purchased therewith, and all income attributable thereto, shall remain (until made available to the participating employee or other beneficiary) solely the money, property, and rights of the state and participating counties, municipalities and subdivisions (without being restricted to the provision of benefits under the plan) subject only to the claims of the state's and participating jurisdictions' general creditors. Participating jurisdictions shall each retain property rights separately.

(3) The state investment board, at the request of the deferred compensation committee, is authorized to invest moneys in the deferred compensation (~~((revolving fund))~~) principal account in accordance with RCW 43.84.150. Except as provided in RCW 43.33A.160, one hundred percent of all earnings from these investments shall accrue directly to the deferred compensation (~~((revolving fund))~~) principal account. The earnings on any surplus balances in the deferred compensation (~~((revolving fund))~~) principal

account shall be credited to the deferred compensation ((fund)) principal account, notwithstanding RCW 43.84.090.

(4) The deferred compensation administrative account is hereby created in the state treasury. All expenses of the committee including staffing and administrative expenses shall be paid out of the deferred compensation administrative account. Notwithstanding RCW 43.84.090, all earnings of investments of balances in the deferred compensation administrative account shall be credited to this account. Any excess of earnings of investments of balances credited to this account over administrative expenses disbursed from this account shall be expended to the deferred compensation principal account. Any deficiency in the deferred compensation administrative account caused by an excess of administrative expenses disbursed from this account over earnings of investments of balances credited to this account shall be transferred to this account from the deferred compensation principal account.

(5) The deferred compensation committee shall keep or cause to be kept full and adequate accounts and records of the assets, obligations, transactions, and affairs of any deferred compensation plans created under RCW 41.04.250 through 41.04.260.

The deferred compensation committee shall file an annual report of the financial condition, transactions, and affairs of the deferred compensation plans under the committee's jurisdiction. A copy of the annual report shall be filed with the speaker of the house of representatives, the president of the senate, the governor, and the state auditor.

~~((5))~~ (6) Members of the deferred compensation committee shall be deemed to stand in a fiduciary relationship to the employees participating in the deferred compensation plans created under RCW 41.04.250 through 41.04.260 and shall discharge the duties of their respective positions in good faith and with that diligence, care, and skill which ordinary prudent persons would exercise under similar circumstances in like positions.

~~((6))~~ (7) The committee may adopt rules necessary to carry out the purposes of RCW 41.04.250 and 41.04.260.

Passed the House February 27, 1987.

Passed the Senate April 7, 1987.

Approved by the Governor April 21, 1987.

Filed in Office of Secretary of State April 21, 1987.

CHAPTER 122

[House Bill No. 378]

STATE EMPLOYEES' INSURANCE FUNDS AND ACCOUNTS MODIFIED

AN ACT Relating to the state employees' insurance revolving fund; amending RCW 41.05.030, 41.05.040, and 41.05.050; and adding a new section to chapter 41.05 RCW.

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